

**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	)	
Energy Ohio, Inc., for Tariff Approval.	)	Case No. 12-1683-EL-ATA
In the Matter of the Application of Duke	)	
Energy Ohio, Inc., for Approval to	)	Case No. 12-1684-EL-AAM
Change Accounting Methods.	)	

PREFILED TESTIMONY  
OF  
JUDY SARVER  
UTILITIES DEPARTMENT  
CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT \_\_\_\_\_

March 20, 2013

1    **1. Q. Please state your name and business address?**

2        A. My name is Judy Sarver. My business address is 180 East Broad Street,  
3            Columbus, Ohio 43215.

4

5    **2. Q. By whom are you employed?**

6        A. I am employed by the Public Utilities Commission of Ohio.

7

8    **3. Q. What is your position with the Public Utilities Commission and what are**  
9            **your duties?**

10       A. My current position is a Utility Specialist III in the Capital Recovery & Financial  
11           Analysis Division of the Utilities Department. The duties of this position include:  
12           reviewing rate case applications and depreciation accrual rate represcriptions,  
13           reviewing public utility records and analyzing accrual rate information to  
14           determine the appropriate depreciation reserve and expense.

15

16    **4. Q. Would you state briefly your educational background and work experience?**

17       A. I earned a Bachelor of Arts Degree that included a Major in Accounting from  
18           Glenville State College in May 1981. I came to the Public Utilities Commission  
19           as a Utility Examiner I in November 1982 and was promoted to Utility  
20           Examiner II in February 1984. In April 1984, I began working in the  
21           Depreciation Section. I was reassigned to a Utility Examiner III in March 1987,  
22           which was later re-titled Utility Audit Coordinator. In January 1999, I was  
23           promoted to position as Utility Specialist I in depreciation. In August 2006, I was

1 promoted to my present position as Utility Specialist III in depreciation. I have  
2 attended Programs II (Fundamentals of Service Life and Salvage Analysis), III  
3 (Dynamics of Life and Salvage Estimation), D (Modeling and Simulation), and E  
4 (Conducting a Depreciation Study) at the Center for Depreciation Studies in  
5 Kalamazoo, Michigan. In addition, I have attended various seminars and rate  
6 case training programs sponsored by this Commission. I have prepared and  
7 presented testimony in Ohio Power Case No. 85-726-EL-AIR and 94-966-EL-  
8 AIR, Toledo Edison Case No. 85-554-EL-AIR, Cincinnati Gas & Electric Case  
9 Nos. 90-390-GA-AIR, 92-1463-GA-AIR, 92-1464-EL-AIR, and Ohio Bell  
10 Telephone Company Case No. 93-487-TP-ALT. I have prepared testimony in  
11 Ohio American Water Company Case No. 11-4161-WS-AIR, Duke Energy Ohio,  
12 Inc. Case No. 08-709-EL-AIR, and other cases. I am a member of the Society of  
13 Depreciation Professionals.

14  
15 **5. Q. What is the purpose of your testimony in this proceeding?**

16 A. The purpose of my testimony is to support the Staff's calculations of the  
17 Depreciation Reserve, Depreciation Expense, and Accrual Rates.

18  
19 **6. Q. To which objections will you be responding?**

20 A. I will respond to OCC's Objection 17 and 18 and to the Applicant's Objection 5.

21  
22 **7. Q. In its Objection 17, the OCC alleges that the Staff failed to eliminate the**  
23 **depreciation expense on General Miscellaneous Intangible plant that will be**

1           **fully depreciated by the end of the test year. Do you agree with this**  
2           **objection?**

3           A. No. The Miscellaneous Intangible plant consists of capitalized software costs  
4           being depreciated over various periods of time. OCC's witness David Effron  
5           indicated in his testimony that certain vintages of this intangible plant became  
6           fully depreciated during the test year and should be eliminated on a pro forma  
7           basis. But as of date certain this plant is not fully depreciated. Therefore, the Staff  
8           recommends that the depreciation expense be based on the plant in service used  
9           and useful at date certain. This synchronizes the expense with the investment and  
10          does not single out individual additions, retirements or items fully depreciated  
11          after date certain. This is consistent with the Commission's policy of  
12          synchronizing test- period depreciation expenses with the rate base.<sup>1</sup>

13  
14          The Staff also recommends that a full twelve months of the expense be  
15          recognized. Recognizing twelve months of this expense annualizes the cost of the  
16          test year to allow the applicant an opportunity to recover a normally expected  
17          level of operating expenses. Recognizing an amount representing less than twelve  
18          months of the expense would result in an understatement.

