### BEFORE

### THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke ) Energy Ohio, Inc., for Administration of the ) Significantly Excessive Earnings Test under ) Section 4928.143(F), Revised Code, and Rule ) 4901:1-35-10, Ohio Administrative Code. )

Case No. 19-0460- EL-UNC

### DIRECT TESTIMONY OF

### **LIBBIE S. MILLER**

#### **ON BEHALF OF**

### **DUKE ENERGY OHIO, INC.**

May 15, 2019

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### Attachments:

- LSM-1: Return Earned on Average Electric Common Equity
- LSM-2: Adjusted Net Income for the year ended December 31, 2018
- LSM-3: Summary of Net Income Eliminations
- LSM-4: Average Electric Common Stock Equity
- LSM-5: Net Plant Allocation Factor
- LSM-6: Summary of Assumptions
- LSM-7: Performance Benchmarks

### I. INTRODUCTION AND PURPOSE

### 1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Libbie S. Miller. My business address is 139 East Fourth Street,
Cincinnati, Ohio 45202.

### 4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Duke Energy Business Services LLC (DEBS) as Lead Rates and
Regulatory Analyst for Duke Energy Ohio, Inc., (Duke Energy Ohio or Company)
and Duke Energy Kentucky, Inc. DEBS provides various administrative and other
services to Duke Energy Ohio and other affiliated companies of Duke Energy
Corporation (Duke Energy).

## 10 Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL 11 QUALIFICATIONS.

12 A. I earned a Bachelor of Science in Accounting from Indiana State University, Terre 13 Haute, Indiana, in 1988. I also am a Certified Public Accountant licensed in 14 Indiana. I began my career with Public Service Indiana, in 1988, where I held 15 positions in Fuels Accounting, Corporate Accounting, and Financial Systems. I 16 transferred to Cincinnati, Ohio, in 1995 with the inception of Cinergy Corp., the 17 parent of Duke Energy Ohio, where I continued working in Financial Systems and 18 later held various accounting positions within the generation business. In 2015, I 19 worked in Program Performance supporting Energy Efficiency and Demand 20 Response customer programs for Duke Energy Indiana. In January 2018, I began 21 my current role as Lead Analyst, Rates and Regulatory Strategy for Duke Energy

1 Ohio and Duke Energy Kentucky.

### Q. PLEASE DESCRIBE YOUR DUTIES AS LEAD ANALYST, RATES AND REGULATORY STRATEGY.

- A. As Lead Analyst, I am responsible for the preparation of various monthly, quarterly,
  and annual rate recovery mechanisms. I also prepare other schedules used in retail
  rate filings for Duke Energy Ohio and Duke Energy Kentucky.
- 7 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES
  8 COMMISSION OF OHIO (COMMISSION)?
- 9 A. No.

### 10 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS 11 PROCEEDING?

A. I first will provide a brief overview of the Significantly Excessive Earnings Test
(SEET) and then I will discuss the SEET calculation of Duke Energy Ohio and the
attachments supporting the calculation.

### II. BACKGROUND

15 Q. WHY IS IT NECESSARY FOR DUKE ENERGY OHIO TO SHOW THAT

### 16 **IT DOES NOT HAVE SIGNIFICANTLY EXCESSIVE EARNINGS?**

- A. Pursuant to R.C. 4928.143(F), following the end of each annual period of an
  approved ESP, the Commission is required to evaluate the earnings of each electric
  distribution utility to determine whether the adjustments included in the ESP
  resulted in significantly excessive earnings.
- 21 The period at issue in this SEET filing is calendar year 2018. During all of

calendar year 2018, Duke Energy Ohio was providing a standard service offer
 (SSO) pursuant to an ESP that was approved by the Commission on April 2, 2015
 (ESP III). The terms of ESP III are set forth in the Commission's Opinion and
 Order in Case No. 14-841-EL-SSO, *et al.* (ESP III Order).

# Q. DO THE TERMS OF ESP IV, CASE NO. 17-1263-EL-SSO, *ET AL.*, APPROVED BY THE COMMISSION ON DECEMBER 19, 2018, APPLY IN THIS CASE?

8 A. No. ESP III was originally approved with a termination date of May 31, 2018. 9 However, due to the delay in approval of the next ESP, ESP III remained in effect until the approval of ESP IV, in Case No. 17-1263-EL-SSO, on December 19, 2018 10 11 (ESP IV). The effective date of new rates approved in ESP IV began no earlier than 12 January 1, 2019. Therefore, and because ESP IV did not change the methodology 13 for administering the SEET test, this SEET review is only addressing whether the 14 terms and conditions of ESP III produced significantly excessive earnings for 15 calendar year 2018.

16 Q. DID THE ESP III ORDER THAT THE COMMISSION ISSUED ON APRIL

2, 2015, ADDRESS THE ADMINISTRATION OF THE SEET TO DUKE

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### 18 ENERGY OHIO?

- A. Yes. With regard to calculation parameters, the ESP III Order did not disagree with
  the methodology proposed by Duke Energy Ohio and used in its prior SEET
  proceedings. That methodology provides as follows:
  - Net income as shown on page 117, column (c), line (78) of the [FERC] Form 1, adjusted for the following, if necessary:

1 2		<ul> <li>Eliminate all impacts related to the purchase accounting recorded pursuant to the Duke Energy/Cinergy merger.</li> </ul>
3 4		<ul> <li>Eliminate all impacts of refunds to customers pursuant to R.C. 4928.143(F).</li> </ul>
5		• Eliminate all impacts of mark-to-market accounting.
6 7		<ul> <li>Eliminate all impacts of material, non-recurring gains/losses, including, but not limited to, the sale or disposition of assets.</li> </ul>
8 9		<ul> <li>Eliminate all impacts of material, non-recurring revenue or expenses.</li> </ul>
10 11 12 13		<ul> <li>Eliminate all impacts of parent, affiliated, or subsidiary companies and, to the extent reasonably feasible and prudently justified in the opinion of Duke Energy Ohio, eliminate the impacts of its natural gas distribution business.</li> </ul>
14		The adjusted net income will be divided by Common Equity to determine
15		the resulting return on equity. Certain adjustments will be made to Common
16		Equity.
17 18 19		• Common equity used in the calculation will be the beginning and ending average common equity of Duke Energy Ohio on a stand-alone basis.
20 21		• Equity will be adjusted to eliminate the acquisition premium recorded to equity pursuant to the Duke Energy/Cinergy merger.
22		• Eliminate the cumulative effect of the net income adjustments.
23	Q.	DOES THE ESP III ORDER ESTABLISH A FIXED THRESHOLD FOR
24		WHAT WOULD BE CONSIDERED "SIGNIFICANTLY EXCESSIVE
25		EARNINGS"?
26	A.	No. Pursuant to the ESP III Order, the threshold for significantly excessive
27		earnings will be determined within the context of this case for calendar year 2018.

