

OCC EXHIBIT NO._____

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)	
Energy Ohio, Inc., for an Increase in)	Case No. 12-1682-EL-AIR
Electric Distribution Rates.)	
 In the Matter of the Application of Duke)	Case No. 12-1683-EL-ATA
Energy Ohio, Inc., for Tariff Approval.)	
 In the Matter of Application of Duke)	
Energy Ohio, Inc., for Approval to)	Case No. 12-1684-EL-AAM
Change Accounting Methods.)	

**DIRECT TESTIMONY
OF
IBRAHIM SOLIMAN**

**On Behalf of
The Office of the Ohio Consumers' Counsel**
*10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485*

February 19, 2013

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SCHEDULES

OCC A-1 through C-4	OCC Recommended Revenue Requirement
IS-C-3.17a	Pension and Benefits
IS-C-3.18a	Payroll Taxes
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IS-C-3.21a	Franchise Tax

ATTACHMENTS

IS-1	Ibrahim Soliman – Testimony
IS-2	Staff Data Request 131-001
IS-3	OCC Interrogatory 11-155
IS-4	Applicant’s Supplemental Information (C) (8)
IS-5	OCC Interrogatory 05-081
IS-6	OCC Interrogatory 11-161
IS-7	Staff Data Request 143-001
IS-8	OCC Interrogatory 07-300 Supplemental

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.

A1. My name is Ibrahim Soliman. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio Consumers' Counsel ("OCC") as a Senior Regulatory Analyst.

Q2. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A2. I earned a Bachelor of Business Administration degree from Cairo University in 1976 with a major in accounting. I have completed numerous regulatory training programs. I retired from the Public Utilities Commission of Ohio ("PUCO" or "Commission") on July 2010 after 30 years of service. I am a Certified Public Accountant, Certified Internal Auditor, and Certified Management Accountant.

Q3. PLEASE SUMMARIZE YOUR WORK EXPERIENCE.

A3. I joined the OCC in January 2011 as a Senior Regulatory Analyst. Prior to my employment with the OCC, I worked for the PUCO from July 1980 until July 2010. During my thirty-year tenure with the Staff of the Commission ("Staff"), I held the following positions: Utility Auditor, Utility Supervisor, and Utility Administrator. My current duties as an OCC Senior Regulatory Analyst include investigating and analyzing utility applications for increases in rates. I also participate in other cases and investigations in the electric, gas, and water industries.

1 ***Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS***
2 ***COMMISSION?***

3 ***A4.*** Yes. During my employment with the Staff of the PUCO and with OCC, I
4 submitted testimony before the Commission in several electric, gas, and water
5 cases, as detailed on Attachment IS-1.

7 ***Q5. WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF***
8 ***YOUR TESTIMONY?***

9 ***A5.*** I reviewed relevant portions of the Application filed on July 09, 2012 by Duke
10 Energy Ohio, Inc. (“Duke”); the Standard Filing Requirements and associated
11 workpapers; and relevant sections of Duke’s testimony. I also reviewed the
12 relevant sections of PUCO Staff Report of Investigation (“Staff Report”) and
13 associated workpapers, and certain Duke responses to Staff Data Requests and
14 OCC discovery.

15

16 **II. PURPOSE OF TESTIMONY**

17

18 ***Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
19 ***PROCEEDING?***

20 ***A6.*** My testimony will support several OCC objections to the Staff Report that relate
21 to the determination of operating income and rate base. Specifically, I will
22 address OCC’s objections to the Staff Report related to the following areas:

23

- Envision Center Plant (Rate Base - OCC Objection No. 3)

- 1 • Rental Revenue (Operating Income - OCC Objection No.
2 6)
- 3 • Rent Expense (Operating Income - OCC Objection No. 20)
- 4 • Labor Expense (Operating Income OCC - Objection No. 7)
- 5 • Pension and Benefits (Operating Income - OCC Objections
6 No. 8 and No. 9)
- 7 • Payroll Taxes (Operating Income - OCC Objections No. 11
8 and No.12)
- 9 • Commercial Activities Tax (Operating Income - OCC
10 Objection No. 13)
- 11 • City of Cincinnati Franchise Tax (Operating Income - OCC
12 Objection No. 14)

13

14 My testimony also presents the quantification of the impact of certain OCC
15 objections on the calculation of the revenue requirements. In OCC Schedules A-1
16 through C-4, I have incorporated the recommendations on rate base and operating
17 income from my testimony and the testimony of OCC Witnesses Gould and
18 Effron, and the recommendations on rate of return presented by OCC Witness
19 Duann.

III. RATE BASE

A. Envision Center – General Plant

***Q7. DO YOU AGREE WITH THE STAFF'S EXCLUSION OF THE ENTIRE
DATE CERTAIN INVESTMENT OF THE ENVISION CENTER LOCATED
IN KENTUCKY?***

A7. Yes, I support the Staff's exclusion of the date certain investment of the Envision Center leasehold improvement located in Kentucky as shown on Staff Report Schedule B-2.5c. Duke claims that the Envision Center is a smart grid demonstration center that is used to help educate customers and other key stakeholders. But, as noted on page 5 of the Staff Report, the number of Duke's Ohio customers who visit the Envision Center is unknown. Also unknown is the type or quality of customer education available to Duke's Ohio customers at the Envision Center, according to Duke's response to the Staff's Data Request 131-001 (see Attachment IS-2).

***Q8. DOES THE DATE CERTAIN PLANT-IN-SERVICE INCLUDE
ADDITIONAL PLANT ASSOCIATED WITH THE ENVISION CENTER
THAT SHOULD ALSO BE EXCLUDED?***

A8. Yes. The date certain balance of Total Company General Plant - Account 390, Structures and Improvements includes \$1,592,180 in investment for the Envision Center, according to Duke's response to OCC Interrogatory 11-155 (see

Attachment IS-3). The General Plant related to the Envision Center is not used and useful in providing electric service to Duke's Ohio customers. I recommend excluding the jurisdictional plant investment of \$1,468,898 ($\$1,592,180 \times 92.257\%$), and the associated depreciation reserve of \$119,348 ($\$129,365 \times 92.257\%$) and depreciation expense of \$42,598 ($\$1,468,898 \times 2.90\%$), as shown on OCC Schedules B-2.2, B-3.1, and B-3.2.

IV. OPERATING INCOME

A. Rental Revenue

Q9. DID DUKE OR THE STAFF ADJUST TEST YEAR RENTAL REVENUE TO REFLECT A NORMAL REVENUE LEVEL?

A9. No. The unadjusted test year rental revenue in Account 454105, IC Other Electric Rents, is a combination of three months' actual and nine months' budget. The actual rental revenue in the first three months is \$259,667 per month and the budget rental revenue in the nine months is \$221,339 per month, according to Duke's Supplemental Information (C) (8), page 2 of 3 (see Attachment IS-4).

Q10. DO YOU PROPOSE AN ADJUSTMENT TO REFLECT THE ACTUAL RENTAL REVENUE LEVEL?

A10. Yes. Duke's response to OCC Interrogatory 05-081 (see Attachment IS-5) reveals that the test year rental revenue is \$259,667 per month. Therefore, I

1 recommend that the test year rental revenue in Account 454105 be adjusted to
2 reflect the new monthly rental revenue level of \$259,667. The result is an
3 increase of the test year rental revenue of \$344,952, as shown on OCC Schedule
4 C-3.22.

5
6 **B. Rents Expense – Atrium II**

7
8 ***Q11. DID DUKE OR THE STAFF ADJUST TEST YEAR RENTS EXPENSE TO***
9 ***REMOVE THE LEASE OF THE ATRIUM II SPACE?***

10 ***A11.*** No. The Staff removed from its calculation of rate base the Atrium II building
11 that is no longer occupied or leased by Duke. However, the Staff did not remove
12 the associated lease expense from the test year operating expenses. The test year
13 rent expense in Account 931001, Rents, includes \$59,184 in lease expense
14 associated with the lease of Atrium II space that expired in 2012, as shown on
15 Duke's response to OCC Interrogatory 11-161 (see Attachment IS-6).

16
17 ***Q12. DO YOU RECOMMEND AN ADJUSTMENT TO TEST YEAR RENTS***
18 ***EXPENSE IN ACCOUNT 931?***

19 ***A12.*** Yes. I recommend the removal of Atrium II space rent expense from the test year
20 rents expense. The adjustment decreases the test year rents expense by \$51,679
21 (\$59,184 x 87.319%), as shown on OCC Schedule C-3.20.

C. Labor Expense

Q13. DID THE STAFF ANNUALIZE TEST YEAR LABOR EXPENSE?

A13. Yes. As explained on page 11 of the Staff Report, the Staff annualized test year labor expense to reflect the actual August 2012 employee levels and August 2012 wage rates for union employees and non-union employees of Duke Energy Ohio. The Staff's annualized test year labor expense also reflects the actual 2011 labor expense for Duke Energy Business Service. The result of the Staff's labor annualization is a reduction of \$636,691 on Staff Report Schedule C-3.4.

The Staff also flowed through the effect of its labor annualization into a pension and benefits expense adjustment and a payroll taxes adjustment on Staff Report Schedules C-3.17 and C-3.18.

Q14. DO YOU HAVE CONCERNS ABOUT THE STAFF'S CALCULATION OF TEST YEAR ANNUALIZED LABOR EXPENSE?

A14. Yes, I have two concerns regarding the Staff's calculation. First, the Staff includes wages for two Duke Energy Ohio employees who were terminated in October and December 2012 due to voluntary/involuntary separation. Second, the Staff's labor expense for Duke Energy Business Service includes wages for 257 employees who also were subject to voluntary/involuntary separation during the 2012 test year. (See Duke's response to the Staff's Data Request No. 143-001, Attachment IS-7.) The Staff's inclusion of wages for those 259 separated

employees resulted in an over-statement of labor expense. Finally, the Staff has flowed through the effect of its over-stated test year labor expense into its pension and benefits expense adjustment and payroll taxes expense adjustments.

Q15. WHAT IS YOUR RECOMMENDATION REGARDING TEST YEAR LABOR EXPENSE?

A15. Duke determined the financial impact to test year O&M labor expense, which resulted from the termination of 259 employees, to be \$2,250,492. This amount was directly charged or allocated to Duke Energy Ohio Electric Operations during the test year, 2012. (See Duke's response to Staff Data Request No. 143-001, Attachment IS-7.) I recommend that the Commission exclude \$2,250,492 from the final determination of adjusted labor expense. Exclusion of the \$2,250,492 makes adjusted test year labor expense representative of a normal level of labor expense. Including the \$2,250,492 in rates would result in an over-statement of test year labor expense, meaning that customers would pay more than the normal level of labor expense. OCC Schedule C-3.4 shows the exclusion of the \$2,250,492 and the Staff's exclusion of \$636,691 from the calculation of test year labor expense.

D. Pension and Benefits Expense

Q16. DID THE STAFF ADJUST TEST YEAR EMPLOYEE PENSION AND BENEFITS EXPENSE TO FLOW THROUGH THE IMPACT OF ITS LABOR EXPENSE ADJUSTMENT?

A16. Yes. The Staff proposes an adjustment to increase test year pension and benefits expense by \$125,102 to flow through the impact of its labor expense adjustment. On Staff Report Schedule C-3.17, the Staff calculated the impact of its labor adjustment on test year pension and benefits expenses by applying a benefit loading rate of 37.39% to its Duke Energy Ohio annualized labor and a benefit loading rate of 24.65% to Duke Energy Business Service annualized labor. As stated on page 14 of the Staff Report, these two loading rates were based on actual benefits for three months of the test year (January 2012 through March 2012).

Q17. WHAT DO YOU RECOMMEND REGARDING THE BENEFITS LOADING RATES FOR PENSION AND BENEFITS EXPENSE?

A17. I recommend that in flowing through the impact of adjusted test year labor expense on employee pension and benefits expense, the test year actual benefits loading rates of 35.08% for Duke Energy Ohio and 23.12% for Duke Business Service should be used. (See Duke's response to OCC Interrogatory 07-300 in Case No. 12-1685-GA-AIR, Attachment IS-8.) The actual pension and benefits loading rates reflect the actual twelve-month cost Duke incurred during the test year and represent a normal level of fringe benefits expense. Using loading rates

1 based on only the first three months of the test year would result in an over-
2 statement of benefits expense, meaning that customers would pay more than the
3 normal level of benefits expense. As shown on Schedule IS-C-3.17a, this results
4 in a reduction of pension and benefits expense by \$766,240.

5
6 ***Q18. WHAT OTHER ADJUSTMENT DO YOU RECOMMEND REGARDING***
7 ***PENSION AND BENEFITS EXPENSE?***

8 ***A18.*** As previously discussed in the labor expense section of my testimony, Duke
9 determined the financial impact to test year fringe benefits resulting from the
10 separation of 259 employees to be \$745,143. This amount was directly charged
11 or allocated to Duke Energy Ohio Electric Operations during the test year, 2012.
12 (See Duke's response to Staff Data Request 143-001, Attachment IS-7.)

13
14 I recommend that the Commission exclude this \$745,143 from the final
15 determination of adjusted pension and benefits expense. Excluding the \$745,143
16 makes adjusted pension and benefits representative of the normal level of fringe
17 benefits. Including the \$745,143, as Staff did, would result in an over-statement
18 of test year benefits expense, meaning that customers would pay more than the
19 normal level of benefits expense. OCC Schedule C-3.17 shows the result of
20 excluding the \$745,143 and the \$766,240 from the calculation test year pension
21 and benefits expense.

E. Payroll Taxes

Q19. DID THE STAFF ADJUST TEST YEAR PAYROLL TAXES?

A19. Yes. On Staff Report Schedule C-3.18, the Staff proposes an adjustment to increase test year payroll taxes of \$79,201 to flow through the impact of its labor expense adjustment. The Staff's calculation uses its annualized test year labor expense and Duke's proposed loading payroll tax rate of 7.65%.

Q20. WHAT IS THE BREAKDOWN OF THE 7.65% LOADING PAYROLL TAX RATE THAT THE STAFF USED?

A20. There are two components of the 7.65% payroll tax rate: 6.20% is attributable to Social Security and 1.45% is attributable to Medicare's Hospital Insurance program.¹

Q21. DID THE STAFF APPLY EACH OF THESE TAX RATES TO THE APPROPRIATE TAXABLE WAGES FOR EACH TYPE OF TAX?

A21. No. Rather than applying each separate rate to its respective taxable wages as was done in Duke's previous electric rate case, Case No. 08-709-EL-AIR, the Staff in this proceeding applied a combined rate of 7.65% to its total test year labor expense. The result of the Staff's approach is an overestimate of test year payroll tax by \$616,910 as shown on Schedules IS-C-3.18a and IS-C-3.18b,

¹ OCC INT-04-076; see also Internal Revenue Code Sections 1401, 3101 and 3111.

1 meaning that customers would pay more than the normal level of this payroll tax
2 expense.

3 ***Q22. WHAT IS YOUR RECOMMENDATION REGARDING TEST YEAR***
4 ***PAYROLL TAXES?***

5 ***A22.*** I recommend that each of the separate tax rates be applied to the appropriate
6 taxable wages, as shown on OCC Schedules IS-C-3.18a and IS-C-3.18b. The
7 result is a reduction in test year payroll taxes of \$616,910. Also, I recommend a
8 reduction of \$194,859 resulting from the elimination of taxes for the 259
9 employees who were voluntarily and/or involuntarily separated, according to
10 Duke's response to Staff Data Request 143-001 (see Attachment IS-7). My total
11 recommended reduction to test year payroll taxes is \$811,769 (\$616,910 +
12 \$194,859), as shown on OCC Schedule C-3.18.

13
14 ***F. Commercial Activity Tax ("CAT")***

15
16 ***Q23. DID THE STAFF ADJUST TEST YEAR CAT EXPENSE TO FLOW***
17 ***THROUGH THE IMPACT OF ITS ADJUSTED TEST YEAR OPERATING***
18 ***REVENUES?***

19 ***A23.*** Yes. On Staff Report Schedule C-3.19, the Staff reduced test year CAT expense
20 by \$27,597 to reflect its adjusted test year operating revenues and a CAT tax rate
21 of 0.26%.

