

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke )  
Energy Ohio, Inc. to Adjust Rider DR-IM ) Case No. 10-2326-GE-RDR  
and Rider AU for 2010 SmartGrid Costs )  
and Mid-Deployment Review. )

ENTRY

The Commission finds:

- (1) By opinion and order issued December 17, 2008, in *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Electric Security Plan*, Case No. 08-920-EL-SSO, et al. (*ESP Case*), the Commission approved a stipulation that, *inter alia*, provides a process for recovering costs associated with the deployment of an electric SmartGrid system through Rider Distribution Reliability - Infrastructure Modernization (Rider DR-IM). In addition, the stipulation provides that, in the second quarter of each year, Duke Energy Ohio, Inc. (Duke) shall file for approval of Rider DR-IM adjustments, subject to due process, including a hearing. Additionally, by opinion and order issued May 28, 2008, in *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Rates*, Case No. 07-589-GA-AIR et al. (*Gas Distribution Rate Case*), the Commission approved a stipulation that, *inter alia*, provided a process for filing deployment plans for the installation of an automated gas meter reading system, which would share the SmartGrid communications technology, and a method for recovering costs associated with the plans, which was designated Rider Advanced Utility (Rider AU).
- (2) The stipulation approved in the *ESP Case* also provided that Duke would include a mid-deployment program summary and review with its 2010 SmartGrid cost recovery application.
- (3) On October 27, 2010, the Commission issued request for proposal (RFP) No. EEIO-OA-1 in order to obtain qualified independent auditing services for the purposes described in the RFP. Although the Commission directed potential bidders to submit proposals by November 24, 2010, potential bidders were directed by the Commission's website to submit proposals by December 1, 2010. Accordingly, the Commission finds that all

proposals submitted by December 1, 2010, shall be considered timely. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.

- (4) The proposals received in response to RFP No. EEIO-OA-1 have been evaluated and, after consideration of the proposals, the Commission selects MetaVu, Inc. (MetaVu). The Commission finds that MetaVu has the necessary experience to complete the required work.
- (5) Duke shall enter into a contract with MetaVu by January 26, 2011, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the auditor's proposal, and relevant Commission entries in these proceedings. The total cost of the audit shall not exceed \$1,218,700. This amount does 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 are to be billed separately by the auditor and will be recoverable to a maximum of \$100,000.
- (6) MetaVu shall 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 must be submitted to the Commission's project coordinator for approval and, subject to approval, will be forwarded to Duke for payment to MetaVu within 30 days of the receipt of the invoices by Duke.
- (7) 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.
- (8) Although the Commission originally directed the winning bidder to submit a draft audit report to Staff by March 1, 2011, and to file its final audit report by March 15, 2011, the

Commission now directs MetaVu to submit a draft audit report to Staff by April 18, 2011, and to file its final audit report by May 2, 2011.

- (9) MetaVu will execute its duties pursuant to the Commission's statutory authority to investigate and obtain records, reports, and other documentation under Sections 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16, Revised Code. MetaVu shall be subject to the Commission's statutory duty under Section 4901.16, Revised Code, which states, in relevant part:

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.

- (10) Upon request of the auditor or Staff, Duke shall provide any and all documents and information requested. Duke may conspicuously mark such documents or information "confidential." In no event shall Duke refuse or delay providing such information or documents to the auditor or Staff.
- (11) 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 Rule 4901-1-07, Ohio Administrative Code. Service shall be complete upon mailing or delivery in person.

- (12) The auditor 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 MetaVu be selected to perform the auditing activities set forth above. It is, further,

ORDERED, That the audit of Duke be conducted in accordance with the provisions of RFP No. EEIO-OA-1 and the findings of this entry. It is, further,

ORDERED, That Duke and MetaVu observe the requirements set forth in this entry. It is, further,


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

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Steven D. Lesser, Chairman

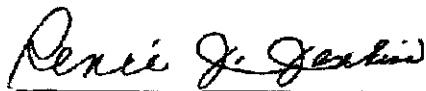
  
Paul A. Centolella

  
Valerie A. Lemmie

  
Cheryl L. Roberto

DJ:js

Entered in the Journal  
JAN 11 2011



Renee J. Jenkins  
Secretary