### III. COMMISSION'S SEET GUIDELINES

1	Q.	WHAT GUIDELINES DID THE COMPANY FOLLOW WHEN
2		PREPARING ITS 2018 SEET FILING?
3	A.	The Company has followed the guidelines found in the relevant provision of the
4		ESP III Order. Additionally, the Company has incorporated into its SEET the
5		Commission's recommendations from Case No. 09-786-EL-UNC (SEET Case). <sup>1</sup>
6	Q.	PLEASE IDENTIFY THE ADDITIONAL RECOMMENDATIONS OF THE
7		COMMISSION IN THE SEET CASE.
8	A.	The Commission's orders in that case generally defer to each company's specific
9		situation.
10		As I discuss further below, the Commission directed utilities to: (1) base
11		average equity balances on the average of the balances at the beginning and at the
12		end of the year; <sup>2</sup> (2) adjust out all impacts from affiliates and other services ( $e.g.$ ,
13		natural gas distribution); <sup>3</sup> and (3) address deferrals and other certain factors. <sup>4</sup>
14	Q.	DID THE COMPANY HAVE ANY ESP-RELATED DEFERRALS IN 2018
15		THAT IMPACTED EARNINGS?

16 A. No, there were none related to ESP III.

<sup>&</sup>lt;sup>1</sup> In the Matter of the Investigation into the Development of the Significantly Excessive Earnings Test Pursuant to Amended Substitute Senate Bill 221 for Electric Utilities, Case No. 09-786-EL-UNC.

 <sup>&</sup>lt;sup>2</sup> *Id.*, Entry on Rehearing, at pg. 6 (Aug. 25, 2010).
 <sup>3</sup> *Id.*, Finding and Order, at pg. 12 (June 30, 2010).

<sup>&</sup>lt;sup>4</sup> Id.

1	Q.	WILL YOU DESCRIBE THE OTHER INFORMATION THAT THE
2		COMMISSION DIRECTED COMPANIES TO PROVIDE AS PART OF ITS
3		SEET REVIEWS?
4	А.	On page 29 of its June 30, 2010, Order, the Commission provided a list of factors
5		it identified as worthy of its consideration in any SEET review. The listed factors
6		include the following:
7		• the electric utility's most recently authorized return on equity, and
8		• the electric utility's risk, including:
9		• whether the electric utility owns generation;
10 11		• whether the ESP includes a fuel and purchased power adjustment or similar adjustments;
12 13		• the rate design and extent to which the electric utility remains subject to weather and economic risk;
14		• capital commitments and future capital requirements;
15 16		<ul> <li>indicators of management performance and benchmarks to other utilities;</li> </ul>
17 18 19 20 21		<ul> <li>innovation and industry leadership with respect to meeting industry challenges to maintain and improve the competitiveness of Ohio's economy, including research and development expenditures, investments in advanced technology, and innovative practices; and</li> </ul>
22 23		• the extent to which the electric utility has advanced state policy.
24	Q.	WHAT IS THE COMPANY'S APPROVED RETURN ON COMMON
25		EQUITY FOR CALENDAR YEAR 2018?
26	A.	The Company's approved return on common equity for calendar year 2018 was

1 9.84 percent for its jurisdictional electric distribution service in Ohio.<sup>5</sup>

## 2 Q. DOES THE COMPANY HAVE A MECHANISM FOR RECOVERY OF 3 PURCHASED POWER EXPENSES?

A. Yes. The Company procured 100 percent of the generation services provided to its
SSO load in 2018 through an auction process approved in the ESP III Order, and
as extended until the approval of ESP IV. The Company recovers the cost of this
competitively procured power via riders. Duke Energy Ohio makes no profit or
loss on power that is procured via the auction process and is ultimately delivered to
its SSO customers.

### 10 Q. DESCRIBE THE COMPANY'S RATE DESIGN.

11 A. The Company's rate design for noncompetitive service has been essentially the 12 same since its unbundled rates became effective on January 1, 2001. The Stipulation in Case No. 11-3549-EL-SSO, et al., eliminated some riders that existed 13 14 at the end of 2011 and added certain new riders for competitive retail services. As 15 a result, there were new rates for competitive retail services based on allocation 16 methods and rate design processes that were approved by the Commission in that 17 The ESP III Order eliminated other riders for competitive service and case. 18 modified the design of some riders. Depending on the rate class, some customers 19 may have energy-based rates, demand-based rates, or a combination of both. All 20 customers have some form of a customer charge and some non-residential

<sup>&</sup>lt;sup>5</sup> In the Matter of the Application of Duke Energy Ohio for an Increase in Electric Distribution Rates, Case No. 12-1682-EL-AIR, *et al.*, Stipulation and Recommendation, at pg. 6 (April 2, 2013), and Opinion and Order, at pg. 6 (May 1, 2013).

customers have demand ratchets intended to encourage efficient use of resources.
 For customers who shop, it is not possible for the Company to know the essentially
 infinite number of rate design options that may be offered by their competitive retail
 electric service providers.

### 5 Q. DESCRIBE THE EXTENT TO WHICH WEATHER AND ECONOMIC 6 RISKS IMPACT THE COMPANY.

7 A. As part of the Stipulation in Case No. 11-3549-EL-SSO, et al., Duke Energy Ohio agreed to file an application to implement a decoupling mechanism for its non-8 9 The Commission approved the Company's demand-metered customers. subsequent application toward that end in early 2012, and the Company began 10 11 accruing a deferral related to the decoupling mechanism. The decoupling 12 mechanism excludes all demand-metered sales but mitigates the impact of certain 13 sales losses, particularly due to compliance with Ohio's energy efficiency 14 mandates. I should note that the approved decoupling mechanism is based on 15 weather-normalized sales; consequently, the Company is still exposed to weather-16 related earnings risks. The administration of the SEET expressly contemplates that 17 the impacts of Duke Energy Ohio's natural gas are to be eliminated. As such, Duke 18 Energy Ohio does not address, in this proceeding, the weather risks relevant to its 19 natural gas operations.

## 20 Q. WILL YOU ADDRESS THE CAPITAL COMMITMENTS AND CAPITAL 21 REQUIREMENTS?

22 A. The capital budget requirements for the future, committed, electric investments in

Ohio are approximately \$493 million for 2019 and approximately \$361 million for
 2020.

