

**BEFORE THE**  
**PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application  
of Duke Energy Ohio, Inc., to  
Adjust Rider AU for 2015 Gas  
Grid Modernization Costs.**

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Case No. 16-0794-GA-RDR

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**APPLICATION OF DUKE ENERGY OHIO, INC.,  
TO ADJUST RIDER-AU FOR 2015 GRID MODERNIZATION COSTS**

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1. Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) is an Ohio corporation engaged in the business of supplying gas distribution service in Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Southwestern Ohio to approximately 430,000 gas customers.

2. Duke Energy Ohio is a natural gas company within the meaning of 4905.03(A)(6), Revised Code, and as such, is a public utility subject to the jurisdiction of the Public Utilities Commission of Ohio (Commission).

3. In this Application, the Company requests approval to adjust its advanced utility rider (Rider AU) to allow for recovery of 2015 costs for the deployment of its grid modernization and related systems. Rider AU was originally submitted for approval in Case Nos. 07-589-GA-AIR, *et al.*, (Gas Distribution Rate Case). Duke Energy Ohio also hereby requests such tariff approval and accounting authority as may be required for recovery.

5. The Company's Gas Distribution Rate Case, originally filed in July 2007, was resolved by a stipulation that provided, in part, for a process for filing deployment

plans for the installation of an automated gas meter reading system. The automated gas meter reading system was designed to employ the grid modernization communications technology. The stipulation also contained a method for recovering costs associated with the plans, which was designated Rider AU.<sup>1</sup>

7. In June 2009, in Case No. 09-543-GE-UNC, Duke Energy Ohio submitted its first annual second quarter application for approval of the costs it incurred during 2008 for its deployment of grid modernization. This case was also resolved through a stipulated settlement in November of 2009, and that stipulation was approved by the Commission in May 2010.<sup>2</sup>

8. In July 2010, in Case No. 10-867-GE-RDR, Duke Energy Ohio submitted its second annual second-quarter application for approval of the costs it incurred during 2009 for its deployment of grid modernization. Like the Company's Gas Distribution Rate Case, ESP Case, and Case No. 09-543-GE-UNC, Case No. 10-867-GE-RDR was also resolved by means of a stipulated settlement, which was approved by the Commission in March 2011.<sup>3</sup>

9. On October 27, 2010, in Case No.10-2326-GE-RDR, the Commission issued an entry that included a request for proposals to perform an audit that includes both an operational audit and an operational benefits assessment of Duke Energy Ohio's overall grid modernization implementation. The Commission subsequently selected MetaVu, Inc., (MetaVu) to conduct the audit. MetaVu's final audit report was filed with

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<sup>1</sup> *In the Matter of the Application of Duke Energy Ohio for an Increase in Rates*, Case No. 07-589-GA-AIR, *et al.*, (Stipulation and Recommendation, February 28, 2008).

<sup>2</sup> *In the Matter of the Application of Duke Energy Ohio to Adjust and Set its Gas and Electric Recovery Rate for SmartGrid Deployment Under Rider AU and Rider DR-IM*, Case No. 09-543-GE-UNC (Stipulation and Recommendation, November 19, 2009).

<sup>3</sup> *In the Matter of the Application of Duke Energy Ohio to Adjust Rider DR-IM and Rider AU for 2009 SmartGrid Costs*, Case No. 10-867-GE-RDR (Stipulation and Recommendation, February 14, 2011).

the Commission on June 30, 2011. That proceeding was resolved by a stipulation and recommendation that was submitted to the Commission for its approval on February 24, 2012. The Stipulation and Recommendation was approved by the Commission on June 13, 2012.

10. In June 2012, in Case No. 12-1811-GE-RDR, Duke Energy Ohio submitted its fourth annual second-quarter application for approval of the costs it incurred during 2011 for its deployment of grid modernization. Like the Company's Gas Distribution Rate Case, ESP Case, and Case No. 09-543-GE-UNC, this case was also resolved by means of a stipulated settlement, which was approved by the Commission in March 2013.

11. In June 2012, in Case No. 12-1685-GA-AIR, Duke Energy Ohio filed for an increase to its base gas rates. In this case the gas smart grid capital investment as of March 31, 2012 was included in base rates. There was a partial settlement reached in the case that was approved by the Commission in November 2013.

12. In June 2013, in Case No. 13-1141-GE-RDR, Duke Energy Ohio submitted its fifth annual second-quarter application for approval of the costs it incurred during 2012 for its deployment of grid modernization. This case was also resolved by means of a stipulated settlement, which was approved by the Commission in April 2014.

13. In June 2014, in Case No. 14-1051-GE-RDR, Duke Energy Ohio submitted its sixth annual second-quarter application for approval of the costs it incurred during 2013 for its deployment of grid modernization. A hearing was held in February 2015. The Commission issued its order in April 2015.

13. In June 2015, in Case No. 15-0883-GE-RDR, Duke Energy Ohio submitted its seventh annual second-quarter application for approval of the costs it incurred during 2014 for its deployment of grid modernization. A hearing was held in January, 2016. The Commission issued its order in March 2016.

14. Duke Energy Ohio hereby files its Application to adjust Rider AU to recover 2015 costs for the deployment of its grid modernization and related systems. In support of its Application, Duke Energy Ohio submits the testimony of Peggy A. Laub. Duke Energy Ohio witness Peggy A. Laub will provide details regarding the Company's expenditures and revenue requirement for grid modernization deployment for 2015 with supporting schedules for the Company's request consistent with stipulations agreed to in prior cost recovery cases.

### **Conclusion**

As discussed in the testimony filed in this case, the Company has worked to deploy its grid modernization and advanced technologies, to promote its programs, and to engage customers in order to make the programs successful. The Company continues to provide additional functionality and efficiency to its system to benefit its customers and to provide safer, more reliable, affordable energy.

Additionally, as supported by the testimony of the Duke Energy Ohio witnesses filed herewith, the Company respectfully requests that the Commission approve its Application, subject to the terms outlined herein.

Respectfully submitted,

**Duke Energy Ohio, Inc.**

A handwritten signature in blue ink that reads "Elizabeth H. Watts/mra". The signature is written over a horizontal line.

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**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke )  
Energy Ohio, Inc. to Adjust Rider DR-AU ) Case No. 16-0794-GA-RDR  
for 2015 SmartGrid Costs. )

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**DIRECT TESTIMONY OF**

**PEGGY A. LAUB**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

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April 18, 2016

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### Attachments:

PAL-1 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.



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

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

5   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
6       **PROCEEDING?**

7   A.   My testimony addresses the revenue requirement calculation for the natural gas  
8       Rider AU (Advanced Utility) and then describes each schedule supporting the  
9       revenue requirement calculation. I will be sponsoring Attachment PAL-1 to  
10      support the proposed charges for Rider AU.

11  **Q.   PLEASE EXPLAIN WHY DUKE ENERGY OHIO IS NOT SUBMITTING**  
12       **AN APPLICATION FOR RECOVERY OF BOTH GAS AND ELECTRIC**  
13       **SMARTGRID COSTS AT THIS TIME.**

14  A.   The Company is filing separate applications for recovery of costs for 2015 for gas  
15       and electric grid modernization. The Company anticipates including the electric  
16       portion of the recovery in base rates when it files an electric distribution base rate  
17       case in 2016 pursuant to the Stipulation and Recommendation that was adopted  
18       and approved by the Commission in Case No. 10-2326-GE-RDR.

## **II.   REVENUE REQUIREMENT CALCULATIONS**

19  **Q.   PLEASE DESCRIBE THE COMPONENTS OF THE REVENUE**  
20       **REQUIREMENTS INCLUDED IN RIDER AU.**

21  A.   The revenue requirement for both riders includes the following components:  
22       ▪   a return on the rate base;

- 1           ▪ depreciation and property taxes; and
- 2           ▪ incremental expenses.

