

**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 Gas Rates.	)	Case No.12-1685-GA-AIR
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)	Case No. 12-1686-GA-ATA
	)	
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Alternative Rate Plan for Gas Distribution Service.	)	Case No. 12-1687-GA-ALT
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 12-1688-GA-AAM
	)	

**(PUBLIC VERSION)**

**DIRECT TESTIMONY  
OF  
JAMES GOULD**

**On Behalf of  
The Office of the Ohio Consumers' Counsel**  
*10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485  
(614) 466-8574*

***February 25, 2013***

## **TABLE OF CONTENTS**

	<b>Page</b>
I. INTRODUCTION .....	1
II. PURPOSE OF TESTIMONY .....	3
III. PROPERTY TAX EXPENSE .....	3
IV. NON-JURISDICTIONAL EXPENSES .....	8
V. UNCLAIMED FUNDS .....	11
VI. CONCLUSION.....	13

## **SCHEDULES**

JEG-C-3.8a	Personal Property Tax Expense Adjustment
JEG-C-3.8b	Real Property Tax Expense Adjustment
JEG-C-3.8c	Total Property Tax Expense Adjustment
JEG-C-3.14a	Non-Jurisdictional Expense Adjustment
JEG-B-6.1a	Unclaimed Funds Adjustment

## **ATTACHMENTS**

JEG-1	Duke Response to OCC Interrogatory No. 37
JEG-2	Duke Response to Staff's Data Request-19-001 Attachment, Balance Sheet Detail for Schedule B-6, page 3 of 3
JEG-3	Duke Response to OCC Interrogatory No. 27, Attachment (a)
JEG-4	Duke Response to OCC Interrogatory No. 27, Attachment (b)

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1   **I.       INTRODUCTION**

2

3   ***Q1.   PLEASE STATE YOUR NAME, ADDRESS AND POSITION.***

4   ***A1.***   My name is James Gould. My business address is 10 West Broad Street, Suite  
5           1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio  
6           Consumers' Counsel ("OCC") as a Senior Regulatory Analyst.

7

8   ***Q2.   WHAT IS YOUR EDUCATIONAL BACKGROUND?***

9   ***A2.***   I earned a Master of Business Administration degree from Ashland University in  
10          2002. I also obtained a Bachelor of Arts degree from Ohio State University in  
11          2004 and a Bachelor of Science degree from Franklin University in 1994.

12

13   ***Q3.   PLEASE SUMMARIZE YOUR WORK EXPERIENCE.***

14   ***A3.***   I was first employed by the OCC from April of 2010 to February 2011 as a Senior  
15          Regulatory Analyst. After a break in my service, I was re-employed by the OCC  
16          in December of 2012, again as a Senior Regulatory Analyst. Prior to my  
17          employment with the OCC, I worked for the Public Utilities Commission of Ohio  
18          ("PUCO" or "Commission") from January 1987 until April 2008. During my  
19          tenure with the Staff of the Commission ("Staff") I held various positions of  
20          increasing responsibilities including Utility Examiner, Utility Specialist II, and  
21          Utility Specialist III. During my time at the PUCO, I served as the Commission's  
22          rate case manager. In that position I coordinated the filing and processing of  
23          utility company requests for rate increases. I also reviewed utility company

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 filings for increases in rates for compliance with Commission regulations.  
2 Additionally, I investigated and processed utility company requests for increases  
3 in rates. My current duties as an OCC Regulatory Analyst include investigation  
4 and analysis of utility applications for increases in rates. I also participate in  
5 special projects and investigations of utility filings in the electric, gas, and water  
6 industries.

7

8 ***Q4. HAVE YOU PREVIOUSLY TESTIFIED IN UTILITY REGULATORY***  
9 ***PROCEEDINGS?***

10 ***A4.*** No.

11

12 ***Q5. WHAT HAVE YOU RELIED UPON IN THE PREPARATION OF YOUR***  
13 ***TESTIMONY?***

14 ***A5.*** I have reviewed relevant portions of Duke Energy Ohio's ("Duke" or "Utility")  
15 Application, Standard Filing Requirements and associated workpapers, Duke's  
16 Testimony, the PUCO Staff Report of Investigation ("Staff Report") and  
17 associated workpapers, and Duke's responses to discovery requests propounded  
18 by OCC and requests by the Staff. I have also reviewed opinions and orders from  
19 certain other regulatory proceedings related to matters in my testimony.

20

**II. PURPOSE OF TESTIMONY**

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

**A6.** My testimony will support OCC objections 2, 14 and 15 to the Staff Report, and address the issues raised by those objections as they relate to the determination of operating income and rate base. Specifically, I will address OCC's objections related to property tax expense, non-jurisdictional operating expenses, and unclaimed funds as they relate to the determination of rate base.

**III. PROPERTY TAX EXPENSE**

***Q7. DID DUKE INCLUDE PROPERTY TAX EXPENSE IN ITS APPLICATION?***

**A7.** Yes.

***Q8. HOW DID DUKE CALCULATE PROPERTY TAX EXPENSE IN ITS APPLICATION?***

**A8.** In test year adjusted operating expenses, Duke included a total of \$22,981,673 for property tax expense.<sup>1</sup> Duke calculated this annualized level of property tax expense by applying an estimated assessment valuation percentage of 14.86% to date certain plant balances as of March 31, 2012.<sup>2</sup> Duke derived the estimated

---

<sup>1</sup> Duke Workpaper WPC-3.8a.

<sup>2</sup> Duke Workpaper WPC-3.8a and WPC-3.8b.

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 assessment valuation percentage (14.86%) by dividing its assessed property tax  
2 value (taken from Duke's Ohio Department of Taxation, 2011 Valuation Notice)  
3 by the book value of certain plant balances as of December 31, 2010, as shown on  
4 Duke's 2010 FERC Form 2.<sup>3</sup> Duke then multiplied plant balances subject to  
5 taxation by Duke's current average personal property tax rate of \$94.586 per  
6 thousand dollars of valuation to arrive at its estimated total property tax expense  
7 of \$22,981,673.<sup>4</sup>

8  
9 ***Q9. DID THE STAFF MAKE ANY ADJUSTMENTS TO PROPERTY TAX***  
10 ***EXPENSE?***

11 ***A9.*** Yes.

12  
13 ***Q10. WHAT ADJUSTMENTS DID THE STAFF MAKE TO DUKE'S PROPERTY***  
14 ***TAX EXPENSE CALCULATION?***

15 ***A10.*** The Staff's adjustment to Duke's estimate of property tax expense is shown on  
16 Schedule C-3.8 of the Staff Report. That schedule shows that the Staff estimated  
17 total property tax expense of \$22,917,063 - a \$337,452 decrease from Duke's test  
18 year property tax expense. The Staff used the same methodology as used by  
19 Duke in its estimate of total property tax expense. However, the Staff's  
20 adjustment includes "the latest rates and valuation percentages"<sup>5</sup> applied to certain

---

<sup>3</sup> See Calculation on Duke Workpaper WPC-3.8b.

<sup>4</sup> Duke Workpaper WPC-3.8a.

<sup>5</sup> Staff Report at 11.

