

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke     )  
Energy Ohio, Inc. to Adjust its Alternative    )  
Energy Recovery Rider.                             )

Case No. 12-802-EL-RDR

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**REPLY COMMENTS OF DUKE ENERGY OHIO, INC.**

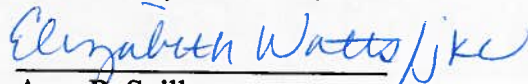
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Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) filed an application initiating this proceeding on February 29, 2012. By Entry issued November 1, 2013, the Attorney Examiner invited interested stakeholders to file comments regarding the content of the management/performance and financial audit report of Rider AER-R (Advanced Energy Recovery-Rider). The Entry directed the parties to file comments on December 2, 2013, and reply comments on December 30, 2013. Direct Energy Services, LLC and Direct Energy Business, LLC, (Direct Energy) moved to intervene and was the only party that submitted comments. Below are the reply comments of Duke Energy Ohio.

Direct Energy's comments are limited to a narrow focus on one particular transaction that was mentioned in the audit report that was submitted by Baker Tilley Virchow Krause, LLP. Due to the timing of the comments filed, Direct Energy's comments were submitted before it had had time to receive an unredacted version of the Baker Tilley audit report. Thus, Direct Energy's comments are uninformed by the facts of the report. In the report, Baker Tilley recommended correction of an accounting error related to the recording of a pass-through transaction between Duke Energy Ohio and Duke Energy Retail. The Company has accepted the auditor's recommendation in regard

to this recording anomaly and the transaction is now properly recorded. The remaining questions posed by Direct Energy are misdirected since Direct Energy was not in possession of the facts prior to submitting its comments. With respect to Direct Energy's comments that "The Commission should look closely at the pass-through transaction..." the Commission's auditor has already done so. Nothing in the audit report suggests any impropriety such as Direct Energy raises in its questions and none exists.

Respectfully submitted,



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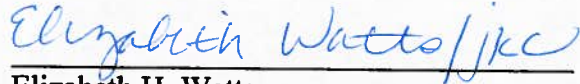
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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered by U.S. mail (postage prepaid), personal, or electronic mail, on this 30<sup>th</sup> day of December 2013, to the following parties.

  
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**Case No(s). 12-0802-EL-RDR**

Summary: Comments Reply Comments of Duke Energy Ohio, Inc. electronically filed by Mrs. Kristen Ryan on behalf of Duke Energy Ohio, Inc. and Watts, Elizabeth Mrs. and Spiller, Amy B. Mrs.