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

4   A.   Rate base is calculated in a manner consistent with the traditional rate base  
5       calculation for a general retail rate case. One component is net plant, or gross  
6       plant minus accumulated depreciation. Another component is accumulated  
7       deferred income taxes associated with accelerated tax depreciation. The  
8       stipulations approved by the Commission in its Opinion and Order in  
9       Case No. 08-920-EL-SSO, *et al.*, and its Opinion and Order in Case No. 09-543-  
10      GE-RDR, allow an additional component of rate base in the form of post-in-  
11      service carrying costs (PISCC). Because there are deferred income taxes  
12      associated with this item, an additional adjustment is made to offset rate base for  
13      accumulated deferred income taxes on this item.

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

16   A.   Yes. The fact that Duke Energy Ohio is a combination electric and gas utility  
17       allows the Company to maximize the potential benefits of the SmartGrid project  
18       for both electric and gas customers. For much of the SmartGrid equipment, it is a  
19       simple exercise to assign costs directly to electric or to gas. The cost of some  
20       equipment and some expenses, however, is incurred for both electric and gas  
21       services.

22               The costs for “common” equipment are allocated between gas and electric  
23       service based on appropriate allocation factors. The development of these

1 allocation factors is based on the Company's determination of the extent to which  
2 each type of plant (*e.g.*, communication boxes, information technology costs (IT),  
3 etc.) contributes to the gas or electric SmartGrid function.

4 **Q. DESCRIBE THE COMPUTATION FOR DEPRECIATION AND**  
5 **PROPERTY TAX EXPENSES INCLUDED IN THE RIDER AU REVENUE**  
6 **REQUIREMENT.**

7 A. Depreciation expense is annualized by using currently approved accrual rates and  
8 the depreciable gross plant for each plant type as of December 31, 2015.  
9 Similarly, property tax expense is annualized by applying the latest average  
10 property tax rates to the calculated property tax valuation as of December 31,  
11 2015.

12 **Q. WHAT INCREMENTAL EXPENSES ARE INCLUDED IN THE**  
13 **REVENUE REQUIREMENT CALCULATIONS?**

14 A. The only incremental expenses included in the Rider AU revenue requirement  
15 calculations are specifically identifiable costs associated with the implementation  
16 of the SmartGrid project for gas. Such costs include Information Technology  
17 costs, system support, data transfer fees, and any other costs that can be directly  
18 attributed to the SmartGrid program.

19 **Q. DO THE REVENUE REQUIREMENT CALCULATIONS REFLECT THE**  
20 **SAVINGS THAT DISTRIBUTION AUTOMATION AND SMARTGRID**  
21 **PROJECTS WILL GENERATE?**

22 A. Yes. In the Order in Case No. 10-2326-GE-RDR, the Commission approved a  
23 stipulation that included an agreement by Duke Energy Ohio to establish an

1 amount of savings to include in Rider AU. These savings are reflected in  
2 Schedule 12 of my attachments.

### III. CHANGES FROM PRIOR FILING

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

6 A. No.

7 **Q. PLEASE EXPLAIN THE CREDIT FOR THE COMPANY'S GAS-ONLY**  
8 **CUSTOMERS.**

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

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

19 A. At the bottom of each supporting schedule in Attachment PAL-1, the costs related  
20 to "common" and PMO costs have been detailed. These costs are summarized at  
21 the bottom of Schedule 1A as a credit revenue requirement amount. On Schedule

1 13, this credit amount is divided by the total number of gas bills to calculate the  
2 monthly credit for the 8,806 gas-only customers.

#### IV. RIDER AU

3 **Q. PLEASE PROVIDE A GENERAL OVERVIEW OF THE REVENUE**  
4 **REQUIREMENT CALCULATION FOR RIDER AU.**

5 A. The schedules provide extensive detail of the revenue requirement calculations for  
6 Rider AU starting with support for the rate base component and pre-tax rate of  
7 return, followed by details for expenses to be included. As discussed earlier in my  
8 testimony, many of the schedules provide support for the credit revenue requirement  
9 applicable to the Company's gas-only customers and that calculation is summarized  
10 on Schedule 1A. Finally, the schedules show the calculation of the proposed  
11 monthly rates for Rider AU applicable to the rate classes and the monthly credit for  
12 the gas-only customers.

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

14 A. Schedule 1, summarizes the annualized revenue requirement for Duke Energy  
15 Ohio's Rider AU rates. The underlying rate base reflects the net balance of the  
16 Company's investment in SmartGrid allocable to its gas distribution business as of  
17 December 31, 2015. The rate base shown is incremental to amounts in current rates.  
18 The information on this schedule is supported in Schedules 2 through 13. Schedule  
19 1A summarizes the credit to the annualized revenue requirement for the Company's  
20 gas only customers.

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

- 1 A. Schedule 2 provides the adjusted balance of plant additions at December 31, 2014,  
2 and the actual plant additions by month from January 1, 2015, through December  
3 31, 2015 to arrive at the balance as of December 31, 2015.
- 4 **Q. PLEASE EXPLAIN SCHEDULE 3 FOR GAS.**
- 5 A. Schedule 3 provides the adjusted balance of the accumulated provision for  
6 depreciation at December 31, 2014 and the actual provision for depreciation by  
7 month from January 1, 2015, through December 31, 2015, to arrive at the balance as  
8 of December 31, 2015.
- 9 **Q. PLEASE EXPLAIN SCHEDULE 4 FOR GAS.**
- 10 A. Schedule 4 provides the adjusted balance of the PISCC regulatory asset not  
11 included in base rates at December 31, 2014, and the PISCC activity by month  
12 from January, 2015, through December 31, 2015, to arrive at the balance as of  
13 December 31, 2015. This schedule also provides actual PISCC amortization by  
14 month from January 1, 2015, through December 31, 2015, to calculate the balance  
15 at December 31, 2015. The net gas PISCC regulatory asset for the periods is also  
16 provided.
- 17 **Q. PLEASE EXPLAIN SCHEDULE 5 FOR GAS.**
- 18 A. Schedule 5 provides the balance of gas PISCC and electric O&M net deferred tax  
19 balance at December 31, 2014, and December 31, 2015.
- 20 **Q. PLEASE EXPLAIN SCHEDULE 6 FOR GAS.**
- 21 A. Schedule 6 provides the calculation of the deferred taxes on liberalized  
22 depreciation for plant placed into service after March 31, 2012.
- 23 **Q. PLEASE EXPLAIN SCHEDULE 7 FOR GAS.**

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

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

6 A. Schedule 8 provides the calculation of the annualized depreciation expense  
7 associated with additions, based on actual gas-related SmartGrid plant additions  
8 from April 1, 2012 through December 31, 2015, using currently approved  
9 depreciation accrual rates.

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

11 A. Schedule 9 provides a calculation of the annualized amortization of the PISCC  
12 accrued from April 1, 2012 through December 31, 2015. The gas-related PISCC  
13 Regulatory Assets by account are in agreement with those provided on Schedule 4  
14 and the amortization calculations use the currently approved average service lives.

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

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

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

20 A. Schedule 11 provides the calculation of the annualized property tax expense based  
21 on actual additions to gas-related SmartGrid plant in service from April 1, 2012  
22 through December 31, 2015. This calculation follows the process used in Duke  
23 Energy Ohio's Annual Report to the Ohio Department of Taxation to determine

1 the Net Property Valuation and uses the latest known average gas property tax  
2 rate per \$1,000 of valuation.

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

4 A. Schedule 12 provides for the savings and reduction agreed to in our Order in Case  
5 No.10-2326-GE-RDR. In the Order the Company agreed to a \$5,502,000 in  
6 savings in the 2015 revenue requirements. We have netted this amount with the  
7 amount of \$2,026,000 in our base rates in Case No. 12-1685-GA-AIR, resulting in  
8 a \$3,476,000 savings reduction in this filing.

