

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Adjust its Alternative) Case No. 12-3111-EL-RDR
Energy Recovery Rider.)

ENTRY

The Commission finds:

- (1) By Opinion and Order issued November 22, 2011, in *In re Duke Energy Ohio, Inc.*, Case No. 11-3549-EL-SSO, et al., (*Duke SSO Case*) the Commission approved a stipulation that, inter alia, provides for the implementation by Duke Energy Ohio, Inc. (Duke), of an Alternative Energy Recovery Rider (Rider AER-R). In accordance with the stipulation, through Rider AER-R, Duke may recover the costs it incurs in complying with the alternative energy portfolio standard requirements of R.C. 4928.64, et seq. Rider AER-R is filed quarterly and is subject to true-up and annual audits.
- (2) On November 30, 2012, Duke initiated this case (*2013 AER-R Audit Case*) for the purpose of updating its Rider AER-R tariff in 2013, in accordance with the filing requirements established in the *Duke SSO Case*.
- (3) By Entry issued May 22, 2013, in *In re Duke Energy Ohio, Inc.*, Case No. 12-802-EL-RDR (*2012 AER-R Audit Case*), the Commission selected Baker Tilly Virchow Krause, LLP (Baker Tilly) to perform an audit in two cycles, Audit 1 and Audit 2. In addition, the Commission directed Duke to enter into a contract with Baker Tilly by June 12, 2013, for the purpose of providing payment for its auditing services. The contract was to incorporate the terms and conditions of request for proposal (RFP) No. EE13-DEOAER-1, the auditor's proposal, and relevant Commission entries. The total cost of Audit 1 was not to exceed \$94,105 and the total cost of Audit 2 was not to exceed \$80,285. This amount did not include expenses and the costs associated with the preparation and presentation of expert testimony before the Commission during any hearing that may be held. The costs for the preparation and presentation of testimony were to be billed separately by the auditor and are recoverable to a maximum of \$6,000 per audit.

Baker Tilly was to submit invoices for services completed as required by contract, consistent with the terms of the RFP, or as agreed to by contract with Duke. All invoices were to be submitted to the Commission's project coordinator for approval and, subject to approval, were to be forwarded to Duke for payment to Baker Tilly within 30 days of the receipt of the invoices by Duke.

- (4) In accordance with process initiated in the May 22, 2013 Entry in the *2012 AER-R Audit Case*: Audit 1 reviewed Rider AER-R in place from January 1, 2012, through December 31, 2012, and was conducted in the *2012 AER-R Audit Case*; and Audit 2 is to review Rider AER-R in place during the 2013 calendar year, and will be conducted in the *2013 AER-R Audit Case*.
- (5) At this time, the Commission finds that the audit schedule for Audit 2 should be established as follows:
 - (a) March 8, 2014, through June 30, 2014 - Audit 2 conducted.
 - (b) March 8, 2014 - Duke shall have the necessary information and personnel available for the auditor to begin the audit process.
 - (c) July 1, 2014 - the draft audit report shall be submitted to Staff and Duke.
 - (d) July 21, 2014 - The final audit report shall be filed with the Commission.
- (6) Duke shall provide the auditor full and complete cooperation throughout the term of the audit, and shall endeavor to provide all data and information, and any assistance in support of the audit project.
- (7) Baker Tilly will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. Baker Tilly is subject to R.C. 4901.16, which states:

Except in his report to the public utilities commission or when called on to testify in any

court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

- (8) Upon request of Baker Tilly or Staff, Duke shall provide any and all documents or information requested. Duke may conspicuously mark such documents or information "confidential." In no event, however, shall Duke refuse or delay in providing such documents or information.
- (9) The following process shall apply to the release of any document or information that Duke marks as confidential: Staff or the auditor shall not publicly disclose any document marked confidential, except upon three days' prior written notice of intent to disclose served upon counsel for Duke and subject to any applicable statutory limits. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless Duke moves the Commission for a protective order pertaining to such information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07. Service shall be complete upon mailing or delivery in person.
- (10) Baker Tilly shall perform its duties as an independent contractor. Neither the Commission nor Staff shall be liable for any acts committed by the auditor in the performance of its duties.

It is, therefore,

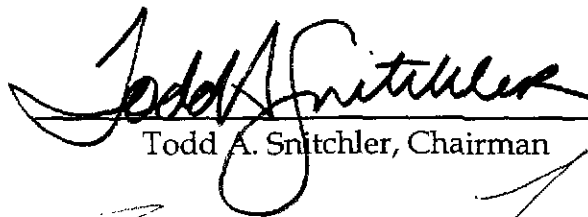
ORDERED, That the audit schedule for Audit 2 shall be as set forth in Finding (5) above. It is, further,

ORDERED, That the audit of Duke's Rider AER-R for 2013 be conducted in accordance with the provisions of RFP No. EE13-DEOAER-1 and the findings of the May 22, 2013 Entry in the 2012 AER-R Audit Case, and this Entry. It is, further,

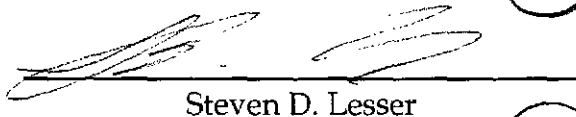
ORDERED, That Duke and Baker Tilly observe the requirements set forth in this Entry. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record in this proceeding.

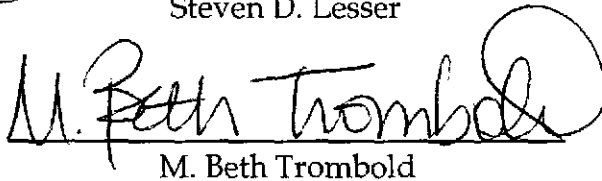
THE PUBLIC UTILITIES COMMISSION OF OHIO



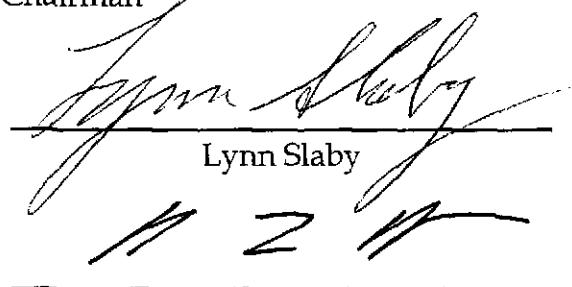
Todd A. Snitchler, Chairman



Steven D. Lesser



M. Beth Trombold



Lynn Slaby

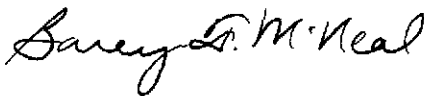


Asim Z. Haque

CMTP/vrm

Entered in the Journal

FEB 26 2014



Barcy F. McNeal
Secretary