

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Application of)
Duke Energy Ohio, Inc. for an Adjustment) Case No. 17-2318-GA-RDR
to Rider AMRP Rates.)

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Tariff Approval.) Case No. 17-2319-GA-ATA

**APPLICATION OF
DUKE ENERGY OHIO, INC.,
FOR AN ADJUSTMENT TO RIDER AMRP
GAS RATES AND FOR TARIFF APPROVAL**

1. Duke Energy Ohio, Inc., (Duke Energy Ohio) is an Ohio corporation engaged in the business of supplying natural gas to approximately 434,000 customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R.C. 4905.02 and R.C. 4905.03.

2. This Application is made pursuant to R.C. 4909.18 and related sections of the Ohio Revised Code for authority to make changes and increases in gas rates applicable in incorporated communities and the unincorporated territory within Duke Energy Ohio’s entire service area, which includes all or part of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

The gas rates that Duke Energy Ohio seeks to change in its tariff, P.U.C.O. Gas No. 18, are as follows:

Rider AMRP, Accelerated Main Replacement Program
Rider, Sheet No. 65.17

3. The Pre-Filing Notice was served on the mayor and legislative authority of each municipality affected by this Application on November 28, 2017, and was filed with the Public Utilities Commission of Ohio (Commission) on November 28, 2017, pursuant to R.C. 4909.43(B) and in compliance with the Commission's Standard Filing Requirements set forth in O.A.C. 4901-7-01.

4. Duke Energy Ohio proposes a test year consisting of the twelve-month period ended December 31, 2017, and the date certain for property valuation of December 31, 2017.

5. Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full and factoring in the applicable rate caps approved by the Commission, would decrease gross revenues by \$3.4 million, or 0.89%, annually, over the estimated test period gross revenues generated from providing service to customers.

6. Duke Energy Ohio is filing this Application pursuant to the terms and conditions of a Stipulation and Recommendation filed with the Commission on April 2, 2013, in *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in its Natural Gas Distribution Rates*, Case No. 12-1685-GA-AIR, *et al.*, and approved by the Commission in its Opinion and Order dated November 13, 2013 (Stipulation and Recommendation).

7. Duke Energy Ohio filed the current Rider AMRP and the proposed new Rider AMRP with its Pre-Filing Notice, and incorporates such current and proposed riders herein by reference, as required by R.C. 4909.18 and the Commission's Standard Filing Requirements. Duke Energy Ohio also filed the following schedules with the Commission on November 28, 2017, in accordance with the Stipulation and Recommendation, and Duke Energy Ohio reproduces such schedules here, for the convenience of the Commission, as Attachment A:

- (a) Schedule 1, AMRP Annualized Revenue Requirement;

- (b) Schedule 2, Revenue Requirement Riser Replacement;
- (c) Schedule 3, AMRP Provision for Depreciation;
- (d) Schedule 4, AMRP Net Regulatory Assets – Post In-Service Carrying Cost;
- (e) Schedule 5, Riser Replacement Net Regulatory Asset – Post In-Service Carrying Cost;
- (f) Schedules 6-A and 6-B, AMRP Deferred Taxes on Liberalized Depreciation;
- (g) Schedule 7, Riser Replacement Deferred Taxes on Liberalized Depreciation;
- (h) Schedule 8, AMRP Annualized Reduction in Depreciation For Retirements
- (i) Schedule 9, AMRP Annualized Amortization of PISCC;
- (j) Schedule 10, Gas Maintenance Accounts Savings Calculation;
- (k) Schedule 11, Camera Work Expenses;
- (l) Schedule 12, AMRP Annualized Property Tax Expense Calculation;
- (m) Schedule 13, Riser Calculation – Projected Annualized Property Tax Expense Calculation and;
- (n) Schedule 14, AMRP Cap Calculation by Rate Class.

8. At the time of the filing of this Application, no municipal corporation has in effect any ordinance or franchise that does, or will, regulate the rates or charges to any customer affected by this Application.

WHEREFORE, since the rates, prices, charges, and other provisions in the current rate schedules do not yield just and reasonable compensation to Duke Energy Ohio for supplying gas service to the customers to which they are applicable, do not yield a just and reasonable return to Duke Energy Ohio on the value of the property used for furnishing gas service to such

customers, and result in the taking of Duke Energy Ohio's property for public use without compensation and without due process of law, Duke Energy Ohio respectfully prays that this Honorable Commission:

