

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. to Adjust Rider DR-IM) Case No. 15-883-GE-RDR
and Rider AU for 2014 SmartGrid Costs.)

DIRECT TESTIMONY OF

PEGGY A. LAUB

ON BEHALF OF

DUKE ENERGY OHIO, INC.

June 4, 2015

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Attachments:

- PAL-1 Rider DR-IM Revenue Requirement Calculation**
- PAL-2 Rider AU Revenue Requirement Calculation**

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Peggy A. Laub. My business address is 139 East Fourth Street,
3 Cincinnati, Ohio 45202

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC, an affiliate of Duke
6 Energy Ohio, Inc. (Duke Energy Ohio, or Company) as Director Rates &
7 Regulatory Planning.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
9 **QUALIFICATIONS.**

10 A. I received a Bachelor of Business Administration Degree with a major in
11 accounting from the University of Cincinnati. I began my career with The
12 Cincinnati Gas & Electric Company, the predecessor of Duke Energy Ohio, Inc.,
13 in the Accounting Department in 1981. I worked in various departments including
14 Tax, Regulated Business Unit's financial group and Fixed Assets. In May 2006,
15 following the merger with Duke Energy Corporation, I transferred to the Midwest
16 US Franchised Electric & Gas accounting group. In November 2008, I transferred
17 to the Midwest wholesale accounting group as Manager of Wholesale and Bulk
18 Power Marketing accounting. In May 2010, I transferred to the Rate Department
19 and to my current position now titled Director Rates & Regulatory Planning.

20 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**
21 **UTILITIES COMMISSION OF OHIO (COMMISSION)?**

1 A. Yes. I previously testified in a number of cases before this and other regulatory
2 commissions.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 A. My testimony is divided into two parts. The first part addresses the electric Rider
6 DR-IM (Distribution Reliability – Infrastructure Modernization) and the second
7 part addresses the natural gas Rider AU (Advanced Utility). In both parts, I
8 provide an overview of the revenue requirement calculation for the respective
9 riders and then describe each schedule supporting the revenue requirement
10 calculation. I will be sponsoring Attachment PAL-1 and Attachment PAL-2 to
11 support the proposed charges for Rider DR-IM and for Rider AU.

II. REVENUE REQUIREMENT CALCULATIONS

12 **Q. PLEASE DESCRIBE THE COMPONENTS OF THE REVENUE**
13 **REQUIREMENTS INCLUDED IN RIDER DR-IM AND RIDER AU.**

14 A. The revenue requirement for both riders includes the following components:

- 15 ▪ a return on the rate base;
- 16 ▪ depreciation and property taxes; and
- 17 ▪ incremental expenses.

18 **Q. HOW IS RATE BASE CALCULATED?**

19 A. Rate base is calculated in a manner consistent with the traditional rate base
20 calculation for a general retail rate cases. One component is net plant, or gross
21 plant minus accumulated depreciation. Another common component is
22 accumulated deferred income taxes associated with accelerated tax depreciation.

1 The stipulations approved by the Commission in its Opinion and Order in Case
2 No. 08-920-EL-SSO, *et al.*, and its Opinion and Order in Case No. 09-543-GE-
3 RDR, allow an additional component of rate base in the form of post-in-service
4 carrying costs (PISCC). Because there are deferred income taxes associated with
5 this item, an additional adjustment is made to offset rate base for accumulated
6 deferred income taxes on this item.

7 **Q. ARE THERE COSTS THAT ARE SHARED BETWEEN THE ELECTRIC**
8 **AND GAS DISTRIBUTION BUSINESSES?**

9 A. Yes. The fact that Duke Energy Ohio is a combination electric and gas utility
10 allows the Company to maximize the potential benefits of the SmartGrid project
11 for both electric and gas customers. For much of the SmartGrid equipment, it is a
12 simple exercise to assign costs directly to electric or to gas. The cost of some
13 equipment and some expenses, however, is incurred for both electric and gas
14 services.

15 The costs for “common” equipment are allocated between gas and electric
16 service based on appropriate allocation factors. The development of these
17 allocation factors is based on the Company’s determination of the extent to which
18 each type of plant (*e.g.*, communication boxes, information technology costs (IT),
19 etc.) contributes to the gas or electric SmartGrid function.

20 **Q. DESCRIBE THE COMPUTATION FOR DEPRECIATION AND**
21 **PROPERTY TAX EXPENSES INCLUDED IN THE RIDER DR-IM AND**
22 **RIDER AU REVENUE REQUIREMENT.**

1 A. Depreciation expense is annualized by using currently approved accrual rates and
2 the depreciable gross plant for each plant type as of December 31, 2014.
3 Similarly, property tax expense is annualized by applying the latest average
4 property tax rates to the calculated property tax valuation as of December 31,
5 2014.

6 **Q. WHAT INCREMENTAL EXPENSES ARE INCLUDED IN THE**
7 **REVENUE REQUIREMENT CALCULATIONS?**

8 A. The only incremental expenses included in the Rider DR-IM and Rider AU
9 revenue requirement calculations are specifically identifiable costs associated
10 with the implementation of the SmartGrid project for gas and electric. Such costs
11 include Information Technology costs, system support, data transfer fees, and any
12 other costs that can be directly attributed to the SmartGrid program.

13 **Q. DO THE REVENUE REQUIREMENT CALCULATIONS REFLECT THE**
14 **SAVINGS THAT DISTRIBUTION AUTOMATION AND SMARTGRID**
15 **PROJECTS WILL GENERATE?**

16 A. Yes. In the Order in Case No. 10-2326-GE-RDR, the Commission approved a
17 stipulation that included an agreement by Duke Energy Ohio to establish an
18 amount of savings to include in both Rider DR-IM and Rider AU. These savings
19 are reflected in Schedule 12 of my attachments.

20 **Q. DOES THE REVENUE REQUIREMENT CALCULATIONS REFLECT**
21 **ANY UNINSTALLED GAS MODULES?**

22 A. No.

III. CHANGES FROM PRIOR FILING

1 **Q. HAVE YOU MADE ANY CHANGES IN THE REVENUE**
2 **REQUIREMENT CALCULATIONS SINCE THE COMPANY'S LAST**
3 **SMARTGRID COST RECOVERY FILING?**

4 **A. No.**

5 **Q. PLEASE EXPLAIN THE CREDIT FOR THE COMPANY'S GAS-ONLY**
6 **CUSTOMERS.**

7 **A. The Company has customers in Adams County, Georgetown, and Lebanon, Ohio,**
8 to whom it provides only gas service. These customers are located in an area
9 outside of Duke Energy Ohio's electric service territory. Duke Energy Ohio
10 agreed to only include the costs of SmartGrid gas deployment in the monthly
11 Rider AU charge to these customers. The overall Rider AU revenue requirement
12 includes the gas portion of "common" costs and allocable project management
13 organization (PMO) costs. A monthly credit amount has been calculated to
14 eliminate these costs from the rider for these gas-only customers.

15 **Q. HOW HAS THIS ADJUSTMENT BEEN SHOWN IN THE SCHEDULES**
16 **USED TO CALCULATE THE RIDER AU REVENUE REQUIREMENT?**

17 **A. At the bottom of each supporting schedule in Attachment PAL-2, the costs related**
18 to "common" and PMO costs have been detailed. These costs are summarized at
19 the bottom of Schedule 1A as a credit revenue requirement amount. On Schedule
20 13, this credit amount is divided by the total number of gas bills to calculate the
21 monthly credit for the 8,870 gas-only customers.

1 **Q. ARE THE REMAINING CALCULATIONS THE SAME FOR RIDER DR-**
2 **IM AND RIDER AU?**

3 **A. Yes. The remainder of my testimony describes the schedules used for the revenue**
4 **requirement calculations for both riders. Other than the two items discussed**
5 **above, the methodology is essentially the same for both riders.**

IV. RIDER DR-IM

6 **Q. PLEASE PROVIDE A GENERAL OVERVIEW OF THE SCHEDULES**
7 **FOR RIDER DR-IM.**

8 **A. The schedules provide extensive detail of the revenue requirement calculations for**
9 **Rider DR-IM, starting with support for the rate base component and the pre-tax rate**
10 **of return, followed by details for the expenses to be included. Finally, the schedules**
11 **show the calculation of the proposed monthly rates for Rider DR-IM applicable to**
12 **the rate classes.**

13 **Q. PLEASE EXPLAIN SCHEDULE 1 FOR ELECTRIC.**

14 **A. Schedule 1 summarizes the annualized revenue requirement for Duke Energy Ohio's**
15 **Rider DR-IM rates. The underlying rate base reflects the net balance of the**
16 **Company's investment in SmartGrid including distribution automation equipment as**
17 **of December 31, 2014. The rate base shown is incremental to amounts in current**
18 **rates as of the date certain used in the Company's most recently approved electric**
19 **distribution rate case. The information on this schedule is supported in Schedules 2**
20 **through 12.**

1 **Q. PLEASE EXPLAIN SCHEDULE 2 FOR ELECTRIC.**

2 A. Schedule 2 provides the adjusted balance of plant additions at December 31, 2013,
3 and actual plant additions by month from January 1, 2014, through December 31,
4 2014. The beginning balance as of December 31, 2013, agrees with the amounts
5 approved in the prior Rider DR-IM filing in Case No. 14-1051-GE-RDR.

6 **Q. PLEASE EXPLAIN SCHEDULE 3 FOR ELECTRIC.**

7 A. Schedule 3 provides the adjusted balance of accumulated provision for
8 depreciation at December 31, 2013, and actual provision for depreciation by
9 month from January 1, 2014, through December 31, 2014, to arrive at the balance as
10 of December 31, 2014.

11 **Q. PLEASE EXPLAIN SCHEDULE 4 FOR ELECTRIC.**

12 A. Schedule 4 provides the adjusted balance of the PISCC regulatory asset at
13 December 31, 2013, and the PISCC activity by month from January 1, 2014,
14 through December 31, 2014, to arrive at the balance as of December 31, 2014. This
15 schedule also provides the balance of PISCC amortization at December 31, 2013,
16 and actual PISCC amortization by month from January 1, 2014, through December
17 31, 2014, to calculate the estimated balance at December 31, 2014. The net
18 electric PISCC Regulatory Asset for the periods is also provided.

19 **Q. PLEASE EXPLAIN SCHEDULE 5 FOR ELECTRIC.**

20 A. Schedule 5 provides the net deferred tax balance of electric PISCC and electric
21 O&M at December 31, 2013, and December 31, 2014.

- 1 **Q. PLEASE EXPLAIN SCHEDULE 6 FOR ELECTRIC.**
- 2 A. Schedule 6 provides the calculation of the deferred taxes on liberalized
3 depreciation for plant placed in service during vintage years 2008 through 2014.
4 These deferred taxes are calculated on the electric-related SmartGrid plant in
5 service since the program's inception.
- 6 **Q. PLEASE EXPLAIN SCHEDULE 7 FOR ELECTRIC.**
- 7 A. Schedule 7 provides the calculation of the pre-tax weighted average cost of capital
8 for the return component of the Rider DR-IM revenue requirement calculation.
9 The capital structure and the capital cost rates are from the most recently
10 approved electric distribution rate case, Case No. 12-1682-EL-AIR.
- 11 **Q. PLEASE EXPLAIN SCHEDULE 8 FOR ELECTRIC.**
- 12 A. Schedule 8 provides the calculation of the annualized depreciation expense
13 associated with additions, based on actual SmartGrid plant additions from the
14 beginning of the program through December 31, 2014, using currently approved
15 depreciation accrual rates.
- 16 **Q. PLEASE EXPLAIN SCHEDULE 9 FOR ELECTRIC.**
- 17 A. Schedule 9 provides a calculation of the annualized amortization of the electric
18 PISCC accrued from the beginning of the program through December 31, 2014.
19 The electric-related PISCC Regulatory Assets by account are in agreement with
20 those provided on Schedule 4 and the amortization calculations use the currently
21 approved average service lives.

1 **Q. PLEASE EXPLAIN SCHEDULE 10 FOR ELECTRIC.**

2 A. Schedule 10 is a schedule providing the calculation of the regulatory asset
3 associated with the deferral of O&M and depreciation costs pursuant to the
4 stipulation approved in the ESP Case.

5 **Q. PLEASE EXPLAIN SCHEDULE 11 FOR ELECTRIC.**

6 A. Schedule 11 provides the calculation of the annualized property tax expense based
7 on actual additions to electric-related SmartGrid plant in service from the
8 beginning of the program through December 31, 2014. This calculation follows
9 the process used in Duke Energy Ohio's Annual Report to the Ohio Department
10 of Taxation to determine the Net Property Valuation and uses the latest known
11 average electric property tax rate per \$1,000 of valuation.

12 **Q. PLEASE EXPLAIN SCHEDULE 12 FOR ELECTRIC.**

13 A. Schedule 12 provides for the savings and reduction agreed to in the Order in Case
14 No. 10-2326-GE-RDR. In the Order the Company agreed to include \$10.67
15 million in savings in the 2014 revenue requirement along with a \$4.43 million
16 increase in the revenue requirement for deferred recovery.