19  
20        8. Q. **Also, in its Objection 17, OCC's alleges that the Staff failed to eliminate**  
21           **depreciation expense that is not properly documented. Specifically, in**  
22           **General Miscellaneous Intangible Plant, the reserve for vintage 2010, as**

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<sup>1</sup> Opinion and Order Case No. 85-675-EL-AIR, page 58 and 59.

1           **shown on Mr. Effron's testimony attachment DJE-2, is five times higher**  
2           **than the value of the plant due to this discrepancy the annual depreciation**  
3           **should be eliminated. Do you agree?**

4           A. No. In examining Mr. Effron's attachment DJE-2, I can only surmise that the  
5           discrepancies in the 2010 vintages might have something to do with how the  
6           Smartgrid Rider dollars were removed from the vintage data but I can't be certain.  
7           The Staff, on the other hand, did not look at vintage data but examined every  
8           individual piece of software, as shown on attachment JAS-1, that was included in  
9           intangible plant before making an adjustment for the Smartgrid Rider.  
10          Attachment JAS-1 is the Applicant's response to Data Request No. 79 which  
11          consists of a listing of each assets book balance, reserve balance, and the monthly  
12          depreciation expense as of date certain of March 31, 2012. The Staff included  
13          only the amortization dollars from assets that were not fully depreciated as of date  
14          certain and from that total amortization dollars the Staff then deducted the  
15          amortization dollars associated with the Smartgrid Rider. As a result, the Staff did  
16          not have the discrepancies that Mr. Effron did. Hence, the Staff believes that its  
17          amortization of \$2,030,355 for General Miscellaneous Intangible Plant on Staff's  
18          Schedule B-3.2 is appropriate.

19  
20       **9. Q. In Objection 18, the OCC alleges that the Staff failed to eliminate the**  
21       **depreciation expense on Common Miscellaneous Intangible plant that will be**  
22       **fully depreciated by the end of the test year. Would your reply to this**

1           **objection be the same as your reply to OCC objection 17 in regards to plant**  
2           **that would be fully depreciated by the end of the test year?**

3           A. Yes it would. Therefore, Staff believes that its amortization of \$3,133,484 for  
4           Common Miscellaneous Intangible Plant on Staff's Schedule B-3.2 is appropriate.

5  
6           **10. Q. In Objection 5, the Applicant alleges that the Staff's recommendation to**  
7           **amortize the depreciation of the company's old meters over 7.25 years rather**  
8           **than the accelerate the depreciation as requested by the company is**  
9           **erroneous in two respects, with the first being the depreciation expense**  
10           **includes equipment dollars not related to the legacy residential meters**  
11           **replaced as part of the grid modernization initiative and secondly even with**  
12           **respect to just the meters, amortizing these meters over 7.25 year period,**  
13           **fails to recognize that all of those meters will be replaced/retired by 2015. Do**  
14           **you have any comment?**

15           A. Yes, I do. According to the testimony of Applicant's witness Daniel Reilly, there  
16           is \$9,031,601 associated with Instrumentation Transformers in the Meters and  
17           Leased Meters accounts that are not related to the legacy residential meters being  
18           replaced as part of the grid modernization initiative. The Staff found no  
19           indication in the Applicant's Application and/or the Applicant's Depreciation  
20           Study that these Information Transformers were not to be included as part of the  
21           grid modernization initiative, however, in light of Mr. Reilly's testimony, the  
22           Staff agrees that the Staff's Depreciation Expense on Staff's Schedule B-3.2  
23           should be adjusted to separate the Instrumentation Transformers from Meters and

1           Leased Meters. The Staff's depreciation expense adjustment is shown on  
2           Attachment JAS-2.

3

4   **11. Q. With respect to the meters, did the Staff fail to recognize, in its amortization**  
5       **period of 7.25 years, that all meters will be replaced/retired by 2015 or end**  
6       **of 2014 as stated in Mr. Reilly's testimony?**

