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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"), related to the Company's and PUCO's evaluation of the Company's compliance with PUCO Case No. 17-418-GA-PIP in conjunction with the calculation of the Percentage of Income Payment Plan Rider ("PIPP Rider") for the period April 1, 2016 through March 31, 2017. The Company's management is responsible for the Company's compliance with the requirements of the PIPP Rider regulatory mechanism. 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.

The procedures and the associated findings are as follows:

- A. We obtained from Company management the Calculation of PIPP Rider interim rate as of March 31, 2017, and compared the balance of accumulated deferrals to the sum of (1) the beginning balance of accumulated deferred PIPP on April 1, 2016 per the Company's general ledger and (2) the activity obtained in Procedure B below for the period April 1, 2016 to March 31, 2017.

We found no exceptions as a result of the procedures.

- 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, 2016 to March 31, 2017:

- a. Deferred PIPP
- b. Arrearages Credits
- c. PIPP Rider Revenues from Sales Customers

We found no exceptions as a result of the procedures.

- C. We randomly selected two months (October 2016 and March 2017) included in the Gas PIPP Customer Account Balance Activity Schedule obtained in Procedure B above and performed the following procedures:

- a. 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") report provided by Company management for each selected month.
- b. 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.
- c. 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.

We found no exceptions as a result of the procedures.

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We performed the following procedure related to the application of the PIPP Rider rates in effect during the period April 1, 2016 through March 31, 2017:

- D. We randomly 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.

We found no exceptions as a result of the procedures.

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, 2016 through March 31, 2017:

- E. We randomly 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 CMS. 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 inspection 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.

- a. 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 by agreeing the arrearage reduction to the appropriate CMS screen print.
- b. 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 by agreeing the arrearage reduction to the appropriate CMS screen print.
- c. 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.

We found no exceptions as a result of the procedures.

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 Rider interim rate as of March 31, 2017 obtained in Procedure A above to the total planned volumes for the 12-months ending March 31, 2017 found in the Gas PIPP Customer Account Balance Activity Schedule provided by Company management.

We found no exceptions as a result of the procedures.

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, 2017:

- G. We obtained from Company management a reconciliation of the balance of accumulated deferrals for the PIPP Rider at March 31, 2017 to Business Objects account number 0182540, noting that the Company had not identified reconciling items and / or differences.

We found no exceptions as a result of the procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. 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 Company and the PUCO and is not intended to be, and should not be, used by anyone other than these specified parties.

DELOITTE + TOUCHE LLP

Charlotte, North Carolina
October 27, 2017