- (a) Accept this Application for filing;
- (b) Find that this Application and the schedules incorporated by reference herein are in accordance with R.C. 4909.18 and the rules of the Commission;
- (c) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ended December 31, 2017, and approve such schedules in the form tendered herewith or incorporated by reference herein;
- (d) Find that Duke Energy Ohio is in compliance with R.C. 4905.35;
- (e) Approve the proposed notice for newspaper publication attached hereto as Attachment B or, in the alternative, find that no newspaper publication is required because Duke Energy Ohio published newspaper notification of all proposed Rider AMRP increases when it filed the original application in the proceeding resulting in the Opinion and Order that initiated this filing;
- (f) Approve Duke Energy Ohio's Application for Approval to Change Accounting Methods consistent with proposed Rider AMRP; and
- (g) Fix the date on or after which deliveries made are subject to the proposed rates.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Jeanne W. Kingery

Rocco O. D'Ascenzo (0077651)

Deputy General Counsel

Jeanne W. Kingery (0012172) (Counsel of Record)

Associate General Counsel

139 E. Fourth Street, 1303-Main

Cincinnati, Ohio 45201

(513) 287-4359 (telephone)

(513) 287-4386 (facsimile)

Rocco.Dascenzo@duke-energy.com

Jeanne.Kingery@duke-energy.com

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Application was served on the following parties of record by electronic mail delivery this 26th day of February, 2018.

/s/ Jeanne W. Kingery
Jeanne W. Kingery

William Wright
Section Chief, Public Utilities Section
Public Utilities Commission of Ohio
30 East Broad Street, 16th Floor
Columbus, OH 43215
William.wright@puc.state.oh.us

ATTACHMENT A

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

No.		Actual Thru December 31, 2016	Activity Thru October 31, 2017	Actual Nov & Dec 2017	Total	
1	Return on Investment					
2	Plant In-Service					
3	Additions	246,381,666.64	-	-	246,381,666.64	
4	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
5	Total Plant In-Service	228,444,965.25	-	-	228,444,965.25	
6	Less: Accumulation Provision for Depreciation					
7	Depreciation Expense	16,977,389.98	4,826,422.10	965,284.42	22,769,096.50	Schedule 3, Ln 18
8	Cost of Removal	(5,284,983.68)	-	-	(5,284,983.68)	
9	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
10	Total Accumulated Provision for Depreciation	(6,244,295.09)	4,826,422.10	965,284.42	(452,588.57)	
11	Net Regulatory Asset--Post In-Service Carrying Cost	6,422,412.00	(121,801.70)	(24,360.34)	6,276,249.96	Schedule 4, Ln. 23
12	Net Deferred Tax Balance--PISCC	(2,247,844.20)	42,630.60	8,526.12	(2,196,687.49)	-35% of Line No. 11
13	Deferred Taxes on Liberalized Depreciation	(48,399,794.44)	-	(340,574.81)	(48,740,369.25)	Schedule 6, Ln. 30
14	Net Rate Base	190,464,033.70	(4,905,593.21)	(1,321,693.45)	184,236,747.04	
15	Approved Pre-tax Rate of Return (1)	9.16%	9.16%	9.16%	9.16%	
16	Annualized Return on Rate Base & Deferred Expense	17,446,505.49	(449,352.34)	(121,067.12)	16,876,086.03	
17	Operating Expenses					
18	Annualized Provision for Depreciation For Additions					
19	Mains--Plastic				2,840,111.64	Schedule 3, Ln 18
20	Mains--Steel				1,078,058.88	Schedule 3, Ln 18
21	Main to Curb Services--Plastic				1,000,778.88	Schedule 3, Ln 18
22	Curb to Meter Services				872,757.12	Schedule 3, Ln 18
23	Current Year Provision				5,791,706.52	
24	Annualized Reduction in Depreciation For Retirements					
25	Mains--Cast Iron & Copper				(90,557.74)	Schedule 8, Ln. 16
26	Mains--Steel				(51,164.21)	Schedule 8, Ln. 17
27	Mains--Plastic				(16,852.30)	Schedule 8, Ln. 18
28	Main to Curb Services--Cast Iron & Copper				(45,388.76)	Schedule 8, Ln. 21
29	Main to Curb Services--Steel				(36,955.32)	Schedule 8, Ln. 22
30	Main to Curb Services--Plastic				(298,633.99)	Schedule 8, Ln. 23
31	Total				(539,552.32)	
32	Annualized Amortization of PISCC				149,007.36	Schedule 9, Ln. 30
33	Annualized Property Tax Expense				5,304,674.50	Schedule 12 Ln. 12
34	Achieved Reduction in Mains--Maintenance Expense				(312,532.00)	Schedule 10 Ln. 10
35	Camera Work Expenses				109,306.72	Schedule 11 Ln. 1
36	Amortization of Camera Work Expenses				1,000,000.00	Case No. 12-1685 (Years 2013 thru 2017)
37	Annualized Revenue Requirement				<u>28,378,696.81</u>	

Note:

(1) Approved Pre-Tax Rate of Return set per Stipulation in Case No. 12-1685-GA-AIR. Upon the Tax Cut and Jobs Act of 2017 becoming law the Pre-Tax Rate of Return has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

No.		Actual Thru December 31, 2016	Activity 2017	Actual Thru December 31, 2017	
1	<u>Return on Investment</u>				
2	Riser Replacements				
3	Additions	2,126,202.66	-	2,126,202.66	
4	Less: Accumulation Provision for Depreciation				
5	Depreciation Expense	325,738.98	76,330.68	402,069.66	
6	Net Regulatory Asset--Post In-Service Carrying Cost	88,290.52	(3,255.36)	85,035.16	Schedule 5, Ln. 17
7	Net Deferred Tax Balance--PISCC	(30,901.66)	1,139.38	(29,762.31)	-35% of Line 11
8	Deferred Taxes on Liberalized Depreciation	<u>(370,876.02)</u>	6,832.54	<u>(364,043.48)</u>	Schedule 7, Ln. 20
9	Net Rate Base	1,486,976.52	(71,614.12)	1,415,362.37	
10	Approved Pre-tax Rate of Return (1)	9.16%	9.16%	9.16%	
11	Annualized Return on Rate Base & Deferred Expense	136,207.04	(6,559.85)	129,647.18	
12	<u>Operating Expenses</u>				
13	Annualized Provision for Depreciation For Additions			76,330.68	3.59% of Line 3
14	Annualized Amortization of PISCC			3,255.36	Schedule 5 , Ln. 15
15	Annualized Property Tax Expense			<u>44,271.92</u>	Schedule 13, Ln. 7
16	Annualized Revenue Requirement			<u><u>253,505.14</u></u>	

Note:

(1) Approved Pre-Tax Rate of Return set per Stipulation in Case No. 12-1685-GA-AIR. Upon the Tax Cut and Jobs Act of 2017 becoming law the Pre-Tax Rate of Return has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Line No.		MAIN - STEEL		MAIN - PLASTIC		SERVICES - PLASTIC		C-toM SERVICES - PLASTIC		TOTALS	
		Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance
1	Incremental										
2	Provision for Depreciation										
3	Balance at 12/31/2016 (actual)		3,063,837.59		8,255,957.64		3,090,856.71		2,566,738.04		16,977,389.98
4											
5	01/31/17	89,838.24	3,153,675.83	236,675.97	8,492,633.61	83,398.24	3,174,254.95	72,729.76	2,639,467.80	482,642.21	17,460,032.19
6	02/28/17	89,838.24	3,243,514.07	236,675.97	8,729,309.58	83,398.24	3,257,653.19	72,729.76	2,712,197.56	482,642.21	17,942,674.40
7	03/31/17	89,838.24	3,333,352.31	236,675.97	8,965,985.55	83,398.24	3,341,051.43	72,729.76	2,784,927.32	482,642.21	18,425,316.61
8	04/30/17	89,838.24	3,423,190.55	236,675.97	9,202,661.52	83,398.24	3,424,449.67	72,729.76	2,857,657.08	482,642.21	18,907,958.82
9	05/31/17	89,838.24	3,513,028.79	236,675.97	9,439,337.49	83,398.24	3,507,847.91	72,729.76	2,930,386.84	482,642.21	19,390,601.03
10	06/30/17	89,838.24	3,602,867.03	236,675.97	9,676,013.46	83,398.24	3,591,246.15	72,729.76	3,003,116.60	482,642.21	19,873,243.24
11	07/31/17	89,838.24	3,692,705.27	236,675.97	9,912,689.43	83,398.24	3,674,644.39	72,729.76	3,075,846.36	482,642.21	20,355,885.45
12	08/31/17	89,838.24	3,782,543.51	236,675.97	10,149,365.40	83,398.24	3,758,042.63	72,729.76	3,148,576.12	482,642.21	20,838,527.66
13	09/30/17	89,838.24	3,872,381.75	236,675.97	10,386,041.37	83,398.24	3,841,440.87	72,729.76	3,221,305.88	482,642.21	21,321,169.87
14	10/31/17	89,838.24	3,962,219.99	236,675.97	10,622,717.34	83,398.24	3,924,839.11	72,729.76	3,294,035.64	482,642.21	21,803,812.08
15	Activity Thru Oct 31, 2017	898,382.40		2,366,759.70		833,982.40		727,297.60		4,826,422.10	
	11/30/17	89,838.24	4,052,058.23	236,675.97	10,859,393.31	83,398.24	4,008,237.35	72,729.76	3,366,765.40	482,642.21	22,286,454.29
16	12/31/17	89,838.24	4,141,896.47	236,675.97	11,096,069.28	83,398.24	4,091,635.59	72,729.76	3,439,495.16	482,642.21	22,769,096.50
17	Activity Nov and Dec 2017	179,676.48		473,351.94		166,796.48		145,459.52		965,284.42	
18	Balance at 12/31/2017	1,078,058.88	4,141,896.47	2,840,111.64	11,096,069.28	1,000,778.88	4,091,635.59	872,757.12	3,439,495.16	5,791,706.52	22,769,096.50

