

March 16, 2018

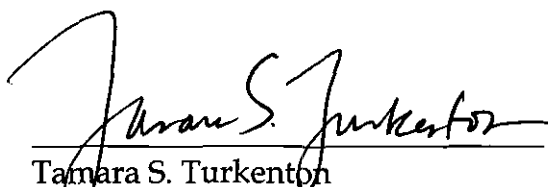
Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

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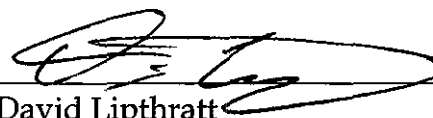
RE: *In the Matter of the Advanced Utility Rider for Duke Energy Ohio, Inc., Case No. 17-0690-GA-RDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to Duke Energy Ohio, Inc.'s, Advanced Utility Rider updated tariff rates.



Tamara S. Turkenton  
Director, Rates and Analysis  
Public Utilities Commission of Ohio



David Lipthrott  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

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**Duke Energy Ohio, Inc.**  
**Case No. 17-0690-GA-RDR**

**SUMMARY**

On March 24, 2017, Duke Energy Ohio, Inc. (Duke) filed its annual adjustment for the Advanced Utility Rider (Rider AU) for rates to become effective on a bills-rendered basis beginning April 2018. Pursuant to the May 28, 2008 Commission Order in Case No. 07-589-GA-AIR, the Commission approved a process for filing deployment plans for the installation of an automated gas meter reading system, and a method for recovering costs associated with the plans.

On February 20, 2018, Duke filed a motion in Case No. 17-690-GA-RDR for approval to implement a rate reduction to reflect the lower federal income tax rate associated with the Tax Cut and Jobs Act. This application is subject to Commission approval.

**STAFF REVIEW AND RECOMMENDATIONS**

The Staff has reviewed the motion and the new rates as filed on February 20, 2018. Duke adjusted the gross revenue conversion factor to reflect a reduced federal income tax rate. However, the unamortized excess accumulated deferred income taxes were not adjusted to reflect the reduced tax rate. Based on the new rates reflected by Duke, Rider AU will be subject to the outcome of Case No. 18-47-AU-COI. Staff believes that the rider is subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits ordered by the Commission.

**CONCLUSION**

The Staff recommends to the Commission that they approve the motion for the new rates to be included in Rider AU and that the tariff become effective on the first billing cycle for April 2018.