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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Duke Energy Ohio, Inc.  
550 South Tryon Street, Suite 4400  
Charlotte, North Carolina 28202

We have performed the procedures enumerated below, which were agreed to by Duke Energy Ohio, Inc. (the "Company") and provided to the Public Utilities Commission of Ohio (the "PUCO") and the Ohio Consumers' Counsel (the "OCC") solely to assist you in evaluating the Company's compliance with the calculation of the Percentage of Income Payment Plan Rider ("PIPP Rider") as described in PUCO Case No. 88-1115-GE-PIP, et al., Finding and Order (December 2, 1993) for the period April 2014 through March 2015, as described in the entry dated February 25, 2015 in PUCO Case No. 15-418-GA-PIP. The Company's management is responsible for the Company's compliance with the requirements of the PIPP Rider regulatory mechanism. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures in relation to the PIPP Rider regulatory mechanism from April 1, 2014 through March 31, 2015.

- A. We obtained from Company management the Calculation of PIPP Interim Rider Rate as of March 31, 2015, and compared the balance of accumulated deferrals to the sum of (1) the beginning balance of accumulated deferred PIPP on April 1, 2014 per the Company's general ledger and (2) the activity obtained in Procedure B below for the period April 1, 2014 to March 31, 2015, noting that the amounts were in agreement.
- B. We obtained from Company management the Gas PIPP Customer Account Balance Activity Schedule and proved the mathematical accuracy of the following items for the period April 1, 2014 to March 31, 2015:
  1. Deferred PIPP Balances
  2. Arrearages Credits
  3. PIPP Rider Revenues from Sales Customers
- C. We selected two months (December 2014 and February 2015) included in the Gas PIPP Customer Account Balance Activity Schedule obtained in Procedure B above and performed the following procedures:
  1. We compared the monthly activity balance for the PIPP deferrals in the Gas PIPP Customer Account Balance Activity Schedule to the respective Customer Management System ("CMS")

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report provided by Company management for each selected month, noting that the selected amounts were in agreement.

2. We compared the PIPP arrearage and repayment credits in the Gas PIPP Customer Account Balance Activity Schedule to the respective CMS report provided by Company management for each selected month, noting that the selected amounts were in agreement.
3. We compared the PIPP Rider revenues in the Gas PIPP Customer Account Balance Activity Schedule to the respective CMS report provided by Company management for each selected month, noting that the selected amounts were in agreement.

We performed the following procedure related to the application of the PIPP Rider rates in effect during the period April 1, 2014 through March 31, 2015:

- D. We selected five individual residential customer billings from each month selected in Procedure C above (10 in total) and compared the PIPP Rider rate used in the customer's bill calculation to the applicable rate filing approved by the PUCO, noting that each rate selected was in agreement.

We performed the following procedures related to the application of credits to customer balances in accordance with Chapter 4901:1-18-14 of the Ohio Administrative Code during the period April 1, 2014 through March 31, 2015:

- E. We selected four individual PIPP Plus customers and one individual Graduate PIPP customer as defined by the Ohio Administrative Code, made within each of the months selected in Procedure C above (10 selections in total) from a detail of such customers reported by the CMS System. For each customer selected, we obtained the customer's bill for which the payment was made, and determined whether the required PIPP payment was made in full and by the due date stated on the bill based on review of the customer's account detail in CMS.

Note: for the purposes of these procedures, the term "Anniversary Date" as applied to each customer was the calendar date each year corresponding with the date on which the customer became a PIPP customer.

1. For each PIPP Plus customer selected above, if the required payment was made in full and on time, we determined that the customer's account arrearage was reduced by (1) the difference between (a) the amount of the required payment and (b) the current monthly bill amount, plus (2) one twenty-fourth of the customer's accumulated arrearages calculated as of the customer's enrollment in the PIPP program, noting no exceptions.
2. For each Graduate PIPP customer selected above, if the required payment was made in full and on time, we determined that the customer's account arrearage was reduced by (1) the difference between (a) the amount of the required payment and (b) the current monthly bill amount, plus (2) one twelfth of the customer's accumulated arrearages calculated as at the time of the customer's enrollment in the Graduate PIPP Plus program, noting no exceptions.
3. For each customer selected above, if the required payment was not made both in full and on time, we determined that no credits were applied to the associated customer arrearage balance, noting no exceptions.

We performed the following procedure related to the planned billed volumes used to calculate the PIPP Rider rate:

- F. We compared the planned billed volumes subject to the PIPP Rider used in the Calculation of PIPP Interim Rider Rate as of March 31, 2015 obtained in Procedure A above to the total planned volumes for the 12-months ending March 31, 2016 found in the Gas PIPP Customer Account Balance Activity Schedule provided by Company management, noting that such volumes were in agreement.

We performed the following procedure in relation to the balance of accumulated deferrals for the PIPP Rider (Business Objects account number 0182540) as of March 31, 2015:

- G. We obtained from Company management a reconciliation of the balance of accumulated deferrals for the PIPP Rider at March 31, 2015 to Business Objects account number 0182540, noting that the Company had not identified reconciling items and / or differences.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

*DELOITTE & TOUCHE LLP*

November 13, 2015