17 **Q. PLEASE EXPLAIN SCHEDULE 13 FOR ELECTRIC.**

18 A. Schedule 13 provides a calculation of the new Rider DR-IM monthly charge by
19 rate class. Pursuant to the Stipulation approved in Case No. 08-920-EL-SSO, *et*
20 *al.*, 85% of the revenue requirement is allocable to residential customers and the
21 remaining 15% is allocable to non-residential customers. The allocated revenue
22 requirement is then divided by the number of bills (*i.e.*, customers x 12) for the
23 residential and non-residential rate classes. The result is a per bill charge of

1 \$6.14for all residential customers and a per bill charge of \$ 9.15 for all non-
2 residential customers. The Company excluded all lighting customers from Rider
3 DR-IM.

4 **Q. PLEASE EXPLAIN SCHEDULE 14 FOR ELECTRIC.**

5 A. Schedule 14 provides a cumulative total of the stimulus funding that has been
6 invoiced thru December 2014.

7 **Q. PLEASE EXPLAIN SCHEDULE 15 FOR ELECTRIC.**

8 A. The approval for the calendar year 2013 recovery was not approved until April 8,
9 2015. The new rates were implemented on that day but the Company had already
10 billed the first 4 (four) billing cycles in April at the old rates. This schedule
11 calculates the under recovery due to the delay in the implementation of the rates.

12 **Q. ARE THERE ANY PROVISIONS OF THE STIPULATION REACHED IN**
13 **CASE NO. 13-1141-GE-RDR THAT ARE RELEVANT TO THE RIDER**
14 **DR-IM RATE CALCULATION?**

15 A. Yes. The parties in this proceeding agreed to impose caps on the Rider DR-IM
16 charge for residential customers for filings made in calendar years 2014 and 2015.
17 The cap represents the maximum monthly per meter rate that can be charged to
18 residential customers for a given year. The agreed-to caps for residential Rider
19 DR-IM charges are \$6.75 for the filing made in calendar year 2014 and \$7.00 for
20 the filing made in calendar year 2015. Per Schedule 13 of this filing the Company
21 is under the \$7.00 cap for this year.

1 Q. DO YOU HAVE AN OPINION REGARDING WHETHER DUKE
2 ENERGY OHIO'S REQUEST FOR NEW RIDER DR-IM RATES IS
3 REASONABLE?

4 A. Yes.

5 Q. PLEASE STATE YOUR OPINION.

6 A. Duke Energy Ohio's rate request is fair and reasonable. I believe that the costs of
7 service are properly allocated to customer classes and the rate design was properly
8 performed in accordance with the terms and conditions of the Stipulation
9 approved in Case No. 08-920-EL-SSO, *et al.* The proposed Rider DR-IM rates are
10 within the rate caps established in the Stipulation in Case No. 13-1141-GE-RDR.

V. RIDER AU

11 Q. PLEASE PROVIDE A GENERAL OVERVIEW OF THE REVENUE
12 REQUIREMENT CALCULATION FOR RIDER AU.

13 A. The schedules provide extensive detail of the revenue requirement calculations for
14 Rider AU starting with support for the rate base component and pre-tax rate of
15 return, followed by details for expenses to be included. As discussed earlier in my
16 testimony, many of the schedules provide support for the credit revenue requirement
17 applicable to the Company's gas-only customers and that calculation is summarized
18 on Schedule 1A. Finally, the schedules show the calculation of the proposed
19 monthly rates for Rider AU applicable to the rate classes and the monthly credit for
20 the gas-only customers.

1 **Q. PLEASE EXPLAIN SCHEDULE 1 FOR GAS.**

2 A. Schedule 1, summarizes the annualized revenue requirement for Duke Energy
3 Ohio's Rider AU rates. The underlying rate base reflects the net balance of the
4 Company's investment in SmartGrid allocable to its gas distribution business as of
5 December 31, 2014. The rate base shown is incremental to amounts in current rates.
6 The information on this schedule is supported in Schedules 2 through 13. Schedule
7 1A summarizes the credit to the annualized revenue requirement for the Company's
8 gas only customers.

9 **Q. PLEASE EXPLAIN SCHEDULE 2 FOR GAS.**

10 A. Schedule 2 provides the adjusted balance of plant additions at December 31, 2013,
11 and the actual plant additions by month from January 1, 2014, through December
12 31, 2014 to arrive at the balance as of December 31, 2014..

13 **Q. PLEASE EXPLAIN SCHEDULE 3 FOR GAS.**

14 A. Schedule 3 provides the adjusted balance of the accumulated provision for
15 depreciation at December 31, 2013 and the actual provision for depreciation by
16 month from January 1, 2014, through December 31, 2014, to arrive at the balance
17 as of December 31, 2014.

18 **Q. PLEASE EXPLAIN SCHEDULE 4 FOR GAS.**

19 A. Schedule 4 provides the adjusted balance of the PISCC regulatory asset not
20 included in base rates at December 31, 2013, and the PISCC activity by month
21 from January 1, 2014, through December 31, 2014, to arrive at the balance as of
22 December 31, 2014. This schedule also provides actual PISCC amortization by
23 month from January 1, 2014, through December 31, 2014, to calculate the balance

1 at December 31, 2014. The net gas PISCC regulatory asset for the periods is also
2 provided.

3 **Q. PLEASE EXPLAIN SCHEDULE 5 FOR GAS.**

4 A. Schedule 5 provides the balance of gas PISCC and electric O&M net deferred tax
5 balance at December 31, 2013, and December 31, 2014.

6 **Q. PLEASE EXPLAIN SCHEDULE 6 FOR GAS.**

7 A. Schedule 6 provides the calculation of the deferred taxes on liberalized
8 depreciation for plant placed into service after March 31, 2012.

9 **Q. PLEASE EXPLAIN SCHEDULE 7 FOR GAS.**

10 A. Schedule 7 provides the calculation of the pre-tax weighted average cost of capital
11 for the return component of the Rider AU revenue requirement calculation. The
12 capital structure and the capital cost rates are from the most recently approved gas
13 distribution rate case, Case No. 12-1685-GA-AIR, *et al.*

14 **Q. PLEASE EXPLAIN SCHEDULE 8 FOR GAS.**

15 A. Schedule 8 provides the calculation of the annualized depreciation expense
16 associated with additions, based on actual gas-related SmartGrid plant additions
17 from April 1, 2012 through December 31, 2014, using currently approved
18 depreciation accrual rates.

19 **Q. PLEASE EXPLAIN SCHEDULE 9 FOR GAS.**

20 A. Schedule 9 provides a calculation of the annualized amortization of the PISCC
21 accrued from April 1, 2012 through December 31, 2014. The gas-related PISCC
22 Regulatory Assets by account are in agreement with those provided on Schedule 4
23 and the amortization calculations use the currently approved average service lives.

1 **Q. PLEASE EXPLAIN SCHEDULE 10 FOR GAS.**

2 A. Schedule 10 is a schedule providing the calculation of the regulatory asset
3 associated with the deferral of O&M and depreciation costs pursuant to the
4 Stipulation approved in the prior filing, Case No. 09-543-GE-RDR.

5 **Q. PLEASE EXPLAIN SCHEDULE 11 FOR GAS.**

6 A. Schedule 11 provides the calculation of the annualized property tax expense based
7 on actual additions to gas-related SmartGrid plant in service from April 1, 2012
8 through December 31, 2014. This calculation follows the process used in Duke
9 Energy Ohio's Annual Report to the Ohio Department of Taxation to determine
10 the Net Property Valuation and uses the latest known average gas property tax
11 rate per \$1,000 of valuation.

12 **Q. PLEASE EXPLAIN SCHEDULE 12 FOR GAS.**

13 A. Schedule 12 provides for the savings and reduction agreed to in our Order in Case
14 No.10-2326-GE-RDR. In the Order the Company agreed to a \$4,544,000 in
15 savings in the 2014 revenue requirements. We have netted this amount with the
16 amount of \$2,026,000 in our base rates in Case No. 12-1685-GA-AIR, resulting in
17 a \$2,518,000 savings reduction in this filing.

18 **Q. PLEASE EXPLAIN SCHEDULE 13 FOR GAS.**

19 A. Schedule 13 provides the new Rider AU monthly charge per customer. Because
20 the Company is proposing to allocate the Rider AU revenue requirement based on
21 number of bills (*i.e.*, customers x 12), the Rider AU monthly rate shown on
22 Schedule 13 is for all customers. The allocated revenue requirement is divided by
23 the total number of bills. The result is a per bill charge of \$1.22 for Rider AU for

1 all customers. The per bill credit amount of \$1.06 for the Company's gas only
2 customers is also calculated on this schedule.

3 **Q. PLEASE EXPLAIN SCHEDULE 14 FOR GAS.**

4 A. The approval for the calendar year 2013 recovery was not approved until April 8,
5 2015. The new rates were implemented on that day but the Company had already
6 billed the first 4 (four) billing cycles in April at the old rates. This schedule
7 calculates the under recovery due to the delay in the implementation of the rates.

8 **Q. DO YOU HAVE AN OPINION REGARDING WHETHER DUKE**
9 **ENERGY OHIO'S REQUEST FOR NEW RIDER AU RATES IS**
10 **REASONABLE?**

11 A. Yes.

12 **Q. PLEASE STATE YOUR OPINION.**

13 A. Duke Energy Ohio's rate request is fair and reasonable. The methodology is
14 essentially consistent with the methodology for electric Rider DR-IM, which
15 follows the terms and conditions of the Stipulation approved in Case No. 08-920-
16 EL-SSO, *et al.*

VI. OTHER ISSUES

17 **Q. HOW WILL FUTURE RATE CASES IMPACT THE FILINGS OF RIDER**
18 **DR-IM AND RIDER AU?**

19 A. Both riders will continue until full deployment. Per our Order in Case No. 10-2326-
20 GE-RDR, the Company committed to maintain Rider DR-IM as the means to
21 recover electric SmartGrid investment through the year in which full deployment (as
22 determined by the Public Utilities Staff,) occurs. In the same Order the Company

1 agreed to a guaranteed level of savings related to the gas portion of SmartGrid in our
2 next base case. In Case No 12-1685-GA-AIR the Company rolled in the gas
3 SmartGrid investment in base rates as of the date certain of March 31, 2012, and
4 then continued Rider AU for investment after the date certain similar to our process
5 for Rider AMRP.

VII. CONCLUSION

6 **Q. WERE ATTACHMENTS PAL-1 AND PAL-2 PREPARED BY YOU OR**
7 **UNDER YOUR SUPERVISION?**

8 **A. Yes.**

9 **Q. IS THE INFORMATION CONTAINED IN ATTACHMENTS PAL-1 AND**
10 **PAL-2 TRUE AND ACCURATE TO THE BEST OF YOUR KNOWLEDGE**
11 **AND BELIEF?**

12 **A. Yes.**

13 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

14 **A. Yes.**

**Duke Energy Ohio
Calculation of Rider DR-IM
Case No. 15-0883
Attachment PAL-1
Index of Schedules**

Schedule No.	Description
1	Revenue Requirement Summary
2	Plant Additions by Month
3	Depreciation Expense Accrued
4	Post In Service Carrying Costs on Plant Additions Accrued as Regulatory Asset
5	Deferred Income Taxes on Post In Service Carrying Costs and Deferred O&M
6	Deferred Taxes on Liberalized Depreciation Associated with Plant Additions
7	Summary of Weighted-Average Cost of Capital from Most Recent Retail Rate Case
8	Annualized Depreciation Expense on Plant in Service at Year End
9	Annualized Amortization of Post In Service Carrying Charges
10	Regulatory Asset for Deferred O&M and Associated Carrying Costs
11	Annualized Property Taxes on Plant in Service at Year End
12	Incremental O&M Savings from SmartGrid Implementation
13	Calculation of Rider DR-IM Charges
14	Use of Stimulus Funds for SmartGrid Projects
15	Undercollection of 2013 Revenue Requirement

Duke Energy Ohio
Calculation of Rider DR-IM

Revenue Requirement

Line No.		Balance 12/31/13	Adjustment	Adjusted Balance 12/31/13	Activity 2014	Cumulative thru 12/31/14	Reference
	Return on Investment						
1	Plant In-Service						
2	Additions	\$268,336,263	\$0	\$268,336,263	\$19,537,603	\$287,873,866	Schedule 2
	Total Plant In-Service	268,336,263	0	268,336,263	19,537,603	287,873,866	
3	Less: Accumulation Provision for Depreciation						
4	Depreciation Expense	28,982,376	0	28,982,376	17,275,161	46,257,537	Schedule 3
	Total Accumulated Provision for Depreciation	28,982,376	0	28,982,376	17,275,161	46,257,537	
5	Net Regulatory Asset--Post In-Service Carrying Cost	23,328,821	0	23,328,821	5,887,559	29,216,380	Schedule 4
6	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(16,414,620)	0	(16,414,620)	(1,049,820)	(17,464,440)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation	(60,366,230)	0	(60,366,230)	(3,148,743)	(63,514,973)	Schedule 6
8	Net Rate Base	185,901,858	0	185,901,858	3,951,438	189,853,296	
9	Approved Pre-tax Rate of Return				10.68%	10.68%	Schedule 7
10	Annualized Return on Rate Base				422,014	20,276,332	
	Operating Expenses						
11	Annualized Provision for Depreciation For Additions				17,807,750	17,807,750	Schedule 8
12	Annualized Amortization of PISCC				1,832,977	1,832,977	Schedule 9
13	Deferred O&M Expense and Carrying Costs				8,023,198	8,023,198	Schedule 10
14	Annualized Property Tax Expense				11,784,650	11,784,650	Schedule 11
15	Reduction in Operation & Maintenance Expense				(6,240,000)	(6,240,000)	Schedule 12
16	Annualized Revenue Requirement - Subtotal				33,630,569	53,484,907	
17	Commercial Activity Tax Gross Up				87,667	139,423	
18	Annualized Revenue Requirement				\$33,718,256	\$53,624,330	

