

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Motion to)
Modify the December 2, 2009 Opinion)
and Order and the September 7, 2011)
Second Opinion and Order in Case No.)
08-1344-GA-EXM

Case No. 12-2637-GA-EXM

DIRECT PREPARED TESTIMONY OF TERESA RINGENBACH

ON BEHALF OF OHIO GAS MARKETERS GROUP AND

RETAIL ENERGY SUPPLY ASSOCIATION

November 13, 2012

1 **I. WITNESS BACKGROUND**

2 **Q1. Please state your name and business address.**

3 **A1.** My name is Teresa Ringenbach. My business address is 9605 El Camino Lane, Plain
4 City, Ohio.

5
6 **Q2. By whom are you employed and in what capacity?**

7 **A2.** I am the Senior Manager of Government and Regulatory Affairs for the Midwest for
8 Direct Energy, LLC which is a member of the Ohio Gas Marketers Group. I am also the
9 Retail Energy Supply Association (“RESA”) State Chair for Ohio natural gas. RESA is a
10 nationwide trade association of retail suppliers of electricity and natural gas.

11
12 **Q3. Please explain the job responsibilities and duties in your current position.**

13 **A3.** I am responsible for monitoring, advocating and defending regulatory and legislative
14 activities which affect Direct Energy, LLC’s ability to serve customers in Pennsylvania,
15 Ohio, Illinois, Indiana and Michigan. My responsibilities cover electric, natural gas, and
16 home services issues for all levels of customers from residential to large industrial. As
17 the RESA’s Ohio natural gas representative, my responsibilities include advocating the
18 RESA guiding principles for open, fair and transparent markets in the retail natural gas
19 markets.

20
21 **Q4. Please describe your educational background and relevant work experience prior to**
22 **joining Direct Energy, LLC.**

1 **A4.** I hold a Bachelor of Business Administration with a concentration in International
2 Business from the University of Toledo. I started in the energy industry in 2001 with
3 Integrys Energy Services, Inc., formerly WPS Energy Services, Inc., as a Customer
4 Service and Marketing Specialist promoting and managing the recently opened Ohio
5 residential and small commercial electric offers. In 2002, I accepted the position of
6 Account Manager – Inside Sales where I sold and managed the Government Aggregation
7 Programs for both gas and electric. In 2005, I accepted the position of Regulatory
8 Specialist. In this position I was responsible for regulatory compliance and state
9 registrations throughout the United States and Canada. In 2006, I accepted the position
10 of Regulatory Affairs Analyst – East covering New England, New York, New Jersey,
11 Ohio and Pennsylvania gas and electric issues. In the spring of 2008, I accepted the
12 Regulatory Affairs Analyst position for the Midwest region covering Ohio, Michigan,
13 Illinois, Indiana, Kentucky, and all of Canada. In this position, I directed the regulatory
14 and legislative efforts affecting Integrys Energy’s gas and electric business. In August
15 2009, I joined Direct Energy, LLC as the Manager of Government and Regulatory
16 Affairs for the Midwest. In June 2011 I was promoted to Senior Manager of Government
17 and Regulatory Affairs for the Midwest. As stated above this position advocates, protects
18 and monitors regulatory and legislative activities affecting the gas, electric and home
19 services business interests of Direct Energy, LLC.

20
21 **Q5. Have you ever testified before a regulatory agency?**

22 **A5.** Yes. I have testified before the Connecticut Department of Public Utility Control, the
23 Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio, the

1 Illinois Commerce Commission and the Public Service Commission of Kentucky. I have
2 also testified before the Ohio, Pennsylvania and Illinois Legislatures.

3
4 **Q6. On whose behalf are you testifying today?**

5 **A6.** Today, I am testifying on behalf of Ohio Gas Marketers Group and the Retail Energy
6 Supply Association or jointly “Suppliers”. The names of the members of the Ohio Gas
7 Marketers Group appear in the Joint Motion. The members of the Retail Energy Supply
8 Association members appear in the RESA intervention. My testimony today represents
9 the consensus of the members of both organizations, but not necessarily the view of any
10 one member on any of the topics covered in my testimony.