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 plant balances as of March 31, 2012. The Staff's use of updated plant assessment  
2 values and the latest known distribution and common plant balances as of  
3 December 31, 2011, taken from Duke's 2011 FERC Form 2, resulted in the  
4 Staff's calculation of a slightly higher assessment valuation percentage, which  
5 when applied to a lower adjusted date certain plant balance, resulted in a smaller  
6 estimate of property tax expense. In addition, the Staff's property tax expense  
7 adjustment, as shown on Staff Report Schedule C-3.8, blends both personal  
8 property plant and real property plant together and then applies the higher Duke-  
9 calculated personal property average tax rate of \$94.586 per thousand dollars of  
10 valuation to both property categories. As a result, the Staff arrived at an  
11 overstated annualized level of property tax expense. Thus, the Staff is proposing  
12 a level of property tax expense that is too high for including in the rates that  
13 customers would pay.

14  
15 ***Q11. DO YOU AGREE WITH THE STAFF'S PROPERTY TAX CALCULATIONS?***

16 ***A11.*** No.

17  
18 ***Q12. HOW DOES YOUR CALCULATION OF PROPERTY TAX EXPENSE***  
19 ***DIFFER FROM THE STAFF'S CALCULATION?***

20 ***A12.*** My calculation of total property tax expense differs significantly from the Staff's  
21 calculation. First, my calculation includes a separate calculation for both personal  
22 property tax expense and real property tax expense. Those calculations are shown  
23 on Schedules JEG-C-3.8a and JEG-C-3.8b, respectively. Performing a separate

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 calculation for both categories of property allows the proper assignment of  
2 Duke's personal property average tax rate of \$94.586<sup>6</sup> to personal property  
3 taxable plant values and Duke's real property average tax rate of \$56.428<sup>7</sup> to the  
4 real property taxable plant values. By performing separate calculations, I was  
5 able to apply the correct tax rate to the correct property category, resulting in a  
6 more accurate estimate of Duke's property tax expense than that calculated by the  
7 Staff.

8  
9 Second, during my investigation of property tax in this case, I requested that Duke  
10 provide the assessment valuation percentage for real property broken down into  
11 the individual plant categories of Distribution, General, and Common. Included  
12 in Schedule JEG-C-3.8b<sup>8</sup> is Duke's calculated assessment valuation percentage  
13 provided in response to my request. That real property assessment valuation  
14 percentage of 10.34% is much lower than the personal property assessment  
15 valuation percentage of 14.88%, which the Staff used to calculate real property  
16 taxable plant value. My calculation of real property tax expense, shown on  
17 Schedule JEG-C-3.8b, uses the 10.34% assessment valuation percentage Duke  
18 calculated specifically for real property. This calculation of real property  
19 expense, as shown on Schedule JEG-C-3.8b, produces a much lower and more  
20 accurate estimate of this expense than that calculated by the Staff.

21 \_\_\_\_\_  
<sup>6</sup> Duke Workpaper WPC-3-8c.

<sup>7</sup> Duke response to OCC-POD-01-013, Attachment.

<sup>8</sup> Duke response to OCC Interrogatory No. 639, Attachment page 1 of 1.



*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1    ***Q13. ARE THERE ADDITIONAL DIFFERENCES IN YOUR CALCULATION OF***  
2            ***PROPERTY TAX EXPENSE FROM THE STAFF'S CALCULATION?***

3    ***A13.*** Yes.

5    ***Q14. WHAT ARE THOSE ADDITIONAL DIFFERENCES?***

6    ***A14.*** In my calculation of property tax expense, I calculated a taxable property  
7            valuation balance for six different plant categories – (1) Production, (2)  
8            Distribution, (3) General, (4) Common, (5) Ohio Fuel Stock and (6) Material &  
9            Supplies. The taxable value of each plant category was calculated by multiplying  
10           the appropriate assessment rate taken from the most current Ohio Department of  
11           Taxation, 2012 Valuation Notice to the true value for each of the six plant  
12           categories. Those calculations are shown on Schedule JEG-C-3.8a. The true  
13           value for each plant category was taken from Duke's 2012 Ohio Property Annual  
14           Tax Report, filed with and approved by the Ohio Department of Taxation. I then  
15           divided the taxable value of each of the six plant categories by that plant's ending  
16           balance as shown on Duke's 2012 Ohio Property Annual Tax Report, to derive  
17           my "Taxable Value to Plant Value" percentages. Those calculated percentages  
18           were then applied to the Staff-adjusted distribution plant balances.

19  
20           My calculation of the Staff-adjusted distribution plant balances includes the  
21           removal of real property plant balances shown on Schedule JEG-C-3.8b. I  
22           excluded real property plant balances from my calculation of personal property  
23           tax expense so as not to include the taxable value of real property twice in my

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 calculation of total personal and real property tax expense. I then applied Duke's  
2 personal property tax rate of \$94.586 to the adjusted plant allocated to  
3 "Distribution Taxable Value," listed on Schedule JEG-C-3.8a, to arrive at my  
4 estimate of the Duke's personal property tax expense. My estimate of total  
5 personal and real property tax expense is shown on Schedule JEG-C-3.8c. That  
6 schedule shows an adjusted total property tax expense of \$22,619,067, which is  
7 lower than the expense proposed by Duke and the PUCO Staff, meaning that the  
8 rates paid by customers would be lower using my proposal. I provided this  
9 amount to OCC Witness Soliman, as reflected on OCC Schedule C-3.8 of his  
10 testimony.

11  
12 **IV. NON-JURISDICTIONAL EXPENSES**

13  
14 ***Q15. DID THE STAFF MAKE AN ADJUSTMENT TO NON-JURISDICTIONAL***  
15 ***EXPENSES?***

16 ***A15.*** Yes. Through its Schedule C-3.14, the Staff excluded \$352,284 of expenses as  
17 "non-jurisdictional expenses." This is the same level of expense excluded by  
18 Duke for non-jurisdictional expense in its application on Schedule C-3.14.  
19 Included in the expenses disallowed by the Staff were costs for industry  
20 association dues, advertising, and other expenses the Staff deemed inappropriate  
21 for determining natural gas distribution rates that Duke's customers will pay.

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1    ***Q16. DO YOU AGREE WITH THE STAFF'S ADJUSTMENT?***

2    ***A16.*** I agree with the exclusion of \$352,284 identified by the Staff, but also  
3       recommend the exclusion of an additional \$77,351 in expenses from test year  
4       operating expenses for a total exclusion of \$429,635. The additional expenses I  
5       recommend be removed from the test year are expenses for corporate community  
6       relations which amount to \$24,121<sup>9</sup> and governmental affairs-federal which are  
7       \$53,230.<sup>10</sup> My total non-jurisdictional expenses adjustment of \$429,635 is shown  
8       on Schedule JEG-C-3.14a. I provided this adjustment to OCC Witness Soliman,  
9       as shown on OCC Schedule C-3.14.

10

11   ***Q17. WHY HAVE YOU EXCLUDED CORPORATE COMMUNITY RELATIONS***  
12       ***AND GOVERNMENTAL AFFAIRS-FEDERAL EXPENSES FROM TEST***  
13       ***YEAR OPERATING EXPENSE?***

14   ***A17.*** I excluded corporate community relations expense from test year operating  
15       expenses because Duke incurred these costs for the administration and  
16       management of various Company-sponsored charity programs and activities.<sup>11</sup> A  
17       review of these expenses shows that they include the salary expense for the Duke  
18       Foundation Manager who oversees the operation of the Duke Foundation,  
19       including its programs and processes that support Duke's philanthropy.<sup>12</sup> Based

---

<sup>9</sup> Schedule JEG-C-3.14a.