1 ***Q24. WHAT IS YOUR RECOMMENDATION REGARDING TEST YEAR CAT***
2 ***EXPENSE?***

3 ***A24.*** I recommend that the Commission use OCC's adjusted test year operating
4 revenues which reflect OCC's proposed adjustments and the 0.26% tax rate to
5 calculate test year CAT expense, as shown on OCC Schedule C-3.19. The result
6 is a reduction of \$19,278 to test year CAT expense, meaning that customers
7 should pay only the corrected amount for CAT expense.

8

9 ***G. City Of Cincinnati Franchise Tax***

10

11 ***Q25. DID THE STAFF ADJUST TEST YEAR CINCINNATI FRANCHISE TAX***
12 ***TO FLOW THROUGH THE IMPACT OF ITS ADJUSTED TEST YEAR***
13 ***OPERATING REVENUES?***

14 ***A25.*** No. The Staff did not adjust test year franchise tax to reflect the impact of its
15 adjusted jurisdictional test year operating revenues. The unadjusted test year
16 franchise tax of \$2,066,562 (Duke Schedule C-2.1) is thus overstated, and should
17 be adjusted in this rate case proceeding as it was adjusted in Duke's previous
18 electric rate case, Case No. 08-709-EL-AIR.

19

20 ***Q26. WHAT IS YOUR RECOMMENDATION REGARDING ADJUSTED TEST***
21 ***YEAR FRANCHISE TAX EXPENSE?***

22 ***A26.*** The test year franchise tax should be adjusted in this proceeding to include only
23 jurisdictional franchise tax. Therefore, I recommend that OCC's annualized test

1 year operating revenues be used to calculate test year franchise tax. The result of
2 the annualized franchise tax is a decrease of the franchise tax of \$1,533,867 as
3 shown on Schedule IS-C-3.21a and OCC Schedule C-3.21, meaning that
4 customers should pay only the corrected amount for franchise tax.

5
6 **H. OCC Recommended Revenue Requirement**

7
8 ***Q27. DID YOU PREPARE SCHEDULES THAT SHOW OCC'S RECOMMENDED***
9 ***REVENUE REQUIREMENT WHEN OCC'S ADJUSTMENTS ARE***
10 ***CONSIDERED?***

11 ***A27.*** Yes. Taking into consideration the adjustments to rate base and operating income
12 recommended by OCC's Witnesses Gould, Effron and me, and using OCC
13 Witness Duann's recommended maximum rate of return of 6.66%, I have
14 calculated an annual distribution revenue increase of approximately \$10,629,629
15 or an increase of 2.87% over Duke's current revenues of \$370,700,566. OCC's
16 revenue increase recommendation compares to Duke's proposed revenue increase
17 of \$86,581,977 or an increase of 24.02%, and to the PUCO Staff's proposed
18 revenue increase in the range of \$37,168,986 and \$46,166,385 or an increase in
19 the range of 10.11% and 12.56%. This calculation of the revenue requirement is
20 shown on OCC Schedule A-1.

1 **V. CONCLUSION**

2

3 ***Q28. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

4 ***A28.*** Yes. However, I reserve the right to incorporate new information that may
5 subsequently become available. I also reserve the right to supplement my
6 testimony in the event that the PUCO Staff changes any of its positions made in
7 the Staff Report.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Direct Testimony of Ibrahim Soliman* was served electronically to the persons listed below this 19th day of February 2013.

/s/ Terry L. Etter

Terry L. Etter
Assistant Consumers' Counsel

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Ibrahim Soliman
Testimony Submitted

Date	Docket	Company
01/30/1986	85-554-EL-AIR	Toledo Edison
11/07/1988	88-170-EL-AIR et al.	Toledo Edison, CEI
01/23/1990	89-616-GA-AIR et al.	Columbia Gas
04/23/1990	89-1001-EL-AIR	Ohio Edison
01/23/1992	91-418-EL-AIR	Columbus Southern Power
07/13/1994	93-487-TP-ALT et al.	Ohio Bell
03/20/1995	94-0578-EL-CMR et al.	CEI
01/16/1996	95-0299-EL-AIR et al.	Toledo Edison, CEI
01/30/2008	07-0551-EL-AIR et al.	FirstEnergy (Ohio Edison, CEI, Toledo Edison)
08/22/2008	07-0829-GA-AIR et al.	East Ohio Gas
11/07/2008	08-0917-EL-SSO et al.	Columbus Southern Power, Ohio Power
04/20/2009	09-0038-GA-UNC	Dominion East Ohio
10/14/2009	09-0458-GA-RDR	Dominion East Ohio
04/05/2010	09-1875-GA-UNC	Dominion East Ohio
10/24/2011	10-351-EL-AIR	Columbus Southern Power
10/24/2011	10-352-EL-AIR	Ohio Power
05/04/2012	11-346-EL-SSO	Columbus Southern Power / Ohio Power
03/01/2012	11-4161-WS-AIR	Ohio American Water

Duke Energy Ohio
Case No. 12-1682-EL-AIR
Staff One Hundred Thirty-One Set Data Requests
Date Received: October 25, 2012

STAFF-DR-131-001

REQUEST:

Please provide Staff the following:

- (a) Referencing Duke's response to Staff's data request 097-002 about the Envision Center, provide the number of visitors for the last 3 years that were residents of Ohio.
- (b) Provide the number of visitors for the last 3 years that were Duke-Ohio ratepayers.
- (c) When did the Envision Center get placed into rate base?

RESPONSE:

- (a) Not available. A visitor is not required to be a resident of any particular state to visit the Envision Center and the Company does not record the residency of visitors. However, the following tables provide some statistics about the visitors to the Envision Center for 2009, 2010, and 2011.

	Period			
	10/08 – 12/09	1/10 - 12/10	1/11 – 12/11	1/12 – 10/12
Total Presentations/Tours	279	186	238	114
Total Number of Visitors	4,049	2,453	3,576	2,692
Internal Groups	95	49	45	19
External Groups	178	137	193	95

- (b) Not available. A visitor is not required to be a customer of any particular utility to visit the Envision Center and the Company does not record the residency of visitors. However, many visitors are customers and among the visitors, the Envision Center has hosted a number of PUCO Commissioners and Staff representatives, state legislators, local government officials, and representatives from the Ohio Consumers' Counsel
- (c) To date, none of the costs associated with the Envision Center have been included in rate base; however, as shown in Schedule B-2.4, the Company is proposing to include the capital lease associated with the Envision Center in this proceeding.

PERSON RESPONSIBLE: (a) & (b) William Don Wathen Jr.; (c) Peggy A. Laub

Duke Energy Ohio
Case No. 12-1682-EL-AIR
OCC Eleventh Set of Interrogatories
Date Received: November 26, 2012

OCC-INT-11-155

REQUEST:

Referring to the Company's responses to OCC-INT-07-098, AC 3900, Structures and Improvements, April 2009 plant additions, the account shows an amount of \$1,488,107 for Utility of Future – Ohio – Demo Center located in KY:

- a. Please explain why this amount is included in Duke Energy Ohio's rate base.
- b. What is the total cost of the Demo Center project and the Duke Energy Ohio share of that total cost?

RESPONSE:

- a. See response to Staff-DR-97-002 for a description of the Envision Center. The facility has been used to educate Ohio ratepayers and other interested parties about the Ohio grid modernization program. The Company believes this asset is used and useful for Ohio ratepayers.

b. The total cost of project Z3025 – Utility of Future – Demo Center is \$1,592,180. The total cost of the project includes activity from September 2008, April 2009, December 2009 and January 2010.
Duke Energy Ohio's share of the total cost of the project is 100%.

PERSON RESPONSIBLE:

- a. Peggy Laub
- b. Dan Reilly

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

BUDGET																	
Account	Code	FISC	Description	Total	Jan12	Actual	Feb12	Mar12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12
445005	REV	445	OPA Transp Only	22,487,809	1,884,785	2,022,166	1,890,662	1,806,221	1,908,556	1,945,398	1,853,967	1,831,181	2,037,833	1,826,683	1,792,135	1,588,171	
445005	REV	445	Production Revenues	(447,803)	(220,344)	(210,124)	0	0	0	0	0	0	0	0	0	0	
445005	REV	445	Transmission Revenues	(3,018,365)	(154,065)	(233,265)	(233,265)	(247,034)	(259,320)	(268,154)	(275,659)	(284,531)	(296,780)	(304,580)	(314,549)	(348,604)	
445009	REV	445	OPA - Unbilled	905,224	246,600	(36,361)	(39,191)	44,805	48,300	55,555	61,103	66,423	71,880	77,413	83,020	88,698	
445009	REV	445	OPA Transp - Unbilled	200,953	50,000	88,170	109,345	79,658	85,183	(53,624)	(18,698)	64,222	68,423	67,481	67,481	67,481	
448000	REV	448	Interdepartmental Sales-Elec	275,197	9,534	8,325	8,004	26,081	27,533	24,739	28,173	32,147	26,462	24,400	21,326	37,473	
448000	REV	448	Late Pmt and Cor Elec	0	0	0	0	0	0	0	0	0	0	0	0	0	
451001	REV	451	Misc Service Revenue	3,281,825	0	498,472	0	266,198	266,596	266,598	266,598	266,598	266,598	266,598	266,598	266,598	
451001	REV	451	Fired Payment Termination Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	
454105	REV	454	IC Other Elec Rents	1,771,062	259,667	259,667	259,667	221,339	221,339	221,339	221,339	221,339	221,339	221,339	221,339	221,339	
454200	REV	454	Pole & Line Attachments	1,563,439	194,621	60,789	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	140,863	
454300	REV	454	Tower Lease Revenues	5,035	2,178	679	0	0	0	0	0	0	0	0	0	0	
454400	REV	454	Other Electric Rents	833,552	53,108	58,281	53,380	74,197	74,197	74,197	74,197	74,197	74,197	74,197	74,197	74,197	
456240	REV	456	Sales Use Tax Col Fee	35	18	14	0	0	0	0	0	0	0	0	0	0	
456240	REV	456	Data Processing Service	171,265	29,432	32,145	43,016	7,408	7,408	7,408	7,408	7,408	7,408	7,408	7,408	7,408	
4565075	REV	456	Guest Up - CHAC	10,981	15,937	48,783	46,341	0	0	0	0	0	0	0	0	0	
456830	REV	456	Defined O&M Costs - Nc	3,105,570	508,687	541,645	1,736,728	0	0	0	0	0	0	0	0	0	
456840	REV	456	Operation Supervision & Engineering	9,360	0	0	0	0	0	0	0	0	0	0	0	0	
580000	DO	580	Load Dispatch - Dist of Elec	3,120,430	369,728	322,712	341,895	233,421	233,421	233,421	233,421	233,421	233,421	233,421	233,421	233,421	
581004	DO	581	Station Expenses - Other - Dist	917,159	105,161	81,851	74,808	66,347	65,533	65,611	64,764	65,963	66,586	66,333	66,490	66,490	
582100	DO	582	Overhead Line Expenses - Other Dist	186,724	31,614	(23,219)	61,542	72,524	112,236	98,549	85,187	98,549	98,549	98,549	98,549	98,549	
583200	DO	583	Trend Set Rem Read Test - Dist	120,289	8,259	0	0	11,100	11,100	16,650	11,100	11,100	11,100	16,650	11,100	16,650	
584000	DO	584	Underground Line Expenses	1,394,262	178,350	95,568	75,467	101,172	105,294	123,360	109,370	111,444	118,247	117,801	140,386	118,785	
585000	DO	585	Street Lighting & Signal System	7,378	(3,003)	10,381	0	350	345	500	342	347	351	350	347	347	
585000	DO	585	Meter Expenses	1,177,885	79,050	89,113	80,267	88,763	87,594	138,300	98,409	88,120	90,353	122,383	138,327	86,246	
587000	DO	587	Customer Installations Expense	5,355,070	458,980	453,487	386,190	367,128	391,728	553,290	387,508	393,103	397,381	396,115	558,110	393,204	
588100	DO	588	Maintenance of Structures - Dist	9,006,318	938,886	609,737	640,435	721,306	668,506	767,046	859,722	821,664	825,203	870,505	1,091,816	821,432	
591000	DM	591	Maintenance of Structures - Dist	348,663	38,433	42,652	27,394	20,451	20,205	28,793	20,314	20,314	20,314	20,447	20,026	20,286	
592100	DM	592	Maint of Street Lighting & Signals - Dist	2,098,131	251,933	159,813	186,832	137,875	140,903	194,293	143,330	143,416	150,557	150,419	207,254	148,409	
592200	DM	592	Co Bldg Transm Rety - Dist	3,437	0	0	0	0	0	0	0	0	0	0	0	0	
593000	DM	593	Maintenance of Overhead Lines - Other - Dist	24,055,781	1,652,838	1,740,759	1,884,450	1,884,450	1,884,450	2,308,908	2,308,908	2,308,908	2,308,908	2,308,908	2,308,908	2,308,908	
594000	DM	594	Maintenance of Underground Lines - Dist	1,038,318	180,311	107,443	157,046	155,842	158,328	198,833	160,603	160,603	160,603	160,603	160,603	160,603	
595100	DM	595	Maint Line Trans - Other - Dist	506,318	(82,884)	(31,166)	231,402	37,976	37,981	48,605	37,421	37,421	37,421	37,421	37,421	37,421	
596000	DM	596	Maint of Street Lighting & Signals - Dist	1,307,647	134,704	82,531	104,262	103,417	130,827	102,598	104,515	104,515	104,515	104,515	131,725	103,703	
597000	DM	597	Maintenance of Meters - Dist	1,311,949	75,022	63,485	85,330	81,225	80,256	134,297	89,339	89,339	89,339	92,368	91,299	134,438	
598100	DM	598	Maint of Misc Distribution Plant	(358,644)	0	0	0	0	0	0	0	0	0	0	0	0	
901000	CAO	901	Supervision-Cust Accts	736	248	480	0	0	0	0	0	0	0	0	0	0	
902000	CAO	902	Meter Reading Expense	5,273,505	206,424	368,011	345,106	451,648	446,995	602,810	442,555	448,072	452,953	451,610	607,733	448,548	
903000	CAO	903	Cust Records & Collection Exp	24,431,091	2,015,455	1,807,054	2,151,135	2,151,135	2,071,159	2,296,960	2,203,323	1,937,761	2,149,858	2,147,773	2,147,773	2,147,773	
903100	CAO	903	Cust Contracts & Orders-Local	991,813	18,395	28,163	18,055	105,062	105,349	105,349	105,062	105,062	105,062	105,062	105,062	105,062	
903200	CAO	903	Cust Billing & Acct	877,081	28,332	28,133	24,646	99,383	99,383	99,383	99,383	99,383	99,383	99,383	99,383	99,383	
903250	CAO	903	Cust Billing-Common	1,371,992	37,604	75,138	0	178,735	178,735	178,735	178,735	178,735	178,735	178,735	178,735	178,735	
903300	CAO	903	Cust Colling-Local	204,152	0	85,576	12,064	12,064	12,064	12,064	12,064	12,064	12,064	12,064	12,064	12,064	
903400	CAO	903	Cust Rctry & Collect Exp-Exp	2,124	0	2,124	0	0	0	0	0	0	0	0	0	0	
904001	CAO	904	BAO DEBT EXPENSE	631,745	124,769	29,538	252,437	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
904003	CAO	904	Cust Acct Lines On Sale-WR	5,587,846	644,138	811,986	591,952	129,922	153,728	114,658	213,944	213,944	(22,095)	181,750	359,435	484,077	
904851	CAO	904	IC Loss on Sale of AR WIE	1,065,961	149,428	4,068	28,596	230,640	183,360	213,780	144,520	218,670	197,570	137,370	(38,180)	(235,377)	
905000	CAO	905	Misc Customer Accts Expenses	1,027	18	1,009	0	0	0	0	0	0	0	0	0	0	
906140	CSO	906	Economic Development	34,510	736	2,209	1,955	2,290	2,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	
906550	CSO	906	Misc Advertising Expenses	83,180	0	16,724	0	7,394	7,394	7,394	7,394	7,394	7,394	7,394	7,394	7,394	
910000	CSO	910	Misc Cust Serv/Phone Exp	511,248	611,248	743,121	504,811	504,811	528,401	605,069	581,548	581,548	519,227	521,430	524,430	544,879	
910100	CSO	910	Exp-Rtg Prog/Screen-CustAccts	6,329,981	98,164	362,486	211,051	288,595	259,750	253,753	486,873	267,400	205,185	276,078	268,430	259,791	
912000	SLO	912	Advertising & Selling Exp	55	55	0	0	0	0	0	0	0	0	0	0	0	
913001	SLO	913	Advertising Expense	347,962	9,939	37,045	77,358	24,880	24,880	24,880	24,880	24,880	24,880	24,880	24,880	24,880	
920000	AGO	920	A & G Salaries	15,680,013	1,614,592	1,144,485	786,215	1,467,230	1,604,571	765,936	1,534,555	1,534,555	1,534,555	1,534,555	811,005	1,429,807	
921100	AGO	921	Employee Expenses	1,268,701	137,164	137,164	144,762	90,569	90,569	106,777	94,834	95,387	106,455	90,766	95,178	103,452	
921110	AGO	921	Relocation Expenses	21	21	21	21	21	21	21	21	21	21	21	21	21	
921200	AGO	921	Office Expenses	2,488,153	171,107	309,890	244,380	165,984	281,281	161,096	141,372	261,605	148,511	148,511	271,107	183,209	
921300	AGO	921	Telephone And Telegraph Exp	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	41,917	
921400	AGO	921	Computer Services Expenses	730,007	20,005	56,898	56,898	64,614	52,657	90,429	65,877	57,426	55,373	57,477	66,009	55,455	
921540	AGO	921	Computer Rent (Go Only)	188,230	29,817	32,354	32,354	17,624	9,180	9,180	9,180	11,758	8,940	9,444	9,731	12,418	
921600	AGO	921	Other	(15,619)	37,962	(6,864)	(6,864)	(4,315)	(4,315)	(4,315)	(4,315)	(4,315)	(4,315)	(4,315)	(4,315)	(4,315)	
921680	AGO	921	Office Supplies & Expenses	5,016,615	472,127	502,413	481,225	386,740	392,509	392,509	392,509	392,509	392,509	392,509	392,509	392,509	
922000	AGO	922	Admin Exp Transfer	75	75	0	0	0	0	0	0	0	0	0	0	0	
923000	AGO	923	Outside Services Employed	7,174,087	436,519	352,594	0	518,559	518,559	598,304	498,907	486,875	670,464	473,042	462,517	887,663	
923980	AGO	923	Outside Services Employee &	67,607	27,494	16,331	23,262	16,331	16,331	0	0	0	0	0	0	0	
924000	AGO	924	Property Insurance	1,528,652	1,382	1,382	1,605	168,468	168,468	168,468	168,468	168,468	168,468	168,468	168,468	168,468	

