

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

**In the Matter of the Application  
of Duke Energy Ohio, Inc., to  
Adjust Rider AU for 2016 Gas  
Grid Modernization Costs.**

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Case No. 17-690-GA-RDR

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**APPLICATION OF DUKE ENERGY OHIO, INC.,  
TO ADJUST RIDER-AU FOR 2016 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 425,000 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 2016 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.

4. 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>

5. 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>

6. 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>

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. In April 2016, in Case No. 16-0794-GE-RDR, Duke Energy Ohio submitted its eighth annual second-quarter application for approval of the costs it incurred during 2015 for its deployment of grid modernization. Staff issued its Review and Recommendations in August, 2016 and recommended that the Application be approved as filed. The Commission issued its order in September, 2016.

14. Duke Energy Ohio hereby files its Application to adjust Rider AU to recover 2016 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 2016 with supporting schedules for the Company's request consistent with stipulations agreed to in prior cost recovery cases.

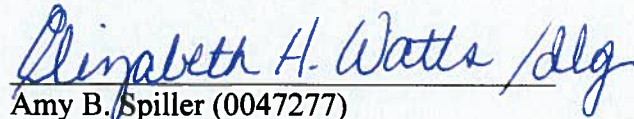
### **Conclusion**

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 /dlg". 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 AU for ) Case No. 17-690-GA-RDR  
2016 Gas Grid Modernization Costs. )

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**DIRECT TESTIMONY OF**

**PEGGY A. LAUB**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

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March 24, 2017

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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 (DEBS), an affiliate of  
6 Duke Energy Ohio, Inc. (Duke Energy Ohio, or the Company) as Director Rates  
7 & Regulatory Planning. DEBS provides various administrative and other services  
8 to Duke Energy Ohio and other affiliated companies of Duke Energy Corporation  
9 (Duke Energy).

10 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**  
11 **PROFESSIONAL EXPERIENCE.**

12 A. I received a Bachelor of Business Administration Degree with a major in  
13 accounting from the University of Cincinnati. I began my career with The  
14 Cincinnati Gas & Electric Company, the predecessor of Duke Energy Ohio, Inc.,  
15 in the Accounting Department. I worked in various departments including Tax,  
16 Regulated Business Unit's financial group and Fixed Assets. In May 2006,  
17 following the merger with Duke Energy Corporation, I transferred to the Midwest  
18 US Franchised Electric & Gas accounting group. In November 2008, I transferred  
19 to the Midwest wholesale accounting group as Manager of Wholesale and Bulk  
20 Power Marketing accounting. In May 2010, I transferred to the Rate Department  
21 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.

## II.    REVENUE REQUIREMENT CALCULATIONS

11   **Q.    PLEASE DESCRIBE THE COMPONENTS OF THE REVENUE**  
12          **REQUIREMENTS INCLUDED IN RIDER AU.**

13   A.    The revenue requirement includes the following components:

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

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

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

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

1   **Q.    DESCRIBE THE COMPUTATION FOR DEPRECIATION AND**  
2       **PROPERTY TAX EXPENSES INCLUDED IN THE RIDER AU REVENUE**  
3       **REQUIREMENT.**

4    A.   Depreciation expense is annualized by using currently approved accrual rates and  
5       the depreciable gross plant for each plant type as of December 31, 2016.  
6       Similarly, property tax expense is annualized by applying the latest average  
7       property tax rates to the calculated property tax valuation as of December 31,  
8       2016.

9   **Q.    WHAT INCREMENTAL EXPENSES ARE INCLUDED IN THE**  
10       **REVENUE REQUIREMENT CALCULATIONS?**

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

16   **Q.    DO THE REVENUE REQUIREMENT CALCULATIONS REFLECT THE**  
17       **SAVINGS THAT DISTRIBUTION AUTOMATION AND SMARTGRID**  
18       **PROJECTS WILL GENERATE?**

19   A.   Yes. In the Order in Case No. 10-2326-GE-RDR, the Commission approved a  
20       stipulation that included an agreement by Duke Energy Ohio to establish an  
21       amount of savings to include in Rider AU. The amount of savings is reflected in  
22       Schedule 11 of my attachment.

### **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-1, 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       12, this credit amount is divided by the total number of gas bills to calculate the  
21       monthly credit for the 8,869 gas-only customers.

#### **IV. RIDER AU**

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

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

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

12   A.   Schedule 1, summarizes the annualized revenue requirement for Duke Energy  
13       Ohio's Rider AU rates. The underlying rate base reflects the net balance of the  
14       Company's investment in SmartGrid allocable to its gas distribution business as of  
15       December 31, 2016. The rate base shown is incremental to amounts in current rates.  
16       The information on this schedule is supported in Schedules 2 through 12. Schedule  
17       1A summarizes the credit to the annualized revenue requirement for the Company's  
18       gas only customers.