# 3 Q. ARE YOU SPONSORING ANY INFORMATION REGARDING 4 MANAGEMENT PERFORMANCE AND BENCHMARKS TO OTHER 5 UTILITIES?

6 A. Yes. First, it is important to realize that there is no data that compares the Duke 7 Energy Ohio operating company to its peers. As such, and in an effort to address 8 the Commission's prior directive, reference is made to the information that does 9 exist, on a corporate-wide basis. Attachment LSM-7 is a summary of how Duke 10 Energy Corporation's returns compare to some of its peers. The data represented 11 in this chart represents a comparison of total shareholder return (TSR), which is 12 defined as the sum of dividends and share appreciation divided by a starting price. 13 In this attachment, the first set of numbers shows the TSR for stocks from January 14 1, 2016, through December 31, 2018. The second set of numbers shows the TSR 15 for stocks purchased from January 1, 2017, through December 31, 2018. The third 16 set of numbers shows the TSR for stocks purchased from January 1, 2018, through 17 December 31, 2018.

### 18 Q. HAS THE COMPANY BEEN INNOVATIVE IN ADVANCING STATE 19 POLICY?

A. Yes. Duke Energy Ohio is the first utility in Ohio to deploy smart meters across its
 entire service territory. Duke Energy Ohio's self-healing teams have saved many
 millions of customer outage minutes annually. As a state leader in deployment of

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the smart grid, Duke Energy Ohio is actively participating in the Commission's
 "PowerForward" program to share its expertise and to work with interested
 stakeholders to enhance further innovation.

### IV. SCHEDULES SPONSORED BY WITNESS

### 4 Q. PLEASE DESCRIBE ATTACHMENT LSM-1.

A. Attachment LSM-1 is a schedule showing that the Company's return earned on
average electric common equity for the year ended December 31, 2018, is 9.58
percent.

### 8 Q. PLEASE DESCRIBE ATTACHMENT LSM-2.

9 A. Attachment LSM-2 is a schedule showing the calculation of the Company's 10 adjusted electric net income for the calendar year 2018. The source of the utility 11 operating income for the twelve months ended December 31, 2018, is the 12 Company's 2018 FERC Form 1 annual report, pages 114 to 117. Continuing the 13 methodology used in prior SEET proceedings, which was approved in the ESP III 14 Order, purchase accounting recorded as a result of the Duke Energy/Cinergy 15 merger, all impacts of refunds to customers pursuant to R.C. 4928.143(F), all 16 impacts of mark-to-market accounting, all impacts of material, non-recurring 17 gains/losses, all impacts of material, non-recurring revenue or expenses, and all 18 impacts of the natural gas business were eliminated. As shown on the attachment, 19 no refunds were returned to customers during the twelve months ended December 20 31, 2018. Equity in earnings of subsidiary companies was also eliminated so that 21 the return earned on average common equity would be on a Duke Energy Ohio

1 stand-alone basis.

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### Q. PLEASE DESCRIBE ATTACHMENT LSM-3.

- A. Attachment LSM-3 is a summary of the items eliminated from net income. The
  schedule shows, by Company account, the impact on net income of eliminating
  purchase accounting, mark-to-market accounting, non-recurring gains and/or
  losses, material non-recurring revenues and expenses, and the equity in earnings of
  subsidiary companies.
- 8 Q. PLEASE DESCRIBE ATTACHMENT LSM-4.
- 9 A. Attachment LSM-4 is an exhibit showing the calculation of the Company's average 10 electric common stock equity as of December 31, 2018. The attachment shows the 11 common stock equity balances for December 31, 2017, and December 31, 2018, 12 and the calculation of the average electric common equity balance as of December 13 31, 2018, to be used in determining if Duke Energy Ohio has significantly excessive 14 earnings. Pursuant to the ESP III Order, the following items were eliminated in 15 calculating the ending balance for each calendar year: (1) impacts of purchase 16 accounting recorded pursuant to the Duke Energy/Cinergy merger; (2) all impacts 17 of mark-to-market accounting; and (3) all impacts of material, non-recurring gains 18 and/or losses.

### 19 Q. PLEASE DESCRIBE ATTACHMENT LSM-5.

A. Attachment LSM-5 is a schedule showing the calculation of a net plant allocation
 factor used to allocate total average common equity to electric operations. The gas
 and electric plant data is taken from the Company's 2017 and 2018 FERC Form 1,

pages 200-201. The schedule shows that, based on net plant, 65.76 percent of the
 Company's 2018 common equity is allocable to electric operations.

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### Q. PLEASE DESCRIBE ATTACHMENT LSM-6.

A. Attachment LSM-6 is a summary of assumptions used in this filing, most of which
are from Attachment PAL-2 in Peggy A. Laub's testimony in Case No. 14-841-ELSSO, *et al.* I have discussed all of the other relevant assumptions in my testimony.

### 7 Q. PLEASE DESCRIBE ATTACHMENT LSM-7.

A. Attachment LSM-7 is a summary showing Duke Energy Corporation's TSR in
comparison to some of its peer companies in the Philadelphia Utility Index.

### V. <u>CONCLUSION</u>

### 10 Q. DOES DUKE ENERGY OHIO HAVE SIGNIFICANTLY EXCESSIVE

### 11 EARNINGS THAT WOULD REQUIRE A REFUND TO CUSTOMERS?

A. No. As shown on Attachment LSM-1, Duke Energy Ohio's return earned on
average electric common equity is 9.58 percent. The return on average electric
common equity is actually less than the Company's approved 9.84 percent rate of
return for electric distribution service. The conclusion from this analysis is that
Duke Energy Ohio's rate of return on equity (ROE) for 2018 is below its approved
ROE. Therefore, no further analysis is needed to conclude that the Company does
not have significantly excessive earnings.

### Q. WERE ATTACHMENTS LSM-1, LSM-2, LSM-3, LSM-4, LSM-5, LSM-6 AND LSM-7 PREPARED BY YOU OR UNDER YOUR SUPERVISION?

21 A. Yes.

### 1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes.

Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Case No. 19-0460-EL-UNC December 31, 2018

Description	<u>Source</u>	<u>Amount</u>
Including Non-SSO Sales and ESP Deferrals		
Adjusted Electric Net Income	LSM-2	\$109,506,649
Average Electric Common Equity	LSM-4	\$1,142,895,204
Return Earned on Average Electric Common Equity		<u>9.58%</u>

#### Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Adjusted Net Income December 31, 2018