<sup>10</sup> Id.

<sup>11</sup> Duke response to OCC Interrogatory No. 027, Attachment (b).

<sup>12</sup> Duke response to OCC Interrogatory No. 27, Attachment (a).

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 on a Supreme Court decision,<sup>13</sup> it is my understanding that the Commission has  
2 held that charitable contributions are not a cost to the utility for the rendition of  
3 public utility service.<sup>14</sup> Because these costs are not related to the provision of  
4 natural gas utility service, the charitable donations costs should not be included in  
5 operating expenses and, therefore, should not be paid to Duke by customers.

6  
7 I excluded corporate community relations expense from test year operating  
8 expenses because Duke's Governmental Affairs-Federal Expenses do not provide  
9 a direct and primary benefit to customers. Additionally, these Duke costs should  
10 be excluded because they support lobbying-related activities. Indeed, a review of  
11 these expenses shows that some of these expenditures were used to support the  
12 efforts of federal and state governmental affairs to effectively manage, on behalf  
13 of the corporation, the political strategy surrounding political action committee,  
14 corporate and other political contributions to elected officials.<sup>15</sup> The Commission  
15 has consistently excluded this type of lobbying-related expenses in numerous  
16 other proceedings, and should protect customers from paying those expenses to  
17 Duke.<sup>16</sup>

---

<sup>13</sup> *Cleveland v. Public Utilities Commission*, 63 Ohio St. 2d 62, 406 N.E.2d 1370 (1980).

<sup>14</sup> *In the Matter of the Application of the Cleveland Electric Illuminating Company for Authority to Amend and Increase Certain of its Filed Schedules Fixing Rates and Charges for Electric Service*, Case No. 78-677-EL-AIR, Order on Rehearing at 7 (Jan. 21, 1981).

<sup>15</sup> Duke response to OCC Interrogatory No. 27, Attachments (a) and (b).

<sup>16</sup> Ohio Bell Telephone Company, Case No. 79-1184-TP-AIR (Entry on Rehearing, January 29, 1981) Cincinnati Bell Telephone Company, Case No. 80-476-TP-AIR, Opinion and Order (May 19, 1981); Ohio Bell Telephone Company, Case No. 81-436-TP-AIR, Opinion and Order at 21 (April 21, 1982).

**V. UNCLAIMED FUNDS**

***Q18. DID THE STAFF INCLUDE UNCLAIMED FUNDS AS AN OFFSET TO RATE BASE ON SCHEDULE B-6, OTHER RATE BASE ITEMS?***

***A18.*** No. The Staff did not reduce rate base by the balance of unclaimed funds at date certain despite the Commission's previous determination that these funds should be excluded from rate base to ensure that customers do not have to pay Duke's investors a return on non-investor supplied funds.<sup>17</sup>

***Q19. WHAT DO YOU PROPOSE WITH REGARD TO THE UNCLAIMED FUNDS BALANCE?***

***A19.*** I propose that the unclaimed funds balance be used to reduce rate base. This adjustment should have been included on Schedule B-6, Other Rate Base Items of the Staff Report.

***Q20. WHY ARE YOU PROPOSING SUCH AN ADJUSTMENT?***

***A20.*** Rate base represents the investment (i.e., plant and other assets) upon which a utility's investors are allowed the opportunity to earn a return (that is paid by customers).<sup>18</sup> If the funds for the investment are provided to the utility from sources other than investors, then rate base should be reduced to recognize those

---

<sup>17</sup> Columbus Southern Power Company, Case No. 91-418-EL-AIR, Opinion and Order at 44-45 (May 12, 1992).

<sup>18</sup> See, Staff Report at 4 for the Staff's explanation of rate base.

*PUBLIC VERSION*  
*Direct Testimony of James Gould*  
*On Behalf of the Office of the Ohio Consumers' Counsel*  
*PUCO Case No 12-1685-GA-AIR, et al.*

1 other sources. For example, the rationale for excluding customer deposits from  
2 rate base is to ensure that Duke's investors do not earn a return on non-investor  
3 supplied funds and to ensure that Duke's customers do not pay a return on non-  
4 investor supplied funds.<sup>19</sup> Since unclaimed funds are not supplied by investors,  
5 the unclaimed funds should be excluded from rate base.

6  
7 ***Q21. HOW DID YOU ARRIVE AT YOUR ADJUSTMENT FOR UNCLAIMED***  
8 ***FUNDS?***

9 ***A21.*** Through discovery, Duke responded that it had an unclaimed fund balance at date  
10 certain (see Attachment JEG-1) of \$207,252. In that same discovery response,  
11 Duke stated that it did not track unclaimed funds by electric and gas operations.  
12 As such, I have calculated an allocation factor developed from balances shown in  
13 Duke's account titled "Special Customer Deposits," which was provided in  
14 response to the Staff's Data Request-19-001 (see Attachment JEG-2). I then  
15 applied this calculated allocation factor of 32.9946% to Duke's total unclaimed  
16 funds balance of \$207,252 to arrive at my exclusion of \$68,382 to Duke's natural  
17 gas rate base. This adjustment to reduce Duke's rate base is set forth on my  
18 Schedule JEG-B-6.1a, which was provided to OCC Witness Soliman and is  
19 reflected on Schedule OCC-B-6.

20  

---

<sup>19</sup> See, Duke Witness Laub testimony at 8 (July 20, 2012) for an explanation that customer service deposits "provide the Company with a source of capital."

**VI. CONCLUSION**

***Q22. WHAT ARE YOUR RECOMMENDATIONS FOR DUKE'S OPERATING INCOME AND RATE BASE?***

**A22.** I recommend that the Commission adjust test year operating expense to include an annualized level of \$22,619,067 for real and personal property tax expense. Accepting this recommendation would result in a \$635,448 reduction to Duke's test year operating expense. I also recommend the exclusion of \$352,284 to non-jurisdictional operating expense shown on Staff's Schedule C-3.14 and an additional exclusion of \$77,351, for a total exclusion of \$429,635. Finally, I propose that the unclaimed funds balance at date certain of \$68,382 be used to reduce Duke's rate base.

***Q23. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

**A23.** Yes. However, I reserve the right to incorporate new information that may subsequently become available. I also reserve the right to supplement my testimony in the event that Duke, the PUCO Staff or other parties submit new or corrected information, if additional information is provided through discovery and/or if the PUCO Staff provides testimony and/or changes any of its positions made in the Staff Report.

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Direct Testimony of James E. Gould (Public Version)* was served on the persons listed below via electronic service this 25<sup>th</sup> day of February 2013.