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

20   A.   Schedule 2 provides the adjusted balance of plant additions at December 31, 2015,  
21       and the actual plant additions by month from January 1, 2016, through December  
22       31, 2016 to arrive at the balance as of December 31, 2016.

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

2    A.    Schedule 3 provides the adjusted balance of the PISCC regulatory asset not  
3           included in base rates at December 31, 2015, and the PISCC activity by month  
4           from January, 2016, through December 31, 2016, to arrive at the balance as of  
5           December 31, 2016. This schedule also provides actual PISCC amortization by  
6           month from January 1, 2016, through December 31, 2016, to calculate the balance  
7           at December 31, 2016. The net gas PISCC regulatory asset for the periods is also  
8           provided.

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

10   A.    Schedule 4 provides the balance of gas PISCC and O&M net deferred tax balance  
11           at December 31, 2015, and December 31, 2016.

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

13   A.    Schedule 5 provides the calculation of the deferred taxes on liberalized  
14           depreciation for plant placed into service after March 31, 2012.

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

16   A.    Schedule 6 provides the calculation of the pre-tax weighted average cost of capital  
17           for the return component of the Rider AU revenue requirement calculation. The  
18           capital structure and the capital cost rates are from the most recently approved gas  
19           distribution rate case, Case No. 12-1685-GA-AIR, *et al.*

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

21   A.    Schedule 7 provides the calculation of the annualized depreciation expense  
22           associated with additions, based on actual gas-related SmartGrid plant additions

1 from April 1, 2012 through December 31, 2016, using currently approved  
2 depreciation accrual rates.

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

4 A. Schedule 8 provides a calculation of the annualized amortization of the PISCC  
5 accrued from April 1, 2012 through December 31, 2016. The gas-related PISCC  
6 Regulatory Assets by account are in agreement with those provided on Schedule 4  
7 and the amortization calculations use the currently approved average service lives.

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

9 A. Schedule 9 is a schedule providing the calculation of the regulatory asset  
10 associated with the deferral of O&M and depreciation costs pursuant to the  
11 Stipulation approved in the prior filing, Case No. 09-543-GE-RDR.

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

13 A. Schedule 10 provides the calculation of the annualized property tax expense based  
14 on actual additions to gas-related SmartGrid plant in service from April 1, 2012  
15 through December 31, 2016. This calculation follows the process used in Duke  
16 Energy Ohio's Annual Report to the Ohio Department of Taxation to determine  
17 the Net Property Valuation and uses the latest known average gas property tax  
18 rate per \$1,000 of valuation.

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

20 A. Schedule 11 provides for the savings and reduction agreed to in our Order in Case  
21 No.10-2326-GE-RDR. In the Order the Company agreed to a \$5,502,000 in  
22 savings in the 2016 revenue requirements. We have netted this amount with the

1 amount of \$2,026,000 in our base rates in Case No. 12-1685-GA-AIR, resulting in  
2 a \$3,476,000 savings reduction in this filing.

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

4 A. Schedule 12 provides the new Rider AU monthly charge per customer. Because  
5 the Company is proposing to allocate the Rider AU revenue requirement based on  
6 number of bills (*i.e.*, customers x 12), the Rider AU monthly rate shown on  
7 Schedule 12 is for all customers. The allocated revenue requirement is divided by  
8 the total number of bills. The result is a per bill charge of \$.80 for Rider AU for  
9 all customers. The per bill credit amount of \$.45 for the Company's gas only  
10 customers is also calculated on this schedule.

