



155 East Broad Street
20th Floor
Columbus, Ohio, 43215

o: 614-222-1330
f: 614-222-1337

January 26, 2018

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: Case No. 17-2088-EL-RDR
Case No. 89-6002-EL-TRF

Dear Ms. McNeal:

Pursuant to the Public Utilities Commission of Ohio's (Commission) Opinion and Order in Case No. 14-841-EL-SSO, Duke Energy Ohio, Inc., submits herein the required schedules and tariff pages related to the update of its Distribution Capital Investment Rider (Rider DCI).¹

As part of the approval of Rider DCI, the Commission ordered that quarterly filings be made, with such filings automatically approved. The Commission further ordered that Rider DCI be audited annually, with the August quarterly filing. Consistent therewith, this update to the Rider DCI rate will be implemented with the first billing cycle of April 2018. The proposed Rider DCI rate is based on investment data from the FERC Form 3Q and Form 1, for the fourth quarter of 2017 and is supported by two attachments. Attachment A is the proposed tariff sheet reflecting the revised Rider DCI rate and Attachment B contains the schedules and workpapers supporting the calculation of the proposed Rider DCI rate. The attached schedules demonstrate that the revenue requirement is below the permitted cap for 2017 for the fourth quarter.

Should you have any questions please feel free to contact me.

Respectfully submitted,

/s/ Elizabeth H. Watts

Rocco O. D'Ascenzo (0077651)

Deputy General Counsel

Elizabeth H. Watts (0031092)

Associate General Counsel

Duke Energy Ohio, Inc.

139 E. Fourth Street

Cincinnati, Ohio 45201-0960

(614) 222-1330

¹ *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service*, Case No. 14-841-EL-SSO, *et al.*, Opinion and Order, at pp. 70-72 (April 2, 2015).

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 103.11
Cancels and Supersedes
Sheet No. 103.10
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**RIDER DCI
DISTRIBUTION CAPITAL INVESTMENT RIDER**

Applicable to all retail jurisdictional customers in the Company's electric service areas including those customers taking generation service from a Competitive Retail Electric Service Providers. This tariff does not apply to customers taking service under Rate TS, service at transmission voltage.

All retail jurisdictional customers shall be assessed a charge of 12.685% of the customer's applicable base distribution charges (*i.e.*, customer charge plus base distribution charge) to recover the revenue requirement associated with incremental distribution capital costs incurred by the Company. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to an Order dated April 2, 2015 in Case No.14-841-EL-SSO before the Public Utilities Commission of Ohio.

Issued: January 26, 2018

Effective: April 2, 2018

Issued by James P. Henning, President

Duke Energy Ohio
Revenue Requirement for Rider DCI
Case No. 17-2088

Line	Description	March 31, 2012	December 31, 2017	Reference
1	Gross Distribution Plant	\$1,878,034,210	\$2,380,948,248	Pages 2 & 3
2	Accumulated Depreciation on Distribution Plant	646,781,562	720,381,862	Pages 4 & 5
3	Net Distribution Plant in Service	\$1,231,252,648	\$1,660,566,386	
4	Accum Def Income Taxes on Distr Plant	(\$249,112,366)	(\$442,273,937)	Pages 6 & 7
5	Distribution Rate Base for Rider DCI	\$982,140,282	\$1,218,292,449	Line (3) + Line (4)
6	Return on Rate Base (Pre-Tax %) (1)	10.68%	9.22%	
7	Return on Rate Base (Pre-Tax)	\$104,892,582	\$112,326,564	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$62,614,322	Page 8
9	Property Tax Expense (Excludes M&S)	\$65,218,326	\$95,383,115	Page 9
10	Revenue Requirement Before CAT	\$219,158,069	\$270,324,001	Line (7) + Line (8) +Line (9)
11	Change in Revenue Requirement		\$51,165,932	Line (10) _{current} - Line (10) _{base}
12	Incremental Commercial Activities Tax		\$133,378	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement (2)		\$51,299,310	Line (11) + Line (12)
14	Annual Base Distribution Revenue (3)		\$404,401,058	
15	DEO Percentage of Base Distribution Revenue		12.685%	Line (16) ÷ Line (17)

Notes: (1) Return on Rate Base (Pre-Tax %) set per Stiputlation in Case No. 12-1682-EL-AIR.
Upon the *Tax Cut and Jobs Act of 2017* becoming law the Return on Rate Base (Pre-Tax %) has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

(2) See Revenue schedule for amount collected year to date 2017.
The Company will be under the 2017 \$67million cap as ordered in Case No. 14-841-EL-SSO.