11
12 **Q7. What is the purpose of your testimony today?**

13 **A7.** My testimony is in support of the Joint Stipulation and Recommendation (“settlement”)
14 filed in this case. The primary benefits of the settlement include greater ability for
15 competitors to bring new and innovative products to customers, greater transparency in
16 billing to customers, and a path for Columbia to exit the merchant function with attendant
17 regulatory certainty benefits.

18
19 **II. SUPPORT OF THE JOINT STIPULATION AND RECOMMENDATION**

20 **Q8. Does OGMG/RESA support the Joint Stipulation and Recommendation filed in this**
21 **case without modification?**

22 **A8.** Yes. My counsel advises me that the Public Utilities Commission of Ohio
23 (“Commission”) reviews settlements under three criteria: (1) Is the settlement a product
24 of serious bargaining among capable, knowledgeable parties?; (2) Does the settlement, as

1 a package, benefit ratepayers and the public interest?; and (3) Does the settlement
2 package violate any important regulatory principle or practice? I believe the settlement
3 meets these three criteria and the Commission should approve the settlement without
4 modification.

5
6 **Q9. Is the settlement a product of serious bargaining among capable, knowledgeable**
7 **parties?**

8 **A9.** Yes. The settlement is the result of several months of discussions among suppliers,
9 customer groups, PUCO Staff and the utility. In fact, Columbia Gas of Ohio
10 (“Columbia”) insisted that discussions not be treated as confidential, allowing any party
11 to participate in discussions. Columbia also held large stakeholder meetings along the
12 way to inform all interested parties of the status of the settlement negotiations. It is my
13 understanding that Columbia will describe in its testimony greater detail about the
14 bargaining process as they organized the meetings that occurred related to the settlement.

15
16 **Q10. Does the settlement, as a package, benefit ratepayers and the public interest?**

17 **A10.** Yes. The settlement is intended to lay out a path which will transition Columbia to a
18 pipes only utility for non-residential customers, gradually reduce the Columbia Gulf
19 transport contracts, provide for key benchmarks prior to a filing to change residential
20 default service, and provides for a deposit which if not needed for a default would go to
21 pay for auction costs and reduce the CSRR paid by all customers. Lastly, the settlement
22 provides for billing and system changes which will allow suppliers greater branding and
23 product opportunities.

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Q11. Can you describe the Settlement?

A11. The settlement is intended to ensure competition is the driving force for commodity while also ensuring all customers have access to default service. The settlement, if accepted, ensures that all choice eligible non-residential customers who do not choose a supplier will continue to receive default service; however the price and number of parties providing the service will be handled through assignment rather than auction. Further, the Suppliers have agreed as part of the settlement that Columbia will not file an application to exit the merchant function for Columbia residential customers until 12 months after a non-residential exit and 70% switching of residential customers has occurred. This will benefit ratepayers by allowing for appropriate experience with non-residential choice eligible customers being served under the monthly variable rate (“MVR”) program process before it would be applied to any residential customers. Specifically, it will permit all interested parties an opportunity to monitor customer reaction to the MVR process and make any necessary adjustments or recommendations before filing an application requesting permission to exit the merchant function for residential customers.

Additionally, it is in the public interest for Ohio to create a sound and stable regulatory climate. Approval of the settlement will demonstrate Ohio’s continued commitment to an evolving market leading towards an exit of the merchant function. Suppliers who observe the Commission’s actions will perceive Ohio to be a place where regulatory stability exists and where the objective of having a public utility exit the merchant function is achievable. This type of regulatory climate will further the public interest by

1 encouraging suppliers to make investments in Ohio, including capital and human
2 resources, and to bring innovative products to consumers. Texas is a prime example
3 where a sound and stable regulatory climate, led to significant investment in its state by
4 retail suppliers and multitudes of offers for customers to choose from.