Plant Additions by Month

[illegible]

Duke Energy Ohio
Calculation of Rider DR[illegible]

Duke Energy Ohio
Calculation of Rider DR-1M

Net Regulatory Asset - Post In-Service Carrying Cost

Line No.	Account	Description	Balance at 12/31/2013	Adjusted Balance at 12/31/2013	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	Balance at 12/31/2014
1	18236x	Regulatory Asset-Debits															
2	18236x	Station Equipment	\$2,877,485	\$2,877,485	\$73,782	\$73,988	\$74,352	\$55,660	\$55,916	\$56,160	\$56,403	\$56,647	\$56,904	\$57,085	\$57,254	\$57,523	\$3,609,159
3	18236x	Major Equipment	\$347,711	\$347,711	\$8,170	\$8,198	\$8,231	\$4,842	\$4,863	\$4,884	\$4,906	\$4,927	\$4,948	\$4,969	\$4,991	\$5,012	\$416,650
4	18236x	Distribution Station Equipment	\$296,901	\$296,901	\$5,046	\$5,046	\$5,046	\$14,452	\$14,515	\$14,577	\$14,640	\$14,704	\$14,768	\$14,832	\$14,896	\$14,960	\$139,423
5	18236x	Poles, Towers and Structures	\$174,336	\$174,336	\$11,246	\$11,246	\$11,562	\$11,908	\$12,183	\$12,375	\$12,423	\$12,489	\$12,555	\$12,608	\$12,667	\$12,736	\$290,423
6	18236x	Distribution OH Conduct & Devices	\$2,301,587	\$2,301,587	\$82,997	\$83,008	\$83,008	\$49,398	\$49,771	\$50,296	\$50,645	\$50,959	\$51,321	\$51,975	\$52,583	\$53,246	\$3,010,741
7	18236x	Leased Meters	\$6,804,359	\$6,804,359	\$151,312	\$152,053	\$153,350	\$79,241	\$78,056	\$76,983	\$80,251	\$80,911	\$80,603	\$81,268	\$81,933	\$82,600	\$7,994,852
8	18236x	Electronic Data Processing Equip	\$139,595	\$139,595	\$2,440	\$2,406	\$3,176	\$2,538	\$2,538	\$2,548	\$2,558	\$2,569	\$2,577	\$2,585	\$2,597	\$2,606	\$171,125
9	18236x	Communication Equipment- Electric	\$7,604,865	\$7,604,865	\$270,985	\$280,081	\$294,725	\$168,486	\$170,220	\$178,623	\$186,571	\$196,979	\$187,728	\$188,324	\$189,122	\$190,163	\$10,097,428
10	18236x	Intangible Electric	\$731,034	\$731,034	\$3,440	\$3,440	\$11,175	\$16,240	\$16,240	\$16,300	\$16,371	\$16,437	\$16,534	\$16,674	\$16,824	\$16,947	\$91,302
11	18236x	Leased AMI Meters	\$337,718	\$337,718	\$45,355	\$41,076	\$36,085	\$31,081	\$32,122	\$33,188	\$34,200	\$35,059	\$35,872	\$37,299	\$38,565	\$37,793	\$775,444
12	18236x	Communication Equipment- Common	2,442,284	\$80,500	\$85,492	\$90,418	\$96,378	\$60,600	\$67,309	\$73,009	\$73,009	\$75,006	\$75,729	\$76,434	\$77,351	\$79,019	3,243,426
13	18236x	Electronic Data Processing Common	7,716	\$7,716	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$35	\$35	\$35	\$1,217
		Total	\$24,065,591	\$24,065,591	\$724,181	\$744,603	\$770,237	\$465,277	\$469,038	\$468,634	\$503,602	\$508,913	\$510,318	\$514,284	\$518,523	\$521,225	\$3,760,636
14	18236x	Regulatory Asset-Amortization															
15	18236x	Station Equipment	\$22,037	\$22,037	\$1,717	\$1,717	\$1,717	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$53,413
16	18236x	Major Equipment	\$4,131	\$4,131	\$275	\$275	\$275	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$6,350
17	18236x	Distribution Station Equipment	\$10,200	\$10,200	\$715	\$715	\$715	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$1,366	\$21,910
18	18236x	Poles, Towers and Structures	\$396	\$396	\$44	\$44	\$44	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$139	\$1,778
19	18236x	Distribution OH Conduct & Devices	\$15,081	\$15,081	\$1,139	\$1,139	\$1,139	\$2,234	\$2,234	\$2,234	\$2,234	\$2,234	\$2,234	\$2,234	\$2,234	\$2,234	\$35,607
20	18236x	Leased Meters	\$206,828	\$206,828	\$11,369	\$11,369	\$11,369	\$23,683	\$23,683	\$23,683	\$23,683	\$23,683	\$23,683	\$23,683	\$23,683	\$23,683	\$454,081
21	18236x	Electronic Data Processing Equip	\$10,518	\$10,518	\$981	\$981	\$981	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$1,880	\$30,310
22	18236x	Communication Equipment- Electric	\$308,877	\$308,877	\$13,955	\$13,955	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$58,568
23	18236x	Intangible Electric	\$82,440	\$82,440	\$7,117	\$7,117	\$7,117	\$12,002	\$12,002	\$12,002	\$12,002	\$12,002	\$12,002	\$12,002	\$12,002	\$12,002	\$211,869
24	18236x	Leased AMI Meters	\$65,825	\$65,825	\$4,240	\$4,240	\$4,240	\$9,025	\$9,025	\$9,025	\$9,025	\$9,025	\$9,025	\$9,025	\$9,025	\$9,025	\$84
25	18236x	Communication Equipment- Common	\$437	\$437	\$32	\$32	\$32	\$81	\$81	\$81	\$81	\$81	\$81	\$81	\$81	\$81	\$1,261
26	18236x	Electronic Data Processing Common	\$726,770	\$726,770	\$41,564	\$41,564	\$41,564	\$80,311	\$80,311	\$80,311	\$80,311	\$80,311	\$80,311	\$80,311	\$80,311	\$80,311	\$1,574,256
		Total	\$22,855,448	\$22,855,448	\$72,085	\$72,271	\$72,835	\$52,746	\$53,002	\$53,246	\$53,489	\$53,733	\$53,990	\$54,171	\$54,340	\$54,610	\$3,555,748
27	18236x	Regulatory Asset-Net															
28	18236x	Station Equipment	\$343,580	\$343,580	\$7,895	\$7,895	\$7,895	\$4,465	\$4,486	\$4,507	\$4,529	\$4,550	\$4,571	\$4,592	\$4,614	\$4,634	\$408,300
29	18236x	Major Equipment	\$276,701	\$276,701	\$5,795	\$5,795	\$5,795	\$11,787	\$11,848	\$11,909	\$11,970	\$12,031	\$12,092	\$12,153	\$12,214	\$12,275	\$114,513
30	18236x	Distribution Station Equipment	\$173,940	\$173,940	\$11,202	\$11,202	\$11,202	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$26,536	\$318,181
31	18236x	Poles, Towers and Structures	\$2,986,506	\$2,986,506	\$81,006	\$81,006	\$81,006	\$164,537	\$164,537	\$164,537	\$164,537	\$164,537	\$164,537	\$164,537	\$164,537	\$164,537	\$3,018,181
32	18236x	Distribution OH Conduct & Devices	\$6,597,531	\$6,597,531	\$139,043	\$139,043	\$139,043	\$265,558	\$265,558	\$265,558	\$265,558	\$265,558	\$265,558	\$265,558	\$265,558	\$265,558	\$7,500,771
33	18236x	Leased Meters	\$129,077	\$129,077	\$1,719	\$1,719	\$1,719	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$40,908
34	18236x	Electronic Data Processing Equip	\$7,295,988	\$7,295,988	\$258,730	\$258,730	\$258,730	\$517,460	\$517,460	\$517,460	\$517,460	\$517,460	\$517,460	\$517,460	\$517,460	\$517,460	\$140,908
35	18236x	Communication Equipment- Electric	\$648,594	\$648,594	\$3,438	\$3,438	\$3,438	\$6,876	\$6,876	\$6,876	\$6,876	\$6,876	\$6,876	\$6,876	\$6,876	\$6,876	\$9,008
36	18236x	Intangible Electric	\$337,718	\$337,718	\$45,355	\$41,076	\$36,085	\$31,081	\$32,122	\$33,188	\$34,200	\$35,059	\$35,872	\$37,299	\$38,565	\$37,793	\$701,483
37	18236x	Leased AMI Meters	\$2,376,459	\$2,376,459	\$78,283	\$81,252	\$84,179	\$87,150	\$90,121	\$93,092	\$96,063	\$99,034	\$102,005	\$104,976	\$107,947	\$110,918	\$775,050
38	18236x	Communication Equipment- Common	\$7,270	\$7,270	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3,163,658
39	18236x	Electronic Data Processing Common	\$2,328,821	\$2,328,821	\$682,027	\$703,039	\$728,673	\$384,966	\$398,721	\$408,533	\$423,291	\$438,052	\$452,811	\$467,570	\$482,329	\$497,088	\$2,163,600
		Total	\$22,328,821	\$22,328,821	\$682,027	\$703,039	\$728,673	\$384,966	\$398,721	\$408,533	\$423,291	\$438,052	\$452,811	\$467,570	\$482,329	\$497,088	\$2,163,600

Jan - Dec
6.32%

PISCC Rate used in 2014

Dollars Approved in Previous Filings (cumulative)

40	18236x	Station Equipment	2008	\$2,386,623	\$2,386,623	\$2,107,809	2012										
41	18236x	Major Equipment		\$958,938	\$1,771,237	\$2,073,492											
42	18236x	Distribution Station Equipment		\$640,421	\$1,327,263	\$2,386,258											
43	18236x	Poles, Towers and Structures			\$71,298	\$921,383											
44	18236x	Distribution OH Conduct & Devices		\$1,690,379	\$9,632,181	\$19,000,143											
45	18236x	Leased Meters		\$6,575,444	\$20,638,950	\$37,323,032											
46	18236x	Electronic Data Processing Equip		\$12,016,987	\$470,020	\$1,035,769											
47	18236x	Communication Equipment- Electric			\$18,645,029	\$35,050,373											
48	18236x	Intangible Electric			\$4,496,850	\$5,824,324											
49	18236x	Leased AMI Meters				\$1,220,831											
50	18236x	Communication Equipment- Common		\$1,036,040	\$4,582,456	\$12,785,265											
51	18236x	Electronic Data Processing Common		\$19,622	\$19,622	\$201,927,709											
		Total		\$19,647,993	\$28,684,848	\$65,608,136											

\$197,755,702

**Duke Energy Ohio
Calculation of Rider DR-IM**

Net Deferred Tax Balance -- PISCC, Deferred Deprec and Deferred O&M

Line No.		Balance at 12/31/2013	12/31/2014
	Net Deferred Tax Balance - PISCC		
1	Ending Balance Per Sch 4	\$23,328,821	\$29,216,380
2	Tax Rate	35.00%	35.00%
3	Cumulative ADIT @ 35%	(\$8,165,087)	(\$10,225,733)
	Net Deferred Tax Balance - Deferred Depreciation and Carrying Costs		
4	Ending Balance Per Sch 10	\$4,044,615	\$3,977,744
5	Tax Rate	35.00%	35.00%
6	Cumulative ADIT @ 35%	(\$1,415,615)	(\$1,392,210)
	Net Deferred Tax Balance - Deferred O&M and Carrying Costs		
7	Ending Balance Per Sch 10	\$19,525,481	\$16,704,276
8	Tax Rate	35.00%	35.00%
9	Cumulative ADIT @ 35%	(\$6,833,918)	(\$5,846,497)
	Total	(\$16,414,620)	Total
			<u>(\$17,464,440)</u>

Line Item	Tax Years 2006 - 2012 (By Tax Year)				Tax Year 2013 (By Month)			
	Total Tax Year 2006	Total Tax Year 2007	Total Tax Year 2008	Total Tax Year 2009	Total Year 2010	Total Year 2011	Total Year 2012	Total Tax Year 2013
1	Total Paid by Services	\$19,847,992	\$28,808,847	\$45,808,138	\$125,172,802	\$187,735,704	\$19,847,992	\$19,847,992
2	Book to Tax Basis Adjustments:	0	0	0	0	0	0	0
3	Tax Based on Services Subject to Bonus Depreciation - 50%	19,847,992	28,808,847	54,087,031	54,746,098	129,320,398	19,847,992	19,847,992
4	Bonus Depreciation - 100%	0	0	11,521,108	68,427,205	68,427,205	0	0
5	Total Tax Depreciation Rate	19,847,992	28,808,847	65,608,139	123,173,803	197,752,133	19,847,992	19,847,992
6	Tax Depreciation - MACRS	0	0	0	0	0	0	0
7	Tax Depreciation - Bonus - 50%	1,179,950	2,432,359	4,158,349	4,796,205	7,546,322	1,179,950	1,179,950
8	Tax Depreciation - Bonus - 100%	8,823,897	4,822,487	13,022,840	13,228,733	36,290,813	8,823,897	8,823,897
9	Book Depreciation	11,033,842	6,954,788	28,702,289	83,024,135	43,637,273	11,033,842	11,033,842
10	Total Book Depreciation	225,368	1,239,810	2,840,180	5,305,046	8,360,980	225,368	225,368
11	Less Book Depreciation	0	0	0	0	0	0	0
12	Net Book Depreciation	225,368	1,239,810	2,840,180	5,305,046	8,360,980	225,368	225,368
13	Tax Depreciation in Excess of Book Depreciation	10,778,549	5,718,820	26,122,128	57,728,549	34,964,792	10,778,549	10,778,549
14	Federal Deferred Taxes @ 35.00%	\$3,172,482	\$2,000,548	\$9,142,745	\$20,204,923	\$12,231,703	\$3,172,482	\$3,172,482
15	Federal Deferred Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
16	Total	\$23,020,474	\$30,048,657	\$54,950,263	\$128,478,352	\$210,003,837	\$20,020,474	\$23,020,474
17	Total	\$23,020,474	\$30,048,657	\$54,950,263	\$128,478,352	\$210,003,837	\$20,020,474	\$23,020,474

Duke Energy Ohio
Calculation of Rider DR-IM

Deferred Taxes on Liberalized Depreciation

Line
No.