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

10 A. Schedule 13 provides the new Rider AU monthly charge per customer. Because  
11 the Company is proposing to allocate the Rider AU revenue requirement based on  
12 number of bills (*i.e.*, customers x 12), the Rider AU monthly rate shown on  
13 Schedule 13 is for all customers. The allocated revenue requirement is divided by  
14 the total number of bills. The result is a per bill charge of \$.92 for Rider AU for  
15 all customers. The per bill credit amount of \$.53 for the Company's gas only  
16 customers is also calculated on this schedule.

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

20 A. Yes.

21 **Q. PLEASE STATE YOUR OPINION.**

22 A. Duke Energy Ohio's rate request is fair and reasonable.



**V. OTHER ISSUES**

1   **Q.   HOW WILL FUTURE RATE CASES IMPACT THE FILINGS OF RIDER**  
2       **AU?**

3   A.   Rider AU will continue until the Company files it's next base gas distribution case.  
4       In Case No 12-1685-GA-AIR the Company rolled in the gas SmartGrid investment  
5       in base rates as of the date certain of March 31, 2012, and then continued Rider AU  
6       for investment after the date certain similar to our process for Rider AMRP.

**VI. CONCLUSION**

7   **Q.   WAS ATTACHMENT PAL-1 PREPARED BY YOU OR UNDER YOUR**  
8       **SUPERVISION?**

9   A.   Yes.

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

12  A.   Yes.

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

15  A.   Yes.

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR  
Index of Schedules

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<u>Schedule No.</u>	<u>Description</u>
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

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR

Line No.		Balance 12/31/2014	Adjustment	Adjusted Balance 12/31/2014	Activity 2015	Cumulative thru 12/31/15	Reference
	<b><u>Return on Investment</u></b>						
	Total Rider AU Revenue Requirement						
1	Additions	\$40,783,902	\$0	\$40,783,902	(\$151,995)	\$40,631,907	Schedule 2
2	Total Plant In-Service	40,783,902	0	40,783,902	(151,995)	40,631,907	
	Less: Accumulation Provision for Depreciation						
3	Depreciation Expense	4,577,367	0	4,577,367	2,919,470	7,496,837	Schedule 3
4	Total Accumulated Provision for Depreciation	4,577,367	0	4,577,367	2,919,470	7,496,837	
5	Net Regulatory Asset--Post In-Service Carrying Cost	3,281,079	0	3,281,079	701,737	3,982,816	Schedule 4
	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(3,202,073)	0	(3,202,073)	(729,487)	(3,931,560)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation	(8,263,158)	0	(8,263,158)	(93,988)	(8,357,146)	Schedule 6
8	Net Rate Base	28,022,383	0	28,022,383	(3,193,203)	24,829,180	
9	Approved Pre-tax Rate of Return					10.60%	Schedule 7
10	Annualized Return on Rate Base					2,631,893	
	<b><u>Operating Expenses</u></b>						
11	Annualized Provision for Depreciation For Additions				2,916,837	2,916,837	Schedule 8
12	Annualized Amortization of PISCC				291,986	291,986	Schedule 9
13	Deferred O&M Expense and Carrying Costs				1,407,798	1,407,798	Schedule 10
14	Annualized Property Tax Expense				807,962	807,962	Schedule 11
15	Reduction in Operation & Maintenance Expense				(3,476,000)	(3,476,000)	Schedule 12
16	<b>Annualized Revenue Requirement - Smart Grid</b>				<u>1,948,583</u>	<u>4,580,476</u>	

**Duke Energy Ohio**  
**Calculation of Rider AU Gas Only Customer Credit**  
**Case No. 16-0794-GA-RDR**

<b>Line No.</b>		<b>Adjusted Balance 12/31/2014</b>	<b>Activity 2015</b>	<b>Cumulative thru 12/31/15</b>	<b>Reference</b>
	<b><u>Return on Investment</u></b>				
	Total Rider AU Revenue Requirement				
1	Additions	\$28,973,335	(\$94,339)	\$28,878,996	Schedule 2
2	Total Plant In-Service	28,973,335	(94,339)	28,878,996	
	Less: Accumulation Provision for Depreciation				
3	Depreciation Expense	3,071,021	2,125,605	5,196,626	Schedule 3
4	Total Accumulated Provision for Depreciation	3,071,021	2,125,605	5,196,626	
5	Net Regulatory Asset--Post In-Service Carrying Cost	2,187,227	537,476	2,724,703	Schedule 4
	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(2,196,283)	(648,229)	(2,844,512)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation	(5,795,612)	(159,147)	(5,954,759)	Schedule 6
8	Net Rate Base	20,097,646	(2,489,845)	17,607,801	
9	Approved Pre-tax Rate of Return			10.60%	Schedule 7
10	Annualized Return on Rate Base			1,866,427	
	<b><u>Operating Expenses</u></b>				
11	Annualized Provision for Depreciation For Additions		2,123,939	2,123,939	Schedule 8
12	Annualized Amortization of PISCC		204,266	204,266	Schedule 9
13	Deferred O&M Expense and Carrying Costs		1,314,606	1,314,606	Schedule 10
14	Annualized Property Tax Expense		575,506	575,506	Schedule 11
15	Reduction in Operation & Maintenance Expense		(3,476,000)	(3,476,000)	Schedule 12
16	<b>Annualized Revenue Requirement - Smart Grid Credit</b>		<b>742,317</b>	<b>2,608,744</b>	

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR

Line No.	Plant Account	Balance at 12/31/2014	Adjusted Balance at 12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015
1	Total Rider AU Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Electronic Data Processing Equip Common	13,086,288	13,086,288	13,075,511	12,938,773	12,965,179	12,964,955	12,964,955	12,964,955	12,937,396	12,937,396	12,937,396	12,937,396	12,937,396	12,937,396
3	Communication Equipment Gas	1,481,198	1,481,198	1,482,087	1,493,542	1,483,199	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193
4	Intangible Gas	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359	67,359
5	Electronic Data Processing Equip Gas	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,533,373	9,533,373	9,527,398	9,527,398	9,527,398	9,527,398
6	Leased AMI Meters	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,616,561	16,616,561	16,616,561	16,616,561
7	Communication Equipment Common	\$40,783,902	\$0	\$40,783,902	\$40,774,014	\$40,648,731	\$40,664,794	\$40,664,564	\$40,664,564	\$40,640,462	\$40,640,462	\$40,631,907	\$40,631,907	\$40,631,907	\$40,631,907
<b>Total</b>															
<b>Incremental</b>															
8	Electronic Data Processing Equip Common	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Communication Equipment Gas	(10,777)	(136,738)	26,406	(224)	0	0	0	0	(27,559)	0	0	0	0	(148,892)
10	Intangible Gas	889	11,455	(10,343)	(6)	0	0	0	0	0	0	0	0	0	1,995
11	Electronic Data Processing Equip Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Leased AMI Meters	0	0	0	0	0	0	0	0	3,457	0	(5,975)	0	0	(2,518)
13	Communication Equipment Common	0	0	0	0	0	0	0	0	0	0	(2,580)	0	0	(2,580)
14	<b>Total</b>	<b>(\$9,888)</b>	<b>(\$125,283)</b>	<b>\$16,063</b>	<b>(\$230)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$24,102)</b>	<b>\$0</b>	<b>(\$8,555)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$151,995)</b>
<b>PMO and Common Plant Additions</b>															
15	Electronic Data Processing Equip Common	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Communication Equipment Gas	1,343,080	1,386,535	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844	1,251,844
17	Intangible Gas	1,481,198	1,482,087	1,493,542	1,483,199	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193	1,483,193
18	Electronic Data Processing Equip Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Leased AMI Meters	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,529,916	9,533,373	9,533,373	9,527,398	9,527,398	9,527,398	9,527,398
20	Communication Equipment Common	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,619,141	16,616,561	16,616,561	16,616,561	16,616,561
21	<b>Total</b>	<b>\$28,973,335</b>	<b>\$29,017,679</b>	<b>\$28,894,443</b>	<b>\$28,884,100</b>	<b>\$28,884,094</b>	<b>\$28,884,094</b>	<b>\$28,884,094</b>	<b>\$28,884,094</b>	<b>\$28,887,551</b>	<b>\$28,887,551</b>	<b>\$28,878,996</b>	<b>\$28,878,996</b>	<b>\$28,878,996</b>	<b>\$28,878,996</b>
<b>Incremental</b>															
22	Electronic Data Processing Equip Common	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
23	Communication Equipment Gas	43,455	(134,691)	0	0	0	0	0	0	0	0	0	0	0	(\$91,236)
24	Intangible Gas	889	11,455	(10,343)	(6)	0	0	0	0	0	0	0	0	0	\$1,995
25	Electronic Data Processing Equip Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
26	Leased AMI Meters	0	0	0	0	0	0	0	0	3,457	0	(5,975)	0	0	(\$2,518)
27	Communication Equipment Common	0	0	0	0	0	0	0	0	0	0	(2,580)	0	0	(\$2,580)
28	<b>Total</b>	<b>\$44,344</b>	<b>(\$123,236)</b>	<b>(\$10,343)</b>	<b>(\$6)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,457</b>	<b>\$0</b>	<b>(\$8,555)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$94,339)</b>
<b>(1) Uninstalled Gas Modules from 2013 filing</b>															
<b>Depreciation on current year additions</b>															
Electronic Data Processing Equip Common	19101	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Communication Equipment Gas	29700	(60)	(820)	(673)	(674)	(674)	(674)	(674)	(674)	(828)	(828)	(828)	(828)	(828)	(\$7,715)
Intangible Gas	20300	15	206	33	33	33	33	33	33	33	33	33	33	33	\$518
Electronic Data Processing Equip Gas	29101	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Leased AMI Meters	17001	0	0	0	0	0	0	0	0	19	19	(14)	(14)	(14)	(\$4)
Communication Equipment Common	19700	0	0	0	0	0	0	0	0	0	0	(14)	(14)	(14)	(\$42)
<b>Total</b>		<b>\$0</b>	<b>(\$45)</b>	<b>(\$614)</b>	<b>(\$640)</b>	<b>(\$641)</b>	<b>(\$641)</b>	<b>(\$641)</b>	<b>(\$641)</b>	<b>(\$776)</b>	<b>(\$776)</b>	<b>(\$823)</b>	<b>(\$823)</b>	<b>(\$823)</b>	<b>(\$7,243)</b>

