



155 East Broad Street
21st Floor
Columbus, Ohio, 43215

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

May 1, 2015

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

Re: Case No. 15-795-EL-RDR, In the Matter of the Application of Duke Energy Ohio, Inc., to Update Its Distribution Capital Investment Rider

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 initiation 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, the initial Rider DCI rate will be implemented with the first billing cycle of July 2015. The proposed initial Rider DCI rate is based on investment data from the FERC Form 3Q and Form 1, for the first quarter of 2015 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 2015 for this first quarter.

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

Respectfully submitted,

Amy B. Spiller
Deputy General Counsel
Elizabeth H. Watts
Associate General Counsel
Duke Energy Ohio, Inc.
139 E. Fourth Street
Cincinnati, Ohio 45201-0960

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
Original Sheet No. 103
Page 1 of 1

**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 4.931% 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: May 1, 2015

Effective: July 1, 2015

Issued by James P. Henning, President

Duke Energy Ohio
Revenue Requirement for Rider DCI

Line	Description	March 31, 2012	March 31, 2015	Reference
1	Gross Distribution Plant	\$1,878,034,210	\$2,033,851,977	Pages 2 & 3
2	Accumulated Depreciation on Distribution Plant	646,781,562	696,822,854	Pages 4 & 5
3	Net Distribution Plant in Service	\$1,231,252,648	\$1,337,029,123	
4	Accum Def Income Taxes on Distr Plant	(\$249,112,366)	(\$312,656,279)	Pages 6 & 7
5	Distribution Rate Base for Rider DCI	<u>\$982,140,282</u>	<u>\$1,024,372,844</u>	Line (3) + Line (4)
6	Return on Rate Base (Pre-Tax %)	10.68%	10.68%	Per Stipulation
7	Return on Rate Base (Pre-Tax)	\$104,892,582	\$109,403,020	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$53,591,475	Page 8
9	Property Tax Expense (Excludes M&S)	<u>\$65,218,326</u>	<u>\$76,053,326</u>	Page 9
10	Revenue Requirement Before CAT	\$219,158,069	\$239,047,821	Line (7) + Line (8) +Line (9)
11	Change in Revenue Requirement		\$19,889,752 (1)	Line (10) _{current} - Line (10) _{base}
12	Incremental Commercial Activities Tax		\$51,848	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement		\$19,941,600	Line (11) + Line (12)
14	Annual Base Distribution Revenue (2)		<u>\$404,401,058</u>	
15	DEO Percentage of Base Distribution Revenue		<u>4.931%</u>	Line (16) ÷ Line (17)

Notes: (1) To be collected beginning July 1, 2015. Since only half of revenue will be collected in calendar year 2015 the Company will be under the \$17 million cap as ordered in Case No. 14-841-EL-SSO.

(2) From Stipulation Attachment 2 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 March 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,811,258		\$13,811,258
2	360	3601	Rights of Way	26,233,546		26,233,546
3	361	3610	Structures and Improvements	17,295,205		17,295,205
4	362	3620	Station Equipment	206,982,426	(30,848,428)	176,133,998
5	362	3622	Major Equipment	110,602,630	(3,617,026)	106,985,604
6	362	3635	Station Equipment Electronic	918,432	(917,190)	1,242
7	364	3640	Poles, Towers & Fixtures	285,124,441	(3,581,655)	281,542,786
8	365	3650, 3651	Overhead Conductors and Devices	511,498,879	(28,765,939)	482,732,940
9	366	3660	Underground Conduit	99,489,609		99,489,609
10	367	3670	Underground Conductors and Devices	311,123,111		311,123,111
11	368	3680, 3681	Line Transformers	334,454,433		334,454,433
12	368	3682	Customer Transformer Installations	5,183,057		5,183,057
13	369	3691	Services - Underground	5,923,249		5,923,249
14	369	3692	Services - Overhead	76,284,823		76,284,823
15	370	3700	Meters	12,523,250		12,523,250
16	370	3701	Leased Meters	16,201,604		16,201,604
17	370	3702	Utility of the Future Meters	65,188,887	(65,188,887)	0
18	371	3710	Installations on Customers' Premises	4,658,802		4,658,802
19	371	3712	Company Owned Outdoor Light	1,016,162	(1,016,162)	0
20	372	3720	Leased Property on Customers' Premises	102,503		102,503
21	373	3730, 3731	Street Lighting	20,450,908		20,450,908
22	373	3732	Street Lighting - Boulevard	27,635,978		27,635,978
23	373	3733	Light Security OL POL Flood	15,084,071		15,084,071
24	373	3734	Light Choice OLE - Public	6,225,676	(6,225,676)	0
25				\$2,174,012,940	(\$140,160,963)	\$2,033,851,977