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

14 A. Yes.

15 **Q. PLEASE STATE YOUR OPINION.**

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

#### V. OTHER ISSUES

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

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

**VI. CONCLUSION**

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

3   **A.    Yes.**

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

6   **A.    Yes.**

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

8   **A.    Yes.**

**Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Attachment PAL-1  
Index of Schedules**

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

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Revenue Requirement

Line No.		Balance 12/31/2015	Adjustment	Adjusted Balance 12/31/2015	Activity 2016	Cumulative thru 12/31/16	Reference
<b>Return on Investment</b>							
1	Total Rider AU Revenue Requirement						
2	Additions	\$40,631,907	\$0	\$40,631,907	\$0	\$40,631,907	Schedule 2
	Total Plant In-Service	40,631,907	0	40,631,907	0	40,631,907	
Less: Accumulation Provision for Depreciation							
3	Depreciation Expense	7,496,837		7,496,837			
4	Total Accumulated Provision for Depreciation	7,496,837	0	7,496,837	2,916,837	10,413,674	
					2,916,837	10,413,674	
5	Net Regulatory Asset—Post In-Service Carrying Cost	3,982,816	0	3,982,816	88,855	4,071,671	Schedule 3
6	Net Deferred Tax Balance—PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(3,931,560)	0	(3,931,560)	(444,045)	(4,375,605)	Schedule 4
7	Deferred Taxes on Liberalized Depreciation	(8,357,146)		(8,357,146)	213,990	(8,143,156)	Schedule 5
8	Net Rate Base	24,829,180	0	24,829,180	(3,058,037)	21,771,143	
9	Approved Pre-tax Rate of Return					10.60%	Schedule 6
10	Annualized Return on Rate Base					2,307,741	
<b>Operating Expenses</b>							
11	Annualized Provision for Depreciation For Additions				2,916,837	2,916,837	Schedule 7
12	Annualized Amortization of PISCC				314,173	314,173	Schedule 8
13	Deferred O&M Expense and Carrying Costs				1,179,848	1,179,848	Schedule 9
14	Annualized Property Tax Expense				784,922	784,922	Schedule 10
15	Reduction in Operation & Maintenance Expense				(3,476,000)	(3,476,000)	Schedule 11
16	Annualized Revenue Requirement - Smart Grid				1,719,780	4,027,521	

**Duke Energy Ohio**  
**Calculation of Rider AU Gas Only Customer Credit**  
**Case No. 17-690-GA-RDR**  
**Revenue Requirement (Credit)**

Line No.		Adjusted Balance 12/31/2015	Activity 2016	Cumulative thru 12/31/16	Reference
<b><u>Return on Investment</u></b>					
1	Total Rider AU Revenue Requirement				
2	Additions	\$28,878,996	\$0	\$28,878,996	Schedule 2
	Total Plant In-Service	28,878,996	0	28,878,996	
3	Less: Accumulation Provision for Depreciation				
4	Depreciation Expense	5,196,626	2,123,939	7,320,565	
	Total Accumulated Provision for Depreciation	5,196,626	2,123,939	7,320,565	
5	Net Regulatory Asset--Post In-Service Carrying Cost	2,724,703	70,058	2,794,760	Schedule 3
6	Net Deferred Tax Balance--PISCC, Deferred Depreciation & CC and Deferred O&M & CC	(2,844,512)	(433,165)	(3,277,677)	Schedule 4
7	Deferred Taxes on Liberalized Depreciation	(5,954,759)	171,476	(5,783,283)	Schedule 5
8	Net Rate Base	17,607,802	(2,315,570)	15,292,231	
9	Approved Pre-tax Rate of Return			10.60%	Schedule 6
10	Annualized Return on Rate Base			1,620,977	
<b><u>Operating Expenses</u></b>					
11	Annualized Provision for Depreciation For Additions		2,123,939	2,123,939	Schedule 7
12	Annualized Amortization of PISCC		220,628	220,628	Schedule 8
13	Deferred O&M Expense and Carrying Costs		1,167,557	1,167,557	Schedule 9
14	Annualized Property Tax Expense		570,444	570,444	Schedule 10
15	Reduction in Operation & Maintenance Expense		(3,476,000)	(3,476,000)	Schedule 11
16	Annualized Revenue Requirement - Smart Grid Credit		606,568	2,227,545	
				1,915,357	

[illegible]

		Approved Additions Previous Rider Filings (cumulative)																		
		2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030																		
		11,553,555 13,043,288 1,481,188 553,985 32,877 8,854,874 9,529,918 13,823,097 16,616,141																		
		2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030																		
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5.32%

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-490-GA-RDR  
Net Deferred Tax Balance - PISCC and O&M

