



155 E. Broad Street
21st Floor
Columbus, OH 45215
o: 614-222-1331
f: 614-222-1337

Elizabeth.Watts@duke-energy.com
Elizabeth Watts
Associate General Counsel

January 28, 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

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, bill impacts and tariff pages related to initiation of its Distribution Capital Investment Rider (Rider DCI).¹

As part of the its 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 fourth 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 thus far, below the permitted cap for the fourth 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
Sheet No. 103.3
Cancels and Supersedes
Sheet No. 103.2
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 6.547% of the customer's applicable base distribution charges (*i.e.*, customer charge plus base distribution charge) to recover the revenue requirement associated with incremental distribution capital costs incurred by the Company. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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

Issued: January 27, 2016

Effective: April 1, 2016

Issued by James P. Henning, President

Duke Energy Ohio
Revenue Requirement for Rider DCI

Line	Description	March 31, 2012	December 31, 2015	Reference
1	Gross Distribution Plant	\$1,878,034,210	\$2,110,360,572	Pages 2 & 3
2	Accumulated Depreciation on Distribution Plant	646,781,562	731,911,441	Pages 4 & 5
3	Net Distribution Plant in Service	\$1,231,252,648	\$1,378,449,131	
4	Accum Def Income Taxes on Distr Plant	(\$249,112,366)	(\$351,033,841)	Pages 6 & 7
5	Distribution Rate Base for Rider DCI	<u>\$982,140,282</u>	<u>\$1,027,415,290</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	\$109,727,953	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$55,592,805	Page 8
9	Property Tax Expense (Excludes M&S)	<u>\$65,218,326</u>	<u>\$80,245,288</u>	Page 9
10	Revenue Requirement Before CAT	\$219,158,069	\$245,566,046	Line (7) + Line (8) +Line (9)
11	Change in Revenue Requirement		\$26,407,977	Line (10) _{current} - Line (10) _{base}
12	Incremental Commercial Activities Tax		\$68,840	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement (1)		\$26,476,816	Line (11) + Line (12)
14	Annual Base Distribution Revenue (2)		<u>\$404,401,058</u>	
15	DEO Percentage of Base Distribution Revenue		<u>6.547%</u>	Line (16) ÷ Line (17)

Notes: (1) See Revenue schedule for amount collected year to date 2015.
The Company will be under the \$17 million cap as ordered in
Case No. 14-841-EL-SSO.

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

Duke Energy Ohio, Inc.
Plant in Service Summary by Major Property Groupings (As of December 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,797,714		\$13,797,714
2	360	3601	Rights of Way	26,406,783		26,406,783
3	361	3610	Structures and Improvements	19,027,092		19,027,092
4	362	3620	Station Equipment	208,197,112	(31,626,169)	176,570,943
5	362	3622	Major Equipment	112,564,028	(3,606,452)	108,957,576
6	363	3635	Station Equipment Electronic	0	0	0
7	364	3640	Poles, Towers & Fixtures	296,418,386	(3,581,655)	292,836,731
8	365	3650, 3651	Overhead Conductors and Devices	551,967,337	(28,765,884)	523,201,453
9	366	3660	Underground Conduit	110,401,080		110,401,080
10	367	3670	Underground Conductors and Devices	329,658,622		329,658,622
11	368	3680, 3681	Line Transformers	331,757,011		331,757,011
12	368	3682	Customer Transformer Installations	3,755,297		3,755,297
13	369	3691	Services - Underground	2,974,975		2,974,975
14	369	3692	Services - Overhead	77,754,644		77,754,644
15	370	3700	Meters	7,568,172		7,568,172
16	370	3700	Meter Instrument Transformers	7,409,920		7,409,920
17	370	3701	Leased Meters	8,708,601		8,708,601
18	370	3701	Leased Meter Instrument Transformers	5,983,622		5,983,622
19	370	3702	Utility of the Future Meters	65,374,234	(65,447,240)	(73,006)
20	371	3710	Installations on Customers' Premises	5,088,767		5,088,767
21	371	3712	Company Owned Outdoor Light	1,272,804	(1,272,804)	0
22	372	3720	Leased Property on Customers' Premises	102,502		102,502
23	373	3730	Street Lighting	7,124,620	(7,124,620)	0
24	373	3731	CGE Street Lighting - OH	15,840,064		15,840,064
25	373	3732	Street Lighting - Boulevard	27,591,574		27,591,574
26	373	3733	Light Security OL POL Flood	15,040,435		15,040,435
27	373	3734	Light Choice OLE - Public	8,653,851	(8,653,851)	0
28				\$2,260,439,247	(\$150,078,675)	\$2,110,360,572