(3) From Stipulation Attachment 1 as filed and approved in Case No. 12-1682-EL-AIR, et al.
This number represents total retail distribution revenue excluding transmission customers

Duke Energy Ohio, Inc.
Plant in Service Summary by Major Property Groupings (As of December 31, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments ^{(a) (b)}	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$14,421,118		\$14,421,118
2	360	3601	Rights of Way	\$26,619,711		26,619,711
3	361	3610	Structures and Improvements	\$19,668,286		19,668,286
4	362	3620	Station Equipment	\$229,096,330	(\$31,626,169)	197,470,161
5	362	3622	Major Equipment	\$123,884,178	(\$3,606,452)	120,277,726
6	363	3635	Station Equipment Electronic	\$0	\$0	0
7	364	3640	Poles, Towers & Fixtures	\$346,936,982	(\$3,581,655)	343,355,327
8	365	3650, 3651	Overhead Conductors and Devices	\$632,567,772	(\$28,765,884)	603,801,888
9	366	3660	Underground Conduit	\$117,251,861		117,251,861
10	367	3670	Underground Conductors and Devices	\$361,938,303		361,938,303
11	368	3680, 3681	Line Transformers	\$429,413,000		429,413,000
12	368	3682	Customer Transformer Installations	\$3,755,297		3,755,297
13	369	3691	Services - Underground	\$6,313,635		6,313,635
14	369	3692	Services - Overhead	\$77,743,640		77,743,640
15	370	3700	Meters	\$0		0
16	370	3700	Meter Instrument Transformers	\$7,609,081		7,609,081
17	370	3701	Leased Meters	\$0		0
18	370	3701	Leased Meter Instrument Transformers	\$5,672,328		5,672,328
19	370	3702	Utility of the Future Meters	\$93,380,613	(\$85,942,232)	7,438,381
20	371	3710	Installations on Customers' Premises	(\$113)		(113)
21	371	3712	Company Owned Outdoor Light	\$5,701,327	(\$5,701,327)	0
22	372	3720	Leased Property on Customers' Premises	\$102,503		102,503
23	373	3730	Street Lighting	\$5,772,677	(\$5,772,677)	0
24	373	3731	CGE Street Lighting - OH	\$7,774,529		7,774,529
25	373	3732	Street Lighting - Boulevard	\$27,873,960		27,873,960
26	373	3733	Light Security OL POL Flood	\$2,447,626		2,447,626
27	373	3734	Light Choice OLE - Public	\$7,932,192	(\$7,932,192)	0
28				<u>\$2,553,876,836</u>	<u>(\$172,928,588)</u>	<u>\$2,380,948,248</u>

Notes: (a) Grid Mod additions and tariffed street lights

(b) Adjustment for account 3702 includes Project SGOGPEMTR which was unitized in May 2017

This project is included in the smart grid filings in account 1702

Duke Energy Ohio, Inc.
Plant in Service Summary by Major Property Groupings (As of March 31, 2012)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,109,977		\$13,109,977
2	360	3601	Rights of Way	\$26,110,943		26,110,943
3	361	3610	Structures and Improvements	\$8,317,815		8,317,815
4	362	3620	Station Equipment	\$182,040,569	(\$17,100,300)	164,940,269
5	362	3622	Major Equipment	\$103,229,213	(\$2,103,326)	101,125,887
6	362	3635	Station Equipment Electronic	\$2,620,440	(\$2,719,820)	(99,380)
7	364	3640	Poles, Towers & Fixtures	\$243,486,355	(\$1,162,056)	242,324,299
8	365	3650, 3651	Overhead Conductors and Devices	\$396,969,778	(\$12,365,335)	384,604,443
9	366	3660	Underground Conduit	\$88,227,723		88,227,723
10	367	3670	Underground Conductors and Devices	\$282,336,871		282,336,871
11	368	3680, 3681	Line Transformers	\$367,228,972		367,228,972
12	368	3682	Customer Transformer Installations	\$5,272,832		5,272,832
13	369	3691	Services - Underground	\$3,391,901		3,391,901
14	369	3692	Services - Overhead	\$64,385,178		64,385,178
15	370	3700	Meters	\$35,626,976		35,626,976
16	370	3700	Meter Instrument Transformers	\$6,341,273		6,341,273
17	370	3701	Leased Meters	\$15,008,859		15,008,859
18	370	3701	Meter Instrument Transformers	\$2,690,328		2,690,328
19	370	3702	Utility of the Future Meters	\$40,433,742	(\$40,433,742)	0
20	371	3710	Installations on Customers' Premises	\$241,509		241,509
21	371	3712	Company Owned Outdoor Light	\$714,040	(\$714,040)	0
22	372	3720	Leased Property on Customers' Premises	\$102,503		102,503
23	373	3730, 3731	Street Lighting	\$21,127,345	(\$180,809)	20,946,536
24	373	3732	Street Lighting - Boulevard	\$28,103,634		28,103,634
25	373	3733	Light Security OL POL Flood	\$17,694,862		17,694,862
26	373	3734	Light Choice OLE - Public	\$1,364,763	(\$1,364,763)	0
27				\$1,956,178,401	(\$78,144,191)	\$1,878,034,210

