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February 24, 2014

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: Case No. 12-802-EL-RDR

Dear Ms. McNeal:

In this proceeding, the Public Utilities Commission of Ohio directed its Staff to engage an auditor to perform a review of Duke Energy Ohio, Inc.'s (Duke Energy Ohio) Rider AER-R, the alternative energy recovery rider. The auditor, Baker Tilly Virchow Krause, LLP, concluded its management/performance and financial audit and filed a report on October 3, 2013. The report contained observations and recommendations. This letter is submitted to advise that Duke Energy Ohio accepts the recommendations set forth in the auditor's report. Thank you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Elizabeth H. Watts', written over a horizontal line.

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Summary: Correspondence Regarding Auditor's Report electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.