**Duke Energy Ohio
Case No. 12-1682-EL-AIR
OCC Fifth Set of Interrogatories
Date Received: October 9, 2012**

OCC-INT-05-081

REQUEST:

Referring to the Company's response to Staff Data Request 5, Account 454105, Monthly Headquarter Rents billed to the Service Company, please provide the 2012 new monthly rental amount.

RESPONSE:

See response to Staff-DR-33-001 Supplement. Through August 2012, the actual monthly revenue reflected in Account 454105 has been \$259,667.43 each month.

PERSON RESPONSIBLE: Peggy A. Laub

Duke Energy Ohio
Case No. 12-1682-EL-AIR
OCC Eleventh Set of Interrogatories
Date Received: November 26, 2012

OCC-INT-11-161

REQUEST:

Referring to the Company's responses to OCC-INT-07-100, regarding the 2012 lease expiration of the Atrium II space, please provide the related monthly lease amounts included in the test year operating expenses, by account.

RESPONSE:

Account Number	Month		Amount
931001	Jan	Actual	\$ 14,879
931001	Feb	Actual	\$ 14,879
931001	Mar	Actual	\$ 14,879
931001	Apr	Budget	\$ 14,547
931001	May	Budget	\$ -
931001	Jun	Budget	\$ -
931001	Jul	Budget	\$ -
931001	Aug	Budget	\$ -
931001	Sep	Budget	\$ -
931001	Oct	Budget	\$ -
931001	Nov	Budget	\$ -
931001	Dec	Budget	\$ -

PERSON RESPONSIBLE: Peggy Laub

**Duke Energy Ohio
Case No. 12-1682-EL-AIR
Staff One Hundred Forty-Third Set Data Requests
Date Received: January 17, 2013**

STAFF-DR-143-001

REQUEST:

Regarding the response to Staff's DR 142 provide an estimate of the financial impact to O&M labor expense that would result if all of the employees listed accepted severance from both voluntary and involuntary programs.

RESPONSE:

The total financial impact to O&M labor expense from the 259 listed employees terminating from the company would be an annual reduction of \$3,487,170. This number includes the following components as a part of O&M labor expense:

- Annual salary (\$2,250,492) directly charged or allocated to DEO Electric O&M
- Annual incentive pay at target (\$296,676) directly charged or allocated to DEO Electric O&M
- Fringe benefits (\$745,143) allocated to this salary amount directly charged or allocated to DEO Electric O&M
- Payroll taxes (\$194,859) applicable for the annual salary and incentives directly charged or allocated to DEO Electric O&M

This represents the expected reduction amount for a full year and excludes any costs associated with the potential replacement for these employees. The figure also excludes any costs incurred by the Company to achieve these savings.

PERSON RESPONSIBLE: Stan Sherrill

2012 Year to Date Benefits Summary

Total Employee Benefit Loading Rate **23.12%** **35.08%**

		Duke Energy Business Services 2012 Actual Expenses	Duke Energy Ohio 2012 Actual Expenses
1B110	Qualified Pension	27,143,806.34	8,161,418.42
1B112	Employee Savings Plan	34,242,247.05	3,416,670.72
1B114	OPEB	5,889,962.33	1,461,189.99
1B117	Retiree Medical	1,044,688.04	32,783.01
1B118	Retiree Dental	(12,017.16)	13,910.02
1B119	Retiree Life	137,410.93	23,133.91
1B210	Medical	64,769,598.42	9,588,445.39
1B211	MSA/DCSA	1,895.60	-
1B212	Dental	4,124,962.27	531,775.22
1B214	Misc Other Fees	412,878.69	1,874.46
1B216	Long Term Disability	2,517,607.77	255,231.86
1B218	FAS 112 Offset	4,633,666.61	530,461.00
1B310	Service / Safety Awards	1,033,093.18	96,616.63
1B312	Other Work / Family Benefits	225,303.61	27,937.92
1B410	Tuition Refund (Undergrad)	384,242.12	46,868.78
1B411	Tuition Refund (Graduate)	792,619.00	5,310.00
1B413	Employee Recreation	-	-
1B510	Basic Life	1,639,405.52	158,054.25
1B511	Business Travel Accident	-	-
1B512	AD&D	151,679.35	14,636.11
Total Benefits		149,133,049.67	24,366,317.69
1B417	Allocated Benefits	149,133,049.67	24,289,862.72

	% to total	DEBS	DEOH
1B110	Qualified Pension	18.20%	33.49%
1B112	Employee Savings Plan	22.96%	14.02%
1B114	OPEB	3.95%	6.00%
1B117	Retiree Medical	0.70%	0.13%
1B118	Retiree Dental	-0.01%	0.06%
1B119	Retiree Life	0.09%	0.09%
1B210	Medical	43.43%	39.35%
1B211	MSA/DCSA	0.00%	0.00%
1B212	Dental	2.77%	2.18%
1B214	Misc Other Fees	0.28%	0.01%
1B216	Long Term Disability	1.69%	1.05%
1B218	FAS 112 Offset	3.11%	2.18%
1B310	Service / Safety Awards	0.69%	0.40%
1B312	Other Work / Family Benefits	0.15%	0.11%
1B410	Tuition Refund (Undergrad)	0.26%	0.19%
1B411	Tuition Refund (Graduate)	0.53%	0.02%
1B413	Employee Recreation	0.00%	0.00%
1B510	Basic Life	1.10%	0.65%
1B511	Business Travel Accident	0.00%	0.00%
1B512	AD&D	0.10%	0.06%
		100.00%	100.00%

Loading Rate by BEN

Pension	4.21%	11.75%
401(k) (Deferred Compensation)	5.31%	4.92%
FAS106 & 112 (OPEB)	1.63%	2.87%
Medical & Dental (Group Insurance)	11.53%	15.28%
Other Benefits	0.44%	0.26%

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE A-1
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S):: SEE BELOW

LINE NO.	DESCRIPTION	Supporting Schedule Reference	Applicant	Staff Mid-Point	OCC
1	Rate Base	B-1	1,116,672,916	1,064,653,254	1,061,840,658
2	Current Operating Income	C-1	35,534,337	52,798,453	63,917,441
3	Earned Rate of Return (Line 2 / Line 1)		3.18%	4.96%	6.02%
4	Requested Rate of Return	D-1A	8.13%	7.46%	6.66%
5	Required Operating Income (Line 1 x Line 4)		90,785,508	79,423,133	70,718,588
6	Operating Income Deficiency (Line 5 - Line 2)		55,251,171	26,624,680	6,801,147
7	Gross Revenue Conversion Factor	A-2	1.5670614	1.5650023	1.5629171
8	Revenue Deficiency (Line 6 x Line 7)		86,581,977	41,667,685	10,629,629
9	Adjusted Operating Revenues	C-1	360,388,775	367,501,149	370,700,566
10	Revenue Requirements (Line 8 + Line 9)		446,970,749	409,168,834	381,330,195
11	Revenue Increase Requested / Recommended ^(A)	E-4	86,581,974	41,667,685	10,629,629
12	Percent Increase (Line 11 / Line 9)		24.02%	11.34%	2.87%

^(A) Difference between Line 8 and Line 11 is due to rounding.

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE A-2
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.16a, WPC-3.19a, WPC-4.1a

LINE NO.	DESCRIPTION	PERCENT OF INCREMENTAL GROSS REVENUE
1	Operating Revenues	100.000%
2		
3	Less:	
4	Uncollectible Accounts Expenses	0.4103%
5	City of Cincinnati Franchise Tax	0.1100%
6	Commercial Activities Tax	0.2600%
7		<u>0.7803%</u>
8		
9	Income before Income Tax (Line 1 - Line 8)	99.21970%
10		
11	State Income Tax (0.4011% x 99.2197%)	0.39797%
12		
13	Municipal Income Tax (0.3895% x 99.2197%)	<u>0.38646%</u>
14		
15	Income before Federal Income Tax (Line 9 - Line 11 - Line 13)	98.43527%
16		
17	Federal Income Tax (35% x 98.43527%)	<u>34.45234%</u>
18		
19	Operating Income Percentage (Line 15 - Line 17)	<u>63.98292%</u>
20		
21	Gross Revenue Conversion Factor (100% / 63.98292%)	<u><u>1.5629171</u></u>

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
JURISDICTIONAL RATE BASE SUMMARY
AS OF MARCH 31, 2012

OCC
SCHEDULE B-1
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	RATE BASE COMPONENT	Supporting Schedule Reference	Applicant Proposed Amount	Staff Proposed Amount	OCC Proposed Amount
1	Plant In Service				
2	Production	B-2	\$ 0	\$ 0	\$ 0
3	Transmission	B-2	0	0	0
4	Distribution	B-2	1,880,293,822	1,878,034,210	1,878,034,210
5	General	B-2	85,837,915	85,791,990	84,323,093
6	Common	B-2	107,603,623	106,419,826	106,419,826
7	Total Plant In Service		<u>2,073,735,360</u>	<u>2,070,246,026</u>	<u>2,068,777,129</u>
8	Reserve for Accumulated Depreciation				
9	Production	B-3	0	0	0
10	Transmission	B-3	0	0	0
11	Distribution	B-3	(644,412,550)	(646,781,562)	(646,781,562)
12	General	B-3	(45,746,925)	(45,701,000)	(45,581,652)
13	Common	B-3	(54,340,141)	(53,599,973)	(53,599,973)
14	Total Reserve for Accumulated Depreciation		<u>(744,499,616)</u>	<u>(746,082,535)</u>	<u>(745,963,187)</u>
15	Net Plant In Service (Line 7 + Line 14)		1,329,235,744	1,324,163,491	1,322,813,942
16	Construction Work in Progress	B-4	0	0	0
17	Cash Working Capital Allowance	B-5	0	0	0
18	Material and Supplies	B-5	46,947,409	0	0
19	Other Items:				
20	Contributions in Aid of Construction (a)	B-6	0	0	0
21	Customer Service Deposits	B-6	(15,568,360)	(15,568,360)	(15,707,230)
22	Postretirement Benefits	B-6	7,270,777	7,270,777	7,270,777
23	Investment Tax Credits	B-6	(1,183)	(1,183)	(1,183)
24	Deferred Income Taxes	B-6	(251,211,471)	(251,211,471)	(252,535,648)
25	Other Rate Base Adjustments	B-6	<u>0</u>	<u>0</u>	<u>0</u>
26	Rate Base (Line 15 through Line 25)		<u>\$ 1,116,672,916</u>	<u>\$ 1,064,653,254</u>	<u>\$ 1,061,840,658</u>

(a) Contributions in aid of construction are already netted against gross plant per FPC Order No. 490.

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS
AS OF MARCH 31, 2012

OCC
SCHEDULE B-2
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): OCC'S SCHEDULE B-2.1

LINE NO.	MAJOR PROPERTY GROUPING:	TOTAL		ADJUSTMENTS	ADJUSTED		ALLOCATION %	ALLOCATED JURISDICTION
		COMPANY	COMPANY		TOTAL	COMPANY		
		\$						\$
1	Production	3,429,463,641		0	3,429,463,641		0.000%	0
2	Transmission	616,403,010		0	616,403,010		0.000%	0
3	Distribution	1,956,178,401		(78,144,191)	1,878,034,210		100.000%	1,878,034,210
4	General	139,503,199		(48,102,988)	91,400,211		92.257%	84,323,093
5	Common (Allocated to Electric)	255,772,215		(18,339,254)	237,432,961		44.821%	106,419,826
6	Completed Construction Not Classified (1)	0		0	0		0.000%	0
7	Other (specify) - DENA Plant	234,211		0	234,211		0.000%	0
8	Total	6,397,554,677		(144,586,433)	6,252,968,244			2,068,777,129

(1) Included in each function on Schedule B-2.1

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2012
NON-JURISDICTIONAL ELECTRIC PLANT

OCC
SCHEDULE B-2.1
PAGE 1 OF 5

WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-2.1, STAFF'S SCHEDULE B-2.2, & OCC SCHEDULE B-2.2

LINE NO.	F.E.R.C. COMPANY		ACCOUNT TITLE	TOTAL		ADJUSTMENTS		ADJUSTED		ALLOCATION %	ALLOCATED JURISDICTION
	ACCT. NO.	ACCT. NO.		COMPANY	COMPANY			TOTAL	COMPANY		
				\$							\$
1	Various	Various	Electric Production - Steam	3,405,817,368	3,405,817,368					0.000%	0
2	Various	Various	Electric Production - Other	23,646,273	23,646,273					0.000%	0
3	Various	Various	Electric Transmission Plant	616,403,010	616,403,010					0.000%	0
4	Various	Various	Electric Production/Transmission Plant - DENA Plants	234,211	234,211					0.000%	0
5			Total Non-Jurisdictional Electric Plant	4,046,100,862	4,046,100,862						0

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2012
DISTRIBUTION PLANT

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-2.1, STAFF'S SCHEDULE B-2.2, & OCC SCHEDULE B-2.2