/s/ Larry S. Sauer

Larry S. Sauer

Assistant Consumers' Counsel

### **SERVICE LIST**

Samuel C. Randazzo  
Frank P. Darr  
Joseph E. Olier  
Matthew R. Pritchard  
MCNEES WALLACE & NURICK LLC  
21 East State Street, 17TH Floor  
Columbus, Ohio 43215

Thomas McNamee  
Devin Parram  
Attorneys General  
Public Utilities Commission of Ohio  
180 East Broad Street 6<sup>th</sup> Floor  
Columbus, Ohio 43215

Douglas E. Hart  
441 Vine Street, Suite 4192  
Cincinnati, Ohio 45202

Thomas J. O'Brien  
Bricker & Eckler LLP  
100 South Third Street  
Columbus, Ohio 43215-4291

Kimberly W. Bojko  
Mallory M. Mohler  
Carpenter Lipps & Leland LLP  
280 North High Street  
Suite 1300  
Columbus, Ohio 43215

Amy B. Spiller  
Rocco O. D'Ascenzo  
Jeanne W. Kingery  
Elizabeth H. Watts  
Duke Energy Business Services, LLC  
139 East Fourth Street 1303 Main  
P.O. Box 961  
Cincinnati, Ohio 45201-0960

A. Brian McIntosh  
McIntosh & McIntosh  
1136 Saint Gregory Street, Suite 100  
Cincinnati, Ohio 45202

Colleen L. Mooney  
Ohio Partners for Affordable Energy  
231 West Lima Street  
Findlay, Ohio 45840

Mark S. Yurick  
Zachary D. Kravitz  
Taft Stettinius & Hollister LLP  
65 East State Street Suite 1000  
Columbus, Ohio 43215

Vincent Parisi  
Matthew White  
Interstate Gas Supply Inc.  
6100 Emerald Parkway  
Dublin, Ohio 43016



M. Howard Petricoff  
Stephen M. Howard  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
PO Box 1008  
Columbus, Ohio 43216-1008

Andrew J. Sonderman  
Kegler, Brown, Hill & Ritter LPA  
Capitol Square, suite 1800  
65 East State Street  
Columbus, Ohio 43215

[Amy.spiller@duke-energy.com](mailto:Amy.spiller@duke-energy.com)  
[Elizabeth.watts@duke-energy.com](mailto:Elizabeth.watts@duke-energy.com)  
[Jeanne.kingery@duke-energy.com](mailto:Jeanne.kingery@duke-energy.com)  
[Rocco.dascenzo@duke-energy.com](mailto:Rocco.dascenzo@duke-energy.com)  
[sam@mwncmh.com](mailto:sam@mwncmh.com)  
[fdarr@mwncmh.com](mailto:fdarr@mwncmh.com)  
[joliker@mwncmh.com](mailto:joliker@mwncmh.com)  
[mpritchard@mwncmh.com](mailto:mpritchard@mwncmh.com)  
[Thomas.mcnamee@puc.state.oh.us](mailto:Thomas.mcnamee@puc.state.oh.us)  
[Devin.parram@puc.state.oh.us](mailto:Devin.parram@puc.state.oh.us)  
[brian@mcintoshlaw.com](mailto:brian@mcintoshlaw.com)  
[dhart@douglasehart.com](mailto:dhart@douglasehart.com)  
[cmooney2@columbus.rr.com](mailto:cmooney2@columbus.rr.com)  
[tobrien@bricker.com](mailto:tobrien@bricker.com)  
[myurick@taftlaw.com](mailto:myurick@taftlaw.com)  
[zkavitz@taftlaw.com](mailto:zkavitz@taftlaw.com)  
[bojko@carpenterlipps.com](mailto:bojko@carpenterlipps.com)  
[mohler@carpenterlipps.com](mailto:mohler@carpenterlipps.com)  
[vparisi@igsenergy.com](mailto:vparisi@igsenergy.com)  
[mswhite@igsenergy.com](mailto:mswhite@igsenergy.com)  
[mhpetricoff@vorys.com](mailto:mhpetricoff@vorys.com)  
[smhoward@vorys.com](mailto:smhoward@vorys.com)  
[asonderman@keglerbrown.com](mailto:asonderman@keglerbrown.com)

**Duke Energy Ohio  
Case No. 12-1685-GA-AIR  
OCC First Set of Interrogatories  
Date Received: August 2, 2012**

**OCC-INT-01-037**

**REQUEST:**

If the response to OCC Interrogatory No. 35 is negative, what are the actual unclaimed funds for each month from March 2011 through the end of the test year, updating as actuals become available?

**RESPONSE:**

Total unclaimed funds for Duke Energy Ohio are \$207,251.90 at March 31, 2012. This includes unclaimed funds for customer deposits of \$158,182.16 and for vendor and payroll checks of \$49,069.74. The company does not track these by gas and electric.

The unclaimed funds process is an annual process which attempts to get money to parties that have been written checks from Duke Energy Ohio which have not cashed them. For a particular year, the process starts in March and is completed by around November. In March of the current year, a list as of June or July of the previous year is used to attempt to contact the parties and reissue checks to the ones that respond. If no one responds the money is turned over to the State which the party was last known to reside based on that State's rules. Therefore, the amount of the unclaimed funds is the same for every month after March until the next year when the process is repeated.

**PERSON RESPONSIBLE:** Peggy Laub

**Duke Energy Ohio**  
**Case No. 12-1685-GA-AIR**  
**Staff Nineteenth Set Data Requests**  
**Date Received: August 3, 2012**

**STAFF-DR-19-001**

**REQUEST:**

Please provide the balance sheet as of date certain reflecting all items listed on Schedule B-6.

**RESPONSE:**

See Staff-DR-19-001 Attachment.

**PERSON RESPONSIBLE:** Peggy Laub

**DUKE ENERGY OHIO**  
**Balance Sheet Detail for Schedule B-6**

<b>Assets</b>	<b>March 2012 YTD (1)</b>	<b>Gas B-6</b>	<b>Electric B-6</b>
0182023 - AMRP 2001 Plast Carry Costs	290,110	290,110	
0182025 - AMRP 2001 Services Carry Costs	49,651	49,651	
0182031 - AMRP 2002 Steel Carry Costs	236,784	236,784	
0182033 - AMRP 2002 Plast Carry Costs	558,653	558,653	
0182035 - AMRP 2002 Services Carry Costs	97,391	97,391	
0182041 - AMRP 2003 Steel Carry Costs	333,257	333,257	
0182043 - AMRP 2003 Plastic Carry Costs	516,112	516,112	
0182045 - AMRP 2003 Services Carry Costs	138,655	138,655	
0182051 - AMRP 2004 Steel Carry Costs	241,636	241,636	
0182053 - AMRP 2004 Plastic Carry Costs	644,119	644,119	
0182055 - AMRP 2004 Services Carry Costs	127,981	127,981	
0182061 - AMRP 2005 Steel Carry Costs	49,881	49,881	
0182062 - AMRP 2005 Plastic Carry Costs	869,620	869,620	
0182063 - AMRP 2005 Services Carry Costs	150,384	150,384	
0182071 - AMRP 2006 Steel Carry Costs	126,798	126,798	
0182072 - AMRP 2006 Plastic Carry Costs	1,087,385	1,087,385	
0182073 - AMRP 2006 Services Carry Costs	112,736	112,736	
0182081 - AMRP 2007 Steel Carry Costs	168,069	168,069	
0182082 - AMRP 2007 Plastic Carry Costs	1,426,038	1,426,038	
0182083 - AMRP 2007 Services Carry Costs	127,191	127,191	
0182091 - AMRP 2008 Steel Carry Costs	110,688	110,688	
0182092 - AMRP 2008 Plastic Carry Costs	624,669	624,669	
0182093 - AMRP 2008 Services Carry Costs	174,013	174,013	
0182363 - 2008 SmartGrid PISCC	396,588	69,515	