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
	FERC	Company				Total 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 December 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$2,765		\$2,765
2	360	3601	Rights of Way	3,826,512		3,826,512
3	361	3610	Structures and Improvements	4,385,096		4,385,096
4	362	3620	Station Equipment	75,115,597	(2,877,343)	72,238,254
5	362	3622	Major Equipment	43,065,389	(328,157)	42,737,232
6	363	3635	Dist Station Equip Elec	(13,210)	0	(13,210)
7	364	3640	Poles, Towers & Fixtures	122,850,046	(249,160)	122,600,886
8	365	3650, 3651	Overhead Conductors and Devices	130,706,238	(2,868,454)	127,837,784
9	366	3660	Underground Conduit	42,288,876		42,288,876
10	367	3670	Underground Conductors and Devices	91,699,024		91,699,024
11	368	3680, 3681	Line Transformers	150,901,656		150,901,656
12	368	3682	Customer Transformer Installations	2,595,968		2,595,968
13	369	3691	Services - Underground	2,513,722		2,513,722
14	369	3692	Services - Overhead	45,336,781		45,336,781
15	370	3700	Meters	(3,951,713)		(3,951,713)
16	370	3700	Meter Instrument Transformers	2,098,895		2,098,895
17	370	3701	Leased Meters	6,572,129		6,572,129
18	370	3701	Leased Meter Instrument Transformers	1,223,553		1,223,553
19	370	3702	Utility of the Future Meters	17,086,886	(17,240,074)	(153,188)
20	371	3710	Installations on Customers' Premises	539,310		539,310
21	371	3712	Company Owned Outdoor Light	(583,768)	583,768	0
22	372	3720	Leased Property on Customers' Premises	(60,440)		(60,440)
23	373	3730	Street Lighting	(1,458,078)	1,458,078	0
24	373	3731	CGE Street Lighting - OH	12,255,712		12,255,712
25	373	3732	Street Lighting - Boulevard	8,349,102		8,349,102
26	373	3733	Light Security OL POL Flood	7,816,653		7,816,653
27	373	3734	Light Choice OLE - Public	(256,032)	256,032	0
28		108	Retirement Work in Progress	(11,729,918)		(11,729,918)
29				\$753,176,751	(\$21,265,310)	\$731,911,441

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
	FERC	Company				Total 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 (December 31, 2015)

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
Account 282						
1	282	282.XXX	263A	\$ (53,351,214)	\$0	(\$53,351,214)
2	282	282.XXX	AFUDC Debt	(2,025,995)	0	(2,025,995)
3	282	282.XXX	Casualty Loss	(14,091,924)	0	(14,091,924)
4	282	282.XXX	CIAC	17,873,782	0	17,873,782
5	282	282.XXX	CWIP Differences	405,199	0	405,199
6	282	282.XXX	FAS109	(34,171,790)	34,171,790	0
7	282	282.XXX	Miscellaneous	9,274,557	0	9,274,557
8	282	282.XXX	Non-Cash Overheads	20,845,242	0	20,845,242
9	282	282.XXX	Section 174	(765,376)	765,376	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(398,265,686)	64,115,141	(a) (334,150,545)
12	282	282.XXX	TIC	4,187,057	0	4,187,057
13	Total Plant-Related Accumulated Deferred Income Tax			\$ (450,086,148)	\$ 99,052,307	\$ (351,033,841)