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Schedule 4

Line No.	Post in service carrying costs	VINTAGE 2011 Accounts	VINTAGE 2012 Accounts	VINTAGE 2013 Accounts	VINTAGE 2014 Accounts	VINTAGE 2015 Accounts	TOTALS
1	Steel	182120	182124	182128	182162	182233	
2	Plastic	182121	182125	182129	182163	182234	
3	Service	182122	182126	182130	182164	182235	
4	Balance at 12/31/2016 (actual)	173,196.19	2,240,415.93	1,478,366.99	1,368,190.50	1,162,242.39	6,422,412.00
5	Amortization balance at 12/31/2016	40,215.12	197,678.92	88,988.48	44,886.40	18,123.60	389,892.52
6	01/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
7	02/28/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
8	03/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
9	04/30/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
10	05/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
11	06/30/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
12	07/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
13	08/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
14	09/30/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
15	10/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
16	Activity Thru Oct 31, 2017						121,801.70
17	11/30/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
18	12/31/17	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
19	Activity Nov and Dec 2017						24,360.34
20	Total Amortization expense- 2017	4,662.72	54,011.40	33,370.68	26,931.84	27,185.40	146,162.04
21	Amortization Balance at 12/31/2017	44,877.84	251,690.32	122,359.16	71,818.24	45,309.00	536,054.56
22	Net Regulatory Asset Balance at 12/31/2017	168,533.47	2,186,404.53	1,444,996.31	1,341,258.66	1,135,056.99	6,276,249.96

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

No.	Post in service carrying costs	Account 182123 2011 costs	Account 182127 2012 costs	Total
1	Balance at 12/31/2016 (actual)	11,078.23	77,212.29	88,290.52
2	Amortization balance at 12/31/2016	5,698.88	10,016.76	
3	01/31/17	43.76	227.52	
4	02/28/17	43.76	227.52	
5	03/31/17	43.76	227.52	
6	04/30/17	43.76	227.52	
7	05/31/17	43.76	227.52	
8	06/30/17	43.76	227.52	
9	07/31/17	43.76	227.52	
10	08/31/17	43.76	227.52	
11	09/30/17	43.76	227.52	
12	10/31/17	43.76	227.52	
13	Activity Thru Oct 31, 2017	437.60	2,275.20	
14	11/30/17	43.76	227.52	
15	12/31/17	43.76	227.52	
16	Activity Nov and Dec 2017	87.52	455.04	
17	Total Amortization expense- 2017	525.12	2,730.24	3,255.36
18	Amortization Balance at 12/31/2017	6,224.00	12,747.00	18,971.00
19	Net Regulatory Asset Balance at 12/31/2017	10,553.11	74,482.05	85,035.16

