

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)	
Energy Ohio, Inc. for Approval of an)	Case No. 11-318-GA-UEX
Adjustment to Its Uncollectible Expense)	Case No. 11-3226-GA-UEX
Rider Rate.)	

FINDING AND ORDER

The Commission finds:

- (1) On December 21, 2005, the Commission authorized Duke Energy Ohio, Inc. (Duke) to establish an uncollectible expense (UEX) rider, which was initially set at zero. *In the Matter of the Joint Application of Cinergy Corp., on Behalf of The Cincinnati Gas & Electric Company, and Duke Energy Holding Corp. for Consent and Approval of a Change of Control of The Cincinnati Gas & Electric Company*, Case No. 05-732-EL-MER *et al.* By Finding and Order issued November 18, 2009, the Commission approved Duke's request for an initial UEX rider rate of \$0.1569 per thousand cubic feet (Mcf). *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Uncollectible Expense Rider*, Case No. 09-773-GA-UEX *et al.*
- (2) Duke's current UEX rider rate of \$0.26073 per Mcf was approved by Finding and Order dated June 23, 2010, in *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Adjustment to Its Uncollectible Expense Rider Rate*, Case No. 10-726-GA-UEX.
- (3) By Entry issued April 5, 2011, the Commission initiated Case No. 11-318-GA-UEX (11-318), for the purpose of the audit of Duke's UEX rider, the filing of the UEX status report, and other related matters.
- (4) On May 31, 2011, as amended on January 12 and 13, 2012, Duke filed an application to revise its existing UEX rider rate in Case No. 11-3226-GA-UEX (11-3226).
- (5) Prior to considering the substance of Duke's request to revise its UEX rider rate, the Commission finds that Duke's application should have been filed in 11-318 and not in a new case, 11-3226. Accordingly, the Commission directs the Docketing Division to

cause the May 31, 2011, and January 12 and 13, 2012, filings submitted by Duke in 11-3226 to also be filed in 11-318. Furthermore, 11-3226 should be closed of record and that Duke should file any future documents regarding its UEX rider in the appropriate UEX docket designated by the Commission.

- (6) Regarding the substance of Duke's application, in the May 31, 2011, filing, as amended on January 12 and 13, 2012, propose a new UEX rider rate of \$(0.20632) per Mcf, which is a decrease of \$0.46705 per Mcf.
- (7) Staff reviewed the May 31, 2011, filing, as amended on January 12 and 13, 2012, and, on January 13, 2012, Staff filed its comments recommending approval in both 11-318 and 11-3226. The Staff Report also recommended that in the next gas cost recovery financial audit, Duke's independent financial auditor should examine the monthly UEX balances and write-offs and recoveries for 2011 and that any required adjustments or corrections be considered in the next UEX rider application. Additionally, Staff recommends that the auditor randomly sample customers whose balances have been written off to determine if write-offs were timely and how subsequent payments were accounted for.
- (8) The Commission has reviewed the application filed on May 31, 2011, as amended on January 12 and 13, 2012, and Staff's filed comments and finds that Duke's application is reasonable and in the public interest, and should be approved. In addition, the Commission finds that Duke's independent auditor should comply with the recommendations set forth by Staff regarding the next audit of the UEX rider.

It is, therefore,

ORDERED, That the Docketing Division cause the May 31, 2011, and January 12 and 13, 2012, filings submitted by Duke in 11-3226 to also be filed in 11-318. It is, further,

ORDERED, That 11-3226 be closed of record and Duke file any future documents regarding its UEX rider in the appropriate UEX docket designated by the Commission. It is, further,

ORDERED, That Duke be authorized to decrease the rate for its UEX rider to \$(0.20632) per Mcf. It is, further,

ORDERED, That Duke is authorized to file four complete copies of tariffs in final form consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR). The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which final tariffs are filed with the Commission. It is, further,

ORDERED, That, in Duke's next gas cost recovery audit and next UEX rider application, Duke's independent financial auditor shall perform the reviews described in this Finding and Order. It is, further,

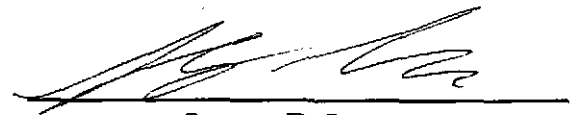
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any further proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this entry shall be served upon the companies and upon all other parties of record to these proceedings.

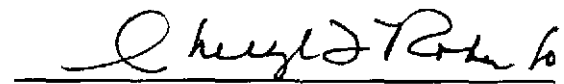
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella


Steven D. Lesser

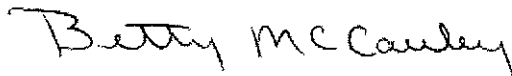

Andre T. Porter


Cheryl L. Roberto

RS:dmm

Entered in the Journal

JAN 23 2012


Betty McCauley

Betty McCauley
Secretary