Line No.		FERC Account	Balance at 12/31/2014	Adjustment	Adjusted Balance at 12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015
Total Rider AU Revenue Requirement																	
<u>Cumulative</u>																	
1	Electronic Data Processing Equip Common	19101	0		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Communication Equipment Gas	29700	1,627,864		1,627,864	1,700,602	1,773,280	1,845,198	1,917,263	1,989,327	2,061,391	2,133,455	2,205,365	2,277,275	2,349,185	2,421,095	2,493,005
3	Intangible Gas	20300	337,225		337,225	361,912	386,613	411,505	436,225	460,945	485,665	510,385	535,105	559,825	584,545	609,265	633,985
4	Electronic Data Processing Equip Gas	29101	17,076		17,076	18,199	19,322	20,445	21,568	22,691	23,814	24,937	26,060	27,183	28,306	29,429	30,552
5	Leased AMI Meters	17001	918,739		918,739	971,709	1,024,679	1,077,649	1,130,619	1,183,589	1,236,559	1,289,529	1,342,519	1,395,509	1,448,465	1,501,421	1,554,377
6	Communication Equipment Common	19700	1,676,463		1,676,463	1,768,838	1,861,213	1,953,588	2,045,963	2,138,338	2,230,713	2,323,088	2,415,463	2,507,838	2,600,198	2,692,558	2,784,918
7	Total		<u>\$4,577,367</u>	<u>\$0</u>	<u>\$4,577,367</u>	<u>\$4,821,260</u>	<u>\$5,065,107</u>	<u>\$5,308,385</u>	<u>\$5,551,638</u>	<u>\$5,794,890</u>	<u>\$6,038,142</u>	<u>\$6,281,394</u>	<u>\$6,524,512</u>	<u>\$6,767,630</u>	<u>\$7,010,699</u>	<u>\$7,253,768</u>	<u>\$7,496,837</u>
<u>Incremental</u>																	
8	Electronic Data Processing Equip Common	19101			0	0	0	0	0	0	0	0	0	0	0	0	<u>Total Activity</u> \$0
9	Communication Equipment Gas	29700			72,738	72,678	71,918	72,065	72,064	72,064	72,064	71,910	71,910	71,910	71,910	71,910	\$865,141
10	Intangible Gas	20300			24,687	24,701	24,892	24,720	24,720	24,720	24,720	24,720	24,720	24,720	24,720	24,720	\$296,760
11	Electronic Data Processing Equip Gas	29101			1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	\$13,476
12	Leased AMI Meters	17001			52,970	52,970	52,970	52,970	52,970	52,970	52,970	52,970	52,990	52,990	52,956	52,956	\$635,638
13	Communication Equipment Common	19700			92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,360	92,360	\$1,108,455
14	Total				<u>\$243,893</u>	<u>\$243,847</u>	<u>\$243,278</u>	<u>\$243,253</u>	<u>\$243,252</u>	<u>\$243,252</u>	<u>\$243,252</u>	<u>\$243,252</u>	<u>\$243,118</u>	<u>\$243,118</u>	<u>\$243,069</u>	<u>\$243,069</u>	<u>\$2,919,470</u>
<u>Provision for Depreciation Associated with PMQ and Common Plant</u>																	
<u>Cumulative</u>																	
15	Electronic Data Processing Equip Common	19101	0		0	0	0	0	0	0	0	0	0	0	0	0	0
16	Communication Equipment Gas	29700	138,594		146,059	153,766	160,724	167,682	174,640	181,598	188,556	195,514	202,472	209,430	216,388	223,346	
17	Intangible Gas	20300	337,225		361,912	386,613	411,505	436,225	460,945	485,665	510,385	535,105	559,825	584,545	609,265	633,985	
18	Electronic Data Processing Equip Gas	29101	0		0	0	0	0	0	0	0	0	0	0	0	0	0
19	Leased AMI Meters	17001	918,739		971,709	1,024,679	1,077,649	1,130,619	1,183,589	1,236,559	1,289,529	1,342,519	1,395,509	1,448,465	1,501,421	1,554,377	
20	Communication Equipment Common	19700	1,676,463		1,768,838	1,861,213	1,953,588	2,045,963	2,138,338	2,230,713	2,323,088	2,415,463	2,507,838	2,600,198	2,692,558	2,784,918	
21	Total		<u>\$3,071,021</u>		<u>\$3,248,518</u>	<u>\$3,426,271</u>	<u>\$3,603,466</u>	<u>\$3,780,489</u>	<u>\$3,957,512</u>	<u>\$4,134,535</u>	<u>\$4,311,558</u>	<u>\$4,488,601</u>	<u>\$4,665,644</u>	<u>\$4,842,638</u>	<u>\$5,019,632</u>	<u>\$5,196,626</u>	
<u>Incremental</u>																	
22	Electronic Data Processing Equip Common	19101			0	0	0	0	0	0	0	0	0	0	0	0	<u>Total Activity</u> 0
23	Communication Equipment Gas	29700			7,465	7,707	6,958	6,958	6,958	6,958	6,958	6,958	6,958	6,958	6,958	6,958	84,752
24	Intangible Gas	20300			24,687	24,701	24,892	24,720	24,720	24,720	24,720	24,720	24,720	24,720	24,720	24,720	\$296,760
25	Electronic Data Processing Equip Gas	29101			0	0	0	0	0	0	0	0	0	0	0	0	0
26	Leased AMI Meters	17001			52,970	52,970	52,970	52,970	52,970	52,970	52,970	52,990	52,990	52,956	52,956	52,956	635,638
27	Communication Equipment Common	19700			92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,375	92,360	92,360	1,108,455
28	Total		<u>\$177,497</u>		<u>\$177,753</u>	<u>\$177,195</u>	<u>\$177,023</u>	<u>\$177,023</u>	<u>\$177,023</u>	<u>\$177,023</u>	<u>\$177,023</u>	<u>\$177,043</u>	<u>\$177,043</u>	<u>\$176,994</u>	<u>\$176,994</u>	<u>\$176,994</u>	<u>\$2,125,605</u>
<u>Depreciation Percent</u>																	
JAN - DEC																	
29	Electronic Data Processing Equip Common	19101	20.00%														
30	Communication Equipment Gas	29700	6.67%														
31	Intangible Gas	20300	20.00%														
32	Electronic Data Processing Equip Gas	29101	20.00%														
33	Leased AMI Meters	17001	6.67%														
34	Communication Equipment Common	19700	6.67%														