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Accumulated Depreciation by Major Property Groupings (As of December 31, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$3,651		\$3,651
2	360	3601	Rights of Way	4,547,076		4,547,076
3	361	3610	Structures and Improvements	4,816,179		4,816,179
4	362	3620	Station Equipment	72,577,545	(4,091,787)	68,485,758
5	362	3622	Major Equipment	47,344,797	(466,645)	46,878,152
6	363	3635	Dist Station Equip Elec	0	0	0
7	364	3640	Poles, Towers & Fixtures	127,296,062	(421,076)	126,874,986
8	365	3650, 3651	Overhead Conductors and Devices	127,543,360	(4,479,344)	123,064,016
9	366	3660	Underground Conduit	44,473,340		44,473,340
10	367	3670	Underground Conductors and Devices	97,775,461		97,775,461
11	368	3680, 3681	Line Transformers	154,762,866		154,762,866
12	368	3682	Customer Transformer Installations	2,762,703		2,762,703
13	369	3691	Services - Underground	2,633,459		2,633,459
14	369	3692	Services - Overhead	50,194,530		50,194,530
15	370	3700	Meters	1,636,200		1,636,200
16	370	3700	Meter Instrument Transformers	2,527,403		2,527,403
17	370	3701	Leased Meters	1,250,495		1,250,495
18	370	3701	Leased Meter Instrument Transformers	1,240,781		1,240,781
19	370	3702	Utility of the Future Meters	20,473,722	(26,684,054)	(6,210,332)
20	371	3710	Installations on Customers' Premises	(5,399)		(5,399)
21	371	3712	Company Owned Outdoor Light	(263,642)	263,642	0
22	372	3720	Leased Property on Customers' Premises	(52,239)		(52,239)
23	373	3730	Street Lighting	(314,102)	314,102	0
24	373	3731	CGE Street Lighting - OH	12,707,438		12,707,438
25	373	3732	Street Lighting - Boulevard	9,187,762		9,187,762
26	373	3733	Light Security OL POL Flood	8,148,945		8,148,945
27	373	3734	Light Choice OLE - Public	253,636	(253,636)	0
28		108	Retirement Work in Progress	(37,321,369)		(37,321,369)
29				\$756,200,660	(\$35,818,798)	\$720,381,862

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Accumulated Depreciation by Major Property Groupings (As of March 31, 2012)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$1,539		\$1,539
2	360	3601	Rights of Way	2,520,994		2,520,994
3	361	3610	Structures and Improvements	4,004,656		4,004,656
4	362	3620	Station Equipment	70,648,575	(452,294)	70,196,281
5	362	3622	Major Equipment	36,923,264	(86,536)	36,836,728
6	363	3635	Dist Station Equip Elec	209,328	(178,269)	31,059
7	364	3640	Poles, Towers & Fixtures	108,050,272	(13,609)	108,036,663
8	365	3650, 3651	Overhead Conductors and Devices	99,685,733	(367,470)	99,318,263
9	366	3660	Underground Conduit	35,969,974		35,969,974
10	367	3670	Underground Conductors and Devices	73,293,965		73,293,965
11	368	3680, 3681	Line Transformers	143,569,293		143,569,293
12	368	3682	Customer Transformer Installations	2,628,003		2,628,003
13	369	3691	Services - Underground	2,248,643		2,248,643
14	369	3692	Services - Overhead	36,808,118		36,808,118
15	370	3700	Meters	12,697,346		12,697,346
16	370	3701	Leased Meters	4,187,966		4,187,966
17	370	3702	Utility of the Future Meters	2,853,005	(2,853,005)	0
18	371	3710	Installations on Customers' Premises	2,770		2,770
19	371	3712	Company Owned Outdoor Light	(244,226)	244,226	0
20	372	3720	Leased Property on Customers' Premises	(76,085)		(76,085)
21	373	3730, 3731	Street Lighting - Overhead	8,989,199	1,748,866	10,738,065
22	373	3732	Street Lighting - Boulevard	5,929,055		5,929,055
23	373	3733	Light Security OL POL Flood	5,507,955		5,507,955
24	373	3734	Light Choice OLE - Public	(375,920)	375,920	0
25		108	Retirement Work in progress	(7,669,689)		(7,669,689)
26				<u>\$648,363,733</u>	<u>(\$1,582,171)</u>	<u>\$646,781,562</u>