7       A. No. The amortization period of 10 years, 7.25 years remaining as of date  
8       certain in this proceeding, for the Meters and Leased Meters dying accounts'  
9       unrecovered investment, was authorized in rates that went into effect in the  
10      Opinion and Order in Case No. 08-709-EL-AIR, which the Applicant began  
11      booking in July 2009. This 10-year amortization period was based on the  
12      premise that all embedded meters would have been replaced/retired by year end  
13      2012 consequently earlier than what now will be accomplished in 2015.  
14      Therefore, the Staff believes that the continuation of the amortization period as  
15      authorized in Case No. 08-709-EL-AIR, with 7.25 years remaining, is  
16      appropriate.

17

18   **12. Q. Does this conclude your testimony?**

19      A. Yes, it does. However, I reserve the right to submit supplemental testimony as  
20      new information subsequently becomes available or in response to positions taken  
21      by other parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Testimony of Judy Sarver, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the parties listed below, this 20<sup>th</sup> day of March, 2013.

/s/Thomas G. Lindgren  
**Thomas G. Lindgren**  
Assistant Attorney General

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Attachment JAS-1

Duke Energy Ohio  
Case No. 12-1682-EL-AIR  
Staff Seventy-Ninth Set Data Requests  
Date Received: September 10, 2012

STAFF-DR-079-001

**REQUEST:**

In regards to Company's response to Staff's Data Request No. 43 item No. 1, please provide the detail for March 2012 monthly amortization amounts of \$269,928.20, \$86,531, and \$582,592.23 in the same response format of the attached PDF file from the prior electric rate case.

**RESPONSE:**

See Attachment "STAFF-DR-79-001a" for detail of amortization for Account 3030, Attachment "STAFF-DR-79-001b" for Adjustment of Smartgrid and Attachment "STAFF-DR-79-001c" for detail of amortization for Account 1030.

**PERSON RESPONSIBLE:** Dan Reilly

Report Month	Company Number and Description	Utility Account	Subledger Item	Ending Asset Base	Depreciation Expense	Ending Reserve Balance
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	CG&E ISO-ENHANCEMENTS TO COMPLY WITH FERC ORDER 888	(8,275.54)	(45.98)	(1,517.22)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	CG&E ISO-ENHANCEMENTS TO COMPLY WITH FERC ORDER 888	8,275.54	45.98	1,517.22
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	EMS MIGRATION CGE	(783,181.89)	(4,351.01)	(143,583.33)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software : EOSIP-Dist Planning System	117,361.46	0.00	117,361.46
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software : OASIS Phase II	429,810.25	0.00	429,810.25
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software : Real Time Data	113,356.24	0.00	113,356.24
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software	(18.97)	(0.16)	(16.03)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software	56,650.66	0.00	56,650.66
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software	456,069.21	0.00	456,069.21
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Software	155,040.16	0.00	155,040.16
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	128,442.86	0.00	128,442.86
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	11,484.02	0.00	11,484.02
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	140,819.99	0.00	140,819.99
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	15,366.59	0.00	15,366.59
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	146,733.68	0.00	146,733.68
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	2,010.32	0.00	2,010.32
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	592,470.56	0.00	592,470.56
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	184,231.63	0.00	184,231.63
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(2,615.40)	0.00	(2,615.40)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	38,949.12	0.00	38,949.12
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	20,840.89	0.00	20,840.89
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	13,950.00	0.00	13,950.00
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	109,823.52	0.00	109,823.52
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(8,796.62)	0.00	(8,796.62)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	1,576,027.19	0.00	1,576,027.19
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	2,353,724.50	0.00	2,353,724.50
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	450.64	0.00	450.64
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	52,622.87	0.00	52,622.87
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	462.87	0.00	462.87
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	2,031,755.07	0.00	2,031,755.07
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 120 mos	2,177.24	0.00	2,177.24
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	131,628.01	1,086.90	126,143.50
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	241,632.83	0.00	241,632.83
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	932,445.35	0.00	932,445.35
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	215.70	0.00	215.70
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	2,784.48	0.00	2,784.48
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	9,599.64	0.00	9,599.64
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	194,820.42	0.00	194,820.42
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	801,591.91	0.00	801,591.91
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(11,484.02)	0.00	(11,484.02)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	1,532,992.63	0.00	1,532,992.63
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	51,537.40	0.00	51,537.40
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	906,660.11	0.00	906,660.11
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos	660,110.24	0.00	660,110.24
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : Asset Investment Decision Tool	321.12	0.00	321.12
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : PRIMAVERA UPGRADE	97,052.75	0.00	97,052.75
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : PRIMAVERA UPGRADE	56,038.96	0.00	56,038.96
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : PRIMAVERA UPGRADE	70,012.00	0.00	70,012.00
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : POWER SHARE SYSTEM ENHANCEMENTS TO	78,329.07	0.00	78,329.07
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : RBUMMI NEW SOFTWARE	456,983.33	0.00	456,983.33
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : REAP phase 5	75,009.08	0.00	75,009.08
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : ENH IMW90 APP	478,576.65	0.00	478,576.65
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : REAP Credit Risk version 4	197,396.55	0.00	197,396.55
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : REAP Credit Risk version 4	807,768.24	0.00	807,768.24
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : EIMS title V enhancement	(71,858.44)	0.00	(71,858.44)
03/2012	75023-DE Ohio Power Deliv - Elec	30300 - Miscellaneous Intangible PI	Computer Software - 60 mos : EIMS title V enhancement	64,247.82	0.00	64,247.82