F.E.R.C. COMPANY		ACCOUNT TITLE	TOTAL		ADJUSTMENTS	ADJUSTED		ALLOCATION	ALLOCATED
LINE NO.	ACCT. NO.		COMPANY	COMPANY		TOTAL	COMPANY	%	JURISDICTION
			\$						\$
1	360	Land and Land Rights	13,109,977	13,109,977				100.000%	13,109,977
2	360	Rights of Way	26,110,943	26,110,943				100.000%	26,110,943
3	361	Structures and Improvements	8,317,815	8,317,815				100.000%	8,317,815
4	362	Station Equipment	182,040,569	182,040,569	(17,100,300)			100.000%	164,940,269
5	362	Major Equipment	103,229,213	103,229,213	(2,103,326)			100.000%	101,125,887
6	362	Station Equipment Electronic	2,620,440	2,620,440	(2,719,820)			100.000%	(99,380)
7	364	Poles, Towers & Fixtures	243,486,355	243,486,355	(1,162,056)			100.000%	242,324,299
8	365	Overhead Conductors and Devices	396,969,778	396,969,778	(12,365,335)			100.000%	384,604,443
9	366	Underground Conduit	88,227,723	88,227,723				100.000%	88,227,723
10	367	Underground Conductors and Devices	282,336,871	282,336,871				100.000%	282,336,871
11	368	Line Transformers	367,228,972	367,228,972				100.000%	367,228,972
12	368	Customer Transformer Installations	5,272,832	5,272,832				100.000%	5,272,832
13	369	Services - Underground	3,391,901	3,391,901				100.000%	3,391,901
14	369	Services - Overhead	64,385,178	64,385,178				100.000%	64,385,178
15	370	Meters	41,968,249	41,968,249				100.000%	41,968,249
16	370	Leased Meters	17,699,187	17,699,187				100.000%	17,699,187
17	370	Utility of the Future Meters	40,433,742	40,433,742	(40,433,742)			100.000%	0
18	371	Installations on Customers' Premises	241,509	241,509				100.000%	241,509
19	371	Company Owned Outdoor Light	714,040	714,040	(714,040)			100.000%	0
20	372	Leased Property on Customers' Premises	102,503	102,503				100.000%	102,503
21	373	Street Lighting	21,127,345	21,127,345	(180,809)			100.000%	20,946,536
22	373	Street Lighting - Boulevard	28,103,634	28,103,634				100.000%	28,103,634
23	373	Light Security OL POL Flood	17,694,862	17,694,862				100.000%	17,694,862
24	373	Light Choice OLE - Public	1,364,763	1,364,763	(1,364,763)			100.000%	0
25		Total Electric Distribution Plant	1,956,178,401	1,956,178,401	(78,144,191)		1,878,034,210		1,878,034,210

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2012
GENERAL PLANT

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-2.1, STAFF'S SCHEDULE B-2.2, & OCC SCHEDULE B-2.2

F.E.R.C. COMPANY		ACCOUNT TITLE	TOTAL		ADJUSTMENTS	ADJUSTED		ALLOCATION	ALLOCATED
LINE NO.	ACCT. NO.		COMPANY	COMPANY		TOTAL	COMPANY	%	JURISDICTION
			\$						\$
1	303	Miscellaneous Intangible Plant	34,776,041		(5,191,891)	29,584,150		92.257%	27,293,450
2	389	Land and Land Rights	949,213			949,213		92.257%	875,715
3	390	Structures and Improvements	25,029,892		(1,688,705)	23,341,187		92.257%	21,533,879
4	391	Office Furniture and Equipment	502,944			502,944		92.257%	464,001
5	391	Electronic Data Processing Equipment	2,403,741		(1,069,127)	1,334,614		92.257%	1,231,275
6	391	Transportation Equipment	1,302,268			1,302,268		92.257%	1,201,433
7	391	Trailers	2,940,408			2,940,408		92.257%	2,712,732
8	393	Stores Equipment	1,090,920			1,090,920		92.257%	1,006,450
9	392	Tools, Shop & Garage Equipment	14,796,560			14,796,560		92.257%	13,650,862
10	392	Laboratory Equipment	125,110			125,110		92.257%	115,423
11	393	Power Operated Equipment	1,555,719			1,555,719		92.257%	1,435,260
12	393	Communication Equipment	53,946,585		(40,153,265)	13,793,320		92.257%	12,725,303
13	394	Miscellaneous Equipment	83,798			83,798		92.257%	77,310
14		Total Electric General Plant	139,503,199		(48,102,988)	91,400,211			84,323,093
15		Total Electric Plant	6,141,782,462		(126,247,179)	6,015,535,283			1,962,357,303

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2012
COMMON PLANT - EXCLUDING SMARTGRID

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-2.1, STAFF'S SCHEDULE B-2.2, & OCC SCHEDULE B-2.2

F.E.R.C. COMPANY		ACCOUNT TITLE		TOTAL	ADJUSTMENTS	ADJUSTED	ALLOCATION	ALLOCATED
LINE NO.	ACCT. NO.	ACCT. NO.		COMPANY		TOTAL COMPANY	%	JURISDICTION
				\$				\$
1	1030		Miscellaneous Intangible Plant	121,520,890		121,520,890	44.821%	54,466,878
2	1890		Land and Land Rights	2,121,647		2,121,647	44.821%	950,943
3	1891		Rights of Way	37,969		37,969	44.821%	17,018
4	1900		Structures & Improvements	129,745,709	(5,031,788)	124,713,921	44.821%	55,898,026
5	1910		Office Furniture & Equipment	4,220,950	(6,594)	4,214,356	44.821%	1,888,917
6	1911		Electronic Data Processing - Non SmartGrid	693,843		693,843	44.821%	310,987
7	1920		Transportation Equipment	85,311		85,311	44.821%	38,237
8	1921		Trailers	474,273		474,273	44.821%	212,574
9	1930		Stores Equipment	189,750		189,750	44.821%	85,048
10	1940		Tools, Shop & Garage Equipment	1,829,999	(52,910)	1,777,089	44.821%	796,509
11	1950		Laboratory Equipment	23,250		23,250	44.821%	10,421
12	1960		Power Operated Equipment	153,899		153,899	44.821%	68,979
13	1970		Communication Equipment - Non SmartGrid	27,931,369	(8,238)	27,923,131	44.821%	12,515,427
14	1980		Miscellaneous Equipment	429,603	(8,081)	421,522	44.821%	188,930
15	1990, 1991		Retirement Work in Process - ARO	99,735	(99,735)	0	44.821%	0
15			Total Common Plant - Excluding SmartGrid	289,558,197	(5,207,346)	284,350,851		127,448,894
16	83.50%		Common Plant Allocated to Electric (excluding SmartGrid)	241,781,095	(4,348,134)	237,432,961		106,419,826

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2012
COMMON PLANT - SMARTGRID

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-2.1, STAFF'S SCHEDULE B-2.2, & OCC SCHEDULE B-2.2

LINE NO.	F.E.R.C. COMPANY		ACCOUNT TITLE	TOTAL COMPANY	ADJUSTMENTS	ADJUSTED		ALLOCATION %	ALLOCATED JURISDICTION
	ACCT. NO.	ACCT. NO.				TOTAL COMPANY	COMPANY		
							\$		\$
1	1911		Electronic Data Processing - SmartGrid	113,194	(113,194)	(0)	100.000%	0	0
2	1970		Communication Equipment - SmartGrid	27,261,331	(27,261,331)	0	100.000%	0	0
3			Total Common Plant - SmartGrid	27,374,525	(27,374,525)	(0)	100.000%	0	0
4	(1)		Common Plant Allocated to Electric - SmartGrid	13,991,120	(13,991,120)	0	100.000%	0	0
5			Total Common Plant	316,932,722	(32,581,871)	284,350,851		127,448,894	
6			Total Common plant allocated to Electric	255,772,215	(18,339,254)	237,432,961		106,419,826	
7			Total Electric Plant Including Allocated Common	6,397,554,677	(144,586,433)	6,252,968,244		2,068,777,129	

(1) Allocation of Common Plant / SmartGrid to electric determined by SmartGrid filings

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF MARCH 31, 2012

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WORK PAPER REFERENCE NO(S): STAFF'S SCHEDULE B-2.5a thru B-2.5d AND OCC SCHEDULE B-2.5c

LINE NO.		COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	ALLOCATION %	JURISDICTIONAL ADJUSTMENT
1	DISTRIBUTION PLANT	3620	Station Equipment	(17,100,300)	100.000%	(17,100,300)
2		3622	Major Equipment	(2,103,326)	100.000%	(2,103,326)
3		3635	Station Equipment Electronic	(2,719,820)	100.000%	(2,719,820)
4		3640	Poles, Towers & Fixtures	(1,162,056)	100.000%	(1,162,056)
5		3650	Overhead Conductors and Devices	(12,365,335)	100.000%	(12,365,335)
6		3702	Utility of the Future Meters	(40,433,742)	100.000%	(40,433,742)
7	(a)	3712	Company Owned Outdoor Light	(714,040)	100.000%	(714,040)
8	(a)	3730, 3731	Street Lighting	(180,809)	100.000%	(180,809)
9	(a)	3734	Light Choice OLE-Public	(1,364,763)	100.000%	(1,364,763)
10			Total Distribution Plant	(78,144,191)		(78,144,191)
11	GENERAL PLANT	3030	Miscellaneous Intangible Plant	(5,191,891)	92.257%	(4,789,883)
12		3900	Structures and Improvements	(46,746)	92.257%	(43,126)
13	(b)	3900	Structures and Improvements-Atrium II	(49,779)	92.257%	(45,925)
14	(b)	3900	Structures and Improvements-Envision Center	(1,592,180)	92.257%	(1,468,898)
15		3911	Electronic Data Processing Equipment	(1,069,127)	92.257%	(986,345)
16		3970	Communication Equipment	(40,153,265)	92.257%	(37,044,198)
17			Total General Plant	(48,102,988)		(44,378,375)
18	COMMON PLANT	1911	Electronic Data Processing Common	(113,194)	100.000%	(113,194)
19	SmartGrid	1970	Communication Equipment Common	(27,261,331)	100.000%	(27,261,331)
20			Total Common Plant - Smart Grid	(27,374,525)		(27,374,525)
21		(1)	Common Allocated to Electric - Smart Grid	(13,991,120)	100.000%	(13,991,120)
22	COMMON PLANT	1900	Structures & Improvements	(1,968,452)	44.821%	(882,280)
23	(b)	1900	Structures and Improvements-Holiday Park	(2,509)	44.821%	(1,125)
24	(b)	1900	Structures and Improvements-Fourth & Walnut (Clopay)	(202,197)	44.821%	(90,627)
25	(c)	1900	Structures & Improvements-Envision Center	(1,726,080)	44.821%	(773,646)
26	(d)	1900	Structures & Improvements-Hartwell Golf Course	(171,131)	44.821%	(76,703)
27	(b)	1900	Structures & Improvements-Atrium II	(961,419)	44.821%	(430,918)
28		1910	Office Furniture & Equipment	(6,594)	44.821%	(2,955)
29		1940	Tools, Shop & Garage Equipment	(52,910)	44.821%	(23,715)
30		1970	Communication Equipment	(8,238)	44.821%	(3,692)
31		1980	Miscellaneous Equipment	(8,081)	44.821%	(3,622)
32	(e)	1990, 1991	ARO Common General Plant-Retirement Work in Progress	(99,735)	44.821%	(44,702)
33			Total Common Plant (excluding SmartGrid)	(5,207,346)		(2,333,985)
34		83.50%	Common Allocated to Electric (excluding SG)	(4,348,134)	44.821%	(1,948,877)
35			Total Adjustments including Allocated Common	(144,586,433)		(138,462,563)

Description and Purpose of Adjustment

To eliminate from rate base the Hartwell Recreation Facilities allocated to uses other than for specific company purposes. (See Schedule B-2.5)

To eliminate from rate base the electric portion of separately filed SmartGrid Rider. (See Schedule B-2.5b)

(1) Allocation of Common Plant / SmartGrid to electric determined by SmartGrid filings

(a) See Response to Staff's Data Request 134

(b) See Response to Staff's Data Request 97 & OCC-INT-11-155

(c) See Response to Staff's Data Request 129 & 131

(d) See Response to Staff's Data Request 129

(e) See Response to Staff's Data Request 78

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN RATE AREA ALLOCATION)
AS OF MARCH 31, 2012

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SCHEDULE B-2.5c
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WORK PAPER REFERENCE NO(S)::

LINE NO.	COMPANY ACCT. NO.	DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	REASON FOR EXCLUSION
1	1900	Structures and Improvements		171,131	Hartwell Golf Course (a)
2		Total - Hartwell Golf Course		<u>171,131</u>	
3	1900 3900	Structures and Improvements Structures and Improvements	2011 2008	1,726,080 1,592,180	Envision Center (b) Envision Center (f)
4		Total - Envision Center		<u>3,318,260</u>	
5	1900	Structures and Improvements	2004	2,509	Leasehold Improvements-Holiday Park (c)
6		Total-Holiday Park		<u>2,509</u>	
7	1900	Structures and Improvements		202,197	Leasehold Improvements- Fourth & Walnut (Clipay) (d)
8		Total-Fourth & Walnut (Clipay)		<u>202,197</u>	
9	1900	Structures and Improvements		961,419	Leasehold Improvements-Atrium II (e)
10	3900	Structures and Improvements		49,779	Leasehold Improvements-Atrium II (e)
11		Total-Atrium II		<u>1,011,198</u>	

- (a) To Eliminate the Hartwell Golf Course (See Data Request 129)
(b) To Eliminate the Envision Center (See Data Request 129 & 131)
(c) To Eliminate a portion of Holiday Park (See Data Request 79)
(d) To Eliminate a portion of Clipay (See Data Request 97)
(e) To Eliminate the Atrium II (See Data Request 97)
(f) To Eliminate the Envision Center (See OCC Interrogatory 11-155)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012
NON-JURISDICTIONAL ELECTRIC PLANT

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3, STAFF'S SCHEDULE B-2 & B-3.1, & OCC SCHEDULE B-3.1

F.E.R.C. COMPANY LINE ACCT. NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY		ADJUSTMENTS	ADJUSTED TOTAL COMPANY	ALLOCATION ALLOCATED % JURISDICTION	
			INVESTMENT	PLANT				
			\$			\$		
1	Various	Electric Production - Steam	3,405,817,368			1,263,259,857	0.000%	0
2	Various	Electric Production - Other	23,646,273			18,660,870	0.000%	0
3	Various	Electric Transmission Plant	616,403,010			225,890,480	0.000%	0
4	Various	Electric Production/Transmission Plant - DENA Pla	234,211			70,744	0.000%	0
Total Non-Jurisdictional Electric Plant			4,046,100,862			1,507,881,951		0

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012
DISTRIBUTION PLANT

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3, STAFF'S SCHEDULE B-2 & B-3.1, & OCC SCHEDULE B-3.1

F.E.R.C. COMPANY LINE ACCT. NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY		ADJUSTMENTS	ADJUSTED TOTAL COMPANY	ALLOCATION %	ALLOCATED JURISDICTION
			INVESTMENT	PLANT				
			\$					\$
1	360	Land and Land Rights	13,109,977			1,539	100.000%	1,539
2	360	Rights of Way	26,110,943			2,520,994	100.000%	2,520,994
3	361	Structures and Improvements	8,317,815			4,004,656	100.000%	4,004,656
4	362	Station Equipment	182,040,569		(452,294)	70,196,281	100.000%	70,196,281
5	362	Major Equipment	103,229,213		(86,536)	36,836,728	100.000%	36,836,728
6	363	Dist Station Equip Elec	2,620,440		(178,269)	31,059	100.000%	31,059
7	364	Poles, Towers & Fixtures	243,486,355		(13,609)	108,036,663	100.000%	108,036,663
8	365	Overhead Conductors and Devices	396,969,778		(367,470)	99,318,263	100.000%	99,318,263
9	366	Underground Conduit	88,227,723			35,969,974	100.000%	35,969,974
10	367	Underground Conductors and Devices	282,336,871			73,293,965	100.000%	73,293,965
11	368	Line Transformers	367,228,972			143,569,293	100.000%	143,569,293
12	368	Customer Transformer Installations	5,272,832			2,628,003	100.000%	2,628,003
13	369	Services - Underground	3,391,901			2,248,643	100.000%	2,248,643
14	369	Services - Overhead	64,385,178			36,808,118	100.000%	36,808,118
15	370	Meters	41,968,249			12,697,346	100.000%	12,697,346
16	370	Leased Meters	17,699,187			4,187,966	100.000%	4,187,966
17	370	Utility of the Future Meters	40,433,742		(2,853,005)	0	100.000%	0
18	371	Installations on Customers' Premises	241,509			2,770	100.000%	2,770
19	371	Company Owned Outdoor Light	714,040		244,226	0	100.000%	0
20	372	Leased Property on Customers' Premises	102,503			(76,085)	100.000%	(76,085)
21	373	Street Lighting - Overhead	21,127,345		1,748,866	10,738,065	100.000%	10,738,065
22	373	Street Lighting - Boulevard	28,103,634			5,929,055	100.000%	5,929,055
23	373	Light Security OL POL Flood	17,694,862			5,507,955	100.000%	5,507,955
24	373	Light Choice OLE - Public	1,364,763		375,920	0	100.000%	0
25	108	Retirement Work in Progress				(7,669,689)	100.000%	(7,669,689)
26		Total Electric Distribution Plant	1,956,178,401		(1,582,171)	646,781,562		646,781,562