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Schedule - 6A

Line No.	<u>Tax Year 2012</u>	<u>Tax Year 2013</u>	<u>Tax Year 2014</u>	<u>Tax Year 2015</u>	<u>Tax Year 2016</u>
Plant In-Service -					
1 Mains - Plastic	40,180,050.68	76,711,411.38	111,119,540.75	136,543,827.07	136,543,827.07
2 Mains - Steel	14,457,968.72	32,253,529.51	50,031,505.05	57,650,208.18	57,650,208.18
3 Main to Curb Services - Plastic	8,662,644.46	16,005,261.49	22,790,259.57	27,876,847.47	27,876,847.47
4 Main to Curb Services - Steel	-	-	-	-	-
5 Curb to Meter Services	6,039,754.66	13,194,287.27	18,399,429.74	24,310,783.92	24,310,783.92
6 Total Plant In-Service	<u>69,340,418.52</u>	<u>138,164,489.65</u>	<u>202,340,735.11</u>	<u>246,381,666.64</u>	<u>246,381,666.64</u>
7 Book to Tax Basis Adjustments:	(411,927.26)	(181,764.61)	(569,855.54)	(645,644.93)	(645,644.93)
8 Tax Base In-Service subject to:					
9 Bonus Depreciation - 50%	49,066,862.05	118,121,095.83	181,909,250.36	225,874,392.50	225,874,392.50
10 Bonus Depreciation - 100%	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21
11 MACRS on Balance	-	-	-	-	-
12 Total Tax Depreciation Base	<u>68,928,491.26</u>	<u>137,982,725.04</u>	<u>201,770,879.57</u>	<u>245,736,021.71</u>	<u>245,736,021.71</u>
13 Tax Depreciation -					
14 Bonus Depreciation - 50%	24,533,431.03	34,527,116.89	31,894,077.27	21,982,571.07	21,982,571.07
15 Bonus Depreciation - 100%	19,861,629.21	3,096,824.70	5,355,421.47	6,973,914.84	7,275,491.72
16 MACRS on Balance	506,307.56	3,096,824.70	5,355,421.47	6,973,914.84	7,275,491.72
17 Total Tax Depreciation	<u>44,901,367.80</u>	<u>37,623,941.59</u>	<u>37,249,498.74</u>	<u>28,956,485.91</u>	<u>7,275,491.72</u>
18 Book Depreciation					
19 Mains - Plastic	146,945.70	1,011,983.55	1,735,186.690	2,521,730.060	2,840,111.60
20 Mains - Steel	48,711.89	309,328.11	645,512.190	982,226.520	1,078,058.89
21 Main to Curb Services - Plastic	96,262.59	405,990.49	674,091.310	913,733.440	1,000,778.82
22 Main to Curb Services - Steel	-	-	-	-	-
23 Curb to Meter Services	66,770.05	313,063.03	547,699.810	766,448.030	872,757.14
24 Total Book Depreciation	<u>358,690.23</u>	<u>2,040,365.18</u>	<u>3,602,490.00</u>	<u>5,184,138.05</u>	<u>5,791,706.46</u>
25 Less: Book Depr on AFUDC Equity	3,258.00	13,324.58	22,053.83	33,145.00	35,010.94
26 Plus: Originating Dif. Exclusive of AFUDC Equity	217,916.70	325,582.41	245,896.09	61,666.00	61,666.00
27 Net Book Depreciation	<u>573,348.93</u>	<u>2,352,623.01</u>	<u>3,826,332.26</u>	<u>5,212,659.05</u>	<u>5,756,695.52</u>
28 Tax Depreciation in Excess of Book Depreciation	<u>44,328,018.87</u>	<u>35,271,318.58</u>	<u>33,423,166.48</u>	<u>23,743,826.86</u>	<u>1,518,796.20</u>
29 Federal Deferred Taxes @ 35.00%	<u>15,514,806.60</u>	<u>12,344,961.50</u>	<u>11,698,108.27</u>	<u>8,310,339.40</u>	<u>531,578.67</u>
30 Deferred Tax Balance	<u>15,514,806.60</u>	<u>27,859,768.11</u>	<u>39,557,876.37</u>	<u>47,868,215.77</u>	<u>48,399,794.44</u>
Federal Deferral Rate	35%	35%	35%	35%	35%

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

	Schedule - 6B					Total Deferred Tax Balance
	<u>Vintage 2012</u>	<u>Vintage 2013</u>	<u>Tax Year 2017</u> <u>Vintage 2014</u>	<u>Vintage 2015</u>	<u>Total</u>	
Plant In-Service -						
Mains - Plastic	40,180,050.68	36,531,360.70	34,408,129.37	25,424,286.32	136,543,827.07	
Mains - Steel	14,457,968.72	17,795,560.79	17,777,975.54	7,618,703.13	57,650,208.18	
Main to Curb Services - Plastic	8,662,644.46	7,342,617.03	6,784,998.08	5,086,587.90	27,876,847.47	
Main to Curb Services - Steel	-	-	-	-	-	
Curb to Meter Services	6,039,754.66	7,154,532.61	5,205,142.47	5,911,354.18	24,310,783.92	
Total Plant In-Service	<u>69,340,418.52</u>	<u>68,824,071.13</u>	<u>64,176,245.46</u>	<u>44,040,931.53</u>	<u>246,381,666.64</u>	
Book to Tax Basis Adjustments:	(411,927.26)	230,162.65	(388,090.93)	(75,789.39)	(645,644.93)	
Tax Base In-Service subject to:						
Bonus Depreciation - 50%	49,066,862.05	69,054,233.78	63,788,154.53	43,965,142.14	225,874,392.50	
Bonus Depreciation - 100%	19,861,629.21	-	-	-	19,861,629.21	
MACRS on Balance	-	-	-	-	-	
Total Tax Depreciation Base	<u>68,928,491.26</u>	<u>69,054,233.78</u>	<u>63,788,154.53</u>	<u>43,965,142.14</u>	<u>245,736,021.71</u>	
Tax Depreciation -						
Bonus Depreciation - 50%						-
Bonus Depreciation - 100%						-
MACRS on Balance	1,319,358.79	1,972,534.19	1,970,097.15	1,467,776.27	6,729,766.40	
Total Tax Depreciation	<u>1,319,358.79</u>	<u>1,972,534.19</u>	<u>1,970,097.15</u>	<u>1,467,776.27</u>	<u>6,729,766.40</u>	
Book Depreciation						
Mains - Plastic	835,745.05	759,852.30	715,689.09	528,825.16	2,840,111.60	
Mains - Steel	270,364.02	332,776.99	332,448.14	142,469.75	1,078,058.89	
Main to Curb Services - Plastic	310,988.94	263,599.95	243,581.43	182,608.51	1,000,778.82	
Main to Curb Services - Steel	-	-	-	-	-	
Curb to Meter Services	216,827.19	256,847.72	186,864.61	212,217.62	872,757.14	
Total Book Depreciation	<u>1,633,925.20</u>	<u>1,613,076.96</u>	<u>1,478,583.28</u>	<u>1,066,121.02</u>	<u>5,791,706.46</u>	
Less: Book Depr on AFUDC Equity	14,840.94	2,235.72	14,606.92	3,327.36	35,010.94	
Plus: Originating Dif. Exclusive of AFUDC Equity						-
Net Book Depreciation	<u>1,619,084.26</u>	<u>1,610,841.24</u>	<u>1,463,976.36</u>	<u>1,062,793.66</u>	<u>5,756,695.52</u>	
Tax Depreciation in Excess of Book Depreciation	<u>(299,725.47)</u>	<u>361,692.95</u>	<u>506,120.79</u>	<u>404,982.61</u>	<u>973,070.88</u>	
Federal Deferred Taxes @ 35.00%	<u>(104,903.91)</u>	<u>126,592.53</u>	<u>177,142.28</u>	<u>141,743.91</u>	<u>340,574.81</u>	<u>48,740,369.25</u>
Deferred Tax Balance					<u>48,740,369.25</u>	
Federal Deferral Rate						35%