03/2012	75025-DE Ohio Other - Elec	30300 - Miscellaneous Intangible PI	TAGSPRO software for FH	176,820.95	2,947.02	(766,286.12)-1682-EL-AIR
03/2012	75025-DE Ohio Other - Elec	30300 - Miscellaneous Intangible PI	Common Project Controls System - Integration	56,654.56	944.25	STAFF-58,998.89
03/2012	75025-DE Ohio Other - Elec	30300 - Miscellaneous Intangible PI	UPGRADE RETAIL OFFICE APPLICATION WHICH INCLUDES NUMEROUS STORED I	407,307.80	6,798.13	26,612.40
03/2012	75025-DE Ohio Other - Elec	30300 - Miscellaneous Intangible PI	Common Design Tools Phase 2	45,637.45	760.63	11,409.35
			TOTAL COMPANY	34,776,041.58	269,928.20	28,383,790.96

Calculation of Rider DR-1M  
Plant Additions by Month

Line No.	Plant Account	Balance at 12/31/2011	Adjustment	Adjusted Balance at 12/31/2011	01/31/2012	02/28/2012	03/31/2012	04/30/2012	05/31/2012	06/30/2012	07/31/2012	08/31/2012	09/30/2012	10/31/2012	11/30/2012	12/31/2012	Total Activity
<b>Cumulative Investment</b>																	
1	Station Equipment	\$16,715,952	\$0	\$16,715,952	\$16,729,848	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300	\$17,100,300
2	Major Equipment	\$2,082,440	\$0	\$2,082,440	\$2,074,536	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326	\$2,103,326
3	Distribution Station Equipment	\$2,388,256	\$0	\$2,388,256	\$2,381,496	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820	\$2,719,820
4	Poles, Towers and Fittings	\$21,383	\$0	\$21,383	\$1,001,252	\$1,009,231	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056	\$1,162,056
5	Distribution OH Conduct & Devices	\$10,962,561	\$0	\$10,962,561	\$11,871,928	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335	\$12,365,335
6	Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Leased Meters	\$37,323,032	\$0	\$37,323,032	\$37,045,356	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866	\$40,585,866
8	Electronic Data Processing Equip	\$1,035,769	\$0	\$1,035,769	\$1,045,253	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127	\$1,089,127
9	Communication Equipment Electric	\$35,053,373	\$0	\$35,053,373	\$35,073,557	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265	\$40,153,265
10	Intangible Electric	\$5,411,473	\$0	\$5,411,473	\$5,416,585	\$5,185,471	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891	\$5,191,891
11	Communication Equipment Common	\$12,785,265	\$0	\$12,785,265	\$12,785,265	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515	\$13,928,515
12	Electronic Data Processing Common	\$61,445	\$0	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445
13	Total	\$124,760,950	\$0	\$124,760,950	\$125,389,808	\$128,002,027	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947	\$136,440,947
<b>Incremental Investment</b>																	
14	Station Equipment	\$62,000	\$0	\$62,000	(\$78,348)	\$82,244	\$370,452	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$584,848
15	Major Equipment	\$6,502	\$0	\$6,502	(\$3,949)	\$2,444	\$28,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,886
16	Distribution Station Equipment	\$6,505	\$0	\$6,505	(\$6,759)	\$168,417	\$169,605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,564
17	Poles, Towers and Fittings	\$6,500	\$0	\$6,500	\$79,869	\$37,979	\$122,825	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,673
18	Distribution OH Conduct & Devices	\$6,500	\$0	\$6,500	\$889,367	\$233,944	\$259,463	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,362,774
19	Meters	\$37,000	\$0	\$37,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Leased Meters	\$37,002	\$0	\$37,002	(\$277,678)	\$2,327,109	\$1,213,407	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,262,834
21	Electronic Data Processing Equip	\$39,101	\$0	\$39,101	\$1,147	\$8,537	\$23,874	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,558
22	Communication Equipment Electric	\$39,700	\$0	\$39,700	\$20,164	(\$20,538)	\$5,100,546	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,099,892
23	Intangible Electric	\$30,300	\$0	\$30,300	\$5,122	(\$231,120)	\$6,416	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,443,582
24	Communication Equipment Common	\$19,700	\$0	\$19,700	\$0	\$0	\$1,143,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,443,250
25	Electronic Data Processing Common	\$19,101	\$0	\$19,101	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Total				\$628,958	\$2,612,119	\$8,418,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,679,897

Calculation of the estimated annual amortization amount of Smart Grid for account 3030:  
Balance in Intangible Electric account @ 3/31/2012 \$ 5,191,891  
Monthly amortization (balancer in account / 60 months service life) \$ 86,531.52  
Estimated annual amortization of Smart Grid for account 3030 \$ 1,038,378.20



Report Month	Company Number and Desc	Utility Account Number and Description	Subledger Item	Ending Asset Balance	Depreciation Expense	Ending Depreciation Reserve