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012
GENERAL PLANT

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3, STAFF'S SCHEDULE B-2 & B-3.1, & OCC SCHEDULE B-3.1

LINE NO.	F.E.R.C. COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY		ADJUSTMENTS	ADJUSTED TOTAL COMPANY		ALLOCATION ALLOCATED % JURISDICTION	
			PLANT INVESTMENT	TOTAL COMPANY		COMPANY		%	
			\$	\$					\$
1	303	Miscellaneous Intangible Plant	34,776,041	28,383,791	(1,526,149)	26,857,642	92.257%		24,778,055
2	389	Land and Land Rights	949,213	0		0	92.257%		0
3	390	Structures and Improvements	25,029,892	10,786,139	(182,663)	10,603,476	92.257%		9,782,449
4	391	Office Furniture and Equipment	502,944	44,916		44,916	92.257%		41,438
5	391	Electronic Data Processing Equipment	2,403,741	441,424	(216,033)	225,391	92.257%		207,939
6	391	Transportation Equipment	1,302,268	1,218,529		1,218,529	92.257%		1,124,178
7	391	Trailers	2,940,408	1,621,154		1,621,154	92.257%		1,495,628
8	391	Stores Equipment	1,090,920	(597)		(597)	92.257%		(551)
9	392	Tools, Shop & Garage Equipment	14,796,560	3,920,084		3,920,084	92.257%		3,616,552
10	392	Laboratory Equipment	125,110	(1,080,986)		(1,080,986)	92.257%		(997,285)
11	393	Power Operated Equipment	1,555,719	1,088,310		1,088,310	92.257%		1,004,042
12	393	Communication Equipment	53,946,585	7,472,559	(4,244,815)	3,227,744	92.257%		2,977,820
13	394	Miscellaneous Equipment	83,798	10,412		10,412	92.257%		9,606
14	395	Retirement Work in Progress	0	1,671,181		1,671,181	92.257%		1,541,781
15		Total Electric General Plant	139,503,199	55,576,916	(6,169,660)	49,407,256			45,581,652
16		Total Electric Plant	6,141,782,462	2,211,822,600	(7,751,831)	2,204,070,769			692,363,214

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012
COMMON PLANT - EXCLUDING SMARTGRID

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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3, STAFF'S SCHEDULE B-2 & B-3.1, & OCC SCHEDULE B-3.1

F.E.R.C. COMPANY LINE ACCT. NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL		ADJUSTED TOTAL	ALLOCATION %	ALLOCATED JURISDICTION
			COMPANY PLANT INVESTMENT	COMPANY TOTAL	COMPANY ADJUSTMENTS		
			\$	\$			\$
1	1030	Miscellaneous Intangible Plant	121,520,890	107,949,728	107,949,728	44.821%	48,384,148
2	1890	Land and Land Rights	2,121,647	106,907	106,907	44.821%	47,917
3	1891	Rights of Way	37,969	0	0	44.821%	0
4	1900	Structures & Improvements	129,745,709	26,647,207	(2,211,475)	44.821%	10,952,339
5	1910	Office Furniture & Equipment	4,220,950	(1,746,218)	2,038	44.821%	(781,759)
6	1911	Electronic Data Processing - Non SmartGrid	693,843	274,745	274,745	44.821%	123,143
7	1920	Transportation Equipment	85,311	85,311	85,311	44.821%	38,237
8	1921	Trailers	474,273	234,543	234,543	44.821%	105,125
9	1930	Stores Equipment	189,750	(151,381)	(151,381)	44.821%	(67,850)
10	1940	Tools, Shop & Garage Equipment	1,829,999	555,791	(33,208)	44.821%	234,227
11	1950	Laboratory Equipment	23,250	1,293	1,293	44.821%	580
12	1960	Power Operated Equipment	153,899	62,759	62,759	44.821%	28,129
13	1970	Communication Equipment - Non SmartGrid	27,931,369	12,183,687	(1,232)	44.821%	5,460,298
14	1980	Miscellaneous Equipment	429,603	131,816	(5,290)	44.821%	56,710
15	1990, 1991	Retirement Work in Process - ARO	99,735	117,273	(117,273)	44.821%	0
16	108	Retirement Work in Progress		(869,369)	(869,369)	44.821%	(389,660)
17		Total Common Plant	289,558,197	145,584,092	(2,366,440)		64,191,584
18		Common Plant Allocated to Electric					
19	83.50%	Original Cost	241,781,095				
	83.50%	Reserve		121,562,717	(1,975,977)	44.821%	53,599,973

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012
COMMON PLANT - SMARTGRID

WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3, STAFF'S SCHEDULE B-2 & B-3.1, & OCC SCHEDULE B-3.1

OCC
SCHEDULE B-3
PAGE 5 OF 5

LINE NO.	F.E.R.C. COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY		ADJUSTED TOTAL COMPANY	ALLOCATION %	ALLOCATED JURISDICTION
			PLANT INVESTMENT	COMPANY TOTAL			
			\$	\$			\$
1	1911	Electronic Data Processing - SmartGrid	113,194	34,024	0	0	100.000%
2	1970	Communication Equipment - SmartGrid	27,261,331	1,908,843	(1,908,843)	0	100.000%
3		Total Common Plant - SmartGrid	27,374,525	1,942,867	(1,942,867)	0	0
4		Common Plant Allocated to Electric - SmartGrid					
5	(1)	Original Cost	13,991,120				
5	(1)	Reserve		992,999	(992,999)	0	44.821%
6		Total Common Plant	316,932,722	147,526,959	(4,309,307)	143,217,652	64,191,584
7		Total Common plant allocated to Electric	255,772,215	122,555,716	(2,968,976)	119,586,740	53,599,973
8		Total Electric Plant Including Allocated Common	6,397,554,677	2,334,378,316	(10,720,807)	2,323,657,509	745,963,187

(1) Allocation of Common Plant / SmartGrid to electric determined by SmartGrid filings

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2012

WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-3.1 & STAFF'S SCHEDULE WPB-3.1a

OCC
SCHEDULE B-3.1
PAGE 1 OF 1

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	ALLOCATION %	JURISDICTIONAL ADJUSTMENT
				\$		\$
			Distribution Plant SmartGrid			
1	362	3620	Station Equipment	452,294	100.000%	452,294
2	362	3622	Major Equipment	86,536	100.000%	86,536
3	363	3635	Station Equipment Electronic	178,269	100.000%	178,269
4	364	3640	Poles, Towers & Fixtures	13,609	100.000%	13,609
5	365	3650	Overhead Conductors and Devices	367,470	100.000%	367,470
6	370	3702	Utility of the Future Meters	2,853,005	100.000%	2,853,005
7			Total Distribution Plant	3,951,183		3,951,183
			General Plant SmartGrid			
8	303	3030	Miscellaneous Intangible Plant	1,526,149	92.257%	1,407,979
9	391	3911	Electronic Data Processing Equipment	216,033	92.257%	199,306
10	397	3970	Communication Equipment	4,244,815	92.257%	3,916,139
11			Total General Plant	5,986,997		5,523,424
			Common Plant SmartGrid			
12		1911	Electronic Data Processing Common	34,024	100.000%	34,024
13		1970	Communication Equipment Common	1,908,843	100.000%	1,908,843
14			Total Common Plant - SmartGrid	1,942,867		1,942,867
15			Common Allocated to Electric - SmartGrid (1)	992,999	100.000%	992,999
			Hartwell Recreation Facilities (2)			
16		1900	Structures & Improvements	351,037	44.821%	157,338
17		1910	Office Furniture & Equipment	(2,038)	44.821%	(913)
18		1940	Tools, Shop & Garage Equipment	33,208	44.821%	14,884
19		1970	Miscellaneous Equipment	1,232	44.821%	552
20		1980	Miscellaneous Equipment	5,290	44.821%	2,371
21			Total	388,729		174,232
22		83.50%	Common Allocated to Electric - Excl SG	324,589	44.821%	145,484
23	390	3900	Structures and Improvements	3,519	92.257%	3,247
			Common Plant			
24		1990, 1991	Retirement Work in Progress - ARO (3)	117,273	44.821%	52,563
25		1900	Structures & Improvements-Hartwell Golf Course (4)	60,252	44.821%	27,006
26		1900	Structures & Improvements-Envision Center (5)	681,977	44.821%	305,669
27		1900	Structures & Improvements-Atrium II (6)	961,419	44.821%	430,918
28		1900	Structures & Improvements-Holiday Park (7)	2,509	44.821%	1,125
29		1900	Structures & Improvements-Fourth & Walnut (Clipay) (8)	154,281	44.821%	69,150
30			Total	1,977,711		886,431
31		83.50%	Common Allocated to Electric - Excl SG	1,651,389		740,170
			Distribution Plant			
32	371	3712	Company Owned Outdoor Light (9)	(244,226)	100.000%	(244,226)
33	373	3730, 3731	Street Lighting (9)	(1,748,866)	100.000%	(1,748,866)
34	373	3734	Light Choice OLE-Public (9)	(375,920)	100.000%	(375,920)
			Total	(2,369,012)		(2,369,012)
			General Plant			
35	390	3900	Structures & Improvements-Atrium II (6)	49,779	92.257%	45,925
	390	3900	Structures & Improvements-Envision Center (10)	129,365	92.257%	119,348
			Total	179,144		165,273
36			Total electric plant adjustments including allocated common	10,720,808		9,152,768

Description and Purpose of Adjustment

- (1) Allocation of Common Plant / SmartGrid to electric determined by SmartGrid filings
- (2) To eliminate from rate base the Hartwell Recreation Facilities allocated to uses other than for specific company purposes. (See Schedule B-2.5a)
- (3) To eliminate Asset Retirement Obligation from rate base (See Data Request No. 78)
- (4) To eliminate from rate base the Hartwell Golf Course (See Data Request No. 133 in Case No. 12-1685-GA-AIR)
- (5) To eliminate from rate base the Envision Center (See Applicant's Schedule B-3.4)
- (6) To eliminate from rate base the Atrium II (See Staff Schedule B-2.2)
- (7) To eliminate from rate base a portion of Holiday Park (See Staff Schedule B-2.2)
- (8) To eliminate from rate base a portion of Clipay (See Staff Schedule B-2.2 & Staff Workpaper WPB-3.1a)
- (9) To eliminate from rate base Street Lighting (See Staff Schedule B-2.2 & Staff Data Request No. 134)
- (10) To eliminate from rate base the Envision Center (\$1,592,180 plant exclusion x 2.5% depreciation rate x 3.25 years)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPOSED DEPRECIATION ACCRUAL RATES AND
ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2012
NON-JURISDICTIONAL ELECTRIC PLANT

OCC
SCHEDULE B-3.2
PAGE 1 OF 4

WORK PAPER REFERENCE NO(S): STAFF'S SCHEDULE B-2.1 & B-3 & OCC SCHEDULE B-2.1 & B-3

LINE NO. (A)	F.E.R.C. COMPANY ACCT. NO. (B-1)	ACCT. NO. (B-3)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		PROPOSED ACCRUAL RATE (F)	CALCULATED DEPR. EXPENSE (G=DxF)	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I)	CURVE FORM (J)
				PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
				\$	\$	%	\$			
1	Various	Various	Electric Production - Steam	-	-	-				
2	Various	Various	Electric Production - Other	-	-	-				
3	Various	Various	Electric Transmission Plant	-	-	-				
4			Total Non-Jurisdictional Electric Plant	-	-	-				

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPOSED DEPRECIATION ACCRUAL RATES AND
ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2012
DISTRIBUTION PLANT

OCC
SCHEDULE B-3.2
PAGE 2 OF 4

WORK PAPER REFERENCE NO(S): STAFF'S SCHEDULE B-2.1 & B-3 & OCC SCHEDULE B-2.1 & B-3
(See Footnote at end of Schedule)

LINE NO. (A)	ACCT. NO. (B-1)	F.E.R.C. COMPANY ACCT. NO. (B-3)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		PROPOSED ACCRUAL RATE (F) %	CALCULATED DEPR. EXPENSE (G=DxF) \$	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I) (J)	
				PLANT INVESTMENT (D) \$	ACCUMULATED BALANCE (E) \$					
1	360		Land and Land Rights	13,109,977	1,539					
2	360	3600	Rights of Way	26,110,943	2,520,994	1.33	347,276	0	75	R3
3	361	3610	Structures and Improvements	8,317,815	4,004,656	1.69	140,571	(10)	65	R2.5
4	362	3620	Station Equipment	164,940,269	70,196,281	1.92	3,166,853	(15)	60	R1.5
5	362	3622	Major Equipment	101,125,887	36,836,728	1.92	1,941,617	(15)	60	R2.5
6	362	3635	Station Equipment Electronic	(99,380)	31,059	5.00	(4,969)	0	20	S3
7	364	3640	Poles, Towers & Fixtures	242,324,299	108,036,663	2.40	5,815,783	(20)	50	R1
8	365	3650, 3651	Overhead Conductors and Devices	384,604,443	99,318,263	2.80	10,768,924	(40)	50	R1
9	366	3660	Underground Conduit	88,227,723	35,969,974	2.00	1,764,554	(30)	65	R3
10	367	3670	Underground Conductors and Devices	282,336,871	73,293,965	2.16	6,098,476	(25)	58	R1.5
11	368	3680, 3681	Line Transformers	367,228,972	143,569,293	2.50	9,180,724	(5)	42	R1
12	368	3682	Customer Transformer Installations	5,272,832	2,628,003	2.22	117,057	0	45	R0.5
13	369	3691	Services - Underground	3,391,901	2,248,643	2.00	67,838	(30)	65	R1.5
14	369	3692	Services - Overhead	64,385,178	36,808,118	3.26	2,098,957	(40)	43	R0.5
15	370	3700	Meters	41,968,249	12,697,346	Amort (6)	4,037,366	Amortization		
16	370	3700	Meters - Catch Up Deprec	-	-	0.00	-	0		
17	370	3701	Leased Meters	17,699,187	4,187,966	Amort (6)	1,863,617	Amortization		
18	370	3702	Utility of the Future Meters	-	-	6.67	-	0	15	S2.5
19	371	3710	Installations on Customers' Premises	241,509	2,770	6.67	16,109	0	15	S0
20	371	3712	Company Owned Outdoor Lighting	-	-	6.67	-	0	15	S0
21	372	3720	Leased Property on Customers' Premises	102,503	(76,085)	4.00	4,100	0	25	L1.5
22	373	3730, 3731	Street Lighting - Overhead	20,946,536	10,738,065	3.93	823,199	(10)	28	L1
23	373	3732	Street Lighting - Boulevard	28,103,634	5,929,055	2.44	685,729	(10)	45	R1.5
24	373	3733	Light Security OL POL Flood	17,694,862	5,507,955	3.83	677,713	(15)	30	R0.5
25	373	3734	Light Choice OLE - Public	-	-	4.20	-	(5)	25	R0.5
26		108	Retirement Work in progress	-	(7,669,689)					
27			Total Electric Distribution	1,878,034,210	646,781,562		49,611,494			

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPOSED DEPRECIATION ACCRUAL RATES AND
ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2012
GENERAL PLANT