Line No.		Tax Year 2014 (part 1 of 4)					
		Vintage 2008			Vintage 2009		
		7-Year MACRS	10-Year MACRS	Total Vintage 2008	7-Year MACRS	10-Year MACRS	Total Vintage 2009
1	Total Plant In-Service	\$13,053,027	\$6,594,966	\$19,647,993	\$1,159,563	\$9,576,601	\$10,736,164
2	Book to Tax Basis Adjustments:	0	0	0	0	0	0
	Tax Base In-Service subject to:						
3	Bonus Depreciation - 50%	13,053,027	6,594,966	19,647,993	1,159,563	9,576,601	10,736,164
4	Bonus Depreciation - 100%	0	0	0	0	0	0
5	MACRS	0	0	0	0	0	0
6	Total Tax Depreciation Base	13,053,027	6,594,966	19,647,993	1,159,563	9,576,601	10,736,164
7	Tax Depreciation - MACRS	582,491	288,200	870,691	51,745	418,450	470,195
8	Tax Depreciation - Bonus - 50%	0	0	0	0	0	0
9	Tax Depreciation - Bonus - 100%						
10	Total Tax Depreciation	582,491	288,200	870,691	51,745	418,450	470,195
	Book Depreciation						
11	Total Book Depreciation	870,637	438,582	1,309,219	77,343	348,971	426,314
12	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0
13		0	0	0	0	0	0
14	Net Book Depreciation	870,637	438,582	1,309,219	77,343	348,971	426,314
15	Tax Depreciation in Excess of Book Depreciation	(288,146)	(150,382)	(438,528)	(25,598)	69,479	43,881
16	Federal Deferred Taxes @ 35.00%	\$100,851	\$52,634	\$153,485	\$8,959	(\$24,318)	(\$15,359)
17	Federal Deferral Rate			35.00%			35.00%

Deferred Taxes on Liberalized Depreciation

Line
No.

Tax Year 2014 (part 2 of 4)										
Vintage 2010					Vintage 2011					
3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	Total Vintage 2010	3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	20-Year MACRS	Total Vintage 2011
\$2,088,821	\$670,020	\$7,014,895	\$23,042,217	\$32,816,053	\$1,838,900	\$462,402	\$26,611,153	\$29,803,123	\$850,085	\$59,565,663
0	0	0	0	0	0	0	0	0	0	0
2,088,821	670,020	7,014,895	11,521,108	21,294,945	1,581,454	305,185	0	1,192,125	34,003	3,112,767
0	0	0	11,521,108	11,521,108	257,446	157,216	26,611,153	28,810,999	816,063	56,452,897
0	0	0			0	0				0
2,088,821	670,020	7,014,895	23,042,217	32,816,053	1,838,900	462,401	26,611,153	29,803,124	850,086	59,565,664
0	38,593	313,040	503,472	855,105	59,569	17,579	0	59,749	1,050	136,947
0	0	0	0	0	0	0	0	0	0	0
0	38,593	313,040	503,472	855,105	59,569	17,579	0	59,749	1,050	136,947
417,784	137,908	487,893	1,044,912	2,068,498	367,780	92,480	1,774,964	1,433,965	22,113	3,891,302
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
417,784	137,908	487,893	1,044,912	2,068,498	367,780	92,480	1,774,964	1,433,966	22,113	3,891,302
(417,784)	(99,315)	(154,854)	(\$41,440)	(1,213,393)	(309,211)	(74,902)	(1,774,964)	(1,374,218)	(21,063)	(3,554,355)
\$148,224	\$34,760	\$54,199	\$189,504	\$424,687	\$108,224	\$26,216	\$621,237	\$480,875	\$7,372	\$1,244,024
35.00%					35.00%					

Deferred Taxes on Liberalized Depreciation

Line
ID:

Line		Tax Year 2014 (part 3 of 4)											
		Vintage 2012					Vintage 2013						
		3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	20-Year MACRS	Total Vintage 2012	3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	20-Year MACRS	Total Vintage 2013
1	Total Plant In-Service	\$250,091	\$98,880	\$37,832,351	\$34,383,425	\$9,155	\$72,581,902	\$1,700,989	\$270,423	\$33,227,134	\$35,361,826	\$2,428,118	\$72,988,490
2	Book to Tax Basis Adjustments	0	0	0	0	0	0	0	0	0	0	0	0
3	Tax Base In-Service subject to												
4	Bonus Depreciation - 50%	250,091	98,880	\$7,832,351	\$4,383,425	8,155	72,581,902	1,700,989	270,423	\$3,227,134	\$5,361,826	2,428,118	72,988,490
5	Bonus Depreciation - 100%	0	0	0	0	0	0	0	0	0	0	0	0
6	MACRS	0	0	0	0	0	0	0	0	0	0	0	0
7	Total Tax Depreciation Base	250,091	98,880	\$7,832,351	\$4,383,425	8,155	72,581,902	1,700,989	270,423	\$3,227,134	\$5,361,826	2,428,118	72,988,490
8	Tax Depreciation - MACRS	19,192	9,492	3,308,917	2,027,591	272	5,365,365	378,002	43,298	4,068,863	2,453,227	87,643	7,030,802
9	Tax Depreciation - Bonus - 50%	0	0	0	0	0	0	0	0	0	0	0	0
10	Tax Depreciation - Bonus - 100%	0	0	0	0	0	0	0	0	0	0	0	0
11	Total Tax Depreciation	19,192	9,492	3,308,917	2,027,591	272	5,365,365	378,002	43,298	4,068,863	2,453,227	87,643	7,030,802
12	Book Depreciation												
13	Total Book Depreciation	\$1,818	19,778	2,823,418	1,568,993	196	4,154,201	340,198	54,085	2,218,250	1,898,363	68,275	4,387,171
14	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0	0	0	0	0	0	0
15	Net Book Depreciation	\$1,818	19,778	2,823,418	1,568,993	196	4,154,201	340,198	54,085	2,218,250	1,898,363	68,275	4,387,171
16	Tax Depreciation in Excess of Book Depreciation	(32,626)	(10,284)	785,309	468,508	77	1,211,164	37,804	(10,817)	1,852,413	754,864	29,368	2,983,631
17	Federal Deferred Taxes @ 35.00%	\$11,419	\$3,599	(\$274,890)	(\$164,009)	(\$27)	(\$423,908)	(\$13,231)	\$3,798	(\$648,344)	(\$264,202)	(\$10,279)	(\$932,270)
18	Federal Deferral Rate						35.00%						35.00%

Deferred Taxes on Liberalized Depreciation

Line No.		Tax Year 2014 (part 4 of 4)						
		Vintage 2014						
		3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	20-Year MACRS	Total Vintage 2014	Total Tax Year 2014
1	Total Plant In-Service	\$3,779,316	\$163,448	\$16,107,572	(\$720,681)	\$207,948	\$19,537,603	\$287,873,868
2	Book to Tax Basis Adjustments:	0	0	0	0		0	0
	Tax Base In Service subject to:							
3	Bonus Depreciation - 50%	3,779,316	163,448	16,107,572	(720,681)	207,948	19,537,603	219,899,864
4	Bonus Depreciation - 100%	0	0	0	0	0	0	67,974,005
5	MACRS						0	0
6	Total Tax Depreciation Base	3,779,316	163,448	16,107,572	(720,681)	207,948	19,537,603	287,873,869
7	Tax Depreciation - MACRS	629,880	16,345	1,150,564	(27,026)	3,899	1,773,662	16,502,768
8	Tax Depreciation - Bonus - 50%	1,889,658	81,724	8,053,786	(360,341)	103,974	9,768,802	9,768,802
9	Tax Depreciation - Bonus - 100%	0	0	0	0	0	0	0
10	Total Tax Depreciation	2,519,538	98,069	9,204,350	(387,367)	107,873	11,542,464	26,271,589
	Book Depreciation							
11	Total Book Depreciation	611,711	27,422	685,359	(69,488)	3,452	1,258,456	17,275,161
12	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0	0
13								
14	Net Book Depreciation	611,711	27,422	685,359	(69,488)	3,452	1,258,456	17,275,161
15	Tax Depreciation in Excess of Book Depreciation	1,907,827	70,647	8,518,991	(317,879)	104,421	10,284,008	8,996,408
16	Federal Deferred Taxes @ 35.00%	(\$667,739)	(\$24,726)	(\$2,981,647)	\$111,257	(\$36,547)	(\$3,599,402)	(\$3,148,743)
17	Federal Deferral Rate						35.00%	
							Total Deferred Tax Balance	(\$63,514,973)

**Duke Energy Ohio
Calculation of Rider DR-IM**

Approved Rate of Return ^(a)

Line No.		Balance at 3/31/2013	Percent of Total ^(a)	Rate	Weighted Cost	Tax Gross Up Factor ^(b)	Pre-Tax Rate of Return
1	Long-term debt	\$2,532,502,631	46.70%	5.32%	2.48%	1.0000000	2.48%
2	Common equity	2,890,859,857	53.30%	9.84%	5.25%	1.5608740	8.19%
3	Total Capitalization	<u>\$5,423,362,488</u>	<u>100.00%</u>		<u>7.73%</u>		<u>10.68%</u>
4	Operating Revenues			100.000%			
5	Less: Uncollectible Accounts		0.5425%				
6	City of Cincinnati Franchise Tax		<u>0.1100%</u>	<u>0.6525%</u>			
7	Income before Income Tax			99.348%	<u>1.0065679</u>	Debt Gross Up	
8	State and Municipal Income Tax			<u>0.783%</u>			
9	Income before Federal Income Tax			98.565%			
10	Federal Income Tax (35% x 98.304%)			<u>34.498%</u>			
11	Operating Income Percentage			<u>64.067%</u>			
12	Gross Revenue Conversion Factor (100%/63.898%)			<u>1.5608740</u>			

Notes: ^(a) Per Stipulation approved in Case No. 12-1682-EL-AIR.

^(b) Per Schedule A-2 in the Staff Report of Investigation in Case No. 12-1682-EL-AIR.

**Duke Energy Ohio
Calculation of Rider DR-IM**

Annualized Depreciation Expense on Plant in Service at Year End

Line No.		Plant Account	Balance at 12/31/2014	Depreciation Rates	Annualized Depreciation
	<u>Depreciable Plant Basis</u>				
1	Intangible Electric	30300	\$9,667,217	20.00%	\$1,933,443
2	Station Equipment	36200	\$30,849,253	1.92%	\$592,306
3	Major Equipment	36202	3,619,776	1.92%	\$69,500
4	Distribution Station Equipment	36305	940,646	5.00%	\$47,032
5	Distribution OH Conduct & Devises	36500	28,460,140	2.80%	\$796,884
6	Poles, Towers and Fixtures	36400	3,565,604	2.40%	\$85,574
7	Leased Meters	37002	65,147,603	6.67%	\$4,345,345
8	Electronic Data Processing Equip	39101	1,623,250	20.00%	\$324,650
9	Communication Equipment Electric	39700	99,520,814	6.67%	\$6,638,038
10	Leased AMI Meters	17001	8,933,237	6.67%	\$595,847
11	Electronic Data Processing Common	19101	61,445	20.00%	\$12,289
12	Communication Equipment Common	19700	35,484,881	6.67%	\$2,366,842
13	Total		<u>\$287,873,866</u>		<u>\$17,807,750</u>

**Duke Energy Ohio
Calculation of Rider DR-IM**

Annualized Amortization of PISCC

Line No.		Balance at 12/31/2014	Amortization Rate	Annualized Amortization
	<u>Regulatory Asset Deferrals</u>			
1	Station Equipment	\$3,609,159	1.64%	\$59,190
2	Major Equipment	\$416,650	1.64%	\$6,833
3	Distribution Station Equipment	\$139,423	5.00%	\$6,971
4	Poles, Towers and Fixtures	\$320,959	1.92%	\$6,162
5	Distribution OH Conduct & Devices	\$3,010,741	1.81%	\$54,494
6	Leased Meters	\$7,984,852	6.67%	\$532,590
7	Electronic Data Processing Equip	\$171,125	20.00%	\$34,225
8	Communication Equipment Electric	\$10,097,428	6.67%	\$673,498
9	Intangible Electric	\$913,302	20.00%	\$182,660
10	Leased AMI Meters	\$775,444	6.67%	\$51,722
11	Communication Equipment Common	\$3,343,426	6.67%	\$223,007
12	Electronic Data Processing Common	\$8,127	20.00%	\$1,625
13	Total	<u>\$30,790,636</u>		<u>\$1,832,977</u>