Line No.	Net Deferred Tax Balance - PISCC	Balance at 12/31/2015	Adjustment	Adjusted Balance at 12/31/2015	1/31/2016	2/28/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	#
Total Rider AU Revenue Requirement																	
1	Ending Balance per Schedule 3	\$3,952,816															
2	Tax Rate	35.00%															
3	Cumulative ADIT @ 35%	(\$1,363,966)															\$4,071,871
																	35.00%
																	(\$1,425,085)
Net Deferred Tax Balance - Deferred Depreciation and Carryino Cost																	
4	Beginning Balance	\$1,342,128			\$1,342,128	\$1,343,275	\$1,344,422	\$1,345,569	\$1,345,537	\$1,345,505	\$1,345,473	\$1,345,441	\$1,345,409	\$1,345,377	\$1,345,345	\$1,345,313	
5	Monthly Activity				1,147	1,147	1,147		(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	
6	Ending Balance				\$1,342,128	\$1,343,275	\$1,344,422	\$1,345,569	\$1,345,537	\$1,345,505	\$1,345,473	\$1,345,441	\$1,345,409	\$1,345,377	\$1,345,345	\$1,345,313	
7	Tax Rate	35.00%															
8	Cumulative ADIT @ 35%	(\$469,745)															
Net Deferred Tax Balance - Deferred O&M and Carryino Cost																	
9	Beginning Balance	\$5,908,083			\$5,908,083	6,444,938	6,501,182	6,561,070	6,614,008	6,666,255	6,716,928	6,770,468	6,837,500	6,896,702	6,953,436	7,009,281	
10	Monthly Activity				536,855	58,244	59,886	52,247	52,247	55,855	55,855	59,124	59,112	59,112	59,112	59,112	
11	Ending Balance				\$5,908,083	6,444,938	6,501,182	6,561,070	6,614,008	6,666,255	6,716,928	6,770,468	6,837,500	6,896,702	6,953,436	7,009,281	
12	Tax Rate	35.00%															
13	Cumulative ADIT @ 35%	(\$2,067,828)															
																	35.00%
																	(\$2,478,672)
Net Deferred Tax Balance - PISCC Associated with PMO and Common Plant																	
14	Ending Balance per Schedule 3	\$2,724,703															
15	Tax Rate	35.00%															
16	Cumulative ADIT @ 35%	(\$953,846)															
																	(\$4,375,605)
																	\$2,794,760
																	35.00%
																	(\$978,166)
Net Deferred Tax Balance - Deferred Depreciation and Carryino Cost Associated with PMO and Common Plant																	
17	Beginning Balance	\$841,221															
18	Monthly Activity				808	808	808	808	808	808	808	808	808	808	808	808	
19	Ending Balance				\$841,221	\$842,127	\$843,033	\$843,939	\$843,941	\$843,943	\$843,945	\$843,947	\$843,949	\$843,951	\$843,953	\$843,955	
20	Tax Rate	35.00%															
21	Cumulative ADIT @ 35%	(\$284,427)															
																	35.00%
																	(\$285,385)
Net Deferred Tax Balance - Deferred O&M and Carryino Cost Associated with PMO and Common Plant																	
22	Beginning Balance	\$4,561,254															
23	Monthly Activity				532,887	52,288	55,930	52,138	52,247	52,671	52,671	52,671	52,671	52,671	52,671	52,671	
24	Ending Balance				\$4,561,254	5,094,151	5,148,437	5,202,387	5,255,305	5,307,552	5,360,223	5,420,763	5,478,887	5,537,999	5,594,733	5,650,588	
25	Tax Rate	35.00%															
26	ADIT @ 35%	(\$1,596,439)															
27	Cumulative ADIT	(\$2,844,512)															
																	35.00%
																	(\$2,004,126)
																	(\$3,277,677)

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





Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Approved Rate of Return <sup>(a)</sup>

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: <sup>(a)</sup> Per Stipulation approved in Case No. 12-1685-GA-AIR.

Income before Income Tax  
Less: Uncollectible accounts Expenses  
Less: State Income Tax  
Income before Federal Income Tax  
Federal Income Tax (35% x 100%)

100.000%  
0.5425%  
0.000%  
99.458%  
34.810%

Operating Income Percentage

64.647%

Gross Revenue Conversion Factor (1/0.6500)

1.546853

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Annualized Depreciation Expense on Plant in Service at Year End

Line No.	Depreciable Plant Basis	Plant Account	Balance at 12/31/2016	Depreciation Rate	Annualized Depreciation
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>
Annualized Depreciation Associated with PMO and Common Plant Additions					
7	Intangible Gas	20300	1,483,193	20.00%	296,639
8	Communication Equipment Gas	29700	1,251,844	6.67%	83,498
9	Leased AMI Meters	17001	9,527,398	6.67%	635,477
10	Communication Equipment Common	19700	16,616,561	6.67%	1,108,325
11	Total		<u>\$28,878,996</u>		<u>\$2,123,939</u>

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Annualized Amortization of PISCC

Line No.	Regulatory Asset Deferrals	Balance at 12/31/2016	Amortization Rate	Annualized Amortization
	Total Rider AU Revenue Requirement			
1	018636x Intangible Gas	158,355	20.00%	31,671
2	018636x Electronic Data Processing Equip Gas	7,720	20.00%	1,544
3	018636x Communication Equipment Gas	1,512,855	6.67%	100,907
4	018636x Leased AMI Meters	1,009,934	6.67%	67,363
5	018636x Communication Equipment Common	1,689,482	6.67%	112,688
6	Total	<u>\$4,378,346</u>		<u>\$314,173</u>