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	Dec-15		Base Case	Dec-15
Distribution Accounts								
1	360	3600	Land and Land Rights	\$13,109,977	\$13,797,714	-	\$0	\$0
2	360	3601	Rights of Way	\$26,110,943	\$26,406,783	1.33	\$347,276	\$351,210
3	361	3610	Structures and Improvements	\$8,317,815	\$19,027,092	1.69	140,571	321,558
4	362	3620	Station Equipment	\$164,940,269	\$176,570,943	1.92	3,166,853	3,390,162
5	362	3622	Major Equipment	\$101,125,887	\$108,957,576	1.92	1,941,617	2,091,985
6	362	3635	Station Equipment Electronic	(\$99,380)	\$0	5.00	(4,969)	-
7	364	3640	Poles, Towers & Fixtures	\$242,324,299	\$292,836,731	2.40	5,815,783	7,028,082
8	365	3650, 3651	Overhead Conductors and Devices	\$384,604,443	\$523,201,453	2.80	10,768,924	14,649,641
9	366	3660	Underground Conduit	\$88,227,723	\$110,401,080	2.00	1,764,554	2,208,022
10	367	3670	Underground Conductors and Devices	\$282,336,871	\$329,658,622	2.16	6,098,476	7,120,626
11	368	3680, 3681	Line Transformers	\$367,228,972	\$331,757,011	2.50	9,180,724	8,293,925
12	368	3682	Customer Transformer Installations	\$5,272,832	\$3,755,297	2.22	117,057	83,368
13	369	3691	Services - Underground	\$3,391,901	\$2,974,975	2.00	67,838	59,500
14	369	3692	Services - Overhead	\$64,385,178	\$77,754,644	3.26	2,098,957	2,534,801
15	370	3700	Meters	\$32,936,648	\$14,978,092	Amortization	3,508,121	3,508,121
16	370	3701	Leased Meters	\$17,699,187	\$8,708,801	Amortization	1,570,224	1,570,224
17	370	3701	Leased Meter Instrument Transformers	\$9,031,601	\$5,983,622	2.86	258,304	171,132
18	370	3702	Utility of the Future Meters	\$0	(\$73,006)	6.67	0	(4,870)
19	371	3710	Installations on Customers' Premises	\$241,509	\$5,088,767	6.67	16,109	339,421
20	371	3712	Company Owned Outdoor Lighting	\$0	\$0	6.67	-	-
21	372	3720	Leased Property on Customers' Premises	\$102,503	\$102,502	4.00	4,100	4,100
22	373	3730, 3731	Street Lighting - Overhead	\$20,946,536	\$15,840,064	3.93	823,199	622,515
23	373	3732	Street Lighting - Boulevard	\$28,103,634	\$27,591,574	2.44	685,729	673,234
24	373	3733	Light Security OL POL Flood	\$17,694,862	\$15,040,435	3.83	677,713	576,049
25	373	3734	Light Choice OLE - Public	-	-	4.20	-	-
26		Total		<u>\$1,878,034,210</u>	<u>\$2,110,360,572</u>		<u>\$49,047,161</u>	<u>\$55,592,805</u>

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

Property Taxes			
	Personal ⁽¹⁾	Real ⁽²⁾	Total
1 Distribution	\$79,956,984	\$288,304	\$80,245,288

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	\$2,110,360,572
2	Jurisdictional Real Property	59,231,589
3	Net Cost of Taxable Personal Property	<u>\$2,051,128,983</u>
4	True Value Percentage (1)	48.52%
5	True Value of Taxable Personal Property	<u>\$995,207,783</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$845,926,615</u>
8	Personal Property Tax Rate	9.4520%
9	Personal Property Tax	<u><u>\$79,956,984</u></u>

(1) Percentage based on 2015 Valuation of Dec 2014 property

Assessed Value	1,020,409,294
Distr Plant in Service per 2014 Form 1 (Excludes real Property)	2,103,224,765
	48.52%

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

Line	Description	Distribution
1	Real Property associated with electric distribution	\$59,231,589
2	Assessment Percentage (1)	<u>7.086%</u>
3	Assessment Value	\$4,197,150
4	Real Property Tax Rate	<u>6.86904%</u>
5	Real Property Tax	<u><u>\$288,304</u></u>

(1) DEO 2014 property taxes paid in 2015

2014 Real Property per Form 1	\$57,396,940
Assessed Value	<u>\$4,066,964</u>
Assessment Percentage	<u><u>7.086%</u></u>

DUKE ENERGY OHIO, INC.
Revenue Collected
Rider DCI
Calendar Year 2015

June, 2015	\$	137.68
July, 2015		1,745,462.61
August, 2015		1,789,751.80
September, 2015		1,719,503.26
October, 2015		1,530,981.00
November, 2015		1,475,070.00
December, 2015		1,675,563.00
Unbilled Balance		<u>946,000.00</u>
Total	\$	10,882,469.35

Note: Cap for calendar year 2015 is \$17 million

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

1/28/2016 1:36:45 PM

in

Case No(s). 15-0795-EL-RDR

Summary: Report Report enclosing quarterly Rider DCI schedules and tariff filings for PUCO Electric Tariff No. 19 electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Watts, Elizabeth H.