5
6 **Q12. Does the settlement package violate any important regulatory principle or practice?**

7 **A12.** No. In fact, the Joint Stipulation and Recommendation will move Ohio down the path of
8 retail competition contained in Ohio's state energy policy. In a competitive market the
9 suppliers will constantly be searching for more efficient ways of supplying natural gas on
10 a daily basis; they will be competing against each other for the retail customers. Further,
11 that competition will not just be on price. Suppliers will be developing new products and
12 services to distinguish their natural gas service, thereby continuing to provide innovative
13 offerings of cost-effective supply-side natural gas commodity. The additional billing
14 options agreed to by Columbia should not be underestimated; they are an integral part to
15 bringing innovative product offerings to customers. As Texas has shown, where a truly
16 open market exists the jobs, investment, products and customer satisfaction follow. I
17 believe retail suppliers will have offices and personnel in Ohio. Not only will that create
18 jobs and tax revenues, but successful corporations and the people they hire will
19 participate in charitable and community activities. Ohio will have the same experience
20 when it completes the transition to a true open market. All of these things further Ohio's
21 energy policy of retail competition.

22 **Q13. Will the settlement bring more immediate benefits to customers?**

1 **Q13.** Yes, the settlement will bring immediate benefits starting in 2013. As of April 2013
2 Columbia will allow suppliers to place logos larger and in a similar format to the utility
3 on the utility bill. Unlike today, where supplier names are buried, this will allow for
4 greater branding and relationship building between the customer and their supplier by
5 putting the supplier prominently in front of their customer every month. Columbia will
6 also reduce balancing fees for all customers and put the balancing fee into a separate line
7 item on the bill. Because these fees are paid by all customers, pulling it out of supplier
8 charges allows customers greater transparency in what is truly a utility charge.
9
10 Most importantly, Columbia will make billing and system changes which will allow
11 suppliers to connect with customers in many new and different ways. For example,
12 Columbia will allow suppliers the ability to provide a fixed commodity portion of the
13 bill. Columbia will also allow customer contracts to move with the customer when the
14 customer remains within the Columbia service territory. This means customers will no
15 longer lose their contract prices when they move. Columbia will also increase the
16 number of rate codes available to suppliers. This is important because, with a limited
17 number of rate codes suppliers are limited in the number of products they can offer as
18 their customer base grows. Offering new products becomes harder as rate codes fill up
19 with customers leaving few codes available to market different or new products. Finally,
20 Columbia will allow for rolling rate change submissions. While the rate change will still
21 be effective with the customer's next billing cycle this change allows suppliers to daily
22 make changes to rates in response to market or customer changes rather than waiting for

1 submission once a month which can often be too late to take advantage of a market
2 change.

3
4 **Q14. What longer term benefits does the settlement provide?**

5 **A14.** In addition to providing a path for a true open market, the settlement provides for
6 additional billing and system changes by 2017. These include the ability of a supplier
7 who uses utility consolidated billing to choose rate ready or bill ready billing by
8 customer. Rate ready billing allows a supplier to submit a price to the utility and the
9 utility then multiplies the rate times usage and puts the price on the bill. Bill ready allows
10 a supplier to calculate the total supplier bill amount and submit the amount, not a rate, to
11 the utility. Both have benefits. Rate ready is simple and effective for customers who
12 prefer a price only product. Bill ready however allows products that may not be a simple
13 per Ccf product. Products that may vary with usage or provide credits for taking
14 additional products can be provided with bill ready billing, which take additional utility
15 billing system programming out of the equation. Columbia will also program a bill
16 option which will allow customers to pre-pay their gas bills. In other words, customers
17 will be able to lock in more than a fixed price but could pay ahead their gas usage and see
18 the amount go down each month. Finally, Columbia will implement changes which will
19 no longer require customers to wait to change suppliers or to enroll with a new supplier.
20 Customers who sign up for service with the utility will be able to request service with a
21 supplier immediately rather than wait 1-2 months before they can switch. These new
22 changes provide customers greater control over their pricing allowing them to take

1 advantage of products that come into the market rather than face a delay and potentially
2 be subject to market swings while waiting for their contract rates to kick in.

3

4 **Q15. Can you please summarize your testimony?**

5 **A15.** This settlement will move Ohio forward by providing certainty to suppliers that this is a
6 stable place to invest, providing additional opportunity to create new and varied products
7 for customers, ensuring transparency and supplier rapport for customers through lower
8 and transparent balancing fees and larger logos and providing a methodical path to exit.

9 My testimony is on behalf of companies who have participated in the Ohio market for
10 years and want to continue to invest by creating greater benefits for Ohio customers.

11

12 **Q16. Does this conclude your testimony?**

13 **A16.** Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 13th day of November, 2012 by electronic mail, upon the persons listed below.

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