Description         Pron. No. 1         Part Line. Column         Part Line. Column         Part Line. Column         Non-Recurst Mark Mark Mark Mark Mark Mark Mark Mark				12 Months Ended De	ecember 31, 2018				Eliminations				
Describer         Page Lies Column         Total Value         Total Value         Describer         Scientifie         Number Value         Standarding         Describer         Describer <thdescribr< th="">         Describer         Describer&lt;</thdescribr<>										Equity in	Amounts		
Utility Operating Ferrors         114 2.5 g         Level 6         51 (36, 123, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 23, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 24, 760)         50 (36, 26, 770)         50 (36, 26, 26, 770) <td></td> <td>Form No. 1</td> <td></td> <td></td> <td></td> <td>Purchase</td> <td></td> <td>Non-Recurring</td> <td>Non-Recurring</td> <td>Earnings of</td> <td>Refunded to</td> <td>Total</td> <td>Adjusted</td>		Form No. 1				Purchase		Non-Recurring	Non-Recurring	Earnings of	Refunded to	Total	Adjusted
Operation Expension         114.2.e.g         Level 8         \$1,48.0.09,87         \$1,55,18.3.70.0           Operation Expension         114.4.e.g         Level 8         558,143.001         39,145.001         39,145.001         459,042.271           Operation Expension         114.4.e.g         Level 8         559,143.001         559,143.001         39,145.001         459,042.271           Operation Expension         114.8.e.g         Level 8         559,143.001         0         0         105,044.171           Operation Expension         114.8.e.g         Level 8         559,143.001         0         0         12,204.40           Operation Expension         114.8.e.g         Level 8         559,143.001         0         0         2,204.12         0         12,204.50         0         2,204.12         0         2,204.12         0         2,203.43         0         0         0,308,170         0         0         2,203.43         0         2,227,308         0         0         0,23,08,170         0         0         2,227,308         0         0         0,23,08,170         0         0         2,227,308         0         0         2,227,308         0         0         2,227,308         0         0         2,227,308         0 </td <td>Description</td> <td>Page, Line, Column</td> <td>Account Level</td> <td>Total</td> <td>Electric</td> <td>Accounting</td> <td>Mark-to-Market</td> <td>Gains / Losses</td> <td>Rev / Exp</td> <td>Subsidiaries</td> <td>Customers</td> <td>Eliminations</td> <td>December 31, 2018</td>	Description	Page, Line, Column	Account Level	Total	Electric	Accounting	Mark-to-Market	Gains / Losses	Rev / Exp	Subsidiaries	Customers	Eliminations	December 31, 2018
Operation Exponses         114.4.c.p Mathemase Exponses         114.4.c.p Mathemase Exponses         Level 8         65.75.86.47 (55.56.47)         520.81.001         520.81.001         520.81.001         520.81.001         520.80.001         520.81.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001         520.80.001	Utility Operating Income												
Maintance Expension         114 & E.g.         Level 8         65 726,864 7         57,556,67 7           Particultion Expension         114 & E.g.         Level 9         17 580,647 7         12 204,428 7         0         12 204,28 7           Arvart C. Ullip Particultion Expension         114 & E.g.         Level 9         7 380,444 1         12 204,28 7         0         0         12 204,28 7           Regulatory Exels         114 & E.g.         Level 9         7 380,444 1         12 204,28 7         0         0         1, 383,503 7         0         12 204,28 7           Regulatory Exels         114 & E.g.         Level 8         36,466,73 7         31,202,393 7         0         0         (8,208,170) 7         0         (8,208,170) 7         22,22,22 30,237 7           Threadment Exels - Federal         114 & E.g.         Level 8         36,466,73 7         31,202,393 7         0         0         (8,208,170) 7         0         (8,208,170) 7         22,22,22 30,327 7           Threadment Exels - Exelent         114 & E.g.         Level 8         36,466,73 7         31,202,456,563,31         0         0         2,25,660,18 0         0         2,22,22,32 30,327 70         7,42,228,22,32 30,327 70         7,42,228,22,32,323 70         7,42,228,22,32,323 70         7,42,228,22,32,323 70         7,42,228	Operating Revenues	114.2.c.g	Level 6	\$1,456,109,967	\$1,051,823,760							\$0	\$1,051,823,760
Depresident Expense         114.6.g         Lewel 9         154.962.288         109.944.47           Depresident Expense for Asaf Mannet Cuts         114.2.g         Lewel 9         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0 <td>Operation Expenses</td> <td>114.4.c.g</td> <td>Level 8</td> <td>584,418,735</td> <td>420,806,180</td> <td></td> <td></td> <td></td> <td>\$39,143,091</td> <td></td> <td></td> <td>39,143,091</td> <td>459,949,271</td>	Operation Expenses	114.4.c.g	Level 8	584,418,735	420,806,180				\$39,143,091			39,143,091	459,949,271
Opinios for Logins for Asset Retirement Cets         114 7.2 g 114 8.2 g Maguatery Debis         114 7.2 g 114 8.2 g Maguatery Debis         0 114 8.2 g Maguatery Debis         0 10 0 10 0 0 10 0 0 0 0 0 0 0 0 0 0 0 0	Maintenance Expenses	114.5.c.g	Level 8	65,754,684	57,556,647							0	57,556,647
Amint Abel, Of Ulliny Panint         1148.2.6         Level 9         17.888.441         17.888.441         0         0         12.204.88           Amint Of Ulliny Panint         1148.2.6         Level 9         17.00         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         12.204.88         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0<	Depreciation Expense	114.6.c.g	Level 9	154,995,298	109,944,417							0	109,944,417
Annot. 10 Using Plant Acquisation Adj.         114 32.6 J Regulatory Deals         Level 9 ( 14 12.6 J September 2000 48 22,807.8 J September 2000 48	Depreciation Expense for Asset Retirement Costs	114.7.c.g	Level 9	0	0							0	0
Regulatory Debits         114.12.cg         FERC Page         47.900.488         25.200.412         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         <		114.8.c.g	Level 9	17,898,441	12,204,428							0	12,204,428
Less: Reglatary Credits       114.13.5_0       FERC Page       (22.077.819)       (32.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076.819)       (3.02.076	Amort. Of Utility Plant Acquisition Adj.	114.9.c.g	Level 9	0	0							0	0
Tases       114, 14, 6.g.       Level 8       277, 155, 02       223, 040, 387       (1,368, 903)       (1,368, 903)       (21, 671, 682, 903)         Denome Tases       Chief       Level 8       0,468, 72       31, 022, 983, 80       0       0       (8,208, 170)       0       (8,208, 170)       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       62, 227, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 865, 563, 71       64, 72, 528, 566, 018, 50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50       50		114.12.c.g										0	
Income Taxes - Federal         114, 15.c.g         Level 8         394,985,770         51/22,983         0         0         (6,208,170)         0         (6,208,170)         22,828,4289           Provision For Deferred mome Taxes         114, 17.c.g         Level 8         00,375,301         0         0         (6,208,170)         0         (6,208,170)         0         0         82,827,71           Provision For Deferred mome Taxes         114, 17.c.g         Level 8         0         0         0         0         0         0         0         82,827,71         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0	Less: Regulatory Credits	114.13.c.g	FERC Page	(22,987,241)	(22,678,819)							0	(22,678,819)
Income Taxes - Other         114.16.c.g         Level 8         082.27.71         654.488         0         0         64.688           Provision FD Deferred Income Taxes - Credit         114.18.c.g         Level 9         (93.573.601         652.27.71         652.27.71         652.27.71         652.27.71         652.27.71         652.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.71         662.27.72         662.27.71         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72         662.27.72.76.22         662.27.72.76.22         <	Taxes Other Than Income Taxes	114.14.c.g	Level 8	277,155,402								(1,368,903)	221,671,484
Provision For Deferred Income Taxes       114,17.c_0^2       Level 9       103,377,301       68,292,771       0       0       68,292,71         Provision For Deferred Income Taxes       114,18.c.g       Level 8       (644,885,583)       0       0       (23,230)         Investment Tax Credit AJ, Net       114,28.c.g       Level 8       (644,885,583)       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0	Income Taxes - Federal	114.15.c.g	Level 8	39,496,737			0	0	(8,208,170)		0	(8,208,170)	22,820,823
Provision For Deferred norma Taxes - Credit Investment Tax Sec - Credit Same From Dag Of Alow - Credit Same From Dag Of Alow - Credit Int 41.85.g Same From Dag Of Alow - Credit Int 42.92.0 g Total UBIV Operating Loomes         Level 8 (44.016) 11.42.45.g Level 8 0         (64.885.53) (44.016) 11.42.45.g Level 8 0         0 0												0	
Investent Tax Credit Adj. Vet       114 (19.c)       Level 8       (40/16)       (233.230)       0       0       (233.230)         Gains From Dipol Adlov - Codit       114224.c.g       Level 8       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0	Provision For Deferred Income Taxes	114.17.c.g	Level 9	103,573,601	68,292,771							0	68,292,771