Notes: (a) Grid Mod additions

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	41,968,249		41,968,249
16	370	3701	Leased Meters	17,699,187		17,699,187
17	370	3702	Utility of the Future Meters	40,433,742	(40,433,742)	0
18	371	3710	Installations on Customers' Premises	241,509		241,509
19	371	3712	Company Owned Outdoor Light	714,040	(714,040)	0
20	372	3720	Leased Property on Customers' Premises	102,503		102,503
21	373	3730, 3731	Street Lighting	21,127,345	(180,809)	20,946,536
22	373	3732	Street Lighting - Boulevard	28,103,634		28,103,634
23	373	3733	Light Security OL POL Flood	17,694,862		17,694,862
24	373	3734	Light Choice OLE - Public	1,364,763	(1,364,763)	0
25				\$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 March 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$2,772		\$2,772
2	360	3601	Rights of Way	3,564,848		3,564,848
3	361	3610	Structures and Improvements	4,324,903		4,324,903
4	362	3620	Station Equipment	77,946,166	(2,298,117)	75,648,049
5	362	3622	Major Equipment	42,852,708	(276,191)	42,576,517
6	363	3635	Dist Station Equip Elec	112,772	(112,502)	270
7	364	3640	Poles, Towers & Fixtures	117,411,738	(184,693)	117,227,045
8	365	3650, 3651	Overhead Conductors and Devices	110,586,745	(2,264,372)	108,322,373
9	366	3660	Underground Conduit	40,934,954		40,934,954
10	367	3670	Underground Conductors and Devices	86,291,016		86,291,016
11	368	3680, 3681	Line Transformers	143,389,611		143,389,611
12	368	3682	Customer Transformer Installations	2,991,333		2,991,333
13	369	3691	Services - Underground	2,446,030		2,446,030
14	369	3692	Services - Overhead	43,450,563		43,450,563
15	370	3700	Meters	(5,012,631)		(5,012,631)
16	370	3701	Leased Meters	7,232,891		7,232,891
17	370	3702	Utility of the Future Meters	13,849,050	(13,849,050)	0
18	371	3710	Installations on Customers' Premises	304,909		304,909
19	371	3712	Company Owned Outdoor Light	(819,948)	819,948	0
20	372	3720	Leased Property on Customers' Premises	(63,515)		(63,515)
21	373	3730, 3731	Street Lighting - Overhead	10,126,258		10,126,258
22	373	3732	Street Lighting - Boulevard	7,891,550		7,891,550
23	373	3733	Light Security OL POL Flood	7,428,639		7,428,639
24	373	3734	Light Choice OLE - Public	(115,828)	115,828	0
25		108	Retirement Work in Progress	(2,255,531)		(2,255,531)
26				\$714,872,003	(\$18,049,149)	\$696,822,854

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				\$648,363,733	(\$1,582,171)	\$646,781,562