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR

Line No.	Account	Description	Balance at		Adjusted Balance at													Balance at
			12/31/2014	Adjustment	12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015	
1	018636x	Electronic Data Processing Equip Common	0		0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
2	018636x	Communication Equipment Gas	1,201,751		1,201,751	\$37,585	\$37,429	\$37,352	\$12,024	\$12,075	\$12,128	\$12,120	\$12,113	\$12,166	\$12,218	\$12,271	\$12,324	1,423,556
3	018636x	Intangible Gas	82,484		82,484	\$5,004	\$5,052	\$5,076	\$4,445	\$4,464	\$4,483	\$4,503	\$4,522	\$4,542	\$4,562	\$4,581	\$4,601	138,319
4	018636x	Electronic Data Processing Equip Gas	4,522		4,522	\$263	\$264	\$265	\$172	\$173	\$173	\$174	\$175	\$176	\$176	\$177	\$178	6,888
5	018636x	Leased AMI Meters	765,398		765,398	\$40,817	\$40,993	\$41,171	\$6,769	\$6,798	\$6,827	\$6,864	\$6,902	\$6,918	\$6,935	\$6,965	\$6,996	950,353
6	018636x	Communication Equipment Common	1,241,099		1,241,099	\$53,370	\$53,601	\$53,833	\$18,172	\$18,251	\$18,330	\$18,409	\$18,489	\$18,563	\$18,638	\$18,719	\$18,800	1,568,274
7		Total	\$3,295,254	\$0	\$3,295,254	\$137,039	\$137,339	\$137,697	\$41,582	\$41,761	\$41,941	\$42,070	\$42,201	\$42,365	\$42,529	\$42,713	\$42,899	\$4,087,390
8		Cumulative--Regulatory Asset--Deferrals				\$3,432,293	\$3,569,632	\$3,707,329	\$3,748,911	\$3,790,672	\$3,832,613	\$3,874,683	\$3,916,884	\$3,959,249	\$4,001,778	\$4,044,491	\$4,087,390	
		Regulatory Asset--Amortization																
9	018636x	Electronic Data Processing Equip Common	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	018636x	Communication Equipment Gas	6,831		6,831	759	759	759	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759	42,935
11	018636x	Intangible Gas	1,458		1,458	162	162	162	661	661	661	661	661	661	661	661	661	7,896
12	018636x	Electronic Data Processing Equip Gas	63		63	7	7	7	33	33	33	33	33	33	33	33	33	381
13	018636x	Leased AMI Meters	216		216	24	24	24	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639	15,041
14	018636x	Communication Equipment Common	5,607		5,607	623	623	623	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	38,320
15		Total	\$14,175	\$0	\$14,175	\$1,575	\$1,575	\$1,575	\$9,519	\$9,519	\$9,519	\$9,519	\$9,519	\$9,519	\$9,519	\$9,519	\$9,519	\$104,574
16		Cumulative--Regulatory Asset--Amort.				\$15,750	\$17,325	\$18,900	\$28,419	\$37,939	\$47,458	\$56,977	\$66,496	\$76,016	\$85,535	\$95,054	\$104,574	
		Regulatory Asset--Net																
17	018636x	Electronic Data Processing Equip Common	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	018636x	Communication Equipment Gas	1,194,920	0	1,194,920	36,826	36,670	36,593	8,265	8,316	8,369	8,361	8,354	8,407	8,459	8,512	8,565	1,380,621
19	018636x	Intangible Gas	81,026	0	81,026	4,842	4,890	4,914	3,784	3,803	3,822	3,842	3,861	3,881	3,901	3,920	3,940	130,423
20	018636x	Electronic Data Processing Equip Gas	4,459	0	4,459	256	257	258	139	140	140	141	142	143	143	144	145	6,507
21	018636x	Leased AMI Meters	765,182	0	765,182	40,793	40,969	41,147	5,130	5,159	5,188	5,225	5,263	5,279	5,296	5,326	5,357	935,312
22	018636x	Communication Equipment Common	1,235,492	0	1,235,492	52,747	52,978	53,210	14,745	14,824	14,903	14,982	15,062	15,136	15,211	15,292	15,373	1,529,954
23		Total	\$3,281,079	\$0	\$3,281,079	\$135,464	\$135,764	\$136,122	\$32,063	\$32,242	\$32,422	\$32,551	\$32,682	\$32,846	\$33,010	\$33,194	\$33,380	\$3,982,816
24		Cumulative--Regulatory Asset--Net.				\$3,416,543	\$3,552,307	\$3,688,429	\$3,720,492	\$3,752,733	\$3,785,155	\$3,817,706	\$3,850,388	\$3,883,233	\$3,916,243	\$3,949,437	\$3,982,816	





Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR

Line No.		Balance at 12/31/2014	Adjusted Balance at 12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015	#
<u>Net Deferred Tax Balance - PISCC</u>																
Total Rider AU Revenue Requirement																
1	Ending Balance per Schedule 4	\$3,281,079														\$3,982,816
2	Tax Rate	35.00%														35.00%
3	Cumulative ADIT @ 35%	(\$1,148,378)														(\$1,393,986)
<u>Net Deferred Tax Balance - Deferred Depreciation and Carrying Cost</u>																
4	Beginning Balance	\$1,327,083	\$0	\$1,327,083	\$1,327,083	\$1,331,026	\$1,334,923	\$1,338,251	\$1,338,786	\$1,339,317	\$1,339,845	\$1,340,370	\$1,340,756	\$1,341,140	\$1,341,473	\$1,341,802
5	Monthly Activity				3,943	3,897	3,328	535	531	528	525	386	384	333	329	326
6	Ending Balance	\$1,327,083	\$0	\$1,327,083	\$1,331,026	\$1,334,923	\$1,338,251	\$1,339,317	\$1,339,845	\$1,340,370	\$1,340,756	\$1,341,140	\$1,341,473	\$1,341,802	\$1,342,128	
7	Tax Rate	35.00%														35.00%
8	Cumulative ADIT @ 35%	(\$464,479)														(\$469,745)
<u>Net Deferred Tax Balance - Deferred O&amp;M and Carrying Cost</u>																
9	Beginning Balance	4,540,617		\$4,540,617	4,540,617	4,604,265	4,668,888	5,187,733	5,245,649	5,322,480	5,402,312	5,481,682	5,583,657	5,662,436	5,743,800	5,825,304
10	Monthly Activity				63,648	64,623	518,845	57,915	76,831	79,832	79,370	101,975	78,779	81,364	81,503	82,780
11	Ending Balance	4,540,617	\$0	\$4,540,617	4,604,265	4,668,888	5,187,733	5,245,649	5,322,480	5,402,312	5,481,682	5,583,657	5,662,436	5,743,800	5,825,304	5,908,083
12	Tax Rate	35.00%	35.00%													35.00%
13	Cumulative ADIT @ 35%	(\$1,589,216)	\$0													(\$2,067,829)
<u>Net Deferred Tax Balance -- PISCC Associated with PMO and Common Plant</u>																
14	Ending Balance per Schedule 4	\$2,187,227														\$2,724,703
15	Tax Rate	35.00%														35.00%
16	Cumulative ADIT @ 35%	(\$765,529)														(\$953,646)
<u>Net Deferred Tax Balance - Deferred Depreciation and Carrying Cost Associated with PMO and Common Plant</u>																
17	Beginning Balance	\$824,589		824,589	\$824,589	\$827,259	\$829,944	\$832,821	\$833,759	\$834,697	\$835,635	\$836,573	\$837,530	\$838,488	\$839,399	\$840,310
18	Monthly Activity				2,670	2,685	2,877	938	938	938	938	957	958	911	911	911
19	Ending Balance	\$824,589		\$824,589	\$827,259	\$829,944	\$832,821	\$833,759	\$834,697	\$835,635	\$836,573	\$837,530	\$838,488	\$839,399	\$840,310	\$841,221
20	Tax Rate	35.00%		35.00%												35.00%
21	Cumulative ADIT @ 35%	(\$288,606)		(\$288,606)												(\$294,427)
<u>Net Deferred Tax Balance - Deferred O&amp;M and Carrying Cost Associated with PMO and Common Expenses</u>																
22	Beginning Balance	\$3,263,280		3,263,280	3,263,280	3,320,441	3,378,577	3,890,935	3,943,292	4,014,564	4,088,837	4,162,648	4,259,064	4,332,284	4,408,089	4,484,034
23	Monthly Activity				57,161	58,136	512,358	52,356	71,272	74,273	73,811	96,416	73,220	75,805	75,944	77,221
24	Ending Balance	\$3,263,280		3,263,280	3,320,441	3,378,577	3,890,935	3,943,292	4,014,564	4,088,837	4,162,648	4,259,064	4,332,284	4,408,089	4,484,034	4,561,254
25	Tax Rate	35.00%														35.00%
26	ADIT @ 35%	(\$1,142,148)														(\$1,596,439)
27	Cumulative ADIT	(\$2,196,283)														(\$2,844,512)