Gains From Disp Of Allow - Credit         114.24.25.g.g         Level 8         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         229.566.018         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.591         800.475.5	Provision For Deferred Income Taxes - Credit	114.18.c.g	Level 9	(93,218,740)	(64,685,563)							0	(64,685,563)
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $				(404,016)	(233,230)							0	(233,230)
Total Ultity Operating Expenses         1.7.2265.569         881/081,521         0         0         2.2566.018         0         0         2.2566.018         800.047,539           Char Income         Revenues From Merchandsing, Jobbing and Contract Work         117.31.c         Level 7         \$2,728.660         \$2,727.862         0         0         22,566.018         \$0         \$0         \$2,272.862         0         1,664.422           Less: Costs & Exp of Marchandsing, Jobbing and Contract         117.33.c         Level 7         \$2,728.620         \$2,727.862         0         1,664.422         0         1,664.422           Revenues From Non-Milly Operations         117.33.c         Level 9         8,872         8,875         0         4,606.833           Non-operating Revial income         117.35.c         Level 9         4,11.29         406.833         0         0         4,606.833           Non-operating Income         117.35.c         Level 8         6,726.409         0         64,703.150         64,703.150         64,703.150         0         68,726.909           Mesclameous Non-operating Income         117.35.c         Level 8         6,726.409         0         6,726.409         0         6,726.409         0         6,726.409         0         6,726.409         <	Gains From Disp Of Allow - Credit	114.20-23.c.g	Level 8	0	0							0	0
Net Ulity Operating Income         \$280.814.408         \$190.742.239         \$0         \$0         \$20         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$161.176.221           Other Income Revenues From Merchandising, Jobbing at Contract Work Inscrept and Data Contract Work         117.31 c 117.32 c Event IN From Merchandising, Jobbing at Contract Work Interest and Dividend Income         117.32 c Event IN From Merchandising, Jobbing at Contract Work INT.35 c Event IN From Merchandising, Jobbing at Contract Work INT.36 c Event IN From Merchandising, Jobing INT.36 c Event IN From Merchandising, Jobing INT.37 c Event IN From		114.24.c.g	Level 8	•	•							0	•
Other Leone         Super Leone													
Revenues From Merchandising, Jobbing and Contract Work 117.31.c         Lewit 7         \$2,727.862         \$0         \$2,727.862         \$0         \$1,732.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$4,707.70         0         0         46,683.3           Non-operating Rental Income         117.35.c         Lewit 9         \$4,103.700.0         \$4,703.150         6,703.150         0         (\$5,727.000.000.000.000.000.000.000.000.000.	Net Utility Operating Income			\$280,814,408	\$190,742,239	\$0	\$0	\$0	(\$29,566,018)	\$0	\$0	(\$29,566,018)	\$161,176,221
Revenues From Merchandising, Jobbing and Contract Work 117.31.c         Lewit 7         \$2,727.862         \$0         \$2,727.862         \$0         \$1,732.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$1,733.c         Lewit 9         \$4,707.70         0         0         46,683.3           Non-operating Rental Income         117.35.c         Lewit 9         \$4,103.700.0         \$4,703.150         6,703.150         0         (\$5,727.000.000.000.000.000.000.000.000.000.	Other Income												
Less: Costs & Exp of Merchandising, Jobbing & Contract       117.32.c       Level 7       1,165,422       0       1,165,422         Revenues From Nonutility Operations       117.33.c       Level 9       8,875       0       406,883         Non-operating Rental Income       117.33.c       Level 9       4,112.26       406,883       0       406,883         Non-operating Rental Income       117.36.c       Level 9       64,703,150       0       406,883         Interest ADVidend Income       117.36.c       Work Paper (32,045,120)       (64,703,150)       64,703,150       0       64,703,150       0       63,710,017         Fuel DC       117.36.c       Level 7       6,332,898       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       6,725,409       0       0       0		117 31 c	Lovel 7	\$2,728,260	\$2 727 862							\$0	\$2 727 862
Revenues From Nonutility Operations         117.33.c         Level 9         8.872         8.875           Less: Expenses of Nonutility Operations         117.34.c         Level 9         411.226         406.883           Non-operating Rental Income         117.35.c         Level 9         411.226         406.883           Non-operating Rental Income         117.35.c         Level 8         (58,727)         0         406.883           Non-operating Rental Income         117.37.c         Level 7         4.960.050         3.101.017         64.703.150         64.703.150         0         3.101.017           AFUDC         117.38.c         Level 7         4.960.050         3.101.017         689.228         0         0         6.725.409           Miscellaneous Non-operating Income         117.39.c         Level 8         61.427         (689.228)         0         0         6.725.409           Other Income         (\$17.763.838)         (\$\$54.412.082)         \$0         \$0         \$64.677.985         \$10.265.903           Other Income         (\$17.44.c         Level 8         0         0         0         355.117           Loss on Disposition of Property         117.45.c         Level 8         167.834         157.922         0         0													
Less: Expenses of Non-utility Operations       117.34.c       Level 8       406,883       0       406,883         Non-operating Rental Income       117.35.c       Level 8       (58,387)       (57,727)       0       0       (57,727)         Equity in Earnings of Subsidiary Companies       117.36.c       Level 7       4,960,050       3,101,017       0       3,101,017         AFUDC       117.38.c       Level 7       4,960,050       3,101,017       0       0       6,725,409         Gain on Disposition of Property       117.40.c       Level 8       25,165       (25,165)       0       64,703,150       \$0       \$64,707,955       \$64,77,955       0       6(89,228)       0       0       689,228)       0       0       689,228)       0       0       689,228)       0       0       689,228)       0       0       689,228)       0       0       0       689,228)       0       0       0       689,228)       0       0       0       689,228)       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0												-	
Non-operating Rental Income         117.35.c         Level 8         (56,387)         (35,727)         0         (35,727)           Equity in Earnings of Subsidiary Companies         117.36.c         Level 7         4,460,050         (4703,150)         64,703,150         0         3,101,017           AFUDC         117.38.c         Level 7         8,332,289         6,725,409         0         63,2727)         0         64,703,150         0         64,703,150         0         3,101,017           AFUDC         117.38.c         Level 8         61,427         (689,228)         0         0         62,725,009         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         6,725,409         0         0         6,725,409         0         0         6,725,409         0         0         6,725,409         0         0         0         0         0         0         0         0         0         0												•	
Equity in Earnings of Subsidiary Companies         117.36.c         Work Paper         (32,045,120)         (64,703,150)         64,703,150         0         3101.017           Arrive Companies         117.38.c         Level 7         4,380,080         3.101.017         0         3.101.017           AFUDC         117.38.c         Level 7         8,332,888         6,725,409         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         66,703,150         0         64,703,150         0         64,703,150         0         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         64,703,150         0         0         0 <td></td> <td>•</td> <td></td>												•	
Interest and Dividend Income       117.37 c       Levit 7       4.960.050       3.101.017         AFUDC       117.38 c       Levit 7       8.332.898       6.725.409       0       0       3.010.107         Miscellaneous Non-operating Income       117.39 c       Levit 8       25.165       25.165       0       (525.165)       0       (689.228)       0         Gain on Disposition of Property       117.40.c       Level 8       25.165       25.165       0       (525.165)       \$0       \$64,703.150       \$0       \$64,777.985       \$10.265.903         Other Income         Other Income Deductions         Life Insurance       117.44.c       Level 8       0       0       0       0       3157.922       0       0       0       3157.922       0       3157.922       0       32.988       0       0       395.117       0       32.987       0       107.892       29       0       107.927       0       3157.922       0       3157.922       0       3157.922       0       3157.922       0       107.925       10.32.054       0       29       0       29       0       10.32.054       0       10.32.054       0       12.39       0       <										64 703 150		•	
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $										04,703,130			•