Annualized Amortization of PISCC Associated with PMO and Common Plant

	Total Rider AU Revenue Requirement			
7	018636x Intangible Gas	158,355	20.00%	31,671
8	018636x Electronic Data Processing Equip Gas	0	20.00%	0
9	018636x Communication Equipment Gas	133,521	6.67%	8,906
10	018636x Leased AMI Meters	1,009,934	6.67%	67,363
11	018636x Communication Equipment Common	1,689,482	6.67%	112,688
12	Total	<u>\$2,991,292</u>		<u>\$220,628</u>

Line No.	Account Description	Balance at 12/31/2015	Adjustment	Adjusted Balance at 12/31/2015	1/31/2016	2/28/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	Balance at 12/31/2016
Regulatory Asset--Deferred O&M Expenses																	
1	182362 O&M - Meter, Communication, & Info Tech	\$1,809,928	\$0	\$1,809,928													\$1,809,928
2	Common O&M - Meter, Communication, & Info Tech	9,142,325	0	9,142,325	525,175	43,304	46,748	44,657	43,770	44,000	\$51,657	\$49,018	\$49,787	\$47,194	\$46,108	\$95,492	\$1,199,235
3	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	Book Depreciation	1,051,997		1,051,997													1,051,997
5	Book Depreciation - Common	1,216,843		1,216,843													1,216,843
6	Total	\$14,336,458	\$0	\$14,336,458	\$525,175	\$43,304	\$46,748	\$44,657	\$43,770	\$44,000	\$51,657	\$49,018	\$49,787	\$47,194	\$46,108	\$95,492	\$15,393,368
7	Cumulative--Regulatory Asset--Deferrals	\$14,336,458		\$14,336,458	\$14,861,633	\$14,904,937	\$14,951,685	\$14,996,342	\$15,040,112	\$15,084,112	\$15,135,789	\$15,184,787	\$15,234,574	\$15,281,768	\$15,327,876	\$15,383,368	
Regulatory Asset--Amortization																	
8	407xxx Deferred O&M Costs	\$352,718		\$352,718	\$1,373	\$1,373	\$1,373	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$1,202,549
9	Deferred O&M - Common and PMO Costs	9,329,118		9,329,118	133,701	133,701	133,701	28,195	28,195	28,195	28,195	28,195	28,195	28,195	28,195	\$28,195	9,983,976
10	Book Depreciation	1,029,297		1,029,297	21,896	21,896	21,896	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431	\$6,431	1,152,864
11	Book Depreciation - Common	979,639		979,639	36,031	36,031	36,031	19,163	19,163	19,163	19,163	19,163	19,163	19,163	19,163	\$19,163	1,290,199
12	Total	\$11,690,772	\$0	\$11,690,772	\$193,001	\$193,001	\$193,001	\$147,757	\$147,757	\$147,757	\$147,757	\$147,757	\$147,757	\$147,757	\$147,757	\$147,757	\$13,599,598
13	Cumulative--Regulatory Asset--Amortization	\$11,690,772		\$11,690,772	\$11,883,773	\$12,076,774	\$12,269,775	\$12,417,532	\$12,565,289	\$12,713,046	\$12,860,803	\$13,008,560	\$13,156,317	\$13,304,074	\$13,451,831	\$13,599,598	
Regulatory Asset--Deferred O&M Expenses Carrying Cost (2)																	