OCC
SCHEDULE B-3.2
PAGE 3 OF 4

WORK PAPER REFERENCE NO(S): STAFF'S SCHEDULE B-2.1 & B-3 & OCC SCHEDULE B-2.1 & B-3

F.E.R.C. COMPANY		ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		PROPOSED ACCRUAL RATE (F)	CALCULATED DEPR. EXPENSE (G=DxF)	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I)	CURVE FORM (J)
LINE NO. (A)	ACCT. NO. (B-1)		PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
			\$	\$	%	\$			
1	303	Miscellaneous Intangible Plant	27,293,450	24,778,055	(8)	789,498	Amortization		
2	389	Land and Land Rights	875,715	-			Perpetual Life		
3	390	Structures and Improvements	21,533,879	9,782,449	2.90 (5)	624,482	Composite	20	SQ
4	391	Office Furniture and Equipment	464,001	41,438	5.00	23,200	0	5	SQ
5	391	Electronic Data Processing Equipment	1,231,275	207,939	20.00	246,255	0	12	L3
6	391	Transportation Equipment	1,201,433	1,124,178	7.50 (7)		10	21	S1.5
7	391	Trailers	2,712,732	1,495,628	4.05 (7)		15	20	SQ
8	393	Stores Equipment	1,006,450	(551)	5.00	50,323	0	25	SQ
9	392	Tools, Shop & Garage Equipment	13,650,862	3,616,552	4.00	546,034	0	15	SQ
10	392	Laboratory Equipment	115,423	(997,285)	6.67	7,699	0	18	SQ
11	393	Power Operated Equipment	1,435,260	1,004,042	4.44 (7)		20	15	S0.5
12	393	Communication Equipment	12,725,303	2,977,820	6.67	848,778	0	15	SQ
13	394	Miscellaneous Equipment	77,310	9,606	5.00	3,866	0	20	SQ
14	108	Retirement Work in progress		1,541,781					
15		Total Electric General	84,323,093	45,581,652		3,140,135			
16		Total Electric Distribution and General Plant	1,962,357,303	692,363,214		52,751,629			

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPOSED DEPRECIATION ACCRUAL RATES AND
ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2012
COMMON PLANT
WORK PAPER REFERENCE NO(S): STAFF'S SCHEDULE B-2.1 & B-3 & OCC SCHEDULE B-2.1 & B-3

OCC
SCHEDULE B-3.2
PAGE 4 OF 4

LINE NO. (A)	F.E.R.C. COMPANY ACCT. NO. (B-1)	F.E.R.C. COMPANY ACCT. NO. (B-3)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		PROPOSED ACCRUAL RATE (F)	CALCULATED DEPR. EXPENSE (G=DxF)	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I)	CURVE FORM (J)
				PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
1	1030		Miscellaneous Intangible Plant	\$ 54,466,878	\$ 48,384,148	(8)	2,621,180	Amortization		
2	1890		Land and Land Rights	950,943	47,917			Perpetual Life		
3	1891		Rights of Way	17,018	0			Perpetual Life		
4	1900		Structures & Improvements	53,429,403	8,713,664	3.47 (5)	1,854,000	Composite		
5	1900		Structures & Improvements - Atrium II	0	0	(1)	0	Fully Amortized		
6	1900		Structures & Improvements - Envision Center	0	0	(1)	0	Amortization		
7	1900		Structures & Improvements - Clopay Bldg - 3rd Floor	164,402	29,149	15.19 (1)	24,973	Amortization		
8	1900		Structs & Improvemnts - Clopay Bldg - 4th / 5th / 6th Flr	299,402	245,704	2.69 (1)	8,054	Amortization		
9	1900		Structs & Improvemnts - Clopay Bldg - Bld & Access Ramp	1,869,743	1,840,784	0.49 (1)	9,162	Amortization		
10	1900		Structures & Improvements - Holiday Park	135,076	123,038	16.23 (1)	21,923	Amortization		
11	1910		Office Furniture & Equipment	1,888,917	(781,759)	5.00	94,446	0	20	SQ
12	1911		Electronic Data Processing - Non SmartGrid	310,987	123,143	20.00	62,197	0	5	SQ
13	1911		Electronic Data Processing - SmartGrid	-	0	20.00	0	0	5	SQ
14	1920		Transportation Equipment	38,237	38,237	8.33 (7)		0	12	L3
15	1921		Trailers	212,574	105,125	4.29 (7)		10	21	S1.5
16	1930		Stores Equipment	85,048	(67,850)	5.00	4,252	0	20	SQ
17	1940		Tools, Shop & Garage Equipment	796,509	234,227	4.00	31,860	0	25	SQ
18	1950		Laboratory Equipment	10,421	580	6.67	695	0	15	SQ
19	1960		Power Operated Equipment	68,979	28,129	4.44 (7)		20	18	S0.5
20	1970		Communication Equipment - Non SmartGrid	12,515,427	5,460,298	6.67	834,779	0	15	SQ
21	1970		Communication Equipment - SmartGrid	-	0	6.67		0	15	SQ
22	1980		Miscellaneous Equipment	188,930	56,710	5.00	9,447	0	20	SQ
23	1990, 1991		Retirement Work in Process - ARO	-	0					
24	108		Retirement Work in progress	-	(389,660)					
25			Total Common	127,448,894	64,191,584		5,576,968			
26			Common Plant Allocated to Electric							
27			Original Cost (2)	106,419,826						
28			Reserve (3)		53,599,973					
28			Annual Provision (4)				4,656,768			
29			Total Electric Plant Including Allocated Common	2,068,777,129	745,963,187		57,408,397			

- (1) These leasehold improvements are being amortized over the life of the lease (Applicant's Schedule B-3.4 and Staff's Data Request No. 122 in Case No. 12-1685-GA-AIR)
- (2) Total Common Allocated at 83.50% Less adjustment for Hartwell Recreation Facilities per Schedule B-2.1
- (3) Total Common Allocated at 83.50% Less adjustment for Hartwell Recreation Facilities per Schedule B-3.1
- (4) Allocation of Common Plant to electric determined by Common allocation factors and SmartGrid filings.
- (5) Staffs Workpaper WPB-3.2 & OCC's Exclusion of Envision Center Plant Depreciation
- (6) See Text
- (7) Depreciation Changed to Transportation Expense
- (8) Applicant's Schedule B-3.2 and OCC Witness Dave Efron Testimony (\$1,345,000 x 92.257) & (\$1,143,000 x 44.821%)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
OTHER RATE BASE ITEMS SUMMARY
AS OF MARCH 31, 2012

WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-6.1, WPB-6.1a through WPB-6.1e
(See footnote at end of Schedule)

OCC
SCHEDULE B-6
PAGE 1 OF 2

LINE NO.	ACCOUNT NO.	DESCRIPTION	TOTAL COMPANY \$	ADJUSTMENTS \$	ADJUSTED TOTAL COMPANY \$	ALLOCATION CODE	PERCENT	ALLOCATED TOTAL \$
1	252	Customer Advances for Construction	0	0	0	DALL	100.000%	0
2								
3	235	Customer Service Deposits/Unclaimed Funds-Retail	(15,568,360)	(138,870)	(15,707,230)	DALL	100.000%	(15,707,230)
4								
5	235	Customer Service Deposits - Transmission Service	(1,598,298)	0	(1,598,298)	DNON	0.000%	0
6								
7	253	Post Retirement Benefits	0	7,270,777	7,270,777	DALL	100.000%	7,270,777
8								
9	255	Investment Tax Credits: (A)	0	0	0	DALL	100.000%	0
10		Pre-1971 3% Credit	(1,183)	0	(1,183)	DALL	100.000%	(1,183)
11		1971 4% Credit	0	0	0	DNON	0.000%	0
12		1975 6% Credit	0	0	0	DNON	0.000%	0
13		1981 10% Credit	(2,046,219)	2,046,219	0	DNON	0.000%	0
14		Total Investment Tax Credits	(2,047,402)	2,046,219	(1,183)			(1,183)
15								
16		Deferred Income Taxes:						
17	190	401(k) Incentive Plan	3,813	0	3,813	DALL	100.000%	3,813
18	190	ARO Cumulative Effect	167,964	0	167,964	DALL	100.000%	167,964
19	190	Cash Flow Hedge	(957,706)	0	(957,706)	DALL	100.000%	(957,706)
20	190	Electric Meters	14,228,706	0	14,228,706	DALL	100.000%	14,228,706
21	190	Environmental Reserve	(217,969)	217,969	0	DALL	100.000%	0
22	190	FAS 106 OPEB	5,771,152	0	5,771,152	DALL	100.000%	5,771,152
23	190	FAS 87 Non-Qualified Pension	475,376	0	475,376	DALL	100.000%	475,376
24	190	FAS 87 Qualified Pension	4,193,629	0	4,193,629	DALL	100.000%	4,193,629
25	190	Federal Deferred Tax Receivable	9,564,130	0	9,564,130	DALL	100.000%	9,564,130
26	190	Incentive Plan	(215,220)	0	(215,220)	DALL	100.000%	(215,220)
27	190	Misc	(20,225)	0	(20,225)	DALL	100.000%	(20,225)
28	190	Post Retirement Benefits - SFAS 112	756,065	0	756,065	DALL	100.000%	756,065
29	190	Property Tax	(3,758,564)	3,758,564	0	DALL	100.000%	0
30	190	Save-A-Watt	2,724,518	(2,724,518)	0	DALL	100.000%	0
31	190	ITC FAS 109	(2,295,515)	2,295,515	0	DALL	100.000%	0
32	190	Tax Interest Accrual (B)	2,050,955	(2,050,955)	0	DALL	100.000%	0
33	190	Unamortized Debt Premium	803,532	0	803,532	DALL	100.000%	803,532
34	190	Uncollectible Accounts	383,000	0	383,000	DALL	100.000%	383,000
35	190	Vacation Pay Accruals	1,300,054	0	1,300,054	DALL	100.000%	1,300,054
36								
37	39	Total Account 190	34,957,695	1,496,575	36,454,270			36,454,270
38								
39	282	263A	(41,534,825)	0	(41,534,825)	DALL	100.000%	(41,534,825)
40	282	AFUDC Debt	(3,210,820)	0	(3,210,820)	DALL	100.000%	(3,210,820)
41	282	Casualty Loss	(11,500,231)	0	(11,500,231)	DALL	100.000%	(11,500,231)
42	282	CIAC	12,778,410	0	12,778,410	DALL	100.000%	12,778,410
43	282	CWIP Differences	(2,633,663)	0	(2,633,663)	DALL	100.000%	(2,633,663)
44	282	FAS 109	(67,639,487)	67,639,487	0	DALL	100.000%	0
45	282	Miscellaneous	(13,477,689)	0	(13,477,689)	DALL	100.000%	(13,477,689)
46	282	Non-Cash Overheads	17,831,308	0	17,831,308	DALL	100.000%	17,831,308
47	282	Section 174	(937,678)	937,678	0	DALL	100.000%	0
48	282	Software	(2,713,554)	0	(2,713,554)	DALL	100.000%	(2,713,554)
49	282	Tax Depreciation	(256,005,595)	37,843,852	(218,161,743)	DALL	100.000%	(218,161,743)
50	282	Tax Interest Capitalized	5,448,950	0	5,448,950	DALL	100.000%	5,448,950
51		Total Account 282	(363,594,874)	106,421,017	(257,173,857)			(257,173,857)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1882-EL-AIR
OTHER RATE BASE ITEMS SUMMARY
AS OF MARCH 31, 2012

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SCHEDULE B-8
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WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE B-6.1, WPB-6.1a through WPB-6.1e

LINE NO.	ACCOUNT NO.	DESCRIPTION	TOTAL COMPANY \$	ADJUSTMENTS \$	ADJUSTED TOTAL COMPANY \$	ALLOCATION CODE	ALLOCATION PERCENT	ALLOCATED TOTAL \$
1		Deferred Income Taxes: (Continued)						
2								
3	283	ARO Cumulative Effect	(116,292)	0	(116,292)	DALL	100.000%	(116,292)
4	283	Deferred Smart Grid Costs	1,924,303	(1,924,303)	0	DALL	100.000%	0
5	283	Environmental Reserve	(849,819)	849,819	0	DALL	100.000%	0
6	283	ESP Deferrals	(3,228,466)	3,228,466	0	DALL	100.000%	0
7	283	FAS 106 OPEB	(1,544,591)	0	(1,544,591)	DALL	100.000%	(1,544,591)
8	283	FAS 87 Non-Qualified Pension	(174,904)	0	(174,904)	DALL	100.000%	(174,904)
9	283	FAS 87 Qualified Pension	(28,372,774)	0	(28,372,774)	DALL	100.000%	(28,372,774)
10	283	Hurricane Ike Storm Damage	(4,073,809)	4,073,809	0	DALL	100.000%	0
11	283	Loss on Reacquired Debt	(861,201)	0	(861,201)	DALL	100.000%	(861,201)
12	283	Merger Costs	135,890	(135,890)	0	DALL	100.000%	0
13	283	Misc	16,562	0	16,562	DALL	100.000%	16,562
14	283	Smart Grid	(10,235,364)	10,235,364	0	DALL	100.000%	0
15	283	Tax Interest Accrual (B)	(726,778)	726,778	0	DALL	100.000%	0
16	283	Uncollectible Accounts	255,679	0	255,679	DALL	100.000%	255,679
17	283	Vacation Pay Accruals	(1,018,540)	0	(1,018,540)	DALL	100.000%	(1,018,540)
18		Total Account 283	(48,870,103)	17,054,043	(31,816,061)			(31,816,061)
19								
20		Total Deferred Income Taxes	(377,507,282)	124,971,635	(252,535,648)			(252,535,648)
21								
22		Other Rate Base Adjustments	0	0	0			0

(A) The company elected the immediate flow through option under Section 46(e)(3) in regards to the 1971 election and the ratable flow through option provided under Section 46(f)(2) in regards to the 1975 election. The total company balance does not include balances related to non-regulated production plant.