Miscellaneous Non-operating Income117.39.cLevel 8 $61,427$ $(689,228)$ $25,165$ 00 $(689,228)$ $25,165$ 00 $(689,228)$ $(517,563,838)$ 0 $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ 0 $(517,563,838)$ 0 $(517,563,838)$ 0 $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ $(517,563,838)$ <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>•</td><td></td></t<>												•	
Gain on Disposition of Property Total Other Income117.40.cLevel 8 $\frac{25,165}{(\$17,563,838)}$ $\frac{25,165}{(\$25,165)}$ $\frac{(25,165)}{\$0}$ $\frac{(25,165)}{$10}$ $(25,165$							0					•	
Total Other Income         (\$17,563,838)         (\$54,412,082)         \$0         \$0         \$64,677,985         \$10,265,903           Other Income Deductions         Income Deductions         (\$17,563,838)         (\$57,506)         \$0         \$64,677,985         \$10,265,903           Other Income Deductions         Income Deductions         (\$57,506)         (\$57,506)         (\$57,506)         \$0         \$0         395,117         0         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         0         395,117         0         30         395,117         0         10,32,054         0         10,32,054         0         1,032,054         0         1,032,054         0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>° °</td><td>(25 165)</td><td></td><td></td><td></td><td>(25 165)</td><td></td></t<>							° °	(25 165)				(25 165)	
Other Income Deductions Loss on Disposition of Property         117.43.c         Account 421.2         \$61,153         \$57,506         (\$57,506)         \$0           Misc. Amortization         117.44.c         Level 8         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0 <td< td=""><td></td><td>11110.0</td><td>2010/0</td><td></td><td></td><td>\$0</td><td>\$0</td><td></td><td>\$0</td><td>\$64.703.150</td><td>\$0</td><td></td><td>\$10.265.903</td></td<>		11110.0	2010/0			\$0	\$0		\$0	\$64.703.150	\$0		\$10.265.903
Los on Disposition of Property         117.43.c         Account 421.2         \$61,153         \$57,506         (\$57,506)         \$0           Misc. Amortization         117.44.c         Level 8         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         395,117         0         0         395,117         0         0         395,117         0         17.45.c         Level 8         167,834         157,922         0         157,926         0         157,926         0         157,927         0         17.45.c         Level 8         42         29         0         157,922         0         157,922         0         157,922         0         10,32,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         0				(, ,, ,, ,, ,, ,,	() - / / / / /			(, , , , , ,					
Misc. Amortization       117.44.c       Level 8       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0													
Dotations       117.45.c       Level 8       696,069       395,117         Life Insurance       117.46.c       Level 8       167,834       157,922       0       395,117         Penalties       117.47.c       Level 8       167,834       157,922       0       12         Other Deductions       117.48.c       Level 8       1,666,045       1,032,054       0       1,032,054         Other Deductions       117.49.c       Level 8       1,666,045       1,032,054       0       0       1,032,054         Other Deductions       117.49.c       Level 8       1,666,045       \$9,278,115       \$0       \$0       \$81,917)       \$0       \$0       1,032,054         Total Taxes On Other Income and Deductions       117.59.c       Level 6       2,125,290       (248,581)       (8,291)       0       12,139       0       0       3,848       (244,733)         Net Other Income and Deductions       117.70.c       Level 4       71,035,005       52,945,250       38,760       0       0       0       38,60       \$1,314,438         Net Interest Charges       117.70.c       Level 4       71,035,005       52,945,250       38,760       0       0       38,760       \$2,984,010 <td></td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td>(\$57,506)</td> <td></td> <td></td> <td></td> <td></td> <td></td>					1			(\$57,506)					
Life Insurance       117.46.c       Level 8       167,834       157,922       0       157,922         Penalties       117.47.c       Level 8       42       29       0       29         Civic, Political & Related Activities       117.48.c       Level 8       166,045       1,032,054       0       1,032,054         Other Deductions       117.49.c       Level 8       116,67,744       7,635,487       0       (24,411)       0       (24,411)       7,611,076         Total Other Income Deductions       117.59.c       Level 6       2,125,290       (248,581)       (8,291)       0       12,139       0       0       3,848       (244,733)         Net Other Income and Deductions       117.79.c       Level 4       71,035,005       52,945,250       38,760       0       \$0       \$64,703,150       \$0       \$64,756,054       \$1,314,438         Net Interest Charges       117.70.c       Level 4       71,035,005       52,945,250       38,760       0       0       38,760       52,984,010					•							-	
Penalties         117.47.c         Level 8         42         29         0         20           Civic, Political & Related Activities         117.48.c         Level 8         1,66,045         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         1,032,054         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0												•	
Civic, Political & Related Activities         117.48.c         Level 8         1.666,045         1.032,054           Other Deductions         117.49.c         Level 8         1.666,045         1.032,054         0         0         24.411)         7.032,054           Other Deductions         117.49.c         Level 8         1.1678,744         7.635,487         \$0         \$0         \$81,917)         \$0         \$0         \$0,91,016         \$9,919,198           Total Other Income and Deductions         117.59.c         Level 6         2.125,290         (248,581)         (8,291)         0         12,139         0         0         3,848         (244,733)           Net Other Income and Deductions         117.70.c         Level 4         71,035,005         52,945,250         38,760         0         0         0         3,846         (244,733)           Net Interest Charges         117.70.c         Level 4         71,035,005         52,945,250         38,760         0         0         38,760         52,984,010												0	
Other Deductions         117.49.c         Level 8         11,678,744         7,635,487         0         (24,411)         0         (24,411)         7,611,076           Total Other Income Deductions         \$14,269,887         \$9,278,115         \$0         \$0         (\$81,917)         \$0         \$0         (\$81,917)         \$9,076,119         \$9,076,119         \$14,269,887         \$9,278,115         \$0         \$0         \$0         \$14,219,987         \$9,278,115         \$0         \$0         \$0         \$81,917)         \$9,096,198         \$9,278,115         \$0         \$0         \$0         \$81,917)         \$9,096,198         \$9,278,115         \$0         \$0         \$0         \$81,4269,887         \$9,278,115         \$0         \$0         \$0         \$81,417)         \$9,196,198         \$9,278,115         \$0         \$0         \$0         \$81,417)         \$9,196,198         \$0         \$84,613         \$0         \$0         \$84,813         \$24,413         \$0         \$64,756,054         \$1,31,438         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348         \$1,314,348												Ũ	
Total Other Income Deductions         \$14,269,887         \$9,278,115         \$0         \$0         \$81,917)         \$0         \$0         \$81,917)         \$14,269,887         \$9,278,115         \$0         \$0         \$14,269,887         \$9,278,115         \$0         \$0         \$14,269,887         \$9,278,115         \$0         \$0         \$0         \$0         \$0         \$14,269,887         \$0,278,115         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$0         \$64,703,150         \$0         \$64,766,054         \$1,314,438         \$0         \$0         \$0         \$0         \$0         \$0												0	
Total Taxes On Other Income and Deductions Net Other Income and Deductions         117.59.c         Level 6         2,125,290 (\$33,959,015)         (248,581) (\$63,441,616)         0         12,139'         0         0         0         3,848'         (244,733)           Net Other Income and Deductions         117.70.c         Level 4         71,035,005         52,945,250         38,760         0         0         38,760         52,984,010		117.49.c	Level 8										
Net Other Income and Deductions         (\$33,959,015)         (\$63,441,616)         \$8,291         \$0         \$44,613         \$0         \$64,756,054         \$1,314,438           Net Interest Charges         117.70.c         Level 4         71,035,005         52,945,250         38,760         0         38,760         52,984,010									\$0				
Net Interest Charges 117.70.c Level 4 71,035,005 52,945,250 38,760 0 38,760 52,984,010		117.59.c	Level 6							0			
	Net Other Income and Deductions			(\$33,959,015)	(\$63,441,616)	\$8,291	\$0	\$44,613	\$0	\$64,703,150	\$0	\$64,756,054	\$1,314,438
Net Income 117.78.c \$175,820,388 \$74,355,373 (\$30,469) \$0 \$44,613 (\$29,566,018) \$64,703,150 \$0 \$35,151,276 \$109,506,649	Net Interest Charges	117.70.c	Level 4	71,035,005	52,945,250	38,760			0			38,760	52,984,010
	Net Income	117.78.c		\$175,820,388	\$74,355,373	(\$30,469)	\$0	\$44,613	(\$29,566,018)	\$64,703,150	\$0	\$35,151,276	\$109,506,649

Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Summary of Net Income Eliminations December 31, 2018

429200       Amort_Debt_Prem_Pur_Acctg_Adj       (432,252)       (432,252)         (38,760)       38,760       (8,291)       (30,4)         Total Purchase Accounting Adjustment       (\$38,760)       \$38,760       (\$8,291)       (\$30,4)         Mark-to-Market       Amort_Debt_Prem_Pur_Acctg_Adj       (\$30,4)       (\$30,4)       (\$30,4)	
Mark-to-Market	(30,469)
	30,469)
421530 Power Trading MTM Gains REVENUE 0 0	
421631         MTM Unreal Gains - EA         FUEL         0         0         0           Other Income         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0	0
426531         MTM Unreal Loss-Reserve         REVENUE         0         0           426631         MTM Unreal Losses - EA's         FUEL         0         0	
	0 0 0 0
Total Mark-to-Market 0 0 0	0
421200 E Loss On Disposal Of Property F_TOT_OTH_INC_DED 57,506 (57,506) 12,301 45,2	19,782) 45,205 19,190 0 0 0 0
Total Non-Recurring Gains / Losses(\$56,752)\$56,752\$12,139\$44,6	44,613
Non-Recurring Revenue / ExpenseOperation Expenses(\$39,143,091)\$39,143,091(\$8,372,746)(\$30,770,370,370,370,370,370,370,370,370,3	0 0 0 0
Net Interest Charges         0         0         0           Def Tax Basis         Property Tax Adjustment         1,368,903         (1,368,903)         0         1,368,903           Def Tax Basis         Deferred Tax         0         0         164,576         (164,576)	0 68,903 64,576)
Total Non-Recurring Revenue / Expense (\$37,774,188) \$37,774,188 (\$8,208,170) (\$29,566,0	66,018)
Equity in Earnings of Subsidiary Companies         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150         \$64,703,150	03.150
Total Eliminations     (\$102,572,850)     \$102,572,850     (\$8,204,322)     \$35,151,2	

#### Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Average Common Stock Equity December 31, 2018

			December 31, 2017					December 31, 201	В		Average
 Description	Balance at <u>12-31-17</u>	Other Adjustments	Remove Equity in Subsidiaries	Remove Goodwill	Adjusted 12-31-17	Balance at 12-31-18	Other Adjustments	Remove Equity in Subsidiaries	Remove <u>Goodwill</u>	Adjusted 12-31-18	Common Equity
Common Stock Equity											
201000 Common Stock	\$762,136,231				\$762,136,231	\$762,136,231				\$762,136,231	
207001 Premium on capital stock	0				0					0	
208000 Donat Recvd From Stkhld	28,950,000				28,950,000	28,950,000				28,950,000	
208001 Donat Recvd From Duke	1,462,336,840				1,462,336,840	1,462,336,840				1,462,336,840	
208010 Donat Recvd From Stkhld Tax	15,641,578				15,641,578	15,641,578				15,641,578	
210020 Gain on Redemption of Capital	0				0	0				0	
211003 Misc Paid in Capital	(1,955,982,307)				(1,955,982,307)	(1,850,617,193)				(1,850,617,193)	
211004 Miscellaneous Paid in Capital Purch Acctg	943,842,010			(746,918,647)	196,923,363	943,842,010			(746,918,647)	196,923,363	
0211008 Misc PIC Pushdown Adj RE	1,617,546,493				1,617,546,493	1,617,546,493				1,617,546,493	
211005 Miscellaneous Paid in Capital Pre-Merger Equity	557,581,098				557,581,098	557,581,098				557,581,098	
211007 Misc PIC Premerg RE for Div	0				0	0				0	
211110 PIC - Sharesaver	0				0	0				0	
214010 Common stock equity inter-company	0				0	0				0	
216000 Unappropriated RE Bal	(871,542,471)		(123,767,608)		(995,310,079)	(663,676,963)		(260,384,644)		(924,061,607)	
216100 Unapp Ret Erngs-Curr Yr Net Income	613,729,189	2,788,087	(613,729,189)		2,788,087	581,684,069	(29,551,874) (2	(581,684,069)		(29,551,874)	
438000 Dividends Declared on Common Stock	0		( ,		0	0	( , , ,	( ,		0	
Accum other comprehensive income (loss)	0				0	0				0	
Total Common Stock Equity	\$ 3,174,238,661	\$ 2,788,087	\$ (737,496,797)	\$ (746,918,647)	\$ 1,692,611,304	\$ 3,455,424,163	\$ (29,551,874)	\$ (842,068,713)	\$ (746,918,647)	\$ 1,836,884,929	
Allocation to Duke Energy Ohio Electric (1)					<u>63.68%</u>					<u>65.76%</u>	
Average Common Equity Allocated to Duke Energy Ohio Electri	ic				\$ 1,077,854,878					\$ 1,207,935,529	\$ 1,142,895,204

<sup>(1)</sup> Source: Attachment LSM-5 Net Plant Allocation

(2) Source: LSM-3 Income Adjustments

Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Net Plant Allocation Factor December 31, 2018

	2018	Duke Energy Ohio, Inc.			
Description		Gas	<u>Electric</u>	<u>Total</u>	
Gross Plant (Line 13)		\$2,250,046,836	\$4,173,856,540	\$6,423,903,376	
Accumulated Depreciation (Line 33)		<u>645,424,770</u>	<u>1,091,677,548</u>	<u>1,737,102,318</u>	
Net Plant		<u>\$1.604.622.066</u>	<u>\$3.082.178.992</u>	<u>\$4.686.801.058</u>	
Allocation Percentage		34.24%	65.76%	100.00%	

Duke Energy Ohio, Inc. Significantly Excessive Earnings Test Summary of Assumptions

### Source of Data per Order in Case No. 14-841-EL-SSO:

1 Source of data is actual data from FERC Form 1 for the calendar year at issue.

Adjustments to Net Income per Order in Case No. 14-841-EL-SSO:

- 2 Eliminate all impacts related to the purchase accounting recorded pursuant to the Duke Energy / Cinergy Corp. Merger.
- 3 Eliminate all impacts of refunds to customers pursuant to R.C. 4928.143(F).
- 4 Eliminate all impacts of mark-to-market accounting.
- 5 Eliminate all impacts of material, non-recurring gains / losses, including, but not limited to, the sale or disposition of assets.
- 6 Eliminate all impacts of material, non-recurring revenue or expenses.
- 7 Eliminate all impacts of parent, affiliated, or subsidiary companies and, to the extent reasonably feasible and prudently justified in the opinion of Duke Energy Ohio, eliminate the impacts of its natural gas distribution business.

### Adjustments to Common Equity per Order in Case No. 14-841-EL-SSO:

- 8 Common Equity used in the calculation will be the beginning and ending average common equity of Duke Energy Ohio on a stand-alone basis (i.e., equity associated with subsidiaries will be excluded and common equity will be allocated between gas and electric service to the extent practicable).
- 9 Eliminate the acquisition premium recorded to equity pursuant to the Duke / Cinergy Corp. merger.
- 10 Eliminate the cumulative effect of the Net Income adjustments.

Duke Energy Corporation Performance Benchmark Total Shareholder Return vs. Philadelphia Utility Index

	Duke	<u>Rank</u>	Percentile <u>Rank</u>
From January 2016 to:			
Mar-16	13.5%	14	31.5%
Jun-16	20.1%	10	52.6%
Sep-16	19.3%	12	38.8%
Dec-16	14.3%	14	27.7%
Mar-17	24.3%	12	38.8%
Jun-17	31.9%	13	33.3%
Sep-17	33.7%	12	38.8%
Dec-17	35.3%	11	44.4%
Mar-18	21.1%	14	27.7%
Jun-18	21.3%	13	33.3%
Sep-18	31.4%	15	22.2%
Dec-18	44.8%	13	33.3%
From January 2017 to:			
Mar-17	8.8%	8	63.1%
Jun-17	15.4%	10	52.6%
Sep-17	17.0%	10	52.6%
Dec-17	18.4%	14	31.5%
Mar-18	5.9%	15	26.3%
Jun-18	6.1%	16	21.0%
Sep-18	14.9%	16	21.0%
Dec-18	23.9%	14	31.5%
From January 2018 to:			
Mar-18	-10.5%	13	36.8%
Jun-18	-10.4%	14	31.5%
Sep-18	-2.9%	16	21.0%
Dec-18	4.7%	14	31.5%