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (December 31, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
Account 282						
1	282	282.XXX	263A	\$ (83,600,180)	\$0	(\$83,600,180)
2	282	282.XXX	AFUDC Debt	(2,019,585)	0	(2,019,585)
3	282	282.XXX	Casualty Loss	(12,064,362)	0	(12,064,362)
4	282	282.XXX	CIAC	17,379,058	0	17,379,058
5	282	282.XXX	CWIP Differences	584,617	0	584,617
6	282	282.XXX	FAS109	(28,593,069)	28,593,069	0
7	282	282.XXX	Miscellaneous	4,836,374	0	4,836,374
8	282	282.XXX	Non-Cash Overheads	16,847,589	0	16,847,589
9	282	282.XXX	Section 174	(637,764)	637,764	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(334,932,189)	59,964,905 (a)	(274,967,284)
12	282	282.XXX	Tax Expensing	(113,309,334)	0	(113,309,334)
13	282	282.XXX	TIC	4,039,170	0	4,039,170
14	Total Plant-Related Accumulated Deferred Income Tax (b)			\$ (531,469,675)	\$ 89,195,738	\$ (442,273,937)

Notes: (a) Grid Mod additions

(b) The Plant-Related Accumulated Deferred Income Tax (ADIT) amounts presented are before adjustments from the *Tax Cuts and Jobs Act of 2017*. As part of tax reform portions of the ADIT amounts will be reclassified as regulatory liabilities that would also be deducted from net plant for purposes of calculating net rate base.

Duke Energy Ohio, Inc.

Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (March 31, 2012)

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
			Account 282			
1	282	282.XXX	263A	(\$40,129,780)	\$0	(\$40,129,780)
2	282	282.XXX	AFUDC Debt	(3,102,204)	0	(3,102,204)
3	282	282.XXX	Casualty Loss	(11,111,200)	0	(11,111,200)
4	282	282.XXX	CIAC	12,346,140	0	12,346,140
5	282	282.XXX	CWIP Differences	(2,544,571)	0	(2,544,571)
6	282	282.XXX	FAS109	(65,351,370)	65,351,370	0
7	282	282.XXX	Miscellaneous	(13,021,764)	0	(13,021,764)
8	282	282.XXX	Non-Cash Overheads	17,228,108	0	17,228,108
9	282	282.XXX	Section 174	(905,958)	905,958	0
10	282	282.XXX	Software	(2,621,760)	0	(2,621,760)
11	282	282.XXX	Tax Depreciation	(247,345,407)	35,925,450 (a)	(211,419,957)
12	282	282.XXX	TIC	5,264,622	0	5,264,622
13			Total Plant-Related Accumulated Deferred Income Tax	(\$351,295,144)	\$102,182,778	(\$249,112,366)

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Depreciation Expense by Major Property Groupings

