

MEMORANDUM IN SUPPORT

Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, establish the standard for intervention in the above-styled proceeding as a full party of record.

Rule 4901-1-11 of the Ohio Administrative Code states in part:

Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that:

* * *

(2) The person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties.

In addition to establishment of a direct interest, the factors that the Public Utilities Commission of Ohio ("Commission") considers in implementing the above rule are the nature of the intervenor's interest, the extent that interest is represented by existing parties, the intervenor's potential contribution to a just and expeditious resolution of the issues involved, and whether intervention would result in an undue delay of the proceeding. (See also R.C. 4903.221(B) upon which the above rule is authorized). A review of these factors in light of following facts supports granting RESA's intervention.

RESA is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure. Several RESA members are certificated as competitive retail natural gas ("CRNG") service providers and active in the Ohio retail natural gas markets providing service to residential, commercial, industrial and governmental customers. In addition, some of RESA's members currently provide CRNG service to retail customers in Duke Energy Ohio, Inc.'s service area.

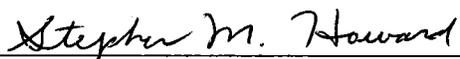
By Entry of February 25, 2015, the Commission established audit proceedings related to Duke's gas cost recovery ("GCR") mechanism, uncollectible expense ("UEX") rider, and percentage of income payment plan arrearages, including a hearing on February 9, 2016. On December 9, 2015, Exeter Associates issued a Management Performance Audit Report regarding Duke's gas purchasing practices and policies. The December 9, 2015 Audit Report also made recommendations with respect to Duke's gas balancing tariffs and the ability of large suppliers to elect Rate EFBS.

On January 6, 2016, in Case No. 15-50-GA-RDR, the Commission issued an Opinion and Order allowing suppliers to elect Rate FBS for the 2016-2017 gas year, but requiring all suppliers over a certain size (6,000 dth maximum daily quantity) to take service under Rate EFBS for the following gas year. The Commission, in its January 6, 2016 Opinion and Order in Case No. 15-50-GA-RDR, relied upon the audit report prepared by Exeter in this proceeding. RESA, who was an intervenor and participant in the hearing in Case No. 15-50-GA-RDR, had no opportunity to cross-examine the auditor or prepare for or rebut the audit report in Case No. 15-50-GA-RDR because the audit report was issued after the hearing was closed and after the briefs were filed.

Duke's gas balancing tariffs and capacity and storage asset portfolio will be the subject of additional consideration in this case. RESA, on behalf of its members, submits that it has a direct, real and substantial interest in the issues and matters involved in this case and that it is so situated that the disposition of this proceeding without its participation may, as a practical matter, impair or impede its ability to protect that interest. RESA submits that it will not cause undue delay and will not unjustly prejudice any existing party and will contribute to the just and expeditious resolution of the issues and concerns raised in this proceeding.

RESA respectfully requests that it be permitted to intervene in this proceeding with the full powers and rights granted to intervening parties.

Respectfully Submitted,

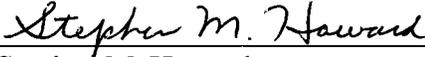


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CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served (via electronic mail) on the 4th day of February 2015 upon the persons listed below.


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