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

Line No.	Previous Tax Years			Tax Year 2015 (part 1 of 2)										Tax Year 2015 (part 2 of 2)										Total Tax Year 2015																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
	2012			2013			2014			Vintage 2012			Vintage 2013			Vintage 2014			Vintage 2015			Vintage 2016			Vintage 2017			Vintage 2018			Vintage 2019			Total Tax Year 2015																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	TOTAL			TOTAL			TOTAL			3-Year MACRS			5-Year MACRS			7-Year MACRS			10-Year MACRS			Total			3-Year MACRS			5-Year MACRS			7-Year MACRS			10-Year MACRS			Total			Total Tax Year 2015																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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**Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR**

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

Note: <sup>(a)</sup> 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	<u>0.000%</u>
Income before Federal Income Tax	99.458%
Federal Income Tax (35% x 100%)	<u>34.810%</u>
Operating Income Percentage	<u><u>64.647%</u></u>
Gross Revenue Conversion Factor (1/0.6500)	<u><u>1.546853</u></u>

**Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR**

<b>Line No.</b>	<b>Depreciable Plant Basis</b>	<b>Plant Account</b>	<b>Balance at 12/31/2015</b>	<b>Depreciation Rate</b>	<b>Annualized Depreciation</b>
	Total Rider AU Revenue Requirement				
1	Intangible Gas	20300	1,483,193	20.00%	296,639
2	Electronic Data Processing Equip Gas	29101	67,359	20.00%	13,472
3	Communication Equipment Gas	29700	12,937,396	6.67%	862,924
4	Leased AMI Meters	17001	9,527,398	6.67%	635,477
5	Communication Equipment Common	19700	16,616,561	6.67%	1,108,325
6	Total		<u>\$40,631,907</u>		<u>\$2,916,837</u>
 <u>Annualized Depreciation Associated with PMO and Common Plant Additions</u>					
7	Intangible Gas	20300	1,483,193	20.00%	296,639
8	Electronic Data Processing Equip Gas	29101	0	20.00%	0
9	Communication Equipment Gas	29700	1,251,844	6.67%	83,498
10	Leased AMI Meters	17001	9,527,398	6.67%	635,477
11	Communication Equipment Common	19700	16,616,561	6.67%	1,108,325
12	Total		<u>\$28,878,996</u>		<u>\$2,123,939</u>

**Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR**

<u>Line No.</u>	<u>Regulatory Asset Deferrals</u>	<u>Balance at 12/31/2015</u>	<u>Amortization Rate</u>	<u>Annualized Amortization</u>
	Total Rider AU Revenue Requirement			
1	018636x Intangible Gas	138,319	20.00%	27,664
2	018636x Electronic Data Processing Equip Gas	6,888	20.00%	1,378
3	018636x Communication Equipment Gas	1,423,556	6.67%	94,951
4	018636x Leased AMI Meters	950,353	6.67%	63,389
5	018636x Communication Equipment Common	1,568,274	6.67%	104,604
6	Total	<u>\$4,087,390</u>		<u>\$291,986</u>

Annualized Amortization of PISCC Associated with PMO and Common Plant

	Total Rider AU Revenue Requirement			
7	018636x Intangible Gas	138,319	20.00%	27,664
8	018636x Electronic Data Processing Equip Gas	0	20.00%	0
9	018636x Communication Equipment Gas	129,068	6.67%	8,609
10	018636x Leased AMI Meters	950,353	6.67%	63,389
11	018636x Communication Equipment Common	1,568,274	6.67%	104,604
12	Total	<u>\$2,786,014</u>		<u>\$204,266</u>