				Gross Plant Balance		Depreciation Rate (%)	Depreciation Expense	
				Base Case	Dec-17		Base Case	Dec-17
Distribution Accounts								
1	360	3600	Land and Land Rights	\$13,109,977	\$14,421,118	-	\$0	\$0
2	360	3601	Rights of Way	\$26,110,943	\$26,619,711	1.33	\$347,276	\$354,042
3	361	3610	Structures and Improvements	\$8,317,815	\$19,668,286	1.69	140,571	332,394
4	362	3620	Station Equipment	\$164,940,269	\$197,470,161	1.92	3,166,853	3,791,427
5	362	3622	Major Equipment	\$101,125,887	\$120,277,726	1.92	1,941,617	2,309,332
6	362	3635	Station Equipment Electronic	(\$99,380)	\$0	5.00	(4,969)	-
7	364	3640	Poles, Towers & Fixtures	\$242,324,299	\$343,355,327	2.40	5,815,783	8,240,528
8	365	3650, 3651	Overhead Conductors and Devices	\$384,604,443	\$603,801,888	2.80	10,768,924	16,906,453
9	366	3660	Underground Conduit	\$88,227,723	\$117,251,861	2.00	1,764,554	2,345,037
10	367	3670	Underground Conductors and Devices	\$282,336,871	\$361,938,303	2.16	6,098,476	7,817,867
11	368	3680, 3681	Line Transformers	\$367,228,972	\$429,413,000	2.50	9,180,724	10,735,325
12	368	3682	Customer Transformer Installations	\$5,272,832	\$3,755,297	2.22	117,057	83,368
13	369	3691	Services - Underground	\$3,391,901	\$6,313,635	2.00	67,838	126,273
14	369	3692	Services - Overhead	\$64,385,178	\$77,743,640	3.26	2,098,957	2,534,443
15	370	3700	Meters	\$35,626,976	\$0	Amortization	3,508,121	3,508,121
16	370	3700	Meter Instrument Transformers	\$6,341,273	\$7,609,081	2.86	181,360	217,620
17	370	3701	Leased Meters	\$15,008,859	\$0	Amortization	1,570,224	1,570,224
18	370	3701	Leased Meter Instrument Transformers	\$2,690,328	\$5,672,328	2.86	76,943	162,229
19	370	3702	Utility of the Future Meters	\$0	\$7,438,381	6.67	0	496,140
20	371	3710	Installations on Customers' Premises	\$241,509	(\$113)	6.67	16,109	(8)
21	371	3712	Company Owned Outdoor Lighting	\$0	\$0	6.67	-	-
22	372	3720	Leased Property on Customers' Premises	\$102,503	\$102,503	4.00	4,100	4,100
23	373	3730, 3731	Street Lighting - Overhead	\$20,946,536	\$7,774,529	3.93	823,199	305,539
24	373	3732	Street Lighting - Boulevard	\$28,103,634	\$27,873,960	2.44	685,729	680,125
25	373	3733	Light Security OL POL Flood	\$17,694,862	\$2,447,626	3.83	677,713	93,744
26	373	3734	Light Choice OLE - Public	-	-	4.20	-	-
27			Total	<u>\$1,878,034,210</u>	<u>\$2,380,948,248</u>		<u>\$49,047,161</u>	<u>\$62,614,322</u>

DUKE ENERGY OHIO, INC.
PROPERTY TAXES ALLOCABLE TO ELECTRIC DISTRIBUTION

Property Taxes			
	Personal ⁽¹⁾	Real ⁽²⁾	Total
1 Distribution	\$94,994,507	\$388,608	\$95,383,115

Notes: ⁽¹⁾ See page 10.

⁽²⁾ See page 11.

DUKE ENERGY OHIO, INC.
PERSONAL PROPERTY TAXES ALLOCABLE TO ELECTRIC DISTRIBUTION

Line	Description	Distribution
1	Jurisdictional Plant in Service	\$2,380,948,248
2	Jurisdictional Real Property	<u>60,709,115</u>
3	Net Cost of Taxable Personal Property	<u>\$2,320,239,133</u>
4	True Value Percentage (1)	49.22%
5	True Value of Taxable Personal Property	<u>\$1,142,021,701</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$970,718,446</u>
8	Personal Property Tax Rate	9.7860%
9	Personal Property Tax	<u><u>\$94,994,507</u></u>

(1) Percentage based on 2017 Valuation of Dec 2016 property

Assessed Value	1,145,740,233
Distr Plant in Service per 2016 Form 1 page 206 (Excludes Real Property)	2,328,027,097
	49.22%

DUKE ENERGY OHIO, INC.
REAL PROPERTY TAXES ALLOCABLE TO ELECTRIC DISTRIBUTION

Line	Description	Distribution
1	Real Property associated with electric distribution	\$60,709,115
2	Assessment Percentage (1)	<u>8.151%</u>
3	Assessment Value	\$4,948,400
4	Real Property Tax Rate	<u>7.8532%</u>
5	Real Property Tax	<u><u>\$388,608</u></u>

(1)	DEO 2016 property taxes paid in 2017	
	2016 Real Property per Form 1	\$61,061,279
	Assessed Value	<u>\$4,976,955</u>
	Assessment Percentage	<u><u>8.151%</u></u>

DUKE ENERGY OHIO, INC.
Revenue Collected
Rider DCI
Calendar Year 2017

January, 2017	\$ 3,418,111.45
February , 2017	\$ 2,969,877.70
March, 2017	\$ 2,843,641.28
April, 2017	\$ 3,134,424.48
May, 2017	\$ 3,085,042.01
June, 2017	\$ 3,527,897.39
July, 2017	\$ 4,484,379.63
August, 2017	\$ 4,438,691.40
September, 2017	\$ 4,059,475.96
October, 2017	\$ 4,573,889.67
November, 2017	\$ 4,408,010.55
December, 2017	\$ 4,981,156.34
Unbilled Balance	<u>\$ 2,227,000.00</u>
Total	\$ 48,151,597.86

Note: Cap for calendar year 2017 is \$67 million
per order in Case No. 14-841-EL-SSO