Duke Energy Ohio
Calculation of Rider DR-18

Regulatory Asset – Deferred O&M Expenses, Carrying Cost and Amortization

Line No.	Account Description	Balance at 12/31/2013	Adjustment (1)	Adjusted Balance 12/31/2013	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	Balance at 12/31/2014
Regulatory Asset-Deferred O&M Expenses																
1	182362 Misc. Expense	\$30,396,275	\$291,787	\$30,688,062	\$1,724,297	\$188,483	\$1,470,742	\$131,719	\$279,725	\$277,357	\$270,774	\$443,777	\$481,172	\$281,001	\$492,997	\$30,386,087
2	18236X Book Depreciation-Current Year Additions	7,117,136	0	7,117,136	0	891	85,849	100,125	101,144	103,926	141,322	183,815	144,107	147,493	148,922	8,275,592
3	Total	37,513,411	291,787	37,805,198	1,724,297	(344,758)	274,432	1,570,867	232,863	383,070	418,250	587,592	632,279	405,084	642,919	44,761,659
	Cumulative-Regulatory Asset-Deferrals	\$37,513,411		\$37,805,198												44,761,659
Regulatory Asset--Amortization																
4	407XXXX Misc. Material, Labor & Expenses	\$13,407,200	\$0	\$13,407,200	\$566,422	\$566,414	\$860,570	\$860,570	\$860,570	\$860,570	\$860,570	\$860,570	\$860,570	\$860,570	\$860,570	\$22,651,568
5	407XXXX Book Depreciation	3,569,051	0	3,569,051	112,411	112,411	125,517	125,517	125,517	125,517	125,517	125,517	125,517	125,517	125,517	5,092,837
6	Total	16,976,251	0	16,976,251	678,833	678,825	986,087	986,087	986,087	986,087	986,087	986,087	986,087	986,087	986,087	27,884,525
	Cumulative-Regulatory Asset--Amortization	\$16,976,251		\$16,976,251												27,884,525
Regulatory Asset-Deferred O&M Expenses Carrying Cost																
7	182362 Misc. Material, Labor & Expenses	\$2,536,406	\$0	\$2,536,406	\$76,462	\$78,114	\$37,953	\$41,506	\$42,418	\$43,652	\$44,887	\$46,451	\$48,524	\$50,193	\$51,887	\$3,169,797
8	18236X Book Depreciation	489,530	0	489,530	14,708	14,900	8,636	9,082	9,538	10,079	10,705	11,338	11,974	12,620	13,278	635,089
9	Total	3,025,936	0	3,025,936	91,170	93,014	46,589	50,588	51,956	53,731	55,592	57,787	60,498	62,813	65,165	3,804,886
	Cumulative-Regulatory Asset-Deferrals	\$3,025,936		\$3,025,936												3,804,886
Regulatory Asset--Total																
10	182362 Misc. Expense	\$19,525,481	\$291,787	\$19,817,268	\$1,241,259	\$835,609	\$648,125	\$587,345	\$538,177	\$530,581	\$544,870	\$370,942	\$320,874	\$214,706	\$214,706	\$18,704,278
11	18236X Book Depreciation-Current Year Additions	4,044,615	0	4,044,615	(87,705)	(86,812)	(116,757)	(115,291)	(113,048)	(112,048)	(112,048)	(112,048)	(112,048)	(112,048)	(112,048)	3,977,744
12	Total	23,570,096	291,787	23,861,883	1,153,554	(2,247)	\$531,368	\$472,054	\$425,129	\$418,533	\$432,822	\$258,894	\$208,826	\$102,658	\$102,658	\$22,682,022
13	Cumulative-Regulatory Asset--Total	\$23,570,096		\$23,861,883	\$25,005,437	\$24,073,016	\$23,759,637	\$24,391,005	\$23,688,369	\$23,137,006	\$22,623,800	\$22,105,451	\$21,744,543	\$21,474,273	\$20,960,043	\$20,682,020

Carrying Cost Rate for 2014 JAN - DEC 5.32%

182362 Misc. Material, Labor & Expenses	O&M Carrying Costs		BY YEAR		BY YEAR		BY YEAR		BY YEAR		BY YEAR		BY YEAR		BY YEAR	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972	\$50,977	\$47,972
	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075	\$1,157,075
	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075	\$4,157,075
	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881	\$6,280,881
	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253	\$9,437,253
	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413	\$8,248,413
	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954	\$20,052,954

(1) Severance accrued in previous yrs but not included in 2012 (Aug)

(2) Included in O&M costs BUT excluded from Carrying Costs calculations

Duke Energy Ohio
Calculation of Rider DR-1M
Annualized Property Taxes

Line No.	OHIO PROPERTY TAX	YEAR 2008		YEAR 2009		YEAR 2010	
		15-Year General Plant	25-Year Distribution Plant	15-Year General Plant	25-Year Distribution Plant	15-Year General Plant	25-Year Distribution Plant
1	Property Tax Exports (Amounts Exclude Post-In-Service Carrying Costs)						
2	Current Year Investment	\$13,072,549	\$6,575,444	\$1,159,543	\$9,576,601	\$7,684,915	\$23,042,217
3	Less: AFUDC In-Service	241	28,105	-	-	-	-
4	Net Cost of Taxable Property	13,072,308	6,547,339	1,159,543	9,576,601	7,684,915	23,042,217
5	Percent Good ¹⁴	58.7%	74.0%	63.3%	78.0%	70.0%	82.0%
6	True Value of Taxable Property	7,411,999	4,845,031	734,003	7,489,749	5,379,441	18,894,618
7	Valuation Percent	24%	85%	24%	85%	24%	85%
8	Total Taxable Value	1,778,880	4,118,278	176,161	6,349,287	1,291,066	16,060,425
9	Revised Net Taxable Plant End of Year (@ 15%)	0	0	0	0	0	0
10	Net Property Tax Valuation	1,778,880	4,118,278	176,161	6,349,287	1,291,066	16,060,425
11	Ohio Property Tax	\$165,498	\$383,140	\$16,389	\$590,700	\$120,113	\$1,494,166
12	Ohio Property Tax Calculation:						
13	Average Property Tax Rate per \$1,000 of Valuation	\$93.00340		\$93.00340		\$93.00340	
14	¹⁴ From Electric Company Annual Report						
15	Schedule C - 15 Year Class Life (General Plant)						
16	Schedule C - 25 Year Class Life (Distribution Plant)						

[illegible]

Duke Energy Ohio
Calculation of Rider DR-IM

Incremental Operation & Maintenance Expenses/(Savings)

Line
No.

1	Savings per Stipuation in Case No. 10-2326-GE-RDR	(\$10,670,000)
2	Deferral of O&M costs to future years per Stipulation	<u>\$4,430,000</u>
3		
4	Total	<u><u>(\$6,240,000)</u></u>

Duke Energy Ohio
Calculation of Rider DR-IM

Charge Per Bill

Line No.		Total	Residential ^(a)	Non-Residential	Source
1	2014 Rider DR-IM Revenue Requirement	\$53,624,330	\$45,580,681	\$8,043,650	Schedule 1
2	2013 Undercollection	\$169,634	\$144,189	\$25,445	Schedule 15
3	Total Rider DR-IM Revenue Requirement	\$53,793,964	\$45,724,870	\$8,069,095	
4	Customer Bills ^(b)		7,444,188	882,192	Internal Company Data
5	Rider DR-IM Charge - Per Bill		\$6.14	\$9.15	Line 1 ÷ Line 2
6	Rider DR-IM Charge - Subject to CAP (c)		\$5.51	N/A	Line 1 (adjusted for deferred savings and 2012 severance costs) ÷ Line 2
7	Cap per Stipulation - 2015		\$7.00	N/A	Stipulation in Case No. 13-1141-GE-RDR

Note: ^(a) Per Stipulation in Case No. 08-920-EL-SSO, residential customer class is allocated 85% of Rider DR-IM revenue requirement.

^(b) Excludes all lighting customers.

^(c) Excludes deferred savings and 2012 severance costs

[illegible]

Project ID	CB	In-Service Date	Recorded as In-Service After												Total To Date	
			2013 Scheduling													
Project ID	CB	In-Service Date	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	Total To Date
CMND0111		7/31/2011	-118.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-118.94	566,801.15
E9585		10/24/2013														66,231.99
E9586		4/16/2010														71,228.27
E9587		4/21/2010														68,573.12
E9588		4/20/2010														64,221.42
ECSDC11		6/18/2010														64,829.97
ECSDC12		8/31/2011														5,944.73
ECSPH1		6/18/2010														1,273,671.45
ECSPH1B		11/15/2010														54,359.75
ELND00111		7/31/2011														2,861,014.31
ELND00112		12/31/2012														780,902.53
ELND00113		2/28/2014														0.00
ELND00114		8/31/2011														559,943.62
ELND00212		12/31/2012														1,881,338.58
ELND00213		3/31/2014														1,735,922.28
ELND00311		9/30/2011														1,138,273.34
ELND00312		2/28/2013														0.00
ELND00313		9/30/2014														0.00
ELND00411		11/30/2011														1,114,791.83
ELND00412		4/30/2013														1,245,599.35
ELND00413		6/30/2014														0.00
ELND00511		12/31/2011														1,590,956.16
ELND00512		6/30/2013														1,440,263.11
ELND00513		6/30/2014														0.00
ELND00611		3/31/2012														2,202,416.00
ELND00612		8/31/2013														1,339,354.82
ELND00613		6/30/2014														0.00
ELND00711		5/31/2012														1,744,756.78
ELND00712		9/30/2013														1,011,319.39
ELND00713		6/30/2014														0.00
ELND00811		6/30/2012														1,496,407.69
ELND00812		9/30/2013														1,123,570.01
ELND00813		6/30/2014														0.00
ELND00911		7/31/2012														1,635,019.50
ELND00912		10/31/2013														1,080,856.77
ELND10011		9/30/2012														1,701,408.88
ELND10012		11/30/2013														896,504.28
ELND11111		10/31/2012														1,257,165.62
ELND11112		11/30/2013														853,534.25
ELND1211		11/30/2012														1,327,166.60
ELND1212		12/31/2013														650,109.85
ELNDFINAL		6/30/2014	-49,472.63	-104,034.54	-64,831.18	161,469.28	40,114.83	-95,456.57	-27,174.82	-69,194.32	-16,388.63	-11,502.68	0.00	0.00	-2,40,471.26	59,555.83
F0305		12/10/2010														85,057.84
F0306		1/14/2011														77,209.27
F0307		12/31/2010														55,311.98
F0309		8/31/2010														63,149.57
F0310		6/24/2010														101,001.95
F0311		12/10/2010														22,563.90
F0312		12/10/2010														44,021.66
F0313		10/20/2010														56,670.05
F0314		9/24/2010														51,810.40
F0315		7/16/2010														60,788.32
F0316		7/14/2010														70,172.74
F0317		5/24/2010														50,819.01
F0318		6/15/2010														40,591.91
F0319		5/21/2010														53,957.38
F0320		6/18/2010														96,204.97
F0321		10/4/2010														48,760.93
F0322		10/18/2010														95,379.63
F0864		12/15/2010														131,145.40
F2068		1/18/2013														19,676.47
F2069		11/18/2012														14.79
F2065		11/29/2012														99.76
F2551		12/5/2012														8,435.28
F6004		12/9/2010														15,028.75
F6005		10/18/2010														8,447.49
F6006		12/26/2010														12,145.90
F6007		8/27/2010														10,264.82
F6008		4/26/2010														1,463.53

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**Duke Energy Ohio
Calculation of Rider DR-IM**

Schedule 15

Undercollection of 2013 Revenue Requirement

Line No	Description	Amount
1	2013 Revenue Requirement Per Settlement	52,485,550
2	2012 Revenue Requirement Per Settlement	41,798,618
3	Net Increase	<u>10,686,932</u>
4	Undercollection First 4 billing cycles in April 2015.	169,634

Note: There are 21 billing cycles in a month.

**Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Attachment PAL-2
Index of Schedules**

Schedule No.	Description
1	Revenue Requirement Summary
1A	Revenue Requirement Credit Summary
2	Plant Additions by Month
3	Depreciation Expense Accrued
4	Post In Service Carrying Costs on Plant Additions Accrued as Regulatory Asset
5	Deferred Income Taxes on Post In Service Carrying Costs and Deferred O&M
6	Deferred Taxes on Liberalized Depreciation Associated with Plant Additions
7	Summary of Weighted-Average Cost of Capital from Most Recent Retail Rate Case
8	Annualized Depreciation Expense on Plant in Service at Year End
9	Annualized Amortization of Post In Service Carrying Charges
10	Regulatory Asset for Deferred O&M and Associated Carrying Costs
11	Annualized Property Taxes on Plant in Service at Year End
12	Incremental O&M Savings from SmartGrid Implementation
13	Calculation of Rider AU Charges
14	Undercollection of 2013 Revenue Requirement

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Revenue Requirement

Line No.		Balance 12/31/2013	Adjustment	Adjusted Balance 12/31/2013	Activity 2014	Cumulative thru 12/31/14	Reference
Return on Investment							
1	Total Rider AU Revenue Requirement						
2	Additions	\$34,766,288	\$983,966	\$35,750,254	\$3,918,565	\$39,668,819	Schedule 2
	Total Plant In-Service	34,766,288	983,966	35,750,254	3,918,565	39,668,819	
Less: Accumulation Provision for Depreciation							
3	Depreciation Expense	1,848,685	0	1,848,685	2,620,512	4,469,197	Schedule 3
4	Total Accumulated Provision for Depreciation	1,848,685	0	1,848,685	2,620,512	4,469,197	
5	Net Regulatory Asset--Post In-Service Carrying Cost	1,630,535	0	1,630,535	1,615,544	3,246,079	Schedule 4
6	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(2,003,805)	0	(2,003,805)	(1,150,791)	(3,154,596)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation	(6,750,337)	0	(6,750,337)	(1,255,600)	(8,005,937)	Schedule 6
8	Net Rate Base	25,793,996	983,966	26,777,962	507,206	27,285,168	
9	Approved Pre-tax Rate of Return				10.60%		Schedule 7
10	Annualized Return on Rate Base					2,892,228	
Operating Expenses							
11	Annualized Provision for Depreciation For Additions				2,724,152	2,724,152	Schedule 8
12	Annualized Amortization of PISCC				225,248	225,248	Schedule 9
13	Deferred O&M Expense and Carrying Costs				1,849,300	1,849,300	Schedule 10
14	Annualized Property Tax Expense				857,992	857,992	Schedule 11
15	Reduction in Operation & Maintenance Expense				(2,518,000)	(2,518,000)	Schedule 12
16	Annualized Revenue Requirement - Smart Grid				3,138,692	6,030,920	

Duke Energy Ohio
Calculation of Rider AU Gas Only Customer Credit
Case No. 15-883-GE-RDR
Revenue Requirement (Credit)

Line No.		Adjusted Balance 12/31/2013	Activity 2014	Cumulative thru 12/31/14	Reference
	Return on Investment				
1	Total Rider AU Revenue Requirement				
2	Additions	\$24,394,805	\$3,497,829	\$27,892,634	Schedule 2
	Total Plant In-Service	24,394,805	3,497,829	27,892,634	
3	Less: Accumulation Provision for Depreciation				
4	Depreciation Expense	1,154,811	1,812,104	2,966,915	Schedule 3
	Total Accumulated Provision for Depreciation	1,154,811	1,812,104	2,966,915	
5	Net Regulatory Asset--Post In-Service Carrying Cost	994,412	1,158,961	2,153,373	Schedule 4
6	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(1,579,894)	(567,544)	(2,147,438)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation	(4,688,724)	(878,419)	(5,567,143)	Schedule 6
8	Net Rate Base	17,965,788	1,398,723	19,364,511	
9	Approved Pre-tax Rate of Return			10.60%	Schedule 7
10	Annualized Return on Rate Base			2,052,638	
	Operating Expenses				
11	Annualized Provision for Depreciation For Additions		1,934,285	1,934,285	Schedule 8
12	Annualized Amortization of PISCC		151,456	151,456	Schedule 9
13	Deferred O&M Expense and Carrying Costs		462,591	462,591	Schedule 10
14	Annualized Property Tax Expense		607,170	607,170	Schedule 11
15	Reduction in Operation & Maintenance Expense		0	0	Schedule 12
16	Annualized Revenue Requirement - Smart Grid Credit		3,155,502	5,208,140	

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-483-GE-RDR
Plant Additions by Month

Line No.	Plant Account	Balance at 12/31/2013	Adjusted Balance at 12/31/2013	Adjustment (1)	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	Total Activity
Total Rider AU Revenue Requirement																	
1	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	29700	11,501,555	12,485,521	983,966	12,538,191	13,392,040	13,387,968	13,280,938	13,419,587	13,487,553	13,529,539	13,599,910	13,671,363	13,711,632	13,782,267	13,086,288	0
3	20300	553,985	553,985	0	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	0
4	29101	32,977	32,977	0	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	32,977	0
5	17001	8,854,674	8,991,864	0	8,991,864	7,601,388	7,544,295	7,648,179	7,798,018	7,908,023	8,049,463	8,098,528	8,234,641	8,454,816	8,543,901	8,191,901	0
6	19700	13,823,097	13,823,097	0	13,823,097	15,122,577	15,122,577	15,299,793	15,398,516	17,105,187	17,181,572	17,324,713	17,273,010	17,430,435	17,437,266	17,803,688	0
7		\$34,768,288	\$35,750,754	\$983,966	\$36,703,954	\$38,703,967	\$38,625,519	\$38,815,872	\$39,201,083	\$39,087,725	\$39,327,536	\$39,600,113	\$39,765,976	\$40,183,845	\$40,360,396	\$39,688,819	0
Incremental																	
8	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	29700	52,670	52,670	0	52,670	854,849	(25,072)	(87,000)	138,649	67,968	41,986	60,371	81,453	40,269	70,635	(695,979)	0
10	20300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	17001	137,190	137,190	0	137,190	(1,390,476)	(57,093)	103,884	149,838	110,005	141,440	49,065	138,113	220,175	89,085	(352,000)	0
13	19700	26,840	26,840	0	26,840	1,272,640	3,717	173,499	98,723	1,708,671	96,385	163,141	(51,703)	157,425	6,831	366,402	0
14		\$216,100	\$737,013	\$0	\$737,013	\$378,448	\$190,353	\$385,211	\$1,086,842	\$229,811	\$279,811	\$272,577	\$165,963	\$417,069	\$166,551	\$681,577	\$3,818,565
PMO and Common Plant Additions																	
15	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	29700	1,003,839	1,003,839	0	1,003,839	1,482,710	1,319,283	1,279,003	1,356,442	1,389,475	1,407,374	1,352,975	1,400,309	1,411,022	1,438,744	1,343,080	0
17	20300	553,985	553,985	0	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	553,985	0
18	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	17001	8,854,674	8,991,864	0	8,991,864	7,601,388	7,544,295	7,648,179	7,798,018	7,908,023	8,049,463	8,098,528	8,234,641	8,454,816	8,543,901	8,191,901	0
20	19700	13,823,097	13,823,097	0	13,823,097	15,122,577	15,122,577	15,299,793	15,398,516	17,105,187	17,181,572	17,324,713	17,273,010	17,430,435	17,437,266	17,803,688	0
21		\$24,399,005	\$24,399,005	\$0	\$24,399,005	\$24,760,660	\$24,543,857	\$24,780,960	\$25,104,961	\$26,956,670	\$27,172,394	\$27,300,203	\$27,481,945	\$27,850,238	\$27,975,898	\$27,892,634	0
Incremental																	
22	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	29700	(159,210)	(159,210)	0	(159,210)	478,871	(163,427)	(40,280)	77,439	33,003	17,899	(54,399)	47,334	10,713	27,722	(95,664)	0
24	20300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	17001	137,190	137,190	0	137,190	(1,390,476)	(57,093)	103,884	149,839	110,005	141,440	49,065	138,113	220,175	89,085	(352,000)	0
27	19700	26,840	26,840	0	26,840	1,272,640	3,717	173,499	98,723	1,708,671	58,385	163,141	(51,703)	157,425	6,831	366,402	0
28		\$4,820	\$4,820	\$0	\$4,820	\$591,035	\$218,860	\$237,103	\$524,001	\$1,651,709	\$215,724	\$157,807	\$131,744	\$388,313	\$123,638	\$381,282	\$3,497,829
(1) Uninstalled Gas Modules from 2013 Billing																	
Depreciation on current year additions																	
19101	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29700	29700	293	293	0	293	5,044	4,905	4,421	5,192	5,192	5,570	5,803	6,139	6,591	6,815	7,208	0
20300	20300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29101	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17001	17001	763	763	0	763	(6,966)	(7,284)	(6,708)	(5,873)	(5,873)	(5,952)	(4,476)	(4,202)	(3,446)	(2,223)	(1,727)	0
19700	19700	149	149	0	149	7,223	7,244	8,208	8,208	8,208	8,208	8,208	8,208	8,208	8,208	8,208	0
		\$0	\$1,205	\$5,301	\$4,865	\$5,923	\$8,065	\$10,551	\$19,883	\$21,399	\$22,321	\$23,643	\$25,570	\$26,570	\$27,728	\$28,728	0

Line No.	FERC Account	Balance at 12/31/2013	Adjustment	Adjusted Balance at 12/31/2013	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014
Total Filter AU Revenue Requirement																
Cumulative																
1	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	29700	737,099		737,099	806,498	876,189	950,632	1,024,906	1,098,756	1,173,347	1,248,315	1,323,517	1,399,054	1,475,044	1,551,258	1,627,864
3	20300	130,001		130,001	139,234	148,467	157,700	166,933	176,166	185,399	194,632	203,865	213,098	222,331	231,564	240,797
4	29101	6,412		6,412	8,962	7,512	8,062	8,612	9,162	9,712	10,262	10,812	11,362	11,912	12,462	13,012
5	17001	308,501		308,501	357,818	407,798	450,049	491,983	534,494	577,838	621,793	666,535	711,549	757,320	804,315	851,805
6	19700	668,572		668,572	743,405	820,388	904,444	989,521	1,073,582	1,159,141	1,245,217	1,349,607	1,445,904	1,541,913	1,638,797	1,735,719
7	Total	\$1,848,685		\$1,848,685	\$2,053,917	\$2,260,354	\$2,470,887	\$2,680,985	\$2,892,140	\$3,105,437	\$3,320,219	\$3,554,336	\$3,789,967	\$4,008,520	\$4,238,396	\$4,469,197
Incremental																
8	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	29700	69,399		69,399	74,443	74,304	74,304	74,304	73,820	74,591	74,968	75,202	75,537	75,990	76,214	76,606
10	20300	9,233		9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233
11	29101	550		550	550	550	550	550	550	550	550	550	550	550	550	550
12	17001	49,217		49,217	49,980	42,251	42,251	41,904	42,511	43,344	43,955	44,742	45,014	45,771	46,995	47,490
13	19700	78,833		78,833	78,983	84,056	84,056	84,077	85,041	85,579	85,076	85,390	86,297	86,009	86,884	86,922
14	Total	\$208,232		\$208,437	\$210,533	\$210,533	\$210,533	\$210,533	\$211,195	\$213,297	\$223,782	\$225,117	\$228,631	\$227,553	\$229,876	\$230,801
Provision for Depreciation Associated with PMO and Common Plant																
Cumulative																
15	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	29700	49,637		49,637	58,102	61,682	69,923	77,256	84,365	91,905	99,828	107,451	114,971	122,754	130,597	139,594
17	20300	130,001		130,001	139,234	148,467	157,700	166,933	176,166	185,399	194,632	203,865	213,098	222,331	231,564	240,797
18	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	17001	308,601		308,601	357,918	407,798	450,049	491,983	534,494	577,838	621,793	666,535	711,549	757,320	804,315	851,805
20	19700	668,572		668,572	743,405	820,388	904,444	989,521	1,073,582	1,159,141	1,245,217	1,349,607	1,445,904	1,541,913	1,638,797	1,735,719
21	Total	\$1,154,811		\$1,290,559	\$1,438,335	\$1,592,116	\$1,724,693	\$1,868,587	\$2,014,283	\$2,170,270	\$2,327,458	\$2,485,522	\$2,644,318	\$2,805,273	\$2,966,915	
Incremental																
22	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	29700	6,465		6,465	5,580	8,241	7,333	7,333	7,109	7,540	7,723	7,823	7,520	7,783	7,843	7,997
24	20300	9,233		9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233	9,233
25	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	17001	49,217		49,217	49,980	42,251	42,251	41,904	42,511	43,344	43,955	44,742	45,014	45,771	46,995	47,490
27	19700	78,833		78,833	78,983	84,056	84,056	84,077	85,041	85,579	85,076	85,390	86,297	86,009	86,884	86,922
28	Total	\$141,748		\$141,776	\$143,781	\$143,781	\$142,577	\$143,694	\$145,696	\$145,696	\$155,987	\$157,188	\$158,796	\$160,955	\$161,642	\$181,812,104

Line No.	Account	Description	Balance at 12/31/2013	Adjusted Balance at 12/31/2013	Adjustment	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350	3351	3352	3353	3354	3355	3356	3357	3358	3359	3360	3361	3362	3363	3364	3365	3366	3367	3368	3369	3370	3371	3372	3373	3374	3375	3376	3377	3378	3379	3380	3381	3382
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Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Net Deferred Tax Balance – PISCC and O&M