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Awaya Phone SW	501,423.53	8,357.06	409,495.89
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Banc Tec	169,830.21	2,830.50	28,305.03
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	BENTLEY LIVE DATA EXCHANGE (LDE) WORKFLOW SOFTWARE AND NEW NON-LI	192,957.30	3,222.79	12,481.11
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	CIS 086 Ohio Pipe Reform - mandated changes by PUOC and ODOJ.	3,346,499.26	55,808.31	948,741.42
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	CIS 52 VB6 to Net Conversion Ohio	938,306.42	15,638.44	109,469.08
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	CMS BILLING UPGRADE	465,589.50	0.00	465,589.50
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	COMMON GIS DATA PROJECT	168,656.42	2,810.94	120,870.43
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	21,354,919.77	0.00	21,354,919.77
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	111,883.71	0.00	111,883.71
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	80,167.94	0.00	80,167.94
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	459,269.38	0.00	459,269.38
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	1,246.42	0.00	1,246.42
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	2,560,300.00	0.00	2,560,300.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	(17,739.03)	0.00	(17,739.03)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	1,813,056.11	0.00	1,813,056.11
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	63.99	0.00	63.99
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	1,035,903.35	0.00	1,035,903.35
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	417.01	0.00	417.01
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	580,757.26	4,839.65	556,559.04
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	6,569,359.11	54,744.66	6,295,635.84
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	4,280,892.35	0.00	4,280,892.35
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	(22,048.08)	(183.74)	(20,210.73)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	16,577,115.75	139,466.43	14,903,518.67
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	57,075.10	475.62	47,562.60
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	(190,681.84)	(1,717.86)	(170,667.58)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 120 mos	47,648.34	397.07	38,515.79
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(194.68)	(1.62)	(155.68)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	1,665.14	13.88	1,318.27
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	422,625.93	0.00	422,625.93
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	1,724,760.55	0.00	1,724,760.55
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	3,818.66	0.00	3,818.66
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	332,981.82	0.00	332,981.82
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	2,161.43	0.00	2,161.43
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	1,387,631.31	0.00	1,387,631.31
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	184,600.33	0.00	184,600.33
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	385,894.24	0.00	385,894.24
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	209,963.06	0.00	209,963.06
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(7,506.94)	0.00	(7,506.94)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	177,856.85	0.00	177,856.85
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(2,480.00)	0.00	(2,480.00)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	(692.91)	0.00	(692.91)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	1,285,796.64	0.00	1,285,796.64
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	138,139.00	0.00	138,139.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	83,313.04	0.00	83,313.04
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	238,269.06	0.00	238,269.06
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	2,422,747.09	0.00	2,422,747.09
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	55,136.15	0.00	55,136.15
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	430,840.51	0.00	430,840.51
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	428,339.07	0.00	428,339.07
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	67,815.94	0.00	67,815.94
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	27,099.12	0.00	27,099.12
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	134,490.83	0.00	134,490.83
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	172,700.83	0.00	172,700.83
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	67,427.32	0.00	67,427.32
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	61,419.89	0.00	61,419.89
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	11,924.90	0.00	11,924.90
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	393,381.67	0.00	393,381.67
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	119,871.59	0.00	119,871.59

