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Elizabeth H. Watts  
Associate General Counsel

April 26, 2016

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> 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 and tariff pages related to the update of its Distribution Capital Investment Rider (Rider DCI).<sup>1</sup>

As part of the approval of Rider DCI, the Commission ordered that quarterly filings be made, with such filings automatically approved. The Commission further ordered that Rider DCI be audited annually, with the August quarterly filing. Consistent therewith, this update to Rider DCI rate will be implemented with the first billing cycle of July 2016. The proposed Rider DCI rate is based on investment data from the FERC Form 3Q and Form 1, for the second quarter of 2016 and is supported by two attachments. Attachment A is the proposed tariff sheet reflecting the revised Rider DCI rate and Attachment B contains the schedules and workpapers supporting the calculation of the proposed Rider DCI rate. The attached schedules demonstrate that the revenue requirement is below the permitted cap for 2016 for the first quarter.

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

Respectfully submitted,

Amy B. Spiller  
Deputy General Counsel  
Elizabeth H. Watts  
Associate General Counsel  
Duke Energy Ohio, Inc.  
139 E. Fourth Street  
Cincinnati, Ohio 45201-0960  
(614) 222-1330

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<sup>1</sup> 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. 103.4  
Cancels and Supersedes  
Sheet No. 103.3  
Page 1 of 1

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**RIDER DCI  
DISTRIBUTION CAPITAL INVESTMENT RIDER**

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

All retail jurisdictional customers shall be assessed a charge of 7.270% 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.

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Issued: April 26, 2016

Effective: June 30, 2016

Issued by James P. Henning, President

Duke Energy Ohio  
Revenue Requirement for Rider DCI

Line	Description	March 31, 2012	March 31, 2016	Reference
1	Gross Distribution Plant	\$1,878,034,210	\$2,120,239,020	Pages 2 & 3
2	Accumulated Depreciation	646,781,562	717,301,544	Pages 4 & 5
3	Net Distribution Plant	\$1,231,252,648	\$1,402,937,476	
4	Accum Def Income Taxes	(\$249,112,366)	(\$357,240,347)	Pages 6 & 7
5	Distribution Rate Base	<u>\$982,140,282</u>	<u>\$1,045,697,129</u>	Line (3) + Line (4)
6	Return on Rate Base (Pre)	10.68%	10.68%	Per Stipulation
7	Return on Rate Base	\$104,892,582	\$111,680,453	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$56,222,796	Page 8
9	Property Tax Expense (Ex)	\$65,218,326	\$80,576,832	Page 9
10	Revenue Requirement	\$219,158,069	\$248,480,081	Line (7) + Line (8) + Line (9)
11	Change in Revenue Requirement		\$29,322,013	Line (10) <sub>current</sub> - Line (10) <sub>base</sub>
12	Incremental Commercial Activities Tax		\$76,436	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement (1)		\$29,398,448	Line (11) + Line (12)
14	Annual Base Distribution Revenue (2)		<u>\$404,401,058</u>	
15	DEO Percentage of Base Distribution Revenue		<u>7.270%</u>	Line (13) ÷ Line (14)

Notes: (1) See Revenue schedule for amount collected  
The Company will be under the 2016 \$50 million  
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 March 31, 2016)**

Line No.	Account Number		Account Title	Per Books	Adjustments <sup>(a)</sup>	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,789,153		\$13,789,153
2	360	3601	Rights of Way	26,277,872		26,277,872
3	361	3610	Structures and Improvements	19,163,277		19,163,277
4	362	3620	Station Equipment	209,656,160	(31,626,169)	178,029,991
5	362	3622	Major Equipment	112,729,641	(3,606,452)	109,123,189
6	363	3635	Station Equipment Electronic	0	0	0
7	364	3640	Poles, Towers & Fixtures	305,899,224	(3,581,655)	302,317,569
8	365	3650, 3651	Overhead Conductors and Devices	554,715,041	(28,765,884)	525,949,157
9	366	3660	Underground Conduit	112,696,822		112,696,822
10	367	3670	Underground Conductors and Devices	338,956,525		338,956,525
11	368	3680, 3681	Line Transformers	328,812,889		328,812,889
12	368	3682	Customer Transformer Installations	3,755,297		3,755,297
13	369	3691	Services - Underground	3,662,463		3,662,463
14	369	3692	Services - Overhead	80,313,112		80,313,112
15	370	3700	Meters	0		0
16	370	3700	Meter Instrument Transformers	7,409,920		7,409,920
17	370	3701	Leased Meters	385,628		385,628
18	370	3701	Leased Meter Instrument Transformers	5,672,328		5,672,328
19	370	3702	Utility of the Future Meters	71,235,736	(65,447,240)	5,788,496
20	371	3710	Installations on Customers' Premises	0		0
21	371	3712	Company Owned Outdoor Light	798,488	(798,488)	0
22	372	3720	Leased Property on Customers' Premises	102,502		102,502
23	373	3730	Street Lighting	1,681,274	(1,681,274)	0
24	373	3731	CGE Street Lighting - OH	15,225,510		15,225,510
25	373	3732	Street Lighting - Boulevard	27,718,814		27,718,814
26	373	3733	Light Security OL POL Flood	15,088,506		15,088,506
27	373	3734	Light Choice OLE - Public	10,269,188	(10,269,188)	0
28				\$2,266,015,370	(\$145,776,350)	\$2,120,239,020