Line No.	Net Deferred Tax Balance - PISCC	Balance at 12/31/2013	Adjusted Balance at 12/31/2013	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	\$
Total Rider AU Revenue Requirement																
1	Ending Balance per Schedule 4	\$1,630,535														\$3,246,079
2	Tax Rate	35.00%														35.00%
3	Cumulative ADIT @ 35%	(\$570,687)														(\$1,136,128)
Net Deferred Tax Balance - Deferred Depreciation and Carrying Cost																
4	Beginning Balance	\$1,019,955	\$0	\$1,019,955	\$1,024,004	\$1,029,261	\$1,038,628	\$1,046,297	\$1,055,048	\$1,065,971	\$1,087,440	\$1,110,326	\$1,134,820	\$1,160,332	\$1,188,271	\$1,188,271
5	Monthly Activity			4,049	5,257	9,367	7,689	8,751	10,923	21,469	22,886	24,494	25,512	27,939	28,977	
6	Ending Balance	\$1,019,955	\$0	\$1,019,955	\$1,024,004	\$1,029,261	\$1,038,628	\$1,046,297	\$1,055,048	\$1,065,971	\$1,087,440	\$1,110,326	\$1,134,820	\$1,160,332	\$1,188,271	\$1,217,248
7	Tax Rate	35.00%														35.00%
8	Cumulative ADIT @ 35%	(\$356,984)														(\$426,037)
Net Deferred Tax Balance - Deferred O&M and Carrying Cost																
9	Beginning Balance	\$3,074,668	\$3,074,668	3,074,668	3,124,586	3,629,975	3,713,820	3,813,476	3,887,377	3,961,381	4,088,190	4,161,930	4,240,838	4,356,143	4,471,647	4,471,647
10	Monthly Activity			49,918	505,389	83,845	99,656	73,901	74,004	126,809	73,740	78,908	115,305	115,504	78,157	
11	Ending Balance	\$3,074,668	\$0	\$3,074,668	3,124,586	3,629,975	3,713,820	3,813,476	3,887,377	3,961,381	4,088,190	4,161,930	4,240,838	4,356,143	4,471,647	4,549,804
12	Tax Rate	35.00%														35.00%
13	Cumulative ADIT @ 35%	(\$1,076,134)	\$0													(\$1,592,431)
Net Deferred Tax Balance - PISCC Associated with PMO and Common Plant																
14	Ending Balance per Schedule 4	\$994,412														\$2,153,373
15	Tax Rate	35.00%														35.00%
16	Cumulative ADIT @ 35%	(\$348,044)														(\$753,681)
Net Deferred Tax Balance - Deferred Depreciation and Carrying Cost Associated with PMO and Common Plant																
17	Beginning Balance	\$594,629	\$594,629	\$594,629	\$597,048	\$600,381	\$603,061	\$604,793	\$608,070	\$612,727	\$627,528	\$643,488	\$660,693	\$678,436	\$698,352	\$698,352
18	Monthly Activity			2,419	3,333	2,680	1,732	3,277	4,657	14,801	15,960	17,205	17,743	19,816	20,530	
19	Ending Balance	\$594,629	\$594,629	\$597,048	\$597,048	\$600,381	\$603,061	\$604,793	\$608,070	\$612,727	\$627,528	\$643,488	\$660,693	\$678,436	\$698,352	\$718,882
20	Tax Rate	35.00%														35.00%
21	Cumulative ADIT @ 35%	(\$208,120)														(\$251,609)
Net Deferred Tax Balance - Deferred O&M and Carrying Cost Associated with PMO and Common Plant																
22	Beginning Balance	\$2,924,942	\$2,924,942	\$2,924,942	2,937,877	2,952,326	2,968,321	2,990,170	3,010,247	3,032,558	3,062,613	3,085,683	3,108,856	3,168,935	3,230,289	3,230,289
23	Monthly Activity			12,935	14,449	15,995	21,849	20,077	22,311	30,055	23,070	23,173	60,079	61,354	32,991	
24	Ending Balance	\$2,924,942	\$2,924,942	\$2,937,877	2,952,326	2,968,321	2,990,170	3,010,247	3,032,558	3,062,613	3,085,683	3,108,856	3,168,935	3,230,289	3,263,280	3,263,280
25	Tax Rate	35.00%														35.00%
26	ADIT @ 35%	(\$1,023,730)														(\$1,142,148)
27	Cumulative ADIT	(\$1,579,894)														(\$2,147,438)

Note: Deferred tax balances as of March 2012 rolled in to base rates.

Line No.		Previous Tax Years		Tax Year 2014 (part 1 of 2)							
		2012	2013	Vintage 2012							
				TOTAL	TOTAL	3-Year MACRS	5-Year MACRS	7-Year MACRS	10-Year MACRS	Total Vintage 2012	
Total Rider AU Revenue Requirement											
1	Total Plant In-Service	\$12,416,689	\$34,766,288				\$408,219	\$11,176	\$11,131,130	\$866,164	\$12,416,689
2	Book to Tax Basis Adjustments:			0	0		0	0	0	0	0
3	Tax Base In-Service subject to:										
4	Bonus Depreciation - 100%		0				0	0	0	0	0
5	Bonus Depreciation - 50%	12,416,689	34,766,288				408,219	11,176	11,131,130	866,164	12,416,689
6	MACRS	0	0				0	0	0	0	0
7	Total Tax Depreciation Base	12,416,689	34,766,288				408,219	11,176	11,131,130	866,164	12,416,689
8	Tax Depreciation - MACRS	896,732	2,955,487				30,239	1,073	973,529	51,078	1,055,919
9	Tax Depreciation - 100% Bonus	0	0				0	0	0	0	0
10	Tax Depreciation - 50% Bonus	6,208,345	11,174,800				0	0	0	0	0
11	Total Tax Depreciation	7,105,077	14,030,287				30,239	1,073	973,529	51,078	1,055,919
12	Book Depreciation										
13	Total Book Depreciation	289,845	1,558,840				81,643	2,235	742,446	57,773	884,098
14	Less: Book Depr on AFUDC Equity	0	0				0	0	0	0	0
15	Plus: Originaling Diff. Exclusive of AFUDC Equity	0	0				0	0	0	0	0
16	Net Book Depreciation	289,845	1,558,840				81,643	2,235	742,446	57,773	884,098
17	Tax Depreciation in Excess of Book Depreciation	6,815,232	12,471,447				(51,404)	(1,162)	231,083	(6,695)	171,821
18	Federal Deferred Taxes @ 35.00%	(\$2,385,331)	(\$4,365,006)				\$17,991	\$407	(\$80,879)	\$2,343	(\$60,137)
	Federal Deferral Rate	35.00%	35.00%				35.00%	35.00%	35.00%	35.00%	35.00%

[illegible]

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Approved Rate of Return ^(a)

Line No.		Balance at 3/31/2012	Percent of Total	Rate	Weighted Cost	Tax Gross Up Factor	Pre-Tax Rate of Return
1	Long Term Debt	\$2,532,502,631	46.70%	5.32%	2.48%	1.000000	2.48%
2	Common equity	2,890,889,857	53.30%	9.84%	5.25%	1.546853	8.12%
3	Total Capitalization	<u>\$5,423,392,488</u>	<u>100.00%</u>		<u>7.73%</u>		<u>10.60%</u>

Note: ^(a) Per Stipulation approved in Case No. 12-1685-GA-AIR.

Income before Income Tax	100.000%
Less: Uncollectible accounts Expenses	0.5425%
Less: State Income Tax	0.000%
Income before Federal Income Tax	99.458%
Federal Income Tax (35% x 100%)	34.810%
Operating Income Percentage	<u>64.647%</u>
Gross Revenue Conversion Factor (1/0.6500)	<u>1.546853</u>

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR

Annualized Depreciation Expense on Plant in Service at Year End

Line No.	Depreciable Plant Basis	Plant Account	Balance at 12/31/2014	Depreciation Rate	Annualized Depreciation
Total Rider AU Revenue Requirement					
1	Electronic Data Processing Equip Common	19101	0	20.00%	0
2	Intangible Gas	20300	553,985	20.00%	110,797
3	Electronic Data Processing Equip Gas	29101	32,977	20.00%	6,595
4	Communication Equipment Gas	29700	13,086,288	6.67%	872,855
5	Leased AMI Meters	17001	8,191,901	6.67%	546,400
6	Communication Equipment Common	19700	17,803,668	6.67%	1,187,505
7	Total		<u>\$39,668,819</u>		<u>\$2,724,152</u>
Annualized Depreciation Associated with PMO and Common Plant Additions					
8	Electronic Data Processing Equip Common	19101	0	20.00%	0
9	Intangible Gas	20300	553,985	20.00%	110,797
10	Electronic Data Processing Equip Gas	29101	0	20.00%	0
11	Communication Equipment Gas	29700	1,343,080	6.67%	89,583
12	Leased AMI Meters	17001	8,191,901	6.67%	546,400
13	Communication Equipment Common	19700	17,803,668	6.67%	1,187,505
14	Total		<u>\$27,892,634</u>		<u>\$1,934,285</u>

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Annualized Amortization of PISCC

Line No.	Regulatory Asset Deferrals	Balance at 12/31/2014	Amortization Rate	Annualized Amortization
Total Rider AU Revenue Requirement				
1	018636x Electronic Data Processing Equip Common	0	20.00%	0
2	018636x Intangible Gas	55,061	20.00%	11,012
3	018636x Electronic Data Processing Equip Gas	3,376	20.00%	675
4	018636x Communication Equipment Gas	1,201,751	6.67%	80,157
5	018636x Leased AMI Meters	709,346	6.67%	47,313
6	018636x Communication Equipment Common	1,290,720	6.67%	86,091
7	Total	\$3,260,254		\$225,248

Annualized Amortization of PISCC Associated with PMO and Common Plant

Total Rider AU Revenue Requirement				
8	018636x Electronic Data Processing Equip Common	0	20.00%	0
9	018636x Intangible Gas	55,061	20.00%	11,012
10	018636x Electronic Data Processing Equip Gas	0	20.00%	0
11	018636x Communication Equipment Gas	105,554	6.67%	7,040
12	018636x Leased AMI Meters	709,346	6.67%	47,313
13	018636x Communication Equipment Common	1,290,720	6.67%	86,091
14	Total	\$2,160,681		\$151,456

Duke Energy Ohio
Calculation of Rate of Return
Case No. 15-883-CE-RDR
Regulatory Asset - Deferred O&M Expenses, Carrying Cost and Amortization

Line No.	Account Description	Balance at 12/31/2013	Adj (1)	Adjusted Balance at 12/31/2013	10/1/2014	2/28/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	Balance at 12/31/2014
1	Regulatory Asset-Deferred O&M Expenses	\$530,825	\$176,871	\$707,696	\$35,407	\$488,204	\$83,990	\$74,110	\$49,852	\$47,505	\$82,257	\$45,866	\$50,717	\$49,985	\$48,690	\$1,793,690
2	182362 O&M - Meter, Communication, & Info Tech	7,770,634	0	7,770,634	0	182	668	166	7,106	11,940	16,641	6,620	4,186	39,669	45,067	7,912,074
3	182362 Common O&M - Meter, Communication, & Info Tech	1,007,648	0	1,007,648	1,456	2,779	3,422	15,965	7,186	4,517	7,470	10,415	12,977	14,143	9,779	1,115,365
4	182364 Book Depreciation - Common	897,665	0	897,665	0	293	5,044	897,665	4,421	5,192	5,570	5,803	6,139	6,815	7,208	1,055,648
5	182364 Book Depreciation - Common	1,015,519	0	1,015,519	0	612	257	1,502	1,502	2,873	12,981	14,080	15,290	17,828	18,382	1,112,264
6	Total	\$11,210,491	\$176,871	\$11,387,362	\$38,663	\$492,370	\$73,881	\$89,108	\$70,067	\$72,027	\$104,919	\$82,784	\$99,176	\$126,118	\$128,176	\$12,889,039
7	Cumulative-Regulatory Asset-Deferreds	\$11,319,491		\$11,496,362	\$11,533,225	\$12,025,595	\$12,099,276	\$12,164,382	\$12,264,440	\$12,336,478	\$12,471,985	\$12,554,179	\$12,643,358	\$12,769,476	\$12,897,655	\$12,889,039
8	Regulatory Asset-Amortization	\$150,406		\$150,406	\$13,141	\$13,141	\$13,141	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$96,228
9	407xxx Deferred O&M Costs	5,926,533		5,926,533	210,488	210,488	210,488	130,651	130,651	130,651	130,651	130,651	130,651	130,651	130,651	7,732,856
10	407xxx Deferred O&M - Common and PMO Costs	573,486		573,486	29,477	29,477	29,477	14,193	14,193	14,193	14,193	14,193	14,193	14,193	14,193	610,264
11	407xxx Book Depreciation - Common	420,901		420,901	22,141	22,141	22,141	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	510,264
12	Total	\$7,081,326	\$0	\$7,081,326	\$275,247	\$275,247	\$275,247	\$170,558	\$170,558	\$170,558	\$170,558	\$170,558	\$170,558	\$170,558	\$170,558	\$942,009
13	Cumulative-Regulatory Asset-Amortization	\$7,081,326		\$7,081,326	\$7,631,820	\$7,907,067	\$8,077,625	\$8,248,183	\$8,418,741	\$8,589,299	\$8,759,857	\$8,930,415	\$9,100,973	\$9,271,531	\$9,442,089	
14	Regulatory Asset-Deferred O&M Expense Carrying Cost (2)	\$35,367		\$35,367	1,576	2,736	3,697	3,697	3,697	4,188	4,497	4,804	5,018	5,241	5,460	86,171
15	182362 Deferred O&M Costs	951,734		951,734	11,498	11,498	11,505	5,718	5,715	5,854	5,844	6,035	6,110	6,267	6,508	1,041,115
16	182364 Book Depreciation - Common and PMO Costs	97,312		97,312	1,030	1,631	1,643	1,002	1,053	1,074	1,098	1,123	1,150	1,178	1,208	1,239
17	182364 Book Depreciation - Common	75,212		75,212	2,418	2,421	2,423	1,772	1,775	1,784	1,800	1,860	1,945	2,013	2,068	99,720
18	Total	\$1,158,625	\$0	\$1,158,625	\$17,044	\$18,276	\$19,531	\$12,219	\$12,985	\$12,984	\$13,359	\$13,842	\$14,223	\$14,699	\$15,264	\$15,337
19	Cumulative-Regulatory Asset-Deferreds	\$1,158,625		\$1,158,625	\$1,176,729	\$1,195,005	\$1,214,536	\$1,229,755	\$1,239,340	\$1,252,240	\$1,265,599	\$1,279,441	\$1,293,664	\$1,308,383	\$1,323,627	\$1,339,377
20	Regulatory Asset-Total	\$405,786	\$176,871	\$582,657	\$23,842	\$477,799	\$54,709	\$66,008	\$42,113	\$39,982	\$85,643	\$38,659	\$44,024	\$43,515	\$42,499	\$1,574,633
21	182362 Deferred O&M - Common and PMO Costs	3,803,643	0	3,803,643	(197,553)	(194,029)	(194,400)	(194,400)	(194,400)	(194,400)	(194,400)	(194,400)	(194,400)	(194,400)	(194,400)	3,609,243
22	182364 Book Depreciation - Common	521,491	0	521,491	(27,847)	(27,553)	(27,790)	(27,790)	(27,790)	(27,790)	(27,790)	(27,790)	(27,790)	(27,790)	(27,790)	493,701
23	182364 Book Depreciation - Common	668,830	0	668,830	(18,723)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	(18,808)	650,022
24	Total	\$5,397,700	\$176,871	\$5,574,571	\$(221,280)	\$(225,399)	\$(182,033)	\$(58,328)	\$(87,068)	\$(85,633)	\$(22,380)	\$(73,932)	\$(87,156)	\$(29,741)	\$(27,115)	\$4,886,427
25	Cumulative-Regulatory Asset-Total	\$5,397,700		\$5,574,571	\$5,353,381	\$5,588,780	\$5,426,745	\$5,260,511	\$5,174,880	\$5,152,690	\$5,078,668	\$5,015,512	\$4,981,771	\$4,954,656	\$4,891,292	
Sovereign Costs By Year																
				Total	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
					\$209,353	\$128,347	\$209,353	\$209,353	\$209,353	\$209,353	\$209,353	\$209,353	\$209,353	\$209,353	\$209,353	
					\$176,871	\$1,215,647	\$1,272,802	\$8,778,482	\$1,215,647	\$1,215,647	\$1,215,647	\$1,215,647	\$1,215,647	\$1,215,647	\$1,215,647	
(1) - Sovereign costs accrued in previous yrs but not included in 2012 (flag)																
(2) - Included in O&M costs BUT excluded from Carrying Costs calculations																
				388,224												

