

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Audit of the)
Uncollectible Expense Rider of Duke) Case No. 12-318-GA-UEX
Energy Ohio, Inc. and Related Matters.)

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 on November 18, 2009, the Commission approved Duke's request for an initial UEX rider rate of \$0.1569 per thousand cubic feet. *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 \$(0.020632) per hundred cubic feet (Ccf) was approved by Finding and Order dated January 23, 2012, 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. 11-318-GA-UEX.
- (3) On July 26, 2012, as amended on August 6, 2012, Duke filed the instant application proposing a new UEX rider rate of \$0.002926 per Ccf, which is an increase of \$0.023558 per Ccf.
- (4) Staff reviewed the July 26, 2012, filing, as amended on August 6, 2012, and on August 13, 2012, Staff filed its comments recommending approval of the proposed revised rider rate. The Staff Report also recommends 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.

- (5) The Commission has reviewed the application filed on July 26, 2012, as amended on August 6, 2012, as well as 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 Duke be authorized to increase the rate for its UEX rider to \$0.002926 per Ccf. It is, further,

ORDERED, That Duke is authorized to file two 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). 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 Finding and Order be served upon all parties of record in this proceeding.

THE PUBLIC UTILITIES COMMISSION OF OHIO



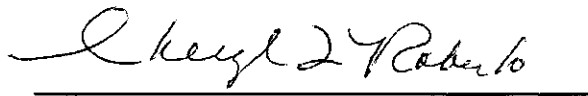
Todd A. Snitchler, Chairman



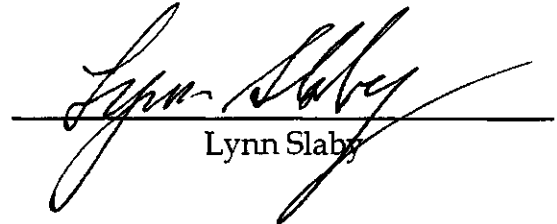
Steven D. Lesser



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Barcy F. McNeal
Secretary