14	182362 Deferred O&M Costs	\$155,525	\$0	\$155,525	3,958	3,958	3,958	0	0	0	0	0	0	0	0	0	167,399
15	Deferred O&M - Common and PMO Costs	1,108,838	0	1,108,838	7,722	8,982	9,182	8,281	8,477	8,671	8,883	9,106	9,325	9,540	9,747	9,995	1,216,749
16	Book Depreciation	118,561	0	118,561	241	241	241	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	118,978
17	Book Depreciation - Common	117,480	0	117,480	906	906	906	2	2	2	2	2	2	2	2	2	120,216
18	Total	\$1,500,404	\$0	\$1,500,404	\$12,827	\$14,087	\$14,287	\$8,249	\$8,445	\$8,639	\$8,851	\$9,074	\$9,293	\$9,508	\$9,715	\$9,963	\$1,623,342
19	Cumulative--Regulatory Asset--Deferrals	\$1,500,404		\$1,500,404	\$1,513,231	\$1,527,318	\$1,541,605	\$1,549,854	\$1,558,299	\$1,566,938	\$1,575,789	\$1,584,863	\$1,594,156	\$1,603,664	\$1,613,379	\$1,623,342	
Regulatory Assets--Total																	
20	182362 Deferred O&M Costs	\$1,612,735	\$0	\$1,612,735	\$2,585	\$2,585	\$2,585	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$93,968	\$774,778
21	Deferred O&M - Common and PMO Costs	2,037,410	0	2,037,410	395,196	(81,415)	(77,771)	24,743	24,052	24,476	32,345	29,929	30,917	28,539	27,660	47,262	2,547,373
22	Book Depreciation	141,261	0	141,261	(21,655)	(21,655)	(21,655)	(6,465)	(6,465)	(6,465)	(6,465)	(6,465)	(6,465)	(6,465)	(6,465)	(6,465)	18,111
23	Book Depreciation - Common	354,684	0	354,684	(35,125)	(35,125)	(35,125)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	76,860
24	Total	\$4,146,090	\$0	\$4,146,090	\$345,001	(\$135,610)	(\$131,966)	(\$84,851)	(\$95,542)	(\$95,118)	(\$87,249)	(\$89,665)	(\$88,677)	(\$91,055)	(\$91,934)	(\$72,302)	\$3,417,122
25	Cumulative--Regulatory Asset--Total	\$4,146,090		\$4,146,090	\$4,491,091	\$4,355,481	\$4,223,515	\$4,128,664	\$4,033,122	\$3,938,004	\$3,850,755	\$3,761,090	\$3,672,413	\$3,581,358	\$3,489,424	\$3,417,122	
Severance Costs By Year																	
182362	Deferred O&M Costs	\$38,462	\$0	\$38,462	\$154,663	\$128,347	\$209,353	\$1,253,816	\$25,287	Total	\$1,809,928	2013	\$208,353	(1) - Severance accrued in prev yrs but not incl in 2012 filing.			
182362	Deferred O&M - Common and PMO Costs	\$0	\$1,037,092	\$2,884,359	\$2,266,582	\$1,315,647	\$1,272,802	\$248,957	\$1,230,251	\$10,257,890	2014	\$176,871					
18236x	Book Depreciation	\$24,222	\$78,368	\$183,158	\$334,158	\$142,756	\$62,047	\$62,047	(\$7,715)	\$25,003	2015	\$25,287					
18236x	Book Depreciation - Common	\$12,815	\$63,307	\$141,092	\$252,371	\$147,089	\$398,448	\$203,852	\$472	\$1,216,843	411,511	(2) - Incl in O&M costs BUT exld from Carrying Costs calcs					
		\$70,895	\$1,178,767	\$3,218,609	\$1,733,839	\$2,105,672	\$1,248,295	\$1,788,672	\$1,248,295	\$14,336,458							