Duke Energy Ohio



Report Month	Company Number and Desc	Utility Account Number and Description	Subledger Item	Ending Asset Balance	Depreciation Expense	Ending Depreciation Reserve
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	26,315.00	0.00	26,315.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	102,811.49	0.00	102,811.49
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	19,216.00	0.00	19,216.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	105,768.03	0.00	105,768.03
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	3,549,838.56	0.00	3,549,838.56
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	74,817.44	0.00	74,817.44
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos	563,084.77	0.00	563,084.77
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILL SOURCING	72,418.94	0.00	72,418.94
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILL SOURCING	585.00	0.00	585.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILL UPGRADE APRIL 2006	23,460.00	0.00	23,460.00
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILLING UPG OCT 2005	382,772.82	0.00	382,772.82
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILLING UPG OCT 2005	495,909.45	0.00	495,909.45
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : CMS BILLING UPG OCT 2005	3,021.30	0.00	3,021.30
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : DPPR CUST CONTACT & REV MNGT	49,612.85	0.00	49,612.85
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : DPPR CUST CONTACT & REV MNGT	1,182,136.77	0.00	1,182,136.77
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : ENH RACAD APPLICATION	2,486.09	0.00	2,486.09
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : ENH RACAD APPLICATION	320,192.01	0.00	320,192.01
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : FIXED BILL CMS ENHANCEMENT	411,861.83	0.00	411,861.83
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : Ohio Reg EAM Phase 1 in Svc	232,126.61	4,145.12	161,559.66
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : Project to move EAM project into se	2,064,425.16	34,407.09	1,479,504.73
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Computer Software - 60 mos : support PBI req uner MISO D2	904,125.15	0.00	904,125.15
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EAM PH2	94.41	0.00	94.41
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EAM project capital expenditures. This project was previously accounted for on the service	5,752,683.67	95,878.06	2,780,463.78
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	E-commerce Initiative software	3,491,955.30	58,370.11	1,098,780.27
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	E-commerce Initiative software	1,606,482.29	0.00	1,806,482.29
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	E-commerce Initiative software	1,310,062.35	0.00	1,310,062.35
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EDM	239,394.19	0.00	239,394.19
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EDM	3,822,167.50	63,702.79	2,229,597.72
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EDSIP RACAD software	568,981.65	0.00	568,981.65
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EDSIP RACAD software	55,251.74	0.00	55,251.74
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	EDSIP RACAD software	4,421.93	0.00	4,421.93
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Field Work Management RACAD software	6,843,936.82	0.00	6,843,936.82
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Field Work Management RACAD software	(323,683.98)	0.00	(323,683.98)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Field Work Management RACAD software	44,533.19	0.00	44,533.19
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Fixed Asset Accounting System - CGE	655,361.12	0.00	655,361.12
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Fixed Asset Accounting System - CGE	229,897.62	0.00	229,897.62
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Gas Transportation Software replacing ITBP and GFTS	303,763.30	5,082.72	172,132.52
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	IDEN MIBAS UPGRADE - SOFTWARE - OHIO	12,150.07	202.50	3,442.50
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	IMPL EMENT UPGRADE CURRENT VERSION OF EXPERT DESIGNER & MICROSTAT	(12,150.07)	(3,442.52)	(3,442.52)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Marketing & Sales Initiatives - Product & Services software	39,749.35	662.49	6,624.89
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Marketing & Sales Initiatives - Product & Services software	483,676.41	0.00	483,676.41
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Marketing & Sales Initiatives - Product & Services software	(9,972.97)	0.00	(9,972.97)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	MTR system	(1,522.62)	0.00	(1,522.62)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	SCMS Phase 2 software - CGE	2,151,449.82	35,857.50	2,043,877.34
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	SCMS Phase 2 software - CGE	1,607,256.36	0.00	1,607,256.36
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Software	(44,141.26)	0.00	(44,141.26)
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	Street Index - Ohio - New GIS	3,912,000.72	0.00	3,912,000.72
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	SUMMARY BILLING SFTWR DEV	5,162,144.39	0.00	5,162,144.39
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	virtual routing - call centers	62,654.36	1,044.24	35,504.14
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	virtual routing - call centers	561,567.46	0.00	561,567.46
03/2012	75025-DE Ohio Other - Elec	10300 - Miscellaneous Intangible PI	virtual routing - call centers	200,661.03	0.00	200,661.03
			<b>TOTAL COMPANY</b>	<b>121,520,889.79</b>	<b>582,582.23</b>	<b>107,949,729.69</b>