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

No.		Actual Balance at 12/31/2017
1	Plant Basis	
2	Mains	
3	Cast Iron & Copper	3,329,328.80
4	Steel	2,736,054.09
5	Plastic	810,206.62
6		<u>6,875,589.51</u>
7	Main To Curb Services	
8	Cast Iron & Copper	1,459,445.74
9	Steel	1,283,170.73
10	Plastic	8,318,495.41
11		<u>11,061,111.88</u>
12	Total	<u><u>17,936,701.39</u></u>
13	Annualized Reduction In	
14	Depreciation Expense	
15	Mains	
16	Cast Iron & Copper 2.72%	(90,557.74)
17	Steel 1.87%	(51,164.21)
18	Plastic 2.08%	(16,852.30)
19		<u>(158,574.25)</u>
20	Main To Curb Services	
21	Cast Iron & Copper 3.11%	(45,388.76)
22	Steel 2.88%	(36,955.32)
23	Plastic 3.59%	(298,633.99)
24		<u>(380,978.07)</u>
25	Total	<u><u>(539,552.32)</u></u>

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Regulatory Asset--Deferrals		Actual
No.	Account Description	Balance at 12/31/17
1	Account Description	<u>12/31/17</u>
2	0182120 AMRP 2011 Steel Carry Costs	2,754.62
3	0182121 AMRP 2011 Plastic Carry Costs	150,181.69
4	0182122 AMRP 2011 Service Carry Costs	60,475.00
5	0182124 AMRP 2012 Steel Carry Costs	470,298.98
6	0182125 AMRP 2012 Plastic Carry Costs	1,173,819.47
7	0182126 AMRP 2012 Service Carry Costs	793,976.40
8	0182128 AMRP 2013 Steel Carry Costs	372,876.52
9	0182129 AMRP 2013 Plastic Carry Costs	652,941.45
10	0182130 AMRP 2013 Service Carry Costs	541,537.50
11	0182162 AMRP 2014 Steel Carry Costs	424,681.22
12	0182163 AMRP 2014 Plastic Carry Costs	705,879.47
13	0182164 AMRP 2014 Service Carry Costs	282,516.21
14	0182233 AMRP 2015 Plastic Carry Costs	524,203.66
15	0182234 AMRP 2015 Service Carry Costs	530,187.26
16	0182235 AMRP 2015 Steel Carry Costs	125,975.07
17	Total--PISCC	<u>6,812,304.52</u>
18	Cumulative Total--PISCC	6,812,304.52
19	Annualized Amortization of PISCC	Actual
20	Description	Balance at 12/31/17
21	AMRP 2011 Steel Carry Costs	1.54% 42.42
22	AMRP 2011 Plastic Carry Costs	1.82% 2,733.31
23	AMRP 2011 Service Carry Costs	3.13% 1,892.87
24	AMRP 2012 Steel Carry Costs	1.54% 7,242.60
25	AMRP 2012 Plastic Carry Costs	1.82% 21,363.51
26	AMRP 2012 Service Carry Costs	3.13% 24,851.46
21	AMRP 2013 Steel Carry Costs	1.54% 5,742.30
22	AMRP 2013 Plastic Carry Costs	1.82% 11,883.53
23	AMRP 2013 Service Carry Costs	3.13% 16,950.12
24	AMRP 2014 Steel Carry Costs	1.54% 6,540.09
25	AMRP 2014 Plastic Carry Costs	1.82% 12,847.01
26	AMRP 2014 Service Carry Costs	3.13% 8,842.76
27	AMRP 2015 Plastic Carry Costs	1.82% 9,540.51
28	AMRP 2015 Service Carry Costs	3.13% 16,594.86
29	AMRP 2015 Steel Carry Costs	1.54% 1,940.02
30	Total--Annualized Amortization PISCC	<u>149,007.36</u>