(B) OCC Witness Dave Efron Testimony

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
JURISDICTIONAL PROFORMA INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-1
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): OCC's Schedule C-2 & WPC-1a

LINE NO.	DESCRIPTION	ADJUSTED REVENUE & EXPENSES (A)	OCC PROPOSED INCREASE (B)	PROFORMA REVENUE & EXPENSES (C)
1	Operating Revenues	\$ 370,700,566	\$ 10,629,629	\$ 381,330,195
2				
3	Operating Expenses			
4	Operation & Maintenance	154,620,802	43,613	154,664,415
5	Depreciation	57,408,397	0	57,408,397
6	Taxes - Other	71,069,425	39,330	71,108,755
7	Operating Expenses before Income Taxes	283,098,624	82,943	283,181,567
8				
9	State Income Taxes	284,393	83,382	367,775
10	Federal Income Taxes	23,400,108	3,662,156	27,062,264
11				
12	Total Operating Expenses	306,783,125	3,828,481	310,611,606
13				
14	Net Operating Income	\$ 63,917,441	\$ 6,801,148	\$ 70,718,589
15				
16	Rate Base	\$ 1,061,840,658		\$ 1,061,840,658
17				
18	Rate of Return	6.02%		6.66%

(A) OCC's Schedule C-2

(B) OCC's WPC-1a

(C) Column (A) & Column (B)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ADJUSTED TEST YEAR OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

WORK PAPER REFERENCE NO(S): APPLICANT'S SCHEDULE C-2.1 & OCC Schedule C-3

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SCHEDULE C-2
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LINE NO.	DESCRIPTION	UNADJUSTED REVENUE & EXPENSES	ADJUSTMENTS	ADJUSTED REVENUE & EXPENSES
1	OPERATING REVENUES			
2	Base Revenue and Riders	\$ 503,277,424	\$ (141,958,080)	\$ 361,319,344
3	Fuel Cost Revenue	0	0	0
4	Other Operating Revenue	12,119,951	(2,738,729)	9,381,222
5	Total Operating Revenue	515,397,375	(144,696,809)	370,700,566
6				
7	OPERATING EXPENSES			
8	Operation and Maintenance Expenses			
9	Production Expenses			
10	Fuel Cost	0	0	0
11	Other	0	0	0
12	Total Production Expense	0	0	0
13	Transmission Expense			
14	Distribution Expense	53,724,545	(1,760)	53,722,785
15	Customer Accounts Expense	39,851,214	(2,385,017)	37,466,197
16	Customer Service & Information Expense	10,073,347	(48,640)	10,024,707
17	Sales Expense	348,017	(347,962)	55
18	Administrative & General Expense	62,239,981	(9,041,348)	53,198,633
19	Amortization of Deferred Expense	(2,939,772)	3,148,197	208,425
20	Total Operation and Maintenance Expense	163,297,332	(8,676,530)	154,620,802
21				
22	Depreciation Expense	64,054,092	(6,645,695)	57,408,397
23				
24	Taxes Other Than Income Taxes			
25	Other Federal Taxes	4,046,188	(811,769)	3,234,419
26	State and Other Taxes	139,836,194	(72,001,188)	67,835,006
27	Total Taxes Other Than Income Taxes	143,882,382	(72,812,957)	71,069,425
28				
29	State and Municipal Income Taxes			
30	Normal and Surcharge	(126,959)	(498,863)	(625,822)
31	Provision for Deferred Income Taxes	860,071	50,144	910,215
32	Total State Income Tax Expense	733,112	(448,719)	284,393
33				
34	Federal Income Taxes			
35	Normal and Surcharge	(5,576,074)	(21,910,090)	(27,486,164)
36	Provision for Deferred Income Taxes	48,194,026	2,692,246	50,886,272
37	Total Federal Income Tax Expense	42,617,952	(19,217,844)	23,400,108
38				
39	Total Operating Expenses and Taxes	414,584,870	(107,801,745)	306,783,125
40				
41	Net Operating Income	\$ 100,812,505	\$ (36,895,064)	\$ 63,917,441

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME

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SCHEDULE C-3
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WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	TITLE OF ADJUSTMENT	SCHEDULE REFERENCE	TOTAL SCHEDULE C-3	ANNUALIZE / NORMALIZE REV & EXP C-3.1	ELIMINATE DSM / EE/SAW REV & EXP C-3.2	RATE CASE EXPENSE C-3.3	ANNUALIZE TEST YEAR WAGES C-3.4	ANNUALIZE DEPRECIATION C-3.5
1	OPERATING REVENUE							
2	Base		(141,958,080)	(11,525,810)	(31,380,843)			
3	Fuel Cost		0					
4	Other		(2,738,729)	21,889	(3,105,570)			
5	Total Revenue		(144,696,809)	(11,503,921)	(34,486,413)	0	0	0
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses							
10	Fuel Cost		0					
11	Other		0					
12	Total Production Expense		0	0	0	0	0	0
13	Transmission Expense		0					
14	Distribution Expense		(1,760)					
15	Customer Accounts Expense		(2,385,017)					
16	Customer Serv & Info Expense		(48,640)					
17	Sales Expense		(347,962)					
18	Administrative & General Expense		(9,041,348)				(2,887,183)	
19	Amortization of Deferred Expense		3,148,197			53,324		
20	Total Operation and Maintenance Expenses		(8,676,530)	0	19,906,515	53,324	(2,887,183)	0
21								
22	Depreciation Expense		(6,645,695)	0	0	0	0	(6,645,695)
23								
24	Taxes Other Than Income Taxes							
25	Other Federal Taxes		(811,769)					
26	State and Other Taxes		(72,001,188)					
27	Total Taxes Other Than Income Tax		(72,812,957)	0	0	0	0	0
28								
29	State & Municipal Income Taxes							
30	Normal and Surtax		(498,863)	(90,950)	(430,030)	(422)	22,826	0
31	Prov Deferred Income Tax (Deferrals)		50,144					43,038
32	Prov Deferred Income Tax (Writebacks)		0					
33	Total State Income Tax Expense		(448,719)	(90,950)	(430,030)	(422)	22,826	43,038
34								
35	Federal Income Taxes							
36	Normal and Surtax		(21,910,090)	(3,994,540)	(18,887,014)	(18,516)	1,002,525	0
37	Prov Deferred Income Tax (Deferrals)		2,692,246					2,310,708
38	Prov Deferred Income Tax (Writebacks)		0					
39	Total Federal Income Tax Expense		(19,217,844)	(3,994,540)	(18,887,014)	(18,516)	1,002,525	2,310,708
40								
41	Total Oper. Expenses and Tax		(107,801,745)	(4,085,490)	589,471	34,386	(1,861,832)	(4,291,949)
42								
43	Net Operating Income		(36,895,064)	(7,418,431)	(35,075,884)	(34,386)	1,861,832	4,291,949

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

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WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	TITLE OF ADJUSTMENT	SCHEDULE REFERENCE	CUSTOMER SERVICE DEPOSITS C-3.6	ELIMINATE STORM RECOVERY REV & EXP C-3.7	ANNUALIZE PROPERTY TAX C-3.8	SMART GRID SAVINGS ADJUSTMENT C-3.9	INTEREST EXPENSE DEDUCTIBLE C-3.10	EET EXPENSE ADJUSTMENT C-3.11
1	OPERATING REVENUE							
2	Base			(5,363,901)				
3	Fuel Cost							
4	Other							
5	Total Revenue		0	(5,363,901)	0	0	0	0
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses							
10	Fuel Cost							
11	Other							
12	Total Production Expense		0	0	0	0	0	0
13	Transmission Expense							
14	Distribution Expense							
15	Customer Accounts Expense							
16	Customer Serv & Info Expense					2,565,568		
17	Sales Expense		467,051					
18	Administrative & General Expense							24,328
19	Amortization of Deferred Expense			(5,354,385)				
20	Total Operation and Maintenance Expenses		467,051	(5,354,385)	0	2,565,568	0	24,328
21								
22	Depreciation Expense		0	0	0	0	0	0
23								
24	Taxes Other Than Income Taxes							
25	Other Federal Taxes							
26	State and Other Taxes				(559,165)			
27	Total Taxes Other Than Income Tax		0	0	(559,165)	0	0	0
28								
29	State & Municipal Income Taxes							
30	Normal and Surtax		(3,692)	(75)	4,421	(20,283)	855	(193)
31	Prov Deferred Income Tax (Deferrals)						7,106	
32	Prov Deferred Income Tax (Writebacks)							
33	Total State Income Tax Expense		(3,692)	(75)	4,421	(20,283)	7,961	(193)
34								
35	Federal Income Taxes							
36	Normal and Surtax		(162,176)	(3,304)	194,160	(890,850)	37,573	(8,447)
37	Prov Deferred Income Tax (Deferrals)						381,538	
38	Prov Deferred Income Tax (Writebacks)							
39	Total Federal Income Tax Expense		(162,176)	(3,304)	194,160	(890,850)	419,111	(8,447)
40								
41	Total Oper. Expenses and Tax		301,183	(5,357,764)	(360,584)	1,654,435	427,072	15,688
42								
43	Net Operating Income		(301,183)	(6,137)	360,584	(1,654,435)	(427,072)	(15,688)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

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WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	TITLE OF ADJUSTMENT	SCHEDULE REFERENCE	OHIO EXCISE TAX RIDER C-3.12	BUDGET EXPENSES C-3.13	ELIMINATE NON JURIS. EXPENSES C-3.14	ADJUST PUCO/OCC ASSESSMENT'S C-3.15	ADJUST UNCOLLECTIBLE EXPENSE C-3.16	ANNUALIZE PENSION & BENEFIT EXP C-3.17
1	OPERATING REVENUE							
2	Base		(69,521,224)				(7,301,531)	
3	Fuel Cost							
4	Other			0	0	0	(7,301,531)	0
5	Total Revenue		(69,521,224)	0	0	0		0
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses							
10	Fuel Cost							
11	Other							
12	Total Production Expense		0	0	0	0	0	0
13	Transmission Expense							
14	Distribution Expense			(1,843,923)	(1,760)		(3,573,713)	
15	Customer Accounts Expense				(48,640)			
16	Customer Serv & Info Expense				(347,962)			
17	Sales Expense			(4,744,715)	(342,426)	738,020		(1,511,383)
18	Administrative & General Expense							
19	Amortization of Deferred Expense							
20	Total Operation and Maintenance Expenses		0	(6,588,638)	(740,788)	738,020	(3,573,713)	(1,511,383)
21								
22	Depreciation Expense		0	0	0	0	0	0
23								
24	Taxes Other Than Income Taxes							
25	Other Federal Taxes							
26	State and Other Taxes		(69,888,878)					
27	Total Taxes Other Than Income Tax		(69,888,878)	0	0	0	0	0
28								
29	State & Municipal Income Taxes							
30	Normal and Surtax		2,907	52,090	5,856	(5,835)	(29,472)	11,949
31	Prov Deferred Income Tax (Deferrals)							
32	Prov Deferred Income Tax (Writebacks)							
33	Total State Income Tax Expense		2,907	52,090	5,856	(5,835)	(29,472)	11,949
34								
35	Federal Income Taxes							
36	Normal and Surtax		127,661	2,287,792	257,226	(256,265)	(1,294,421)	524,802
37	Prov Deferred Income Tax (Deferrals)							
38	Prov Deferred Income Tax (Writebacks)							
39	Total Federal Income Tax Expense		127,661	2,287,792	257,226	(256,265)	(1,294,421)	524,802
40								
41	Total Oper. Expenses and Tax		(69,758,310)	(4,248,756)	(477,706)	475,920	(4,897,606)	(974,632)
42								
43	Net Operating Income		237,086	4,248,756	477,706	(475,920)	(2,403,925)	974,632

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
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FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

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WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	TITLE OF ADJUSTMENT	SCHEDULE REFERENCE	ANNUALIZE FICA TAXES C-3.18	ANNUALIZE COMMERCIAL ACTIVITIES TAX C-3.19	ELIMINATE TEST YEAR LEASE EXP C-3.20	ANNUALIZE CINCINNATI FRANCHISE TAX C-3.21	ANNUALIZE RENT REVENUE C-3.22	ELIMINATE MERGER COSTS C-3.23
1	OPERATING REVENUE							
2	Base							
3	Fuel Cost							
4	Other						344,952	
5	Total Revenue		0	0	0	0	344,952	0
6								
7	OPERATING EXPENSES							
8	Operation and Maintenance Expenses							
9	Production Expenses							
10	Fuel Cost							
11	Other							
12	Total Production Expense		0	0	0	0	0	0
13	Transmission Expense							
14	Distribution Expense							
15	Customer Accounts Expense							
16	Customer Serv & Info Expense							
17	Sales Expense							
18	Administrative & General Expense				(51,679)			(266,310)
19	Amortization of Deferred Expense							
20	Total Operation and Maintenance Expenses		0	0	(51,679)	0	0	(266,310)
21								
22	Depreciation Expense		0	0	0	0	0	0
23								
24	Taxes Other Than Income Taxes							
25	Other Federal Taxes		(811,769)					
26	State and Other Taxes			(19,278)		(1,533,867)		
27	Total Taxes Other Than Income Tax		(811,769)	(19,278)	0	(1,533,867)	0	0
28								
29	State & Municipal Income Taxes							
30	Normal and Surtax		6,418	152	408	12,126	2,728	2,105
31	Prov Deferred Income Tax (Deferrals)							
32	Prov Deferred Income Tax (Writebacks)							
33	Total State Income Tax Expense		6,418	152	408	12,126	2,728	2,105
34								
35	Federal Income Taxes							
36	Normal and Surtax		281,873	6,694	17,945	532,609	119,778	92,472
37	Prov Deferred Income Tax (Deferrals)							
38	Prov Deferred Income Tax (Writebacks)							
39	Total Federal Income Tax Expense		281,873	6,694	17,945	532,609	119,778	92,472
40								
41	Total Oper. Expenses and Tax		(523,478)	(12,432)	(33,326)	(989,132)	122,506	(171,733)
42								
43	Net Operating Income		523,478	12,432	33,326	989,132	222,446	171,733

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

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WORK PAPER REFERENCE NO(S):: SEE BELOW

LINE NO.	TITLE OF ADJUSTMENT	INTENTIONALLY LEFT BLANK C-3.24	INTENTIONALLY LEFT BLANK C-3.25	ELIMINATE SMART GRID REV & EXP C-3.26	MEDICAL COSTS C-3.27	INTENTIONALLY LEFT BLANK C-3.28	INTENTIONALLY LEFT BLANK C-3.29
1	OPERATING REVENUE						
2	Base			(16,864,771)			
3	Fuel Cost						
4	Other						
5	Total Revenue	0	0	(16,864,771)	0	0	0
6							
7	OPERATING EXPENSES						
8	Operation and Maintenance Expenses						
9	Production Expenses						
10	Fuel Cost						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13	Transmission Expense						
14	Distribution Expense						
15	Customer Accounts Expense						
16	Customer Serv & Info Expense						
17	Sales Expense						
18	Administrative & General Expense						
19	Amortization of Deferred Expense			(11,457,257)	0		
20	Total Operation and Maintenance Expenses	0	0	(11,457,257)	0	0	0
21							
22	Depreciation Expense	0	0	0	0	0	0
23							
24	Taxes Other Than Income Taxes						
25	Other Federal Taxes						
26	State and Other Taxes						
27	Total Taxes Other Than Income Tax	0	0	0	0	0	0
28							
29	State & Municipal Income Taxes						
30	Normal and Surtax	0	0	(42,752)	0	0	0
31	Prov Deferred Income Tax (Deferrals)						
32	Prov Deferred Income Tax (Writebacks)						
33	Total State Income Tax Expense	0	0	(42,752)	0	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	0	0	(1,877,667)	0	0	0
37	Prov Deferred Income Tax (Deferrals)						
38	Prov Deferred Income Tax (Writebacks)						
39	Total Federal Income Tax Expense	0	0	(1,877,667)	0	0	0
40							
41	Total Oper. Expenses and Tax	0	0	(13,377,676)	0	0	0
42							
43	Net Operating Income	0	0	(3,487,095)	0	0	0

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZED REVENUE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.1
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.1a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION		JURISDICTIONAL AMOUNT
		CODE	PERCENT	

PURPOSE and DESCRIPTION: To eliminate unbilled revenue and to adjust test year base and other revenues to the amounts calculated on Staff Schedule E-4.

Billed Base Revenue Adjustments	6,343,952	DALL	100.000%	6,343,952
DS Sales Adjustment (A)	2,854,465	DALL	100.000%	2,854,465
Unbilled Revenue	(20,724,227)	DALL	100.000%	(20,724,227)
Total Base Revenue	<u>\$ (11,525,810)</u>			<u>\$ (11,525,810)</u>

↓
To Sch C-3 Summary

Other Revenue	<u>\$ 21,889</u>	DALL	100.000%	<u>\$ 21,889</u>
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To Sch C-3 Summary

(A) OCC Witness Dave Effron Testimony

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE TEST YEAR WAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.4
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.4a through WPC-3.4d

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION CODE PERCENT	JURISDICTIONAL AMOUNT

PURPOSE and DESCRIPTION: To annualize test year payroll costs
as of August 2012

Less: Labor for Terminated 259 Employees (A)	\$ (2,250,492)	100.000%	\$ (2,250,492)
Staff Labor Adjustment	\$ (636,691)	100.000%	\$ (636,691)
Total	\$ (2,887,183)		\$ (2,887,183)

↓
To Sch C-3 Summary

(A) Staff's Data Request 143-001

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZED DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.5
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.5a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION		JURISDICTIONAL AMOUNT
		CODE	PERCENT	

PURPOSE and DESCRIPTION: To reflect the adjustment to annualized depreciation expense as shown on Schedule B-3.2 based on plant at March 31, 2012.

Total	\$	(6,645,695)	DALL	100.000%	\$	(6,645,695)
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To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
PROPERTY TAX ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.8
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.8a through WPC-3.8c

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	PERCENT	AMOUNT	AMOUNT

PURPOSE and DESCRIPTION: To reflect the change in expense if property taxes were calculated based on plant in service as of March 31, 2012.