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 <sup>(a)</sup>	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,109,977		\$13,109,977
2	360	3601	Rights of Way	26,110,943		26,110,943
3	361	3610	Structures and Improvements	8,317,815		8,317,815
4	362	3620	Station Equipment	182,040,569	(17,100,300)	164,940,269
5	362	3622	Major Equipment	103,229,213	(2,103,326)	101,125,887
6	362	3635	Station Equipment Electronic	2,620,440	(2,719,820)	(99,380)
7	364	3640	Poles, Towers & Fixtures	243,486,355	(1,162,056)	242,324,299
8	365	3650, 3651	Overhead Conductors and Devices	396,969,778	(12,365,335)	384,604,443
9	366	3660	Underground Conduit	88,227,723		88,227,723
10	367	3670	Underground Conductors and Devices	282,336,871		282,336,871
11	368	3680, 3681	Line Transformers	367,228,972		367,228,972
12	368	3682	Customer Transformer Installations	5,272,832		5,272,832
13	369	3691	Services - Underground	3,391,901		3,391,901
14	369	3692	Services - Overhead	64,385,178		64,385,178
15	370	3700	Meters	41,968,249		41,968,249
16	370	3701	Leased Meters	17,699,187		17,699,187
17	370	3702	Utility of the Future Meters	40,433,742	(40,433,742)	0
18	371	3710	Installations on Customers' Premises	241,509		241,509
19	371	3712	Company Owned Outdoor Light	714,040	(714,040)	0
20	372	3720	Leased Property on Customers' Premises	102,503		102,503
21	373	3730, 3731	Street Lighting	21,127,345	(180,809)	20,946,536
22	373	3732	Street Lighting - Boulevard	28,103,634		28,103,634
23	373	3733	Light Security OL POL Flood	17,694,862		17,694,862
24	373	3734	Light Choice OLE - Public	1,364,763	(1,364,763)	0
25				\$1,956,178,401	(\$78,144,191)	\$1,878,034,210

Notes: (a) Grid Mod additions

**Duke Energy Ohio, Inc.**  
**Accumulated Depreciation by Major Property Groupings (As of March 31, 2016)**

Line No.	Account Number		Account Title	Per Books	Adjustments <sup>(a)</sup>	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$2,761		\$2,761
2	360	3601	Rights of Way	3,939,635		3,939,635
3	361	3610	Structures and Improvements	4,380,856		4,380,856
4	362	3620	Station Equipment	75,913,402	(2,877,343)	73,036,059
5	362	3622	Major Equipment	43,586,554	(328,157)	43,258,397
6	363	3635	Dist Station Equip Elec	0	0	0
7	364	3640	Poles, Towers & Fixtures	123,636,594	(249,160)	123,387,434
8	365	3650, 3651	Overhead Conductors and Devices	126,996,673	(2,868,454)	124,128,219
9	366	3660	Underground Conduit	42,880,569		42,880,569
10	367	3670	Underground Conductors and Devices	92,427,779		92,427,779
11	368	3680, 3681	Line Transformers	146,915,293		146,915,293
12	368	3682	Customer Transformer Installations	2,616,809		2,616,809
13	369	3691	Services - Underground	2,515,840		2,515,840
14	369	3692	Services - Overhead	45,917,083		45,917,083
15	370	3700	Meters	(7,630,963)		(7,630,963)
16	370	3700	Meter Instrument Transformers	2,151,876		2,151,876
17	370	3701	Leased Meters	(1,111,361)		(1,111,361)
18	370	3701	Leased Meter Instrument Transformers	954,300		954,300
19	370	3702	Utility of the Future Meters	18,295,073	(17,240,074)	1,054,999
20	371	3710	Installations on Customers' Premises	10,636		10,636
21	371	3712	Company Owned Outdoor Light	(236,786)	236,786	0
22	372	3720	Leased Property on Customers' Premises	(59,414)		(59,414)
23	373	3730	Street Lighting	(450,330)	450,330	0
24	373	3731	CGE Street Lighting - OH	12,231,169		12,231,169
25	373	3732	Street Lighting - Boulevard	8,533,467		8,533,467
26	373	3733	Light Security OL POL Flood	7,961,825		7,961,825
27	373	3734	Light Choice OLE - Public	(224,687)	224,687	0
28		108	Retirement Work in Progress	(12,201,724)		(12,201,724)
29				\$739,952,929	(\$22,651,385)	\$717,301,544

