

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio for Approval of the Second)
Amended Corporate Separation Plan) Case No. 09-495-EL-UNC
Under Section 4928.17, Revised Code, and)
Chapter 4901:1-37, Ohio Administrative)
Code.)

ENTRY

The Commission finds:

- (1) By finding and order issued in *In the Matter of the Adoption of Rules for Standard Service Offer, Corporate Separation, Reasonable Arrangements, and Transmission Riders for Electric Utilities Pursuant to Sections 4928.14, 4928.17, and 4905.31, Revised Code, as Amended by Amended Substitute Senate Bill No. 221, Case No. 08-877-EL-ORD* (December 17, 2008), the Commission, *inter alia*, adopted Chapter 4901:1-37, Ohio Administrative Code (O.A.C.), which contains rules addressing corporate separation. In addition, the Commission directed each electric utility to file, within 60 days of the effective date of the chapter, an application for approval of its proposed corporate separation plan (CSP) as outlined in Rule 4901:1-37-05, O.A.C. Chapter 4901:1-37, O.A.C., became effective on April 2, 2009.
- (2) On June 11, 2009, as clarified on June 22, 2009, Duke Energy Ohio (Duke) filed its application for approval of its new corporate separation plan, in accordance with Rule 4901:1-37-05(A), O.A.C. As explained by Duke, it is currently operating under a CSP that was approved by the Commission in previous cases.
- (3) To assist the Commission with the evaluation of Duke's CSP, the Commission issued a request for proposal (RFP) to conduct an audit by entry dated August 26, 2009. In that entry, the Commission stated that the auditor should determine if the methodologies used by affiliated companies that allocate, charge, or assign costs to the Ohio-regulated

operating companies are appropriate. In addition, through this audit, the Commission stated that it intends to ascertain whether Duke has implemented its CSP as previously approved by the Commission and whether it complies with the rules set forth in Chapter 4901:1-37, O.A.C. Furthermore, the Commission directed that all costs associated with the audit be borne by Duke.

- (4) The proposals received in response to the RFP have been evaluated and, after consideration of those proposals, the Commission selects Silverpoint-Vantage Consulting to conduct the audit. The Commission finds that Silverpoint-Vantage Consulting has the necessary experience to complete the required work under the RFP.
- (5) Duke shall enter into a contract with Silverpoint-Vantage Consulting to perform the work required to conduct the audit pursuant to RFP No. U09-CA-1 and the findings of this entry.
- (6) The total cost of the audit shall not exceed \$260,770. This amount does not include expenses and the costs associated with the preparation and presentation of expert testimony before the Commission during a hearing. The costs for preparation and presentation of testimony are to be billed separately by the auditor and will be recoverable at the hourly rate set forth in the auditor's proposal, along with reasonable expenses.
- (7) Duke shall provide the auditor full and complete cooperation throughout the term of the audit, and shall endeavor to provide any data, information, and assistance in support of the audit project.
- (8) The auditor shall perform its duties as an independent contractor. Neither the Commission nor Staff shall be liable for any acts committed by the consultant in the performance of its duties.

It is, therefore,

ORDERED, That Silverpoint-Vantage Consulting be selected to perform the audit activities set forth above. It is, further,

ORDERED, That Duke enter into a contract with the auditor to perform the work required to conduct the compliance audit pursuant to RFP No. U09-CA-1 and the findings of this entry. It is, further,

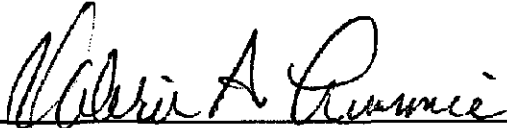
ORDERED, That the audit of Duke's CSP be conducted in accordance with the provisions of RFP No. U09-CA-1 and the findings of this entry. It is, further,

ORDERED, That a copy of this entry be served upon Duke and all other parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

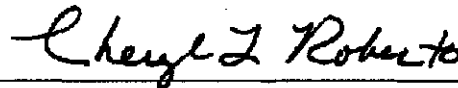
Paul A. Centolella



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Renee J. Jenkins
Secretary