PUCO Case No. 12-1685-GA-AIR  
Staff-DR-19-001 Attachment  
Page 2 of 3

0182101 - AMRP 2009 Steel Carry Costs	27,586	
0182102 - AMRP 2009 Plastic Carry Costs	952,597	
0182103 - AMRP 2009 Services Carry Cost	150,719	
0182104 - AMRP 2009 Risers Carry Costs	158,311	
0182094 - AMRP 2008 Risers Carry Costs	14,547	
0182368 - 2009 SmartGrid PISCC	1,668,482	
0182372 - 2010 SmartGrid PISCC	2,949,914	
0182378 - 2011 SmartGrid PISCC	5,060,583	
0182116 - AMRP 2010 Steel Carry Costs	19,736	
0182117 - AMRP 2010 Plastic Carry Costs	1,017,059	
0182118 - AMRP 2010 Service Carry Costs	476,438	
0182119 - AMRP 2010 Risers Carry Costs	453,061	
0182120 - AMRP 2011 Steel Carry Costs	20,453	
0182121 - AMRP 2011 Plastic Carry Costs	675,454	
0182122 - AMRP 2011 Service Carry Costs	482,817	
0182123 - AMRP 2011 Risers Carry Costs	156,027	
0182125 - AMRP 2012 Plastic Carry Costs	386	
0182126 - AMRP 2012 Service Carry Costs	19,684	
0182127 - AMRP 2012 Risers Carry Costs	838	
0182337 - 2012 Smart Grid PISCC	2,399,049	
Sub-Total PISCC	25,362,150	
		15,796,710

PUCO Case No. 12-1685-GA-AIR  
Staff-DR-19-001 Attachment  
Page 3 of 3

0190000 - Adit: Assets			
0190001 - Adit: Prepaid: Federal Taxes	19,119		
0190002 - Adit: Prepaid: State Taxes	127,420,035	20,548,696	29,647,357
0190008 - Deferred Federal Tax Asset - Current	1,882,996	269,855	461,385
0190009 - Deferred SIT - Current	44,367,290	12,124,517	4,841,119
	421,283	115,171	7,834
Total	174,110,723	33,058,239	34,957,695
<i>Liabilities and Other Credits</i>			
0235140 - Special Customer Deposits	25,619,838	8,453,180	17,166,658
0252050 - Gas Contributions Post 1992	3,597,473	3,597,473	
0255000 - Accum Def Inv Tax Credits	5,568,493	2,851,685	2,047,402
0282100 - Adit: PpandE: Federal Taxes	1,296,543,545	264,015,333	361,545,558
0282101 - Adit: PpandE: State Taxes	25,429,890	7,220,122	2,049,316
Total Account 282	1,321,973,435	271,235,455	363,594,874
0283011 - Current Portion - Dit	(2,148,270)	(5,791,368)	1,506,175
0283100 - Adit: Other: Federal Taxes	246,844,582	48,822,778	46,447,399
0283101 - Adit: Other: State Taxes	6,707,427	909,251	888,479
0283012- Current Portion - DSIT	(40,008)	(107,855)	28,050
Total Account 283	251,363,731	43,832,806	48,870,103

(1) Balance per Supplemental D(15) Test Year Trial Balance

**Duke Energy Ohio  
Case No. 12-1685-GA-AIR  
OCC First Set of Interrogatories  
Date Received: August 2, 2012**

**OCC-INT-01-027**

**REQUEST:**

If the response to any or all subparts of OCC Interrogatory No. 26 indicate there are test year expenses related to (a) governmental relation, (b) community information, (d) public affairs and/or (d) lobbying, what is:

- A. The test year unadjusted and adjusted expense, by account, and by each type of activity listed in (a) through (d) of OCC Interrogatory No. 26;
- B. The names, titles and job description of each employee for which associated expenses are provided in response to OCC Interrogatory No. 27(A); and
- C. A description of the activities and responsibilities of each employee provided in response to OCC Interrogatory No. 27(B)?

**RESPONSE:**

- A. See OCC-DR-01-027(a) Attachment.
- B. See OCC-DR-01-027(b) Attachment.
- C. See response to item B.

**PERSON RESPONSIBLE:** Peggy A. Laub\ Peter Kostiw

DUKE ENERGY OHIO, INC.  
GAS DEPARTMENT

Center	Center Description	Account	Unadjusted Test Year Amount			Adjusted	Eliminated	Adjusted
			Labor	Non-Labor	Total	in Sch C-3.4	in Sch C-3.14	Test Year Amount
8756	Fed Gov & Reg Staff	920000	24,236	6,194	30,430	(6,738)	(5,104)	18,588
		921100	0	6,696	6,696		(522)	6,174
		921200	0	776	776		(2)	774
		923000	0	164	164		(164)	0
		926600	0	7,384	7,384		(1,318)	6,066
8771	FERC	920000	7,451	1,877	9,328	(412)	(2,047)	6,869
		921100	0	621	621		(198)	423
		921200	0	42	42		(6)	36
		923000	0	33,397	33,397		(25,504)	7,893
		926600	0	2,024	2,024		(449)	1,575
8986	Federal Regulatory Policy	920000	18,672	4,786	23,458	(92)	(5,719)	17,647
		921100	0	1,939	1,939		(67)	1,872
		921200	0	607	607		(13)	594
		923000	0	6,255	6,255			6,255
		926600	0	5,064	5,064		(1,239)	3,825
		930210	0	103,638	103,638		(103,638)	0
S409	Government & Reg. Affairs - KY	921100	0	928	928		(928)	0
		921200	0	798	798		(798)	0
9903	Governmental Affairs - Federal	920000	8,467	10,385	18,852	(1,455)	0	17,397
		921100	0	3,866	3,866		0	3,866
		921200	0	26,008	26,008		0	26,008
		921400	0	2	2		0	2
		923000	0	1,706	1,706		0	1,706
		926600	0	4,251	4,251		0	4,251
S397	BR&D - Community Relations	903000	0	0	0	189	0	189
		910000	126,545	195,847	322,392	32,192	0	354,584
		920000	0	0	0	1,559	0	1,559
		921200	0	2	2		0	2
		923000	0	3,380	3,380		0	3,380
		926600	0	34,311	34,311		0	34,311
		931001	0	35	35		0	35
S408	Government & Reg Affairs - OH	903000	0	14	14	107	0	121
		920000	52,033	13,874	65,907	(10,462)	0	55,445
		921100	0	56,651	56,651		0	56,651
		921200	0	14,616	14,616		0	14,616
		923000	0	56,089	56,089		0	56,089
		926600	0	21,554	21,554		0	21,554
		930200	0	4,662	4,662		0	4,662
9421	Corporate Community Relations	920000	11,845	5,039	16,884	(884)	0	16,000
		921100	0	2,463	2,463		0	2,463
		921200	0	2,105	2,105		0	2,105
		923000	0	339	339		0	339
		926600	0	3,214	3,214		0	3,214
			249,249	643,603	892,852	14,004	(147,716)	759,140



**Duke Energy Ohio  
Case No. 12-1685-GA-AIR  
OCC First Set of Interrogatories  
Date Received: August 2, 2012**

**OCC-INT-01-027**

**REQUEST:**

If the response to any or all subparts of OCC Interrogatory No. 26 indicate there are test year expenses related to (a) governmental relation, (b) community information, (d) public affairs and/or (d) lobbying, what is:

- A. The test year unadjusted and adjusted expense, by account, and by each type of activity listed in (a) through (d) of OCC Interrogatory No. 26;
- B. The names, titles and job description of each employee for which associated expenses are provided in response to OCC Interrogatory No. 27(A); and
- C. A description of the activities and responsibilities of each employee provided in response to OCC Interrogatory No. 27(B)?