(1) Sovereign costs accrued in 2012 but not paid until 2014

Duke Energy Ohio
Calculation of RPI, AU
Case No. 15-883-GS-ROR
Regulatory Asset - Deferred O&M Expenses, Carrying Cost and Amortization

Line No.	Account Description	Balance at 12/31/2013	Adj (1)	Adjusted Balance at 12/31/2013	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	Balance at 12/31/2014
Regulatory Asset - Deferred O&M Expenses, Carrying Cost and Amortization Associated with PMO and Common Expenses																	
26	Regulatory Asset-Deferred O&M Expenses																
27	182362 Common O&M - Meter Communication, & Info Tech	\$7,770,634	\$0	\$182	\$668	\$166	\$7,106	\$11,940	\$16,641	\$6,620	\$4,186	\$39,669	\$45,067	\$9,195	\$7,912,074		
28	182362 PMO O&M	1,007,848	1,458	2,779	3,822	15,965	7,188	4,517	7,470	10,415	12,877	14,143	9,779	17,108	1,115,365		
29	182361 Book Depreciation - PMO and Common	1,012,519	0	912	257	(40)	1,502	2,873	12,981	14,080	15,260	15,730	17,628	18,362	1,112,284		
29	Total	\$9,791,001	\$1,458	\$3,873	\$4,747	\$16,091	\$15,784	\$19,330	\$37,092	\$31,115	\$32,323	\$69,542	\$72,674	\$44,665	\$10,139,703		
30	Cumulative-Regulatory Asset-Deferred	\$9,791,001	\$9,792,457	\$9,796,350	\$9,801,077	\$9,817,168	\$9,832,982	\$9,852,292	\$9,889,384	\$9,920,499	\$9,952,822	\$10,022,364	\$10,095,038	\$10,139,703			
Regulatory Asset-Amortization																	
31	407xxx Deferred O&M - Common and PMO Costs	\$5,928,533	\$210,488	\$210,488	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$130,651	\$7,753,856
32	407xxx Book Depreciation - Common	420,901	22,141	22,141	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	14,003	\$613,351
33	Total	6,349,434	\$232,629	\$232,629	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$144,654	\$8,367,207
34	Cumulative-Regulatory Asset-Amortization	\$6,349,434	\$6,580,063	\$6,812,692	\$7,045,321	\$7,185,975	\$7,334,629	\$7,479,283	\$7,623,937	\$7,788,591	\$7,913,245	\$8,057,899	\$8,202,553	\$8,347,207			
Regulatory Asset-Deferred O&M Expenses Carrying Cost																	
35	182362 Deferred O&M - Common and PMO Costs	\$951,734	\$11,479	\$11,488	\$11,505	\$5,718	\$5,785	\$5,854	\$5,944	\$6,035	\$6,110	\$6,287	\$6,508	\$6,698	\$6,898	\$7,101,115	
36	182368 Book Depreciation - PMO and Common	75,212	2,419	2,421	2,423	1,772	1,775	1,784	1,820	1,860	1,945	2,013	2,088	2,168	2,250	\$9,730	
37	Total	\$1,026,946	\$13,898	\$13,909	\$13,928	\$7,490	\$7,560	\$7,638	\$7,764	\$7,915	\$8,055	\$8,230	\$8,596	\$8,858	\$9,148	\$140,855	
38	Cumulative-Regulatory Asset-Deferred	\$1,026,946	\$1,040,844	\$1,054,753	\$1,068,681	\$1,076,171	\$1,083,731	\$1,091,369	\$1,099,133	\$1,107,048	\$1,115,102	\$1,123,383	\$1,131,979	\$1,140,835			
Regulatory Asset-Total																	
39	182362 Deferred O&M - Common and PMO Costs	\$3,801,643	\$197,953	\$196,099	\$194,493	\$108,802	\$110,574	\$108,340	\$106,594	\$107,581	\$107,478	\$107,572	\$109,297	\$109,600	\$109,600	\$2,334,698	
40	182361 Book Depreciation - PMO and Common	668,830	(19,727)	(18,808)	(19,461)	(12,271)	(10,726)	(9,346)	796	1,957	3,202	3,740	5,913	6,527	598,633		
41	Total	\$4,470,513	\$217,226	\$217,226	\$213,954	\$121,873	\$121,300	\$117,696	\$109,791	\$109,532	\$104,276	\$106,322	\$115,384	\$116,127	\$116,127	\$2,933,331	
42	Cumulative-Regulatory Asset-Total	\$4,470,513	\$4,253,298	\$4,038,391	\$3,824,437	\$3,720,364	\$3,562,064	\$3,464,378	\$3,364,590	\$3,258,956	\$3,154,640	\$3,087,848	\$3,024,464	\$2,933,331			

5.32%

Carrying Cost Rate - Jan thru December

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Annualized Property Taxes

Line No.	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs) Total Rider AU Revenue Requirement	Vintage Year 2012		Vintage Year 2013		Vintage Year 2014		Total
		15-Year General Plant	30-Year Distribution Plant	15-Year General Plant	30-Year Distribution Plant	15-Year General Plant	30-Year Distribution Plant	
1	Current Year Investment	\$11,142,306	\$866,164	\$15,199,289	\$7,988,510	\$4,581,338	(\$662,773)	\$39,114,834
2	Less: AFUDC In-Service	0	0	0	0	0	0	
3	Net Cost of Taxable Property	11,142,306	866,164	15,199,289	7,988,510	4,581,338	(662,773)	
4	Percent Good ^(a)	83.3%	91.7%	90.0%	95.0%	96.7%	98.3%	
5	True Value of Taxable Property (excluding PISCC)	9,281,541	794,272	13,675,360	7,589,085	4,430,154	(651,506)	
6	Valuation Percent	25%	25%	25%	25%	25%	25%	
7	Total Taxable Value	2,320,385	198,568	3,419,840	1,897,271	1,107,539	(162,877)	
8	Retired Net Taxable Plant End of Year (@ 15%)	-	-	-	-	-	-	
9	Net Property Tax Valuation	2,320,385	198,568	3,419,840	1,897,271	1,107,539	(162,877)	
10	Property Tax Expense	\$226,732	\$19,403	\$334,163	\$185,388	\$108,221	(\$15,915)	\$857,992
Annualized Property Taxes Associated with PMO and Common Plant								
11	Current Year Investment	\$5,782,911	\$866,164	\$9,203,235	\$7,988,510	\$4,160,602	(\$662,773)	\$27,338,649
12	Less: AFUDC In-Service	0	0	0	0	0	0	
13	Net Cost of Taxable Property	5,782,911	866,164	9,203,235	7,988,510	4,160,602	(662,773)	
14	Percent Good ^(a)	83.3%	91.7%	90.0%	95.0%	96.7%	98.3%	
15	True Value of Taxable Property (excluding PISCC)	4,617,165	794,272	8,282,912	7,589,085	4,023,302	(651,506)	
16	Valuation Percent	25%	25%	25%	25%	25%	25%	
17	Total Taxable Value	1,204,291	198,568	2,070,728	1,897,271	1,005,826	(162,877)	
18	Retired Net Taxable Plant End of Year (@ 15%)	-	-	-	-	-	-	
19	Net Property Tax Valuation	1,204,291	198,568	2,070,728	1,897,271	1,005,826	(162,877)	
20	Property Tax Expense	\$117,675	\$19,403	\$202,337	\$185,388	\$98,282	(\$15,915)	\$607,170
21	Ohio Property Tax Calculation:							
22	Average Property Tax Rate per \$1,000 of Valuation	\$97.713		\$97.713		\$97.713		

^(a) From Gas Company Annual Report -
Schedule C - 15 Year Class Life (General Plant)
Schedule C - 30 Year Class Life (Distribution Plant)

Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Incremental O&M Savings

<u>Line No.</u>		<u>Incremental (Savings)</u>
1	Amount Per Stipulation in Case No.10-2326-GE-RDR	-4,544,000
	Amount included in base rates per Case No. 12-1685-GA-AIR	<u>-2,026,000</u>
	Net	-2,518,000

**Duke Energy Ohio
Calculation of Rider AU
Case No. 15-883-GE-RDR
Charge Per Bill**

Line No.		Total	Source
	Count Breakdown of Customer Bills		
1	Combo Accounts - Gas & Electric	4,952,508	Internal Company Data
2	Gas Only	106,440	Internal Company Data
3	Total	5,058,948	
	Revenue Requirement Breakdown		
4	2014 Rider AU Revenue Requirement - Smart Grid	\$6,030,920	Schedule 1
5	2013 Rider AU Revenue Requirement - Undercollection (4 billing days)	\$3,170	Schedule 14
6	Total Rider AU Revenue Requirement	\$6,034,090	
7	Rider AU Revenue Requirement - Combo Account Customers	\$5,208,140	Schedule 1A
8	2013 Rider AU Revenue Requirement - Undercollection (4 billing days)	\$50,531	Schedule 14
9	Total Rider AU Revenue Requirement - Combo Account Customers	\$5,258,671	
10	Rider AU Revenue Requirement - shared by all customers	\$775,419	line 6 - line 9
	Rider AU Charges per Bill		
11	Portion shared by all accounts (Line 10/Line 3)	\$0.15	GAS ONLY ACCT RATE
12	Portion for Combo Accounts only (Line 9 /Line 1)	\$1.06	Credit for Gas Only customers
13	Total	\$1.22	Rider AU Rate for Gas\Elec Customers
	Verification of Calculation		
14	# of Combo Customers x Combo Rate	\$6,017,297	
15	# of Gas Only Customers x Gas Only Rate	\$16,285	
16		\$6,033,583	Total Rider AU Revenue Requirement

**Duke Energy Ohio
Calculation of Rider AU**

Undercollection of 2013 Revenue Requirement

Line No	Description	Amount
All Customers		
1	2013 Revenue Requirement Per Settlement	7,183,668
2	2012 Revenue Requirement After Rate Case (O&M and gas furnace costs)	6,983,943
3	Net Increase	<u>199,725</u>
4	Undercollection - First 4 billing cycles in April	3,170
PMO & Common Plant		
5	2013 Revenue Requirement Per Settlement	6,272,314
6	2012 Revenue Requirement Per Settlement	3,088,867
7	Net Increase	<u>3,183,447</u>
8	Undercollection - First 4 billing cycles in April	50,531

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Case No(s). 15-0883-GE-RDR

Summary: Testimony Direct Testimony of Peggy A. Laub on Behalf of Duke Energy Ohio, Inc.
electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.