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 <sup>(a)</sup>	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$1,539		\$1,539
2	360	3601	Rights of Way	2,520,994		2,520,994
3	361	3610	Structures and Improvements	4,004,656		4,004,656
4	362	3620	Station Equipment	70,648,575	(452,294)	70,196,281
5	362	3622	Major Equipment	36,923,264	(86,536)	36,836,728
6	363	3635	Dist Station Equip Elec	209,328	(178,269)	31,059
7	364	3640	Poles, Towers & Fixtures	108,050,272	(13,609)	108,036,663
8	365	3650, 3651	Overhead Conductors and Devices	99,685,733	(367,470)	99,318,263
9	366	3660	Underground Conduit	35,969,974		35,969,974
10	367	3670	Underground Conductors and Devices	73,293,965		73,293,965
11	368	3680, 3681	Line Transformers	143,569,293		143,569,293
12	368	3682	Customer Transformer Installations	2,628,003		2,628,003
13	369	3691	Services - Underground	2,248,643		2,248,643
14	369	3692	Services - Overhead	36,808,118		36,808,118
15	370	3700	Meters	12,697,346		12,697,346
16	370	3701	Leased Meters	4,187,966		4,187,966
17	370	3702	Utility of the Future Meters	2,853,005	(2,853,005)	0
18	371	3710	Installations on Customers' Premises	2,770		2,770
19	371	3712	Company Owned Outdoor Light	(244,226)	244,226	0
20	372	3720	Leased Property on Customers' Premises	(76,085)		(76,085)
21	373	3730, 3731	Street Lighting - Overhead	8,989,199	1,748,866	10,738,065
22	373	3732	Street Lighting - Boulevard	5,929,055		5,929,055
23	373	3733	Light Security OL POL Flood	5,507,955		5,507,955
24	373	3734	Light Choice OLE - Public	(375,920)	375,920	0
25		108	Retirement Work in progress	(7,669,689)		(7,669,689)
26				\$648,363,733	(\$1,582,171)	\$646,781,562

Notes: (a) Grid Mod additions

**Duke Energy Ohio, Inc.**  
**Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (March 31, 2016)**

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
Account 282						
1	282	282.XXX	263A	\$ (54,131,207)	\$0	(\$54,131,207)
2	282	282.XXX	AFUDC Debt	(2,055,615)	0	(2,055,615)
3	282	282.XXX	Casualty Loss	(14,297,948)	0	(14,297,948)
4	282	282.XXX	CIAC	18,135,096	0	18,135,096
5	282	282.XXX	CWIP Differences	411,123	0	411,123
6	282	282.XXX	FAS109	(34,671,381)	34,671,381	0
7	282	282.XXX	Miscellaneous	9,410,151	0	9,410,151
8	282	282.XXX	Non-Cash Overheads	21,149,999	0	21,149,999
9	282	282.XXX	Section 174	(776,566)	776,566	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(404,088,318)	64,115,141	(a) (339,973,177)
12	282	282.XXX	TIC	4,111,231	0	4,111,231
13	Total Plant-Related Accumulated Deferred Income Tax			\$ (456,803,435)	\$ 99,563,088	\$ (357,240,347)