Total	\$ (559,165)	DALL	100.000%		\$ (559,165)	
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To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.10
PAGE 1 OF 2

WORK PAPER REFERENCE NO(S): WPC-3.10a, SCHEDULE B-1, SCHEDULE D-1

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	PERCENT	AMOUNT	AMOUNT
Municipal Income Tax	\$ 855	DALL	100.000%			855
	37,573	DALL	100.000%			37,573
	<u>\$ 38,428</u>				<u>\$ 38,428</u>	
Federal Income Tax						
Total						

PURPOSE and DESCRIPTION: To reflect income taxes at 35.00% due to interest deductible for tax purposes being based on rate base at March 31, 2012 as shown on Schedule B-1 and the weighted cost of debt of 2.48% as shown on Schedule D-1.

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To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.10
PAGE 2 OF 2

WORK PAPER REFERENCE NO(S): WPC-3.10a, SCHEDULE B-1, SCHEDULE D-1

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION		JURISDICTIONAL AMOUNT
		CODE	PERCENT	

PURPOSE and DESCRIPTION: To reflect the elimination of federal and state deferred tax expenses related to Allowance for Funds Used During Construction, Capitalized Interest and Loss on Reacquired Debt.

Federal Deferrals:

Capitalized Interest	\$ 471,015	DALL	100.000%	\$ 471,015
AFUDC - Debt	(166,325.00)	DALL	100.000%	(166,325.00)
Loss on Reacquired Debt	76,848.00	DALL	100.000%	76,848.00
	<u>\$ 381,538</u>			<u>\$ 381,538</u>

→ To Sch C-3 Summary

State Deferrals:

Capitalized Interest	\$ 8,773	DALL	100.000%	\$ 8,773
AFUDC - Debt	(3,098)	DALL	100.000%	(3,098)
Loss on Reacquired Debt	1,431	DALL	100.000%	1,431
	<u>\$ 7,106</u>			<u>\$ 7,106</u>

→ To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ELIMINATE NON-JURISDICTIONAL EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.14
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.14a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION CODE	PERCENT	JURISDICTIONAL AMOUNT
PURPOSE and DESCRIPTION: To eliminate non-jurisdictional operating expenses.				
Distribution Expense	\$ (1,760)	DALL	100.000%	(1,760)
Customer Serv & Info Expense	(48,640)	DALL	100.000%	(48,640)
Sales Expense	(347,962)	DALL	100.000%	(347,962)
Administrative & General Expense	(219,694)	DALL	100.000%	(219,694)
Governmental Affairs-Federal (A)	(84,094)	DALL	100.000%	(84,094)
Corporate Community Relations (A)	(38,638)	DALL	100.000%	(38,638)
Total Operating Expense Adjustment	\$ (740,788)			\$ (740,788)

↓
To Sch C-3 Summary

(A) OCC-INT-01-008 Attachment (a)

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ADJUST UNCOLLECTIBLE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.16
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.16a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION		JURISDICTIONAL AMOUNT
		CODE	PERCENT	

PURPOSE AND DESCRIPTION: To eliminate Rider UE-ED revenues and annualize uncollectible expense not being recovered via Rider UE-ED.

Eliminate Rider Revenue	\$ (7,301,531)	DALL	100.000%	\$ (7,301,531)
Uncollectible Accounts Expense	\$ (3,573,713)	DALL	100.000%	\$ (3,573,713)



To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE PENSION AND BENEFITS EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.17
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S):: WPC-3.17a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION CODE	PERCENT	JURISDICTIONAL AMOUNT
PURPOSE and DESCRIPTION: To annualize pension and benefits expense based on annualized test year salaries and wages and budgeted loading rate.				
Less: Pension and Benefits for Terminated 259 Employees (A)	(745,143)	DALL	100.000%	\$ (745,143)
Pension and Benefits Adjustment	\$ (766,240)	DALL	100.000%	\$ (766,240)
Total Pension and Benefits Adjustment	\$ (1,511,383)			\$ (1,511,383)



To Sch C-3 Summary

(A) Staff's Data Request 143-001

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE PAYROLL TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.18
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.18a

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	AMOUNT	AMOUNT	
PURPOSE and DESCRIPTION: To annualize payroll taxes						
Less: Pension and Benefits for Terminated 259 Employees (A)	\$ (194,859)	DALL	100.000%	\$ (194,859)		
Payroll Taxes Adjustment	\$ (616,910)	DALL	100.000%	\$ (616,910)		
Total	\$ (811,769)			\$ (811,769)		



To Sch C-3 Summary

(A) Staff's Data Request 143-001

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE COMMERCIAL ACTIVITIES TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.19
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.19a

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	AMOUNT	AMOUNT	AMOUNT

PURPOSE and DESCRIPTION: To annualize the amount of
test year Commercial Activities Tax based on annualized revenue.

Total	\$	(19,278)	DALL	100.000%	\$	(19,278)
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To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ELIMINATE TEST YEAR LEASE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.20
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.20a

PURPOSE and DESCRIPTION	TOTAL AMOUNT	ALLOCATION		JURISDICTIONAL AMOUNT
		CODE	PERCENT	

PURPOSE and DESCRIPTION: To eliminate test year lease expense of the Atrium II.

Test Year Lease Expense (A)	\$ (59,184)	DLAB	87.319%	\$ (51,679)
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To Sch C-3 Summary

(A) OCC-INT-7-100

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE CINCINNATI FRANCHISE TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.21
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.21a

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	PERCENT	AMOUNT	AMOUNT

PURPOSE and DESCRIPTION: To annualize the amount of test year Cincinnati Franchise Tax based on annualized revenue.

Total	\$ (1,533,867)	DALL	100.000%	\$	(1,533,867)
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To Sch C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE RENT REVENUE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.22
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.22a

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	AMOUNT	AMOUNT	AMOUNT
PURPOSE and DESCRIPTION: To annualize test year headquarter's rent revenue						
Annualized Rent Revenue (A)	\$ 3,116,004	DALL	100.000%	\$	3,116,004	
Less: Test Year Rent Revenue	\$ 2,771,052	DALL	100.000%	\$	2,771,052	
Total Rent Revenue Adjustment	\$ 344,952			\$	344,952	



To Sch. C-3 Summary

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
INCREASED MEDICAL COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-3.27
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S):: WPC-3.27a

PURPOSE and DESCRIPTION	TOTAL		ALLOCATION		JURISDICTIONAL	
	AMOUNT	CODE	PERCENT	AMOUNT	AMOUNT	AMOUNT

PURPOSE and DESCRIPTION: To adjust expenses
for increased medical costs.

Medical Cost Adjustment (A) 0 DALL 100.000% 0



To Sch C-3 Summary

(A) OCC Witness Dave Effron

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

OCC
SCHEDULE C-4
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): SCHEDULE C-4.1, WPC-4.1a

LINE NO.	DESCRIPTION	AT CURRENT RATES			AT PROPOSED RATES	
		UNADJUSTED DISTRIBUTION	SCHEDULE C-3 ADJUSTMENTS	ADJUSTED DISTRIBUTION	PROFORMA ADJUSTMENTS	PROFORMA
		(1)	(2)	(3)	(4)	(5)
		(\$)	(\$)	(\$)	(\$)	(\$)
1	Operating Income before Federal					
2	and State Income Taxes	144,163,569	(56,561,627)	87,601,942	10,546,686	98,148,628
3						
4	Reconciling Items:					
5	Interest Charges	(27,539,174)	1,205,526	(26,333,648)	0	(26,333,648)
6	Net Interest Charges	(27,539,174)	1,205,526	(26,333,648)	0	(26,333,648)
7						
8	Tax Depreciation	(120,591,769)		(120,591,769)	0	(120,591,769)
9	Book Depreciation	61,485,726	(6,645,695)	54,840,031	0	54,840,031
10	Excess of Tax over Book Depreciation	(59,106,043)	(6,645,695)	(65,751,738)	0	(65,751,738)
11						
12	Other Reconciling Items:					
13	Temporary Differences	(73,702,874)	(1,097,320)	(74,800,194)	0	(74,800,194)
14	Permanent Differences	125,923	0	125,923	0	125,923
15	Total Other Reconciling Items	(73,576,951)	(1,097,320)	(74,674,271)	0	(74,674,271)
16	Total Reconciling Items	(160,222,168)	(6,537,489)	(166,759,657)	0	(166,759,657)
17	Federal Taxable Income	(16,058,599)	(63,099,116)	(79,157,715)	10,546,686	(68,611,029)
18						
19	State Income Tax Adjustments:					
20	Unallowable Depreciation	0	0	0	0	0
21	Ohio Taxable Income Adj - OH Franchise	0	0	0	0	0
22	Total State Income Tax Adjustments	0	0	0	0	0
23						
24	State Taxable Income	(16,058,599)	(63,099,116)	(79,157,715)	10,546,686	(68,611,029)
25						
26	State Income Tax @ 0.4011%	(64,411)	(253,091)	(317,502)	42,304	(275,198)
27	Municipal Income Tax @ 0.3895%	(62,548)	(245,772)	(308,320)	41,079	(267,241)
28	State Income Tax	(126,959)	(498,863)	(625,822)	83,383	(542,439)
29						
30	Provision for Deferred State Income Taxes:					
31	Deferred Income Taxes	860,071	50,144	910,215	0	910,215
32	Total State & Municipal Income Tax Expense	733,112	(448,719)	284,393	83,383	367,776
33						
34	Federal Taxable Income (Line 17)	(16,058,599)	(63,099,116)	(79,157,715)	10,546,686	(68,611,029)
35						
36	State Income Tax Deductible (Line 26)	(64,411)	(253,091)	(317,502)	42,304	(275,198)
37	Municipal Income Tax Deductible (Line 27)	(62,548)	(245,772)	(308,320)	41,079	(267,241)
38						
39	Federal Taxable Income	(15,931,640)	(62,600,253)	(78,531,893)	10,463,303	(68,068,590)
40						
41	Federal Income Taxes @ 35% (A)	(5,576,074)	(21,910,091)	(27,486,165)	3,662,156	(23,824,009)
42	Federal Income Taxes - Current	(5,576,074)	(21,910,091)	(27,486,165)	3,662,156	(23,824,009)
43						
44	Provision Deferred Federal Income Taxes - Net					
45	Deferred Income Tax on Depreciation	20,803,094	2,310,708	23,113,802	0	23,113,802
46	Other Deferred Income Taxes - Net	25,626,489	381,538	26,008,027	0	26,008,027
47	Deferred Income Tax Adjustment - ARAM	644,131	0	644,131	0	644,131
48	Deferred Income Tax Adjustment - Flow-Through	1,692,346	0	1,692,346	0	1,692,346
49	Amortization of Investment Tax Credit	(572,034)		(572,034)	0	(572,034)
50	Total Deferred Income Taxes	48,194,026	2,692,246	50,886,272	0	50,886,272
51						
52	Total Federal Income Taxes	42,617,952	(19,217,845)	23,400,107	3,662,156	27,062,263

(A) Calculation may be different due to rounding

DUKE ENERGY OHIO, INC.
ELECTRIC DEPARTMENT
CASE NO. 12-1682-EL-AIR
ANNUALIZE PENSION AND BENEFITS EXPENSE
12 MONTHS ENDING DECEMBER 31, 2012

IS - C-3.17a

Line No.	Description	Source	DE-Ohio	DE-Business Services	Total Amount	Allocation Code	Allocation Percent	Jurisdictional Amount
1	Annualized Electric O&M Labor	Sch. C-3.4	\$ 8,290,966	\$ 45,739,959	\$ 54,030,925	DALL	100.000%	\$ 54,030,925
2	Loading Rate	(A)	35.08%	23.12%				
3								
4								
5	Annualized O&M Pension and Benefits Expense		2,908,471	10,575,079	13,483,550			13,483,550
6								
7	Allocated Executive Benefits in Test Year				995,586	DLAB	87.319%	869,336
8								
9	Total Annualized O&M Pension and Benefits Expense				14,479,136			14,352,886
10								
11	Test Year O&M Pension and Benefits Expense	Sch. C-2.1			17,314,818	DLAB	87.319%	15,119,126
12								
13	Adjustment (Line 9 - Line 11)				\$ (2,835,682)			\$ (766,240)
								↓
								To Sch. C-3.17

(A) Duke's Response to OCC INT - 07-300 in Gas Case No. 12-1685-GA-AIR

DUKE ENERGY OHIO, INC.
ELECTRIC DEPARTMENT
CASE NO. 12-1682-EL-AIR
ANNUALIZE PAYROLL TAXES
12 MONTHS ENDING DECEMBER 31, 2012

IS - C-3.18a

Line No.	Description	Source	DE-Business	DE-Business	Total
1	Adjusted O&M Labor Expense	Sch. C-3.4	\$	8,290,966	\$
2	Distribution Allocation			100.000%	
3	Distribution Labor (1) x (2)			8,290,966	
4	Taxable Percentage	(A)		98.750%	
5	Taxable Income (3) x (4)			8,187,329	
6	OASDI Tax Rate			6.20%	
7	OASDI Tax (5) x (6)			507,614	
8	Medicare Tax Rate			1.45%	
9	Medicare Tax (3) x (8)			120,219	
10	Annualized Payroll Taxes (7) + (9)		\$	627,833	\$
Less: Test Year Payroll Taxes				663,229	
				2,809,421	\$
					3,437,255
Schedule C-2.1					\$
To Sch. C-3.18 →					\$
					(616,910)

(A) Staff's DR 09-001 and OCC Interrogatory 17-185 & 19-191

DUKE ENERGY OHIO, INC.
ELECTRIC DEPARTMENT
CASE NO. 12-1682-EL-AIR
ANNUALIZE PAYROLL TAXES
12 MONTHS ENDEING DECEMBER 31, 2012

IS-C-3.18b

<u>Description</u>	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Total</u>
	<u>3/31/12</u>	<u>6/30/12</u>	<u>9/30/12</u>	<u>12/31/12</u>	
<u>Duke Energy Ohio, Inc.</u>					
Taxable Social Security Wages	17,208,172.20	16,665,904.89	15,633,098.09	16,493,763.42	66,000,938.60
Taxable Medicare Wages	17,208,172.20	16,665,904.89	15,641,833.70	17,317,099.41	66,833,010.20
Social Security Taxable Percentage	100.00%	100.00%	99.94%	95.25%	98.75%
<u>Duke Energy Business Services</u>					
Taxable Social Security Wages	217,030,656.73	127,139,654.46	118,897,046.53	106,959,237.91	570,026,595.63
Taxable Medicare Wages	285,686,741.39	154,132,565.57	152,771,748.16	160,659,437.18	753,250,492.30
Social Security Taxable Percentage	75.97%	82.49%	77.83%	66.58%	75.68%

Source: Staff DR 09-001, OCC INT 17-185 and 19-191

DUKE ENERGY OHIO, INC.
CASE NO. 12-1682-EL-AIR
ANNUALIZE CINCINNATI FRANCHISE TAX
12 MONTHS ENDING DECEMBER 31, 2012

IS - C-3.21a

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Total Adjusted Operating Revenues	Sch. C-2	\$ 370,700,566
2			
3	Rider revenues eliminated in rate case		
4	subject to Cincinnati Franchise Tax:		
5	EE/Decoupling	WPC-2a	25,591,757
6	Save-a-Watt	WPC-2a	5,789,086
7	Economic Competitiveness	WPC-2a	315
8	Ohio Excise	WPC-2a	69,521,224
9	Storm Recovery	WPC-2a	5,363,901
10	Uncollectible Expense	WPC-2a	7,301,531
11			
12	Distribution Base Revenue		484,268,380
13			
14	Franchise Tax Rate	Sch. A-2	0.1100%
15			
16	Annualized Cincinnati Franchise Tax (12) * (14)		532,695
17			
18	Test Year Cincinnati Franchise Tax	Sch. C-2.1	2,066,562
19			
20	Adjustment to Cincinnati Franchise Tax (16) - (18)		\$ <u>(1,533,867)</u>
			↓
			To Sch. C-3.21

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 12-1682-EL-AIR, 12-1683-EL-ATA, 12-1684-EL-AAM

Summary: Testimony Direct Testimony of Ibrahim Soliman on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Patti Mallarnee on behalf of Etter, Terry L Mr.