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Account	Description	Included in Rates														
		Actual					Estimated					Act./Bud. Thru				
		Jan 2012 (Actual)	Feb 2012 (Actual)	Mar 2012 (Actual)	Apr 2012 (Budget)	May 2012 (Budget)	Jun 2012 (Budget)	Jul 2012 (Budget)	Aug 2012 (Budget)	Sep 2012 (Budget)	Oct 2012 (Budget)	Oct 2012 (Budget)	Nov 2012 (Budget)	Dec 2012 (Budget)	Budget Nov.--Dec 2012	Total
1	885000 Maintenance Supervision/Eng	17,610.00	16,667.00	16,820.00	15,373.00	15,476.00	20,115.00	15,301.00	15,311.00	17,158.00	15,357.00	165,188.00	20,139.00	15,133.00	35,272.00	200,460.00
2	887000 Maintenance of Mains	281,528.00	277,776.00	362,848.00	229,373.00	250,968.00	319,990.00	294,280.00	229,142.00	221,118.00	216,573.00	2,683,596.00	202,556.00	332,461.00	535,017.00	3,218,613.00
3	892000 Maintenance of Services	23,543.00	16,426.00	13,606.00	19,856.00	16,986.00	26,263.00	20,880.00	13,961.00	17,866.00	182,950.00	22,203.00	36,876.00	59,079.00	242,029.00	
4	Total	322,681.00	310,869.00	393,274.00	264,602.00	283,430.00	366,368.00	330,461.00	258,016.00	252,237.00	249,796.00	3,031,734.00	244,898.00	384,470.00	629,368.00	3,661,102.00

	Description	Actual														
		Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Actual Thru Oct 2017	Nov 2017	Dec 2017	Actual Nov.--Dec 2017	Total
5	885000 Maintenance Supervision/Eng	0.01	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	
6	887000 Maintenance of Mains	438,023.94	279,586.13	330,515.71	345,676.48	257,096.96	226,786.55	248,171.48	261,671.04	443,073.88	447,544.62	3,278,146.79	373,391.93	312,993.74	686,385.67	3,964,532.46
7	892000 Maintenance of Services	24,407.52	3,970.15	5,511.18	7,064.42	18,048.88	6,034.19	23,980.64	33,997.73	41,190.47	4,929.64	169,134.82	33,462.06	2,550.24	36,012.30	205,147.12
8	Total	462,431.47	283,556.28	336,026.89	352,740.90	275,145.84	232,820.74	272,152.12	295,668.77	484,264.35	452,474.26	3,447,281.62	406,853.99	315,543.98	722,397.97	4,169,679.59

9	2017 Savings Based on Rate Filing	(139,750.47)	27,312.72	57,247.11	(88,138.90)	8,284.16	133,547.26	58,308.88	(37,652.77)	(232,027.35)	(202,678.26)	(415,547.62)	(161,955.99)	68,926.02	(93,029.97)	(508,577.59)	
10	Guaranteed Amount															2017 Minimum Guaranteed Savings	312,532.00

Guaranteed Savings Calculation		
Amount agreed to in Case No. 10-2788-GA-RDR		929,670
Amount reflected in Base Rates		
Cost included in previous Case No. 07-589-GA-AIR		4,278,240
Cost included in current base rates (Case No 12-1685)		3,661,102
		<u>-617,138</u>
Savings to be reflected in Rider AMRP		312,532

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Line No.	01/31/17	02/28/17	03/31/17	04/30/17	05/31/17	06/30/17	07/31/17	08/31/17	09/30/17	10/31/17	Activity Thru 10/31/17	11/30/17	12/31/17	Nov.--Dec. 2017	Activity at 12/31/17
1 Camera Work Expenses	1,792.46	488.04	1,357.33	185.97	532.57	-	54,624.98	1,523.77	7,794.23	1,366.36	69,665.71	29,638.76	10,002.25	39,641.01	109,306.72