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 16-0794-GA-RDR

Line No.	Account	Description	Balance at 12/31/2014	Adj (1)	Adjusted Balance at 12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015	Balance at 12/31/2015
		Regulatory Asset--Deferred O&M Expenses																
1	182362	O&M - Meter, Communication, & Info Tech	\$1,784,641	\$25,287	\$1,809,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,809,928
2	182362	Common O&M - Meter, Communication, & Info Tech	7,912,074	0	7,912,074	50,303	51,276	504,493	48,458	67,118	69,815	\$69,045	\$91,295	\$67,746	\$70,026	\$69,855	\$70,820	9,142,325
3	182362	PMO O&M	1,115,365	0	1,115,365	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	1,115,365
4	18236x	Book Depreciation	1,059,712	0	1,059,712	0	(60)	(820)	(673)	(674)	(674)	(674)	(828)	(828)	(828)	(828)	(828)	1,051,997
5	18236x	Book Depreciation - Common	1,216,371	0	1,216,371	0	15	206	33	33	33	33	52	52	5	5	5	1,216,843
6		Total	\$13,088,163	\$25,287	\$13,113,450	\$50,303	\$51,231	\$503,879	\$47,818	\$66,477	\$69,174	\$68,404	\$90,519	\$66,970	\$69,203	\$69,032	\$69,997	\$14,336,458
7		Cumulative--Regulatory Asset--Deferrals	\$13,088,163		\$13,113,450	\$13,163,753	\$13,214,984	\$13,718,863	\$13,766,682	\$13,833,159	\$13,902,333	\$13,970,737	\$14,061,256	\$14,128,226	\$14,197,429	\$14,266,462	\$14,336,458	
		Regulatory Asset--Amortization																
8	407xxx	Deferred O&M Costs	\$305,228		\$305,228	\$11,711	\$11,711	\$11,711	\$1,373	\$1,373	\$1,373	\$1,373	\$1,373	\$1,373	\$1,373	\$1,373	\$1,373	\$352,718
9	407xxx	Deferred O&M - Common and PMO Costs	7,733,856		7,733,856	130,651	130,651	130,651	133,701	133,701	133,701	133,701	133,701	133,701	133,701	133,701	\$133,701	9,329,118
10	407xxx	Book Depreciation	789,654		789,654	14,193	14,193	14,193	21,896	21,896	21,896	21,896	21,896	21,896	21,896	21,896	\$21,896	1,029,297
11	407xxx	Book Depreciation - Common	613,351		613,351	14,003	14,003	14,003	36,031	36,031	36,031	36,031	36,031	36,031	36,031	36,031	\$36,031	979,639
12		Total	\$9,442,089	\$0	\$9,442,089	\$170,558	\$170,558	\$170,558	\$193,001	\$193,001	\$193,001	\$193,001	\$193,001	\$193,001	\$193,001	\$193,001	\$193,001	\$11,690,772
13		Cumulative--Regulatory Asset--Amortization	\$9,442,089		\$9,442,089	\$9,612,647	\$9,783,205	\$9,953,763	\$10,146,764	\$10,339,765	\$10,532,766	\$10,725,767	\$10,918,768	\$11,111,769	\$11,304,770	\$11,497,771	\$11,690,772	
		Regulatory Asset--Deferred O&M Expenses Carrying Cost (2)																
14	182362	Deferred O&M Costs	\$86,033	\$0	\$86,033	6,487	6,487	6,487	5,559	5,559	5,559	5,559	5,559	5,559	5,559	5,559	5,559	155,525
15	182362	Deferred O&M - Common and PMO Costs	1,041,115	0	1,041,115	6,858	6,860	7,865	3,898	4,154	4,458	4,766	5,121	5,474	5,779	6,089	6,401	1,108,838
16	18236x	Book Depreciation	112,433	0	112,433	1,273	1,272	1,271	270	267	264	261	257	254	250	246	243	118,561
17	18236x	Book Depreciation - Common	101,320	0	101,320	2,670	2,670	2,671	905	905	905	905	905	906	906	906	906	117,480
18		Total	\$1,340,901	\$0	\$1,340,901	\$17,288	\$17,289	\$18,294	\$10,632	\$10,885	\$11,186	\$11,491	\$11,842	\$12,193	\$12,494	\$12,800	\$13,109	\$1,500,404
19		Cumulative--Regulatory Asset--Deferrals	\$1,340,901		\$1,340,901	\$1,358,189	\$1,375,478	\$1,393,772	\$1,404,404	\$1,415,289	\$1,426,475	\$1,437,966	\$1,449,808	\$1,462,001	\$1,474,495	\$1,487,295	\$1,500,404	
		Regulatory Assets--Total																
20	182362	Deferred O&M Costs	\$1,565,446	\$25,287	\$1,590,733	(\$5,224)	(\$5,224)	(\$5,224)	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$4,186	\$1,612,735
21	182362	Deferred O&M - Common and PMO Costs	2,334,698	0	2,334,698	(73,490)	(72,515)	381,707	(82,018)	(62,429)	(59,428)	(59,890)	(37,285)	(60,481)	(57,896)	(57,757)	(56,480)	2,037,410
22	18236x	Book Depreciation	382,491	0	382,491	(12,920)	(12,981)	(13,742)	(22,299)	(22,303)	(22,306)	(22,309)	(22,467)	(22,470)	(22,474)	(22,478)	(22,481)	141,261
23	18236x	Book Depreciation - Common	704,340	0	704,340	(11,333)	(11,318)	(11,126)	(35,093)	(35,093)	(35,093)	(35,093)	(35,074)	(35,073)	(35,120)	(35,120)	(35,120)	354,684
24		Total	\$4,986,975	\$25,287	\$5,012,262	(\$102,967)	(\$102,038)	\$351,615	(\$135,224)	(\$115,639)	(\$112,641)	(\$113,106)	(\$90,640)	(\$113,838)	(\$111,304)	(\$111,169)	(\$109,895)	\$4,146,090
25		Cumulative--Regulatory Asset--Total	\$4,986,975		\$5,012,262	\$4,909,295	\$4,807,257	\$5,158,872	\$5,023,649	\$4,908,010	\$4,795,369	\$4,682,263	\$4,591,623	\$4,477,785	\$4,366,481	\$4,255,313	\$4,145,417	
			<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>	Severance Costs By Year							
	182362	Deferred O&M Costs	\$38,462	\$0	\$0	\$154,663	\$128,347	\$209,353	\$1,253,816	\$1,784,641	2013	\$209,353	(1) - Severance accrued in previous yrs but not included in 2012 filing.					
	182362	Deferred O&M - Common and PMO Costs	\$0	\$1,037,092	\$2,884,359	\$2,268,582	\$1,315,647	\$1,272,802	\$248,957	\$9,027,439	2014	\$176,871						
	18236x	Book Depreciation	\$24,222	\$78,368	\$193,158	\$334,158	\$142,756	\$225,003	\$62,047	\$1,059,712	2015	\$25,287						
	18236x	Book Depreciation - Common	\$10,211	\$63,307	\$141,092	\$252,371	\$147,089	\$398,449	\$203,852	\$1,216,371								
			\$72,895	\$1,178,767	\$3,218,609	\$3,009,774	\$1,733,839	\$2,105,607	\$1,768,672	\$13,088,163								
											411,511 (2) - Included in O&M costs BUT excluded from Carrying Costs calculations							

(1) Severance accrued in 2012 but not paid until 2015

411,511 (2) - Included in O&M costs BUT excluded from Carrying Costs calculations

Line No.	Account	Description	Balance at 12/31/2014	Adj (1)	Adjusted Balance at 12/31/2014	1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015	Balance at 12/31/2015
		<u>Regulatory Asset -- Deferred O&amp;M Expenses, Carrying Cost and Amortization Associated with PMO and Common Expenses</u>																
		Regulatory Asset--Deferred O&M Expenses																
26	182362	Common O&M - Meter, Communication, & Info Tech			\$7,912,074	\$50,303	\$51,276	\$504,493	\$48,458	\$67,118	\$69,815	\$69,045	\$91,295	\$67,746	\$70,026	\$69,855	\$70,820	\$9,142,325
27	182362	PMO O&M			1,115,365	0	0	0	0	0	0	0	0	0	0	0	0	1,115,365
28	18236x	Book Depreciation - PMO and Common			1,216,371	0	15	206	33	33	33	33	52	52	5	5	5	1,216,843
29		Total			<u>\$10,243,810</u>	<u>\$50,303</u>	<u>\$51,291</u>	<u>\$504,699</u>	<u>\$48,491</u>	<u>\$67,151</u>	<u>\$69,848</u>	<u>\$69,078</u>	<u>\$91,347</u>	<u>\$67,798</u>	<u>\$70,031</u>	<u>\$69,860</u>	<u>\$70,825</u>	<u>\$11,474,533</u>
30		Cumulative--Regulatory Asset--Deferrals			\$10,243,810	\$10,294,113	\$10,345,404	\$10,850,103	\$10,898,595	\$10,965,746	\$11,035,594	\$11,104,672	\$11,196,019	\$11,263,817	\$11,333,848	\$11,403,709	\$11,474,533	
		Regulatory Asset--Amortization																
31	407xxx	Deferred O&M - Common and PMO Costs			\$7,733,856	\$130,651	\$130,651	\$130,651	\$133,701	\$133,701	\$133,701	\$133,701	\$133,701	\$133,701	\$133,701	\$133,701	\$133,701	\$9,329,118
32	407xxx	Book Depreciation - Common			613,351	14,003	14,003	14,003	36,031	36,031	36,031	36,031	36,031	36,031	36,031	36,031	36,031	\$979,639
33		Total			<u>8,347,207</u>	<u>144,654</u>	<u>144,654</u>	<u>144,654</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>169,732</u>	<u>\$10,308,757</u>
34		Cumulative--Regulatory Asset--Amortization			\$8,347,207	\$8,491,861	\$8,636,515	\$8,781,169	\$8,950,901	\$9,120,633	\$9,290,365	\$9,460,097	\$9,629,829	\$9,799,561	\$9,969,293	\$10,139,025	\$10,308,757	
		Regulatory Asset--Deferred O&M Expenses Carrying Cost																
35	182362	Deferred O&M - Common and PMO Costs			\$1,041,115	\$6,858	\$6,860	\$7,865	\$3,898	\$4,154	\$4,458	\$4,766	\$5,121	\$5,474	\$5,779	\$6,089	\$6,401	1,108,838
36	182368	Book Depreciation - PMO and Common			101,320	2,670	2,670	2,671	905	905	905	905	905	906	906	906	906	117,480
37		Total			<u>\$1,142,435</u>	<u>\$9,528</u>	<u>\$9,530</u>	<u>\$10,536</u>	<u>\$4,803</u>	<u>\$5,059</u>	<u>\$5,363</u>	<u>\$5,671</u>	<u>\$6,026</u>	<u>\$6,380</u>	<u>\$6,685</u>	<u>\$6,995</u>	<u>\$7,307</u>	<u>\$1,226,318</u>
38		Cumulative--Regulatory Asset--Deferrals			\$1,142,435	\$1,151,963	\$1,161,493	\$1,172,029	\$1,176,832	\$1,181,891	\$1,187,254	\$1,192,925	\$1,198,951	\$1,205,331	\$1,212,016	\$1,219,011	\$1,226,318	
		Regulatory Asset--Total																
39	182362	Deferred O&M - Common and PMO Costs			\$2,334,698	(\$73,490)	(\$72,515)	\$381,707	(\$81,345)	(\$62,429)	(\$59,428)	(\$59,890)	(\$37,285)	(\$60,481)	(\$57,896)	(\$57,757)	(\$56,480)	\$2,037,410
40	18236x	Book Depreciation - PMO and Common			704,340	(11,333)	(11,318)	(11,126)	(35,093)	(35,093)	(35,093)	(35,093)	(35,074)	(35,073)	(35,120)	(35,120)	(35,120)	354,684
41		Total			<u>\$3,039,038</u>	<u>(\$84,823)</u>	<u>(\$83,833)</u>	<u>\$370,581</u>	<u>(\$116,438)</u>	<u>(\$97,522)</u>	<u>(\$94,521)</u>	<u>(\$94,983)</u>	<u>(\$72,359)</u>	<u>(\$95,554)</u>	<u>(\$93,016)</u>	<u>(\$92,877)</u>	<u>(\$91,600)</u>	<u>\$2,392,094</u>
42		Cumulative--Regulatory Asset--Total			<u>\$3,039,038</u>	<u>\$2,954,215</u>	<u>\$2,870,382</u>	<u>\$3,240,963</u>	<u>\$3,124,526</u>	<u>\$3,027,004</u>	<u>\$2,932,483</u>	<u>\$2,837,500</u>	<u>\$2,765,141</u>	<u>\$2,669,587</u>	<u>\$2,576,571</u>	<u>\$2,483,695</u>	<u>\$2,392,094</u>	
		Carrying Cost Rate - Jan thru December			5.32%													

