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Duke Energy Ohio, Inc.

Independent Accountant's Report on the
Uniform Purchased Gas Adjustment for the
12-Month Period Ended August 31, 2023,
in Response to Case No. 23-0218-GA-GCR

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DUKE ENERGY OHIO, INC.

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Duke Energy Ohio, Inc.

We have examined the filings of Duke Energy Ohio, Inc. (the "Company") which support the gas cost recovery ("GCR") rates for the 12 month period ended August 31, 2023 (collectively the "periodic filings") to determine whether the periodic filings are in accordance with the financial procedural aspects of the Uniform Purchased Gas Adjustment Clause as set forth in Chapter 4901:1-14 and related appendices of the Ohio Administrative Code (the "Criteria"). The Company's management is responsible for the periodic filings and the Company's compliance with the criteria. Our responsibility is to express an opinion on whether the periodic filings are in accordance with the criteria based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the periodic filings are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the periodic filings. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the periodic filings, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the periodic filings are presented in accordance with the criteria, in all material respects.

This report is intended solely for the information and use of the Company and the Public Utilities Commission of Ohio, and is not intended to be and should not be used by anyone other than the specified parties.

Deloitte & Touche LLP

November 17, 2023

DUKE ENERGY OHIO, INC.

SUMMARY OF FINDINGS

Matters Identified in Current-Year Examination

1. The Company incorrectly reported the Monthly Cost Difference as \$2,564,374.33 rather than \$2,683,493.65 for the month of March 2022 in application No. 22-0218-GA-GCR.

The error was the result of a formula error incorrectly treating an Enhanced Firm Balancing Service Transfer-Out in the amount of \$118,084.93 within the March 2022 Purchase Gas Statements (PGS). This resulted in an understatement to the March 2022 total supply costs by the aforementioned amount. This ultimately resulted in a \$119,119.32 understatement in monthly cost difference. The error was corrected by management in the October 2022 PGS, included within the Q1 2023 GCR filing.

2. The Company incorrectly reported the Monthly Cost Difference as (\$2,919,056.99) rather than (\$2,940,384.77) for the month of May 2022 in application No. 22-0218-GA-GCR.

The error was identified by the Company and was the result of a late revision to the Interdepartmental Jurisdictional Sales component of the May 2022 Total Sales Volume (MCF) in the amount of 2,345. The impact of this increase in sales was a \$21,328 overstatement in monthly cost difference for May 2022. The error was corrected through an adjustment to the Q4 2022 GCR filing.

3. The Company incorrectly reported the Monthly Cost Difference as (\$5,082,917.28) rather than (\$5,082,099.95) for the month of June 2022 in application No. 22-0218-GA-GCR.

The error was identified by the Company and was the result of a late revision to the Interruptible Transmission component of the June 2022 Supply Costs for Primary Gas Suppliers in the amount of \$1,406. The impact of this increase in sales was a \$817.33 understatement in monthly cost difference for June 2022. Management has advised us that the error will be corrected through an adjustment to the Q4 2023 GCR filing.

4. The Company incorrectly reported the Gas Storage Carrying Costs component of monthly Supply Costs for the following months: 2022 – April, May, September, October, November, December, and 2023 – January, February. The cumulative impact was an overstatement of \$17,442.11 in cost difference for the months mentioned within application No. 22-0218-GA-GCR and No. 23-0218-GA-GCR.

The error was identified through our testing and was a result of the Company incorrectly using 'Estimated' rather than 'Actual' Enhanced Firm Balancing Service (EFBS) balances when calculating its monthly Gas Storage Carrying Costs included within the calculation of total supply costs within the quarterly GCR filing. This resulted in an overstatement of \$17,442.11 in cost difference for use in the current Actual Adjustment ('AA') calculation. Management has advised us that the error will be corrected through an adjustment to the Q4 2023 GCR filing.

We have determined the findings identified above to be immaterial to the periodic filings, both individually and in the aggregate.