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-890-GA-RDR  
Regulatory Asset - Deferred O&M Expenses, Carrying Cost and Amortization

Line No.	Account	Description	Balance at 12/31/2015	Adjusted Balance at 12/31/2015	1/31/2016	2/29/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	Balance at 12/31/2016
Regulatory Asset--Deferred O&M Expenses, Carrying Cost and Amortization Associated with PMO and Common Expenses																	
26	182362	Regulatory Asset--Deferred O&M Expenses															
27	182362	Common O&M - Meter, Communication, & Info Tech			\$43,304	\$43,304	\$46,748	\$44,657	\$43,770	\$44,000	\$51,657	\$49,018	\$49,787	\$47,194	\$46,108	\$65,492	\$10,195,235
28	18236x	PMO O&M		1,115,365	0	0	0	0	0	0	0	0	0	0	0	0	1,115,365
29	18236x	Book Depreciation - PMO and Common		1,216,843	0	0	0	0	0	0	0	0	0	0	0	0	1,216,843
		Total		\$11,474,533	\$525,175	\$43,304	\$46,748	\$44,657	\$43,770	\$44,000	\$51,657	\$49,018	\$49,787	\$47,194	\$46,108	\$65,492	\$12,531,443
30		Cumulative--Regulatory Asset--Deferrals		\$11,474,533	\$11,999,708	\$12,043,012	\$12,089,760	\$12,134,417	\$12,178,187	\$12,222,187	\$12,273,844	\$12,322,862	\$12,372,649	\$12,419,843	\$12,465,951	\$12,531,443	
Regulatory Asset--Amortization																	
31	407xxx	Deferred O&M - Common and PMO Costs		\$9,329,118	\$133,701	\$133,701	\$133,701	\$28,195	\$28,195	\$28,195	\$28,195	\$28,195	\$28,195	\$28,195	\$28,195	\$28,195	\$9,983,976
32	407xxx	Book Depreciation - Common		979,639	36,031	36,031	36,031	19,163	19,163	19,163	19,163	19,163	19,163	19,163	19,163	19,163	\$1,260,199
33		Total		10,308,757	169,732	169,732	169,732	47,358	47,358	47,358	47,358	47,358	47,358	47,358	47,358	47,358	\$11,244,175
34		Cumulative--Regulatory Asset--Amortization		\$10,308,757	\$10,478,489	\$10,648,221	\$10,817,953	\$10,985,311	\$10,912,669	\$10,960,027	\$11,007,385	\$11,054,743	\$11,102,101	\$11,149,459	\$11,196,817	\$11,244,175	
Regulatory Asset--Deferred O&M Expenses Carrying Cost																	
35	182362	Deferred O&M - Common and PMO Costs		\$1,108,838	\$7,722	\$8,982	\$9,182	\$8,281	\$8,477	\$8,671	\$8,883	\$9,106	\$9,325	\$9,540	\$9,747	\$9,995	1,216,749
36	182368	Book Depreciation - PMO and Common		117,480	906	906	906	2	2	2	2	2	2	2	2	2	120,216
37		Total		\$1,226,318	\$8,628	\$9,888	\$10,088	\$8,283	\$8,479	\$8,673	\$8,885	\$9,108	\$9,327	\$9,542	\$9,749	\$9,997	\$1,336,965
38		Cumulative--Regulatory Asset--Deferrals		\$1,226,318	\$1,234,946	\$1,244,834	\$1,254,922	\$1,265,205	\$1,271,684	\$1,280,357	\$1,289,242	\$1,298,350	\$1,307,677	\$1,317,219	\$1,326,968	\$1,336,965	
Regulatory Asset--Total																	
39	182362	Deferred O&M - Common and PMO Costs		\$2,037,410	\$999,196	(\$81,415)	(\$77,771)	\$24,743	\$24,052	\$24,476	\$32,345	\$29,929	\$30,917	\$28,539	\$27,660	\$47,292	\$2,547,373
40	18236x	Book Depreciation - PMO and Common		354,884	(35,125)	(35,125)	(35,125)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	(19,161)	76,860
41		Total		\$2,392,094	\$964,071	(\$116,540)	(\$112,896)	\$5,582	\$4,891	\$5,315	\$13,184	\$10,768	\$11,756	\$9,378	\$8,499	\$28,131	\$2,624,233
42		Cumulative--Regulatory Asset--Total		\$2,392,094	\$2,756,165	\$2,639,625	\$2,526,729	\$2,532,311	\$2,537,202	\$2,542,517	\$2,555,701	\$2,566,469	\$2,578,225	\$2,587,603	\$2,596,102	\$2,624,233	

Carrying Cost Rate - Jan thru December 5.32%

Duke Energy Ohio  
Calculation of Rider AU  
Case No. 17-580-GA-RDR  
Annualized Property Taxes