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Line No.		Vintage Year 2012		Vintage Year 2013		Vintage Year 2014		Vintage Year 2015		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	15-Year General Plant	30-Year Distribution Plant	
	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)									
	Total Rider AU Revenue Requirement									
1	Current Year Investment	\$11,142,306	\$866,164	\$15,199,289	\$7,988,510	\$3,431,193	\$675,242	(\$151,472)	(\$2,518)	\$39,148,714
2	Less: AFUDC In-Service	0	0	0	0	0	0	0	0	
3	Net Cost of Taxable Property	11,142,306	866,164	15,199,289	7,988,510	3,431,193	675,242	(151,472)	(2,518)	
4	Percent Good <sup>(a)</sup>	76.7%	88.3%	83.3%	91.7%	90.0%	95.0%	96.7%	98.3%	
5	True Value of Taxable Property (excluding PISCC)	8,546,149	764,823	12,661,008	7,325,464	3,088,074	641,480	(146,473)	(2,475)	
6	Valuation Percent	25%	25%	25%	25%	25%	25%	25%	25%	
7	Total Taxable Value	2,136,537	191,206	3,165,252	1,831,366	772,019	160,370	(36,618)	(619)	
8	Retired Net Taxable Plant End of Year (@ 15%)	-	-	-	-	-	-	-	-	
9	Net Property Tax Valuation	2,136,537	191,206	3,165,252	1,831,366	772,019	160,370	(36,618)	(619)	
10	Property Tax Expense	\$210,017	\$18,795	\$311,138	\$180,020	\$75,888	\$15,764	(\$3,599)	(\$61)	\$807,962
Annualized Property Taxes Associated with PMO and Common Plant										
11	Current Year Investment	\$5,782,911	\$866,164	\$9,203,235	\$7,988,510	\$2,976,075	\$675,242	(\$93,816)	(\$2,518)	\$27,395,803
12	Less: AFUDC In-Service	0	0	0	0	0	0	0	0	
13	Net Cost of Taxable Property	5,782,911	866,164	9,203,235	7,988,510	2,976,075	675,242	(93,816)	(2,518)	
14	Percent Good <sup>(a)</sup>	76.7%	88.3%	83.3%	91.7%	90.0%	95.0%	96.7%	98.3%	
15	True Value of Taxable Property (excluding PISCC)	4,435,493	764,823	7,666,295	7,325,464	2,678,468	641,480	(90,720)	(2,475)	
16	Valuation Percent	25%	25%	25%	25%	25%	25%	25%	25%	
17	Total Taxable Value	1,108,873	191,206	1,916,574	1,831,366	669,617	160,370	(22,680)	(619)	
18	Retired Net Taxable Plant End of Year (@ 15%)	-	-	-	-	-	-	-	-	
19	Net Property Tax Valuation	1,108,873	191,206	1,916,574	1,831,366	669,617	160,370	(22,680)	(619)	
20	Property Tax Expense	\$109,000	\$18,795	\$188,395	\$180,020	\$65,822	\$15,764	(\$2,229)	(\$61)	\$575,506
21	Ohio Property Tax Calculation:									
22	Average Property Tax Rate per \$1,000 of Valuation	\$98.298		\$98.298		\$98.298		\$98.298		

<sup>(a)</sup> From Gas Company Annual Report -  
Schedule C - 15 Year Class Life (General Plant)  
Schedule C - 30 Year Class Life (Distribution Plant)



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<b>Line No.</b>		<b>Incremental (Savings)</b>
1	Amount Per Stipulation in Case No.10-2326-GE-RDR	-5,502,000
	Amount included in base rates per Case No. 12-1685-GA-AIR	-2,026,000
	Net	-3,476,000

**Duke Energy Ohio  
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<b>Line No.</b>		<b>Total</b>	<b>Source</b>
	<b>Count Breakdown of Customer Bills</b>		
1	Combo Accounts - Gas & Electric	4,967,856	Internal Company Data
2	Gas Only	105,672	Internal Company Data
3	Total	5,073,528	
	<b>Revenue Requirement Breakdown</b>		
4	2015 Rider AU Revenue Requirement - Smart Grid	\$4,580,476	Schedule 1
5	Prior Year Undercollection	\$0	
6	Total Rider AU Revenue Requirement	\$4,580,476	
7	Rider AU Revenue Requirement - Combo Account Customers	\$2,608,744	Schedule 1A
8	Prior Year Undercollection	\$0	
9	Total Rider AU Revenue Requirement - Combo Account Customers	\$2,608,744	
10	Rider AU Revenue Requirement - shared by all customers	\$1,971,732	line 6 - line 9
	<b>Rider AU Charges per Bill</b>		
11	Portion shared by all accounts (Line 10/Line 3)	\$0.39	GAS ONLY ACCT RATE
12	Portion for Combo Accounts only (Line 9 /Line 1)	\$0.53	Credit for Gas Only customers
13	Total	\$0.92	Rider AU Rate for Gas\Elec Customers
	<b>Verification of Calculation</b>		
14	# of Combo Customers x Combo Rate	\$4,546,085	
15	# of Gas Only Customers x Gas Only Rate	\$41,212	
16		\$4,587,297	Total Rider AU Revenue Requirement

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

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**Case No(s). 16-0794-GA-RDR**

Summary: Application Application of Duke Energy Ohio, Inc., to Adjust Rider-AU for 2015 Grid Modernization Costs electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.