Notes: (a) Grid Mod additions



**Duke Energy Ohio, Inc.**  
**Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (March 31, 2012)**

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

Notes: (a) Grid Mod additions

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

				Gross Plant Balance		Depreciation Rate (%)	Depreciation Expense	
				Base Case	Mar-16		Base Case	Mar-16
<b>Distribution Accounts</b>								
1	360	3600	Land and Land Rights	\$13,109,977	\$13,789,153	-	\$0	\$0
2	360	3601	Rights of Way	\$26,110,943	\$26,277,872	1.33	\$347,276	\$349,496
3	361	3610	Structures and Improvements	\$8,317,815	\$19,163,277	1.69	140,571	323,859
4	362	3620	Station Equipment	\$164,940,269	\$178,029,991	1.92	3,166,853	3,418,176
5	362	3622	Major Equipment	\$101,125,887	\$109,123,189	1.92	1,941,617	2,095,165
6	362	3635	Station Equipment Electronic	(\$99,380)	\$0	5.00	(4,969)	-
7	364	3640	Poles, Towers & Fixtures	\$242,324,299	\$302,317,569	2.40	5,815,783	7,255,622
8	365	3650, 3651	Overhead Conductors and Devices	\$384,604,443	\$525,949,157	2.80	10,768,924	14,726,576
9	366	3660	Underground Conduit	\$88,227,723	\$112,696,822	2.00	1,764,554	2,253,936
10	367	3670	Underground Conductors and Devices	\$282,336,871	\$338,956,525	2.16	6,098,476	7,321,461
11	368	3680, 3681	Line Transformers	\$367,228,972	\$328,812,889	2.50	9,180,724	8,220,322
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	\$3,662,463	2.00	67,838	73,249
14	369	3692	Services - Overhead	\$64,385,178	\$80,313,112	3.26	2,098,957	2,618,207
15	370	3700	Meters	\$32,936,648	\$7,409,920	Amortization	3,508,121	3,508,121
16	370	3701	Leased Meters	\$17,699,187	\$385,628	Amortization	1,570,224	1,570,224
17	370	3701	Leased Meter Instrument Transformers	\$9,031,601	\$5,672,328	2.86	258,304	162,229
18	370	3702	Utility of the Future Meters	\$0	\$5,788,496	6.67	0	386,093
19	371	3710	Installations on Customers' Premises	\$241,509	\$0	6.67	16,109	-
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	\$15,225,510	3.93	823,199	598,363
23	373	3732	Street Lighting - Boulevard	\$28,103,634	\$27,718,814	2.44	685,729	676,339
24	373	3733	Light Security OL POL Flood	\$17,694,862	\$15,088,506	3.83	677,713	577,890
25	373	3734	Light Choice OLE - Public	-	-	4.20	-	-
26		Total		<u>\$1,878,034,210</u>	<u>\$2,120,239,020</u>		<u>\$49,047,161</u>	<u>\$56,222,796</u>

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

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Property Taxes			
	Personal <sup>(1)</sup>	Real <sup>(2)</sup>	Total
1    Distribution	\$80,327,665	\$249,167	\$80,576,832

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Notes: <sup>(1)</sup> See page 9.  
<sup>(2)</sup> See page 10.

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

Line	Description	Distribution
1	Jurisdictional Plant in Service	\$2,120,239,020
2	Jurisdictional Real Property	<u>59,230,302</u>
3	Net Cost of Taxable Personal Property	<u>\$2,061,008,718</u>
4	True Value Percentage (1)	48.52%
5	True Value of Taxable Personal Property	<u>\$1,000,001,430</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$850,001,215</u>
8	Personal Property Tax Rate	9.4503%
9	Personal Property Tax	<u><u>\$80,327,665</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	\$59,230,302
2	Assessment Percentage (1)	<u>7.086%</u>
3	Assessment Value	\$4,197,059
4	Real Property Tax Rate	<u>5.93671%</u>
5	Real Property Tax	<u><u>\$249,167</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 2016**

January, 2016	\$	2,423,712.46
February , 2016	\$	2,360,253.87
March, 2016	\$	2,125,899.00
April, 2016		
May, 2016		
June, 2016		
July, 2016		
August, 2016		
September, 2016		
October, 2016		
November, 2016		
December, 2016		
Unbilled Balance	\$	<u>1,123,000.00</u>
Total	\$	8,032,865.33

Note: Cap for calendar year 2016 is \$50 million

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/26/2016 2:47:50 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.