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Line No.	Actual Total 2012	Actual Total 2013	Actual Total 2014	Actual Total 2015	Grand Total
1	<u>Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)</u>				
2	69,340,418.52	68,824,071.13	64,176,245.46	44,040,931.53	246,381,666.64
3	(651,619.40)	(148,806.87)	(825,785.15)	(259,998.47)	(1,886,209.89)
4	(158,863.96)	(444,970.60)	(398,673.63)	(229.19)	(1,002,737.38)
5	<u>68,529,935.16</u>	<u>68,230,293.66</u>	<u>62,951,786.68</u>	<u>43,780,703.87</u>	<u>243,492,719.37</u>
6	81.7%	85.0%	88.3%	91.7%	
7	55,988,957.03	57,995,749.61	61,881,606.30	43,036,431.91	218,902,744.85
8	25%	25%	25%	25%	
9	13,997,239.26	14,498,937.40	15,470,401.58	10,759,107.98	54,725,686.22
10	(661,480.95)	(538,009.33)	(633,581.45)	(857,433.47)	(2,690,505.20)
11	<u>13,335,758.31</u>	<u>13,960,928.07</u>	<u>14,836,820.13</u>	<u>9,901,674.51</u>	<u>52,035,181.02</u>
12	<u>1,359,500.55</u>	<u>1,423,232.85</u>	<u>1,512,524.79</u>	<u>1,009,416.31</u>	<u>5,304,674.50</u>

0.101944

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

<u>Line No.</u>		Total Vintage 2012
1	<u>Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)</u>	
2	Current Year Investment	2,126,202.66
3	Percent Good (a)	81.7%
4	True Value of Taxable Property (excluding PISCC)	1,737,107.57
5	Gas Valuation Percent	25%
6	Total Taxable Value	434,276.89
7	Property Tax @ \$101.944 per \$1,000 of Valuation	<u>44,271.92</u>

Duke Energy Ohio
Ohio AMRP Case No. 17-2318
Annualized Revenue Requirement

Rate Class	Allocated AMRP Revenue Requirement (1)	Allocated Riser Revenue Requirement (2)	Total Allocated Revenue Requirement	Billing Determinates		Calculated AMRP Charge
				# of Bills	Sales (Mcf's)	
Total Residential	15,608,283.25	233,224.73	15,841,507.98	4,795,119	N/A	\$3.30
Total General Service & Firm Transportation	10,500,117.82	20,280.41	10,520,398.23	339,387	N/A	\$31.00
Interruptible Transportation	2,270,295.74	-	2,270,295.74	N/A	19,746,701	\$0.11
Total Revenue	28,378,696.81	253,505.14	28,632,201.95			
Revenue Requirement to be Allocated	28,378,696.81	253,505.14	28,632,201.95			

(1) AMRP Revenue Requirement

Allocated on the Following Basis:

Residential	55%
General Service & Firm Transportation	37%
Interruptible Transportation	8%

(2) Riser Revenue Requirement

Allocated on the Following Basis:

Residential	92%
General Service & Firm Transportation	8%
Interruptible Transportation	0%

ATTACHMENT B

PROPOSED NOTICE FOR NEWSPAPER PUBLICATION

Please take notice that, pursuant to Ohio Revised Code Section 4909.18, Duke Energy Ohio, Inc., (Duke Energy Ohio) has filed an application with the Public Utilities Commission of Ohio (Commission) for a decrease in its gas rates. The purpose of the application is to allow Duke Energy Ohio to recover the costs it incurred in 2017 related to its Accelerated Main Replacement Program (AMRP) and Riser Replacement Program (RRP). Under these programs, Duke Energy Ohio replaced cast iron and bare steel gas mains and service lines and risers on an accelerated basis, in order to improve the safety and reliability of its distribution system. Under the RRP, Duke Energy Ohio replaced certain gas service risers through an accelerated program, in order to improve the safety and reliability of its distribution system. The Commission approved the AMRP and the RRP in an Opinion and Order dated November 17, 2013, in Case No. 12-1685-GA-AIR, *et al.*

Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full, would decrease gross revenues by \$3.4 million or 0.89% annually over the estimated test period gross revenues generated from providing service to customers. The average percentage decrease that a typical residential customer will bear should the decrease be granted in full is 0.6% based on November 2017 billings. The proposed Rider AMRP charges applicable to Duke Energy Ohio tariffed gas rates are as follows: Rate RS and RSLI - \$3.30 per month; Rate RFT and RFTLI - \$3.30 per month; Rate GS-S and GS-L - \$31.00 per month; Rate DGS - \$31.00 per month; Rate FT-S and FT-L - \$31.00 per month; Rate IT - \$.011 per CCF; and, Rate GGIT - \$.011 per CCF.

Any person, firm, corporation, or association may file, pursuant to Ohio Revised Code Section 4909.19, an objection to such increase that may allege that such application contains proposals that are unjust and discriminatory or unreasonable.