Line No.	Property Tax Expense (Amounts Exclude Post-In-Service Curricula Costs)	Vintage Year 2012			Vintage Year 2013			Vintage Year 2014			Vintage Year 2015			Total
		16-Year General Plant	30-Year Distribution Plant	16-Year General Plant	30-Year Distribution Plant	16-Year General Plant	30-Year Distribution Plant	16-Year General Plant	30-Year Distribution Plant	16-Year General Plant	30-Year Distribution Plant	16-Year General Plant	30-Year Distribution Plant	
1	Total Rider AU Revenue Requirement	\$11,550,525	\$886,164	\$15,345,055	\$7,988,510	\$4,358,406	\$675,242	\$4,358,406	\$675,242	\$4,358,406	\$675,242	\$4,358,406	\$675,242	\$40,031,807
2	Current Year Investment	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: AFUDC In-Service	11,550,525	886,164	15,345,055	7,988,510	4,358,406	675,242	4,358,406	675,242	4,358,406	675,242	4,358,406	675,242	(2,518)
4	Net Cost of Taxable Property	70.0%	85.0%	76.7%	86.3%	83.3%	91.7%	83.3%	91.7%	83.3%	91.7%	83.3%	91.7%	95.0%
5	Percent Good <sup>(a)</sup>													
6	True Value of Taxable Property (excluding PISCC)	8,085,368	738,239	11,769,857	7,053,854	3,630,552	619,187	3,630,552	619,187	3,630,552	619,187	3,630,552	619,187	(2,392)
7	Valuation Percent	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
8	Total Taxable Value	2,021,342	184,060	2,942,414	1,763,484	907,838	154,799	907,838	154,799	907,838	154,799	907,838	154,799	(598)
9	Net Property Tax Valuation	2,021,342	184,060	2,942,414	1,763,484	907,838	154,799	907,838	154,799	907,838	154,799	907,838	154,799	(598)
10	Property Tax Expense	\$109,836	\$18,197	\$290,898	\$174,341	\$89,732	\$15,304	\$89,732	\$15,304	\$89,732	\$15,304	\$89,732	\$15,304	\$784,922
Annualized Property Taxes Associated with PMS and Common Plant														
10	Current Year Investment	\$9,191,130	\$486,164	\$9,349,001	\$7,988,510	\$3,903,288	\$675,242	\$3,903,288	\$675,242	\$3,903,288	\$675,242	\$3,903,288	\$675,242	\$28,878,988
11	Less: AFUDC In-Service	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Net Cost of Taxable Property	9,191,130	486,164	9,349,001	7,988,510	3,903,288	675,242	3,903,288	675,242	3,903,288	675,242	3,903,288	675,242	(2,518)
13	Percent Good <sup>(a)</sup>	70.0%	85.0%	76.7%	86.3%	83.3%	91.7%	83.3%	91.7%	83.3%	91.7%	83.3%	91.7%	95.0%
14	True Value of Taxable Property (excluding PISCC)	4,333,791	738,239	7,170,884	7,053,854	3,251,439	619,187	3,251,439	619,187	3,251,439	619,187	3,251,439	619,187	(2,392)
15	Valuation Percent	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
16	Total Taxable Value	1,083,448	184,060	1,792,871	1,763,484	812,860	154,799	812,860	154,799	812,860	154,799	812,860	154,799	(598)
17	Net Property Tax Valuation	1,083,448	184,060	1,792,871	1,763,484	812,860	154,799	812,860	154,799	812,860	154,799	812,860	154,799	(598)
18	Property Tax Expense	\$107,113	\$18,197	\$177,229	\$174,341	\$89,732	\$15,304	\$89,732	\$15,304	\$89,732	\$15,304	\$89,732	\$15,304	\$570,444

19 Ohio Property Tax Calculation:  
20 Average Property Tax Rate per \$1,000 of Valuation

\$98.863

\$98.863

\$98.863

Note: Software is now subject to property tax in the state of Ohio

<sup>(a)</sup> 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. 17-690-GA-RDR  
Incremental O&M Savings

<u>Line No.</u>		<u>Incremental (Savings)</u>
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  
Calculation of Rider AU  
Case No. 17-690-GA-RDR  
Charge Per Bill

Line No.		Total	Source
<b>Count Breakdown of Customer Bills</b>			
1	Combo Accounts - Gas & Electric	4,990,176	Internal Company Data
2	Gas Only	106,428	Internal Company Data
3	Total	5,096,604	
<b>Revenue Requirement Breakdown</b>			
4	2015 Rider AU Revenue Requirement - Smart Grid	\$4,027,521	Schedule 1
5	Prior Year Undercollection	\$0	
6	Total Rider AU Revenue Requirement	\$4,027,521	
7	Rider AU Revenue Requirement - Combo Account Customers	\$2,227,545	Schedule 1A
8	Prior Year Undercollection	\$0	
9	Total Rider AU Revenue Requirement - Combo Account Customers	\$2,227,545	
10	Rider AU Revenue Requirement - shared by all customers	\$1,799,976	line 6 - line 9
<b>Rider AU Charges per Bill</b>			
11	Portion shared by all accounts (Line 10/Line 3)	\$0.35	GAS ONLY ACCT RATE
12	Portion for Combo Accounts only (Line 9 /Line 1)	\$0.45	Credit for Gas Only customers
13	Total	\$0.80	Rider AU Rate for Gas/Elec Customers
<b>Verification of Calculation</b>			
14	# of Combo Customers x Combo Rate	\$3,974,176	
15	# of Gas Only Customers x Gas Only Rate	\$37,250	
16		\$4,011,426	Total Rider AU Revenue Requirement

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

**Commission of Ohio Docketing Information System on**

**3/24/2017 2:46:54 PM**

**in**

**Case No(s). 17-0690-GA-RDR**

Summary: Application Application of Duke Energy Ohio, Inc., to Adjust Rider-AU for 2016 Grid Modernization Costs electronically filed by Mrs. Debbie L Gates on behalf of Duke Energy Ohio Inc. and Spiller, Amy B and Watts, Elizabeth H