**RESPONSE:**

- A. See OCC-DR-01-027(a) Attachment.
- B. See OCC-DR-01-027(b) Attachment.
- C. See response to item B.

**PERSON RESPONSIBLE:** Peggy A. Laub\ Peter Kostiw

Comp Center LAR	Co	Title	Description
8756	110	VP Federal Regulatory Policy	Responsible for developing, coordinating, and advocating federal regulatory policy, with a focus on matters affecting electric markets and operations. Anticipates and researches opportunities and risks related to federal regulation of the electric and gas distribution business, with a specific focus on transmission and generation issues. Serves as Duke Energy's lead regulatory policy interface with Federal Energy Regulatory Commission, other federal administrative agencies regulating some aspect of Duke Energy's business (i.e., Department of Energy, Federal Communications Commission), and with national non-governmental entities on federal regulatory policy issues. Works closely with Federal Policy & Government Affairs to ensure successful implementation of legislative and regulatory policies and strategies, and coordinates with state regulatory and legislative policy leaders to ensure alignment on policy issues.
8756	110	VP Federal Policy & Govt Affairs	Has primary responsibility for representing the organization in legislative and regulatory matters with federal, state and local governments by providing policy direction, coordinating operating unit government affairs initiatives and lobbying for the organization's interests.
8756	110	VP EH&S Policy	Has primary responsibility for developing the organization's positions on environmental policy issues regarding the impact of the organization's operations on water, air and land quality. Responsible for establishing organization-wide policies and programs that comply with regulations and ensure overall compliance at all sites.
8771	110	Sr Counsel	Provides counsel to gas and electric management on pending proposed FERC proceedings on services, pricing, rates, take-or-pay provisions, and tariffs, which require a broad thorough understanding of the regulated energy industry. Represents the company in regulatory matters such as rate cases, certificates, support applications, rulemakings, gas and electric supply matters and appellate cases requiring specialized expertise in FERC proceedings and a thorough understanding of the regulatory concerns facing the company in order to negotiate the best possible terms and rates for the sale or transportation of gas and electricity. Reviews, analyzes, drafts, interprets, and negotiates contracts and tariff filings on behalf of the pipelines. Analyzes and interprets FERC regulations and orders to ensure corporate compliance with applicable statutes. Provides counsel on matters with respect to rate cases, tariff filings, marketing contracts, certificate matters, or take-or-pay matters, and appellate litigation.
8771	110	Sr Counsel	Provides counsel to gas and electric management on pending proposed FERC proceedings on services, pricing, rates, take-or-pay provisions, and tariffs, which require a broad thorough understanding of the regulated energy industry. Represents the company in regulatory matters such as rate cases, certificates, support applications, rulemakings, gas and electric supply matters and appellate cases requiring specialized expertise in FERC proceedings and a thorough understanding of the regulatory concerns facing the company in order to negotiate the best possible terms and rates for the sale or transportation of gas and electricity. Reviews, analyzes, drafts, interprets, and negotiates contracts and tariff filings on behalf of the pipelines. Analyzes and interprets FERC regulations and orders to ensure corporate compliance with applicable statutes. Provides counsel on matters with respect to rate cases, tariff filings, marketing contracts, certificate matters, or take-or-pay matters, and appellate litigation.
8988	110	Fed Energy Policy On-Week DC	Serves as the critical point of interface with the Federal Energy Regulatory Commission (FERC), acting as Duke's primary liaison to FERC Commissioners and Staff, as well as taking a lead role in policy advocacy and representing Duke's interests in key industry organizations.
8988	110	Dir. Fed Reg Policy Integrate & Bus Mgr	Responsible for the development of Duke's policy positions relevant to regional transmission organizations (RTOs) and stand alone transmission companies (TTCs). This role coordinates closely with both the franchised gas & electric businesses and the commercial businesses to ensure that the company's regulatory positions are comprehensive and aligned.
8988	110	Non-Reg Gen Policy Develop Dir	Serves as the point of contact for any federal regulatory policy questions, concerns, or issues involving Duke's commercial businesses and will be responsible to keep the commercial business leadership aware of any issues that may arise.
8988	110	Franchised E&G Policy Develop Dir	Serves as the point of contact for Duke's regulated generation and nuclear organizations, as well as being responsible for the development of policy positions addressing transmission issues outside the realm of transmission organizations, including transmission siting, transmission incentives, and reliability standards.
8988	110	Federal Policy Sr Analyst	Supports entire Federal Environmental and Energy department and function. Provides consistency in processes, research functions for inquiries, as well as documentation of activity within the group.
8988	110	Exec Asst I	Performs full secretarial, administrative, and broad support activities of a highly responsible and confidential nature for an executive. This position serves in a critical support role to the executive and can impact the effectiveness of either the executive or their staff. Activities are diverse and involve close coordination with senior executives and their support staff. This position requires significant interface on a regular basis with high level governmental and regulatory officials or other companies, as well as officers and executives within the corporation. It is the responsibility of the Executive Assistant to proactively manage the time and support the work effectiveness of the executive. This position anticipates the needs of the executive and based on knowledge of the executive's mode of operation and individual preferences, coordinates, researches, delegates, completes, and organizes any work necessary to meet these needs. Incumbents may exercise considerable judgment and discretion in the performance of their duties. This position requires a high degree of professionalism, knowledge of the enterprise, verbal and written communication skills, and interpersonal skills.
S409	110	Dir. State Env & Energy Pub Aff	Responsible for leading the research and analysis of proposed regulatory and legislative policies and development of the company's position and written response as it pertains to environmental and energy issues.
S409	110	Govt & Reg Affairs Dir-Kentucky	Facilitates and coordinates internal efforts to ensure accurate and timely delivery of key information in response to regulatory and/or legislative challenges. Assist in developing and delivering Duke Energy's position to support and/or register concerns with state legislation.

