

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Gas Rates.)	Case No. 12-1685-GA-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 12-1686-GA-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for the Approval of an Alternative Rate Plan for Gas Distribution Service.)	Case No. 12-1687-GA-ALT
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods)	Case No. 12-1688-GA-AAM
)	

**OBJECTIONS TO THE STAFF REPORT AND SUMMARY OF MAJOR ISSUES OF
DIRECT ENERGY SERVICES, LLC AND DIRECT ENERGY BUSINESS, LLC**

Pursuant to R.C. 4909.19 and Ohio Adm. Code 4901-1-28(B), Direct Energy Services, LLC and Direct Energy Business, LLC (collectively, "Direct Energy"), an intervenor in this case, hereby submits to the Public Utilities Commission of Ohio ("Commission" or "PUCO") these objections to the PUCO Staff's Report of Investigation ("Staff Report"), as filed on January 4, 2013, in this docket concerning the application of Duke Energy Ohio, Inc. ("Duke" or "Company") to increase its rates and charges for gas service in Ohio. Additionally, pursuant to R.C. 4903.083, Direct Energy provides its summary of the major issues in this case.

Direct Energy's decision to limit the subject matter of its objections should not be taken as an endorsement or support of a particular position in the numerous other topics and issues addressed in the Staff Report and in the application. Similarly, Direct Energy's focused objections should not be taken as a waiver of, and Direct Energy specifically reserves its right, to

conduct cross-examination, introduce evidence into the record, or take a position on matters within this proceeding outside the scope of its objections.

OBJECTIONS TO THE STAFF REPORT

Direct Energy makes the following specific objections to the January 4, 2013 Staff Report:

1. Direct Energy objects to the Staff Report's failure to recommend that Duke modify its billing system to increase the number of billing codes for commodity supply products of competitive retail natural gas supply ("CRNGS") providers.
2. Direct Energy objects to the Staff Report's failure to recommend that any approved Rider ED (Economic Incentive Development Rider) should ensure the funds collected from this rider are used in a competitively neutral manner, regardless of whether the Rider is funded from ratepayer or shareholder dollars. The Staff Report should have requested that any approved Rider ED tariff explicitly state that a customer may take service from a CRNGS provider and also participate (without penalty or hindrance because they are a CRNGS provider customer) in receiving funds generated by this rider.
3. Direct Energy objects to the Staff Report's failure to thoroughly review Duke's gas cost recovery ("GCR") mechanism to ensure that GCR commodity service is not being subsidized by Duke's distribution service and to ensure that all costs related to providing GCR commodity service are fully captured in the GCR rate.

SUMMARY OF MAJOR ISSUES

In accordance with R.C. 4903.083 and the Attorney Examiner's January 10, 2013 Entry, Direct Energy hereby sets forth the major issues in this proceeding:

1. The expansion of the number of rate codes supplied to CRES providers for use on Duke's billing system.
2. A Commission review of the GCR mechanism to ensure the GCR price accurately reflects all of the costs associated with providing GCR commodity service as well as eliminates any subsidies of GCR commodity service provided by the distribution service from the utility.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Motion to Intervene of Direct Energy Services, LLC and Direct Energy Business, LLC was served this 4th day of February, 2013 by U.S Mail, personal, or electronic mail delivery upon the persons listed below.

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Summary: Objection to the Staff Report and Summary of Major Issues electronically filed by Ms. Jennifer L. Lause on behalf of Direct Energy Business, LLC and Direct Energy Services, LLC