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (March 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
			Account 282			
1	282	282.XXX	263A	\$ (42,048,748)	\$0	(\$42,048,748)
2	282	282.XXX	AFUDC Debt	(2,061,213)	0	(2,061,213)
3	282	282.XXX	Casualty Loss	(14,304,819)	0	(14,304,819)
4	282	282.XXX	CIAC	16,695,826	0	16,695,826
5	282	282.XXX	CWIP Differences	1,236,728	0	1,236,728
6	282	282.XXX	FAS109	(36,318,575)	36,318,575	0
7	282	282.XXX	Miscellaneous	3,421,614	0	3,421,614
8	282	282.XXX	Non-Cash Overheads	21,519,065	0	21,519,065
9	282	282.XXX	Section 174	(288,570)	288,570	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(364,175,135)	63,020,426	(a) (301,154,709)
12	282	282.XXX	TIC	4,039,978	0	4,039,978
13			Total Plant-Related Accumulated Deferred Income Tax	\$ (412,283,850)	\$ 99,627,571	\$ (312,656,279)

Notes: (a) Grid Mod additions

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	Mar-15		Base Case	Mar-15
Distribution Accounts					
1	360				
2	360	\$13,109,977	-	\$0	\$0
3	361	\$26,110,943	1.33	\$347,276	\$348,906
4	362	\$8,317,815	1.69	140,571	292,289
5	362	\$164,940,269	1.92	3,166,853	3,381,773
6	362	\$101,125,887	1.92	1,941,617	2,054,124
7	364	(\$99,380)	5.00	(4,969)	62
8	365	\$242,324,299	2.40	5,815,783	6,757,027
9	366	\$384,604,443	2.80	10,768,924	13,516,522
10	367	\$88,227,723	2.00	1,764,554	1,989,792
11	368	\$282,336,871	2.16	6,098,476	6,720,259
12	368	\$367,228,972	2.50	9,180,724	8,361,361
13	369	\$5,272,832	2.22	117,057	115,064
14	369	\$3,391,901	2.00	67,838	118,465
15	370	\$64,385,178	3.26	2,098,957	2,486,885
16	370	\$32,936,648	Amortization	3,508,121	3,508,121
17	370	\$9,031,601	2.86	258,304	-
18	370	\$17,699,187	Amortization	1,570,224	1,570,224
19	371	\$0	6.67	0	-
20	371	\$241,509	6.67	16,109	310,742
21	372	\$0	6.67	-	-
22	373	\$102,503	4.00	4,100	4,100
23	373	\$20,946,536	3.93	823,199	803,721
24	373	\$28,103,634	2.44	685,729	674,318
25	373	\$17,694,862	3.83	677,713	577,720
26			4.20	-	-
	Total	\$1,878,034,210		\$49,047,161	\$53,591,475
		\$2,033,851,977			

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

				Property Taxes		
				Personal ⁽¹⁾	Real ⁽²⁾	Total
1	Distribution	\$75,477,054	\$576,273	\$76,053,326		

Notes: ⁽¹⁾ See page 9.

⁽²⁾ See page 10.

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

Line	Description	Distribution
1	Jurisdictional Plant in Service	\$2,033,851,977
2	Jurisdictional Real Property	<u>57,340,009</u>
3	Net Cost of Taxable Personal Property	<u>\$1,976,511,968</u>
4	True Value Percentage (1)	48.29%
5	True Value of Taxable Personal Property	<u>\$954,457,629</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$811,288,985</u>
8	Personal Property Tax Rate	9.3034%
9	Personal Property Tax	<u><u>\$75,477,054</u></u>

(1) Percentage based on 2014 Valuation of Dec 2013 property

Assessed Value	1,015,548,962
Distr Plant in Service per 2013 Form 1 (Excludes real Property)	2,103,224,765
	48.29%

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

Line	Description	Distribution
1	Real Property associated with electric distribution	\$57,340,009
2	Assessment Percentage (1)	<u>14.631%</u>
3	Assessment Value	\$8,389,417
4	Real Property Tax Rate	<u>6.86904%</u>
5	Real Property Tax	<u><u>\$576,273</u></u>

(1) DEO 2014 property taxes paid in 2015

Electric Distribution Real Property cost per return	\$27,759,878
Assessed Value	<u>\$4,061,606</u>
Assessment Percentage	<u><u>14.631%</u></u>