Resp  
Center  
LAIR

Co	Title	Description
S387	110 Dir Government & Community Rel	Plans, prepares and relays information concerning the organization to the press and the wider community to gain understanding and acceptance for the organization. Develops and maintains lines of communication with media contacts and other external audience groups. Acts as a key contributor in a complex environment. Requires depth and breadth of experience in own discipline. Interprets internal/external business issues and recommends best practices. Solves complex problems; takes a broad perspective to identify innovative solutions. Works independently with guidance on only the most complex tasks. May lead functional teams or projects. Responsible for the research, development, planning, design, maintenance and implementation of policies and programs that enhance the organization's relations with the community, the public, governmental and regulatory authorities, shareholders and employees. Delivers communications through print, audio and/or video media. Coordinates dissemination of the organization's communications with news or trade media contacts, through special events, public speaking or other means to reach defined audiences and meet specific program objectives. Develops and maintains a favorable relationship with the surrounding community. Prepares and coordinates community-contact programs to promote good will by disseminating information to the community and soliciting feedback from residents. May represent the organization at community gatherings or forums.
S387	110 Dir Government & Community Rel	Plans, prepares and relays information concerning the organization to the press and the wider community to gain understanding and acceptance for the organization. Develops and maintains lines of communication with media contacts and other external audience groups. Acts as a key contributor in a complex environment. Requires depth and breadth of experience in own discipline. Interprets internal/external business issues and recommends best practices. Solves complex problems; takes a broad perspective to identify innovative solutions. Works independently with guidance on only the most complex tasks. May lead functional teams or projects. Responsible for the research, development, planning, design, maintenance and implementation of policies and programs that enhance the organization's relations with the community, the public, governmental and regulatory authorities, shareholders and employees. Delivers communications through print, audio and/or video media. Coordinates dissemination of the organization's communications with news or trade media contacts, through special events, public speaking or other means to reach defined audiences and meet specific program objectives. Develops and maintains a favorable relationship with the surrounding community. Prepares and coordinates community-contact programs to promote good will by disseminating information to the community and soliciting feedback from residents. May represent the organization at community gatherings or forums.
S397	110 District Manager	Develops and maintains a favorable relationship with the surrounding community. Prepares and coordinates community-contact programs to promote good will by disseminating information to the community and soliciting feedback from residents. May represent the organization at community gatherings or forums. Acts as a key contributor in a complex environment. Requires depth and breadth of experience in own discipline. Interprets internal/external business issues and recommends best practices. Solves complex problems; takes a broad perspective to identify innovative solutions. Works independently with guidance on only the most complex tasks. May lead functional teams or projects.
S408	110 Govt & Reg Affairs Director - OH	This role assists the strategy development and communication of legislative items with Ohio regulatory and government officials. Also provides analysis and integration for various DE Ohio strategic initiatives and advises internal team on legislative and administrative regulation objectives. This role serves as a key interface with many DE Ohio stakeholders.
S408	110 Adm Spec State Gov & Reg Affairs	Assignment to this level requires an incumbent to perform moderately complex to complex assignments that require innovation and creativity, e.g., developing charts/graphs, redesigning reports, modifying work processes and coordinating department/division events. Is experienced in all areas of the assigned work unit. This position has an in-depth knowledge of department/location and work-related procedures and utilizes this knowledge by preparing, prioritizing, and responding to mail, telephone calls and inquiries. Handles the most complicated cases or situations independently with little or no supervision. May generate or prepare non-technical reports. Composes letters for approval and signs routine correspondence in the absence of supervision/management. This position is proficient in the use of standard software packages and maintains applications as related to the job. Anticipates, responds and follows up effectively to customers' requests, which may include inquiries received in person, via telephone and/or in writing. This position may function in a lead role. Promotion to this level is not automatic, and should be based on the level of work activities needed to be performed and job performance.
G408	110 Exec Assistant I	Performs full secretarial, administrative, and broad support activities of a highly responsible and confidential nature for an executive. This position serves in a critical support role to the executive and can impact the effectiveness of either the executive or their staff. Activities are diverse and involve close coordination with senior executives and their support staffs. This position requires significant interface on a regular basis with high level governmental and regulatory officials or officers of other companies, as well as officers and executives within the corporation. It is the responsibility of the Executive Assistant to proactively manage the time and support the work effectiveness of the executive. This position anticipates the needs of the executive and based on knowledge of the executive's mode of operation and individual preferences, coordinates, researches, delegates, completes, and organizes any work necessary to meet those needs. Incumbents may exercise considerable judgment and discretion in the performance of their duties. This position requires a high degree of professionalism, knowledge of the enterprise, verbal and written communication skills, and interpersonal skills.
9421	110 Community Relations Coordinator	This position is responsible for administering, evaluating and implementing the Duke Energy Volunteer Grant Programs and managing the volunteers-in-action site.
9421	110 DE Foundation Sr Coordinator	This position is responsible for the analysis, processes and administration for the On-line Giving System and other philanthropic programs. Interface with Online Giving System's Vendor and Vendor Management Office to ensure successful execution of processes and system updates.
9421	110 Community & Retiree Affairs Mgr	This position is responsible for the company-wide United Way Campaign and relationship management, Arts & Science Council Campaign and relationship management, retiree affairs management, and year-round employee volunteerism including the employee Global Service Events program.
9421	110 DE Foundation Coordinator	This position is responsible for administering, evaluating and implementing the Duke Energy Volunteer Grant Programs, managing the volunteers-in-action and matching gift sites of the Online Contribution System.
9421	110 Executive Assistant I	Performs full secretarial, administrative, and broad support activities of a highly responsible and confidential nature for an executive. This position serves in a critical support role to the executive and can impact the effectiveness of either the executive or their staff. Activities are diverse and involve close coordination with senior executives and their support staffs. This position requires significant interface on a regular basis with high level governmental and regulatory officials or officers of other companies, as well as officers and executives within the corporation.
9421	110 DE Foundation Manager	The Duke Energy Foundation Manager oversees the operations of the Duke Energy Foundation, including its programs and processes that support Duke Energy's philanthropy. This role manages a group responsible for the developing, testing and deployment of philanthropic programs and programs that support and encourage employee engagement in the communities where we live and work. The Foundation manager also oversees the relationship with our service provider for the On-line Giving System, and interfaces with key business groups (i.e., Legal and Global Sourcing) to ensure successful management of our vendor contracts and relations.
9089	110 Manager, PAC & Grassroots Administration	Supports the efforts of Federal and State Governmental Affairs to effectively manage, on behalf of the corporation, the political strategy surrounding PAC, corporate and other political contributions to elected officials. Manage all aspects of the DUEPAC and the corporate grassroots advocacy program in collaboration with Senior Management and Federal and State Government Affairs Staff.

Resp Center LALG	Co	Title	Description
9903	110	Director, Federal Governmental Affairs	Ensures that the organization's interests are represented and protected in legislative proceedings and in the development of market rules and procedures. Prepares and organizes forums and gatherings with government officials to exchange ideas and information on business activities and potential legislation that may affect the organization. Implements strategic and tactical plans at the federal level for a defined area of the organization's overall activities.
9903	110	Office Manager	Responsible for the variety of activities involved in the day to day administration of the office. Coordinates office activities to ensure accuracy in invoicing and reporting, contract preparation, supply reporting, etc.
9903	110	Director, Federal Governmental Affairs	Primarily responsible for implementing strategic and tactical plans at the federal level for a defined area of the organization's overall activities. Responsibilities include protecting and advocating the organization's interests with regard to current or proposed federal tax, regulatory, or legislative issues that may have material significance for the assigned part of the organization, its customers and other stakeholders. In addition, the position may be involved in supporting the organization's overall campaign and initiatives as needed.

