

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF
DUKE ENERGY OHIO, INC.'S
DISTRIBUTION CAPITAL INVESTMENT
RIDER.

CASE NO. 18-1036-EL-RDR

ENTRY

Entered in the Journal on August 1, 2018

I. SUMMARY

{¶ 1} The Commission selects Rehmann Consulting to conduct the audit services necessary to assist the Commission with the review of Duke Energy Ohio, Inc.'s Distribution Capital Investment Rider as specified in the Request for Proposal.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke) is an electric distribution utility (EDU) as defined by R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an EDU shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} On April 2, 2015, the Commission modified and approved an application for an ESP filed by Duke for the period June 1, 2015, through May 31, 2018. *In re Duke Energy Ohio*, Case No. 14-841-EL-SSO, et al., Opinion and Order (April 2, 2015). In the Opinion and Order, the Commission established a distribution capital investment (DCI) rider to allow for the recovery of capital costs for distribution infrastructure investments. The rider is to be reviewed annually for accounting accuracy, prudence, and compliance with the Commission's Order. Further, the Commission found that a compliance audit

of the DCI rider is to be completed annually to ensure conformance with the Opinion and Order.

{¶ 5} On June 28, 2018, the Commission issued an Entry directing Staff to issue a Request for Proposal (RFP) to acquire audit services to assist the Commission with the review of Duke's DCI rider. 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. All proposals were submitted on July 18, 2018, in accordance with the terms of the RFP.

{¶ 6} The proposals received in response to the RFP have been evaluated and, after consideration of those proposals, the Commission selects Rehmann Consulting. The Commission finds that Rehmann Consulting has the necessary experience to complete the required work.

{¶ 7} The Company shall enter into a contract with Rehmann Consulting by August 17, 2018, 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 this case.

{¶ 8} The Commission shall solely direct the work of the auditor. Staff will review and approve payment invoices submitted by the auditor.

{¶ 9} Rehmann Consulting 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. The auditor is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

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 Rehmann Consulting or Staff, the Company shall provide any and all documents or information requested. The Company may conspicuously mark such documents or information "confidential" if the Company believes the document should be deemed as such. In no event, however, shall the Company refuse or delay in providing such documents or information.

{¶ 11} Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. 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 the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901- 1-07.

{¶ 12} Rehmann Consulting shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Rehmann Consulting may be examined by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts

committed by Rehmann Consulting or its agents in the preparation and presentation of the report.

III. ORDER

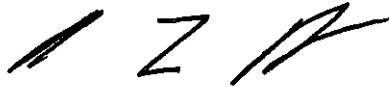
{¶ 13} It is, therefore,

{¶ 14} ORDERED, That Rehmann Consulting be selected to perform the consulting activities set forth above and in the RFP. It is, further,

{¶ 15} ORDERED, That the Company and Rehmann Consulting shall observe the requirements set forth herein. It is, further,

{¶ 16} ORDERED, That a copy of this Entry be served upon all parties of record.

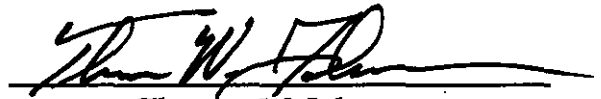
THE PUBLIC UTILITIES COMMISSION OF OHIO



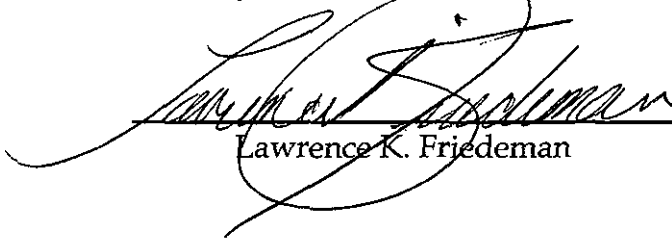
Asim Z. Haque, Chairman



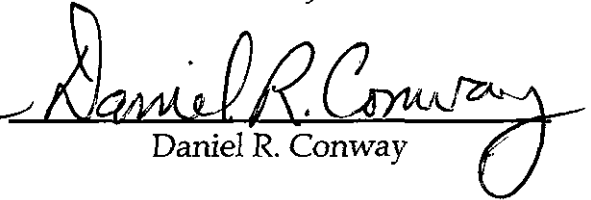
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

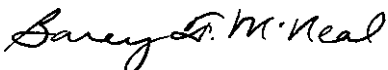


Daniel R. Conway

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AUG 01 2018



Barcy F. McNeal
Secretary