## Attachment JAS-2

Duke Energy Ohio, Inc.  
Case No. 12-1682-EL-AIR  
Meter Depreciation Expense

Account 3700 Meters

Plant as of March 31, 1012	41,968,249
Less: Instrumentation Transformers Plant	(6,341,273)
Adjusted Plant	35,626,976
Reserve as of March 31, 2012	12,697,346
Less: Instrumentation Transformers Reserve	(2,504,250)
Adjusted Reserve	10,193,096
Net Plant Account 3700	25,433,880
Remaining Years of a 10 year Amortization	7.25
Adjusted Amortization Expense	\$ 3,508,121

Account 3701 Leased Meters

Plant as of March 31, 1012	17,699,187
Less: Instrumentation Transformers Plant	(2,690,328)
Adjusted Plant	15,008,859
Reserve as of March 31, 2012	4,187,966
Less: Instrumentation Transformers Reserve	(563,234)
Adjusted Reserve	3,624,732
Net Plant Account 3701	11,384,127
Remaining Years of a 10 year Amortization	7.25
Adjusted Amortization Expense	\$ 1,570,224

Account 3703

Instrumentation Transformers Plant	9,031,601
Accrual Rate	2.86%
Depreciation Expense	\$ 258,304

Staff's Schedule B-3.2 Total Depreciation Expense	\$ 59,119,627
Less: Account 3700 at allocation 100%	(4,037,366)
Less: Account 3701 at allocation 100%	(1,863,617)
Add: Account 3700 Adjusted at allocation 100%	3,508,121
Add: Account 3701 Adjusted at allocation 100%	1,570,224
Add: Instrumentation Transformers at allocation 100%	258,304
Staff's Total Depreciation Expense	\$ 58,555,294
Reduction in Staff's Total Depreciation Expense	\$ (564,333)

Account 3703 Accrual Rate derived from Case No. 08-709-EL-AIR Depreciation Text

**Duke Energy Ohio**

**Case No. 12-1682-EL-AIR**

**Instrumentation Transformers (in Daniel Reilly's Supplemental direct testimony)**

**Values as of date certain - March 31, 2012**

Utility Account	Original Cost	Allocated Depreciation Reserve	Net Book Value
3700 - Meters	6,341,273	2,504,250	3,837,023
3701 - Leased Meters	2,690,328	563,234	2,127,093
Total Instrumentation Transformers	9,031,601	3,067,484	5,964,116

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

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

Summary: Testimony electronically filed by Mrs. Tonnetta Y Scott on behalf of PUCO