CONFIDENTIAL

DUKE ENERGY OHIO, INC.  
Case No. 12-1865-GA-AIR  
Personal Property Tax Calculation  
Schedule JEG-C-3.8a

	Plant Balance 12/31/2011 (a)	True Value (b)	Assessment Rate (c)	Taxable Value (d)	Taxable Value to Plant Value (e)	Plant Allocated to Distribution (f)	Real Plant (g)	Adjusted Plant Allocated to Distribution (h)	Distribution Taxable Value (i)
(1) Production	\$		25.00%	\$	7.00%	\$ 11,408,389	\$ 4,222,726	\$ 7,185,663	\$ 503,284
(2) Distribution			25.00%		15.37%	1,501,424,444	10,648,114	1,490,776,330	229,117,414
(3) General			25.00%		7.36%	49,718,481	2,065,248	47,653,233	3,508,708
(4) Common		(j)	25.00%		5.88%	60,301,295	20,934,133	39,367,162	2,315,183
(5) Ohio Fuel Stock			25.00%		25.00%	1,981,454		1,981,454	495,364
(6) Plant Material & Supplies			25.00%		25.00%	3,446,208		3,446,208	861,552
(7) Gas Stored in Ohio - Current			25.00%						
(8) Total	\$			\$		\$ 1,628,280,271	\$ 37,870,221	\$ 1,590,410,050	\$ 236,801,504
(9) Tax Rate Per \$1,000 (k)									94.586
(10) Personal Property Tax (5) x (6)									\$ 22,398,107

- (a) OCC-POD-16-157 Attachment, OCC-INT-16-182 Attachment (a), OCC-INT-16-182 Attachment (b)  
(b) OCC-POD-16-157 Attachment, OCC-INT-16-182 Attachment (a), OCC-INT-16-182 Attachment (b)  
(c) Staff Data Request 32, Supplemental Attachment, 2012 Valuation Notice  
(d) Column (b) x Column (c)  
(e) Column (d) ÷ Column (a)  
(f) Staff's Schedules B-2 & B-5.1  
(g) Staff's Schedule B-2.1  
(h) Column (f) - Column (g)  
(i) Column (e) \* Column (h)  
(j) ODT Plant Balance as of 12/31/2011 = (\$171,390,676 x 17.98%), ODT True Value = (\$40,314,478x 17.98%)  
(k) Applicant's Schedule WPC-3.8c

Duke Energy Ohio, Inc.  
Case No. 12-1865-GA-AIR  
Real Property Tax Calculation  
Schedule JEG-C-3.8b

		Production	Distribution	General	Common	Total
(1)	Land & Land Rights (a)	\$ 424,642	\$ 133,008	\$	\$ 2,121,647	
(2)	Rights of Way (a)	4,147	8,980,609		37,969	
(3)	Structures and Improvements (a)	<u>3,793,937</u>	<u>1,534,497</u>	<u>2,065,248</u>	<u>124,713,920</u>	
(4)	Total (1)+(2)+(3)	4,222,726	10,648,114	2,065,248	126,873,536	
(5)	Allocation to Electric Percentage (a)	<u>100.000%</u>	<u>100.000%</u>	<u>100.000%</u>	<u>16.500%</u>	
(6)	Plant Allocated to Electric (4) x (5)	4,222,726	10,648,114	2,065,248	20,934,133	
(7)	Allocation to Distribution Percentage (a)	<u>100.000%</u>	<u>100.000%</u>	<u>100.000%</u>	<u>100.000%</u>	
(8)	Plant Allocated to Distribution (6) x (7)	4,222,726	10,648,114	2,065,248	20,934,133	
(9)	Assessment Value Percentage (b)	<u>10.340%</u>	<u>10.340%</u>	<u>10.340%</u>	<u>10.340%</u>	
(10)	Assessed Value (8) x (9)	436,630	1,101,015	213,547	2,164,589	
(11)	Tax Rate Per \$1,000 (c)	56.428	56.428	56.428	56.428	
(12)	Real Estate Taxes (10) x (11)	<u>\$ 24,638</u>	<u>\$ 62,128</u>	<u>\$ 12,050</u>	<u>\$ 122,143</u>	<u>\$ 220,960</u>

- (a) PUCO Staff's Schedule B-2.1 and B-7  
(b) OCC-INT-17-639 Attachment  
(c) OCC -POD-01-013

DUKE ENERGY OHIO, INC.  
Case No. 12-1685-GA-AIR  
Property Tax Expense Calculation  
Schedule JEG-C-3.8c

(1)	Annual Personal Property Taxes (a)	\$ 22,398,107
(2)	Annual Real Estate Taxes (b)	<u>220,960</u>
(3)	Total Annual Property Taxes (1) + (2)	22,619,067
(4)	Less: Test Year Property Tax Expense (c)	<u>23,254,515</u>
(5)	OCC Annualization Adjustment to Property Tax (3) - (4)	\$ <u><u>(635,448)</u></u>

- (a) OCC Schedule WPC-3.8b
- (b) OCC Schedule WPC-3.8c
- (c) Applicant's Schedule C-2.1

Duke Energy Ohio, Inc.  
Case No. 12-1685-GA-AIR  
Eliminate Non-Jurisdictional Exp.  
Schedule JEG-C-3.14a

Center	Center Description	Account	Account Description	Dollar Amount (a)	Additional Dollar Amount (b)	Total Dollar Amount (c)=(a)+(b)
(1)		880000	Gas Distribution-other Expense	\$ (50)		\$ (50)
(2)		913001	Advertising Expense	(178,452)		(178,452)
(3)		920000	A & G Salaries	(12,870)		(12,870)
(4)		921100	Employee Expenses	1,285		1,285
(5)		921200	Office Expenses	(819)		(819)
(6)		923000	Outside Services Employed	(41,168)		(41,168)
(7)		926600	Employee Benefits-Transferred	(3,006)		(3,006)
(8)		930150	Miscellaneous Advertising Exp.	(13,566)		(13,566)
(9)		930210	Industry Association Dues	(103,638)		(103,638)
(10)		Expense to be Eliminated		(352,284)		(352,284)
(11)	9903	Governmental Affairs-Federal	920000	A & G Salaries	(17,397)	(17,397)
(12)	9903	Governmental Affairs-Federal	921100	Employee Expenses	(3,866)	(3,866)
(13)	9903	Governmental Affairs-Federal	921200	Office Expenses	(26,008)	(26,008)
(14)	9903	Governmental Affairs-Federal	921400	Computer Services Expenses	(2)	(2)
(15)	9903	Governmental Affairs-Federal	923000	Outside Services Employed	(1,706)	(1,706)
(16)	9903	Governmental Affairs-Federal	926600	Employee Benefits-Transferred	(4,251)	(4,251)
(17)		Expense to be Eliminated			(53,230)	(53,230)
(18)	9421	Corporate Community Relations	920000	A & G Salaries	(16,000)	(16,000)
(19)	9421	Corporate Community Relations	921100	Employee Expenses	(2,463)	(2,463)
(20)	9421	Corporate Community Relations	921200	Office Expenses	(2,105)	(2,105)
(21)	9421	Corporate Community Relations	923000	Outside Services Employed	(339)	(339)
(22)	9421	Corporate Community Relations	926600	Employee Benefits-Transferred	(3,214)	(3,214)
(23)		Expense to be Eliminated			(24,121)	(24,121)
(24)		Total Expense to be Eliminated (10)+(17)+(23)				\$ (429,635)

- (a) Company's Schedule WPC-3.14a  
(b) OCC-INT-01-027(a)Attachment  
(c) Column(a) + Column(b)



DUKE ENERGY OHIO, INC.  
Case No. 12-1685-GA-AIR  
Unclaimed Funds  
Schedule JEG-B-6.1a

Line No.	Account No.	Account Title	Total Company Adjustment	Allocation		Jurisdictional Adjustment
				Code	Percent	
(1)	235	Unclaimed Funds	\$ (68,382)	DALL	100.000%	\$ <u>(68,382)</u>

(a) Derived from OCC-INT-01-015 and Staff-DR-14-001 (\$207,252\*32.9946%)

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**2/25/2013 2:11:19 PM**

**in**

**Case No(s). 12-1685-GA-AIR, 12-1686-GA-ATA, 12-1687-GA-ALT, 12-1688-GA-AAM**

Summary: Testimony Direct Testimony of James Gould (Public Version) on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Patti Mallarnee on behalf of Sauer, Larry S.