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Elizabeth H. Watts  
Associate General Counsel

July 20, 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 October 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 second 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.  
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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).

**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 7.976% 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.

**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	\$2,147,182,922	Pages 2 & 3
2	Accumulated Depreciation on Distribution Plant	646,781,562	720,066,972	Pages 4 & 5
3	Net Distribution Plant in Service	\$1,231,252,648	\$1,427,115,950	
4	Accum Def Income Taxes on Distr Plant	(\$249,112,366)	(\$370,588,101)	Pages 6 & 7
5	Distribution Rate Base for Rider DCI	<u>\$982,140,282</u>	<u>\$1,056,527,849</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	\$112,837,174	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$56,866,468	Page 8
9	Property Tax Expense (Excludes M&S)	<u>\$65,218,326</u>	<u>\$81,627,294</u>	Page 9
10	Revenue Requirement Before CAT	\$219,158,069	\$251,330,936	Line (7) + Line (8) + Line (9)
11	Change in Revenue Requirement		\$32,172,867	Line (10) <sub>current</sub> - Line (10) <sub>base</sub>
12	Incremental Commercial Activities Tax		\$83,868	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement (1)		\$32,256,734	Line (11) + Line (12)
14	Annual Base Distribution Revenue (2)		<u>\$404,401,058</u>	
15	DEO Percentage of Base Distribution Revenue		<u>7.976%</u>	Line (16) ÷ Line (17)

Notes: (1) See Revenue schedule for amount collected year to date 2015.  
The Company will be under the 2016 \$50 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 June 30, 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	\$13,770,790		\$13,770,790
2	360	3601	Rights of Way	26,286,892		26,286,892
3	361	3610	Structures and Improvements	19,163,277		19,163,277
4	362	3620	Station Equipment	212,968,774	(31,626,169)	181,342,605
5	362	3622	Major Equipment	115,821,737	(3,606,452)	112,215,285
6	363	3635	Station Equipment Electronic	0	0	0
7	364	3640	Poles, Towers & Fixtures	309,688,483	(3,581,655)	306,106,828
8	365	3650, 3651	Overhead Conductors and Devices	556,919,666	(28,765,884)	528,153,782
9	366	3660	Underground Conduit	113,261,755		113,261,755
10	367	3670	Underground Conductors and Devices	344,816,482		344,816,482
11	368	3680, 3681	Line Transformers	332,913,016		332,913,016
12	368	3682	Customer Transformer Installations	3,755,297		3,755,297
13	369	3691	Services - Underground	5,525,489		5,525,489
14	369	3692	Services - Overhead	81,827,783		81,827,783
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	71,798,131	(65,447,240)	6,350,891
20	371	3710	Installations on Customers' Premises	0		0
21	371	3712	Company Owned Outdoor Light	732,922	(732,922)	0
22	372	3720	Leased Property on Customers' Premises	102,503		102,503
23	373	3730	Street Lighting	2,004,201	(2,004,201)	0
24	373	3731	CGE Street Lighting - OH	15,300,750		15,300,750
25	373	3732	Street Lighting - Boulevard	27,727,621		27,727,621
26	373	3733	Light Security OL POL Flood	15,094,000		15,094,000
27	373	3734	Light Choice OLE - Public	10,326,931	(10,326,931)	0
28				\$2,293,274,376	(\$146,091,454)	\$2,147,182,922

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
	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 June 30, 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	\$2,754		\$2,754
2	360	3601	Rights of Way	4,027,029		4,027,029
3	361	3610	Structures and Improvements	4,461,820		4,461,820
4	362	3620	Station Equipment	76,841,334	(3,180,955)	73,660,379
5	362	3622	Major Equipment	43,955,681	(362,779)	43,592,902
6	363	3635	Dist Station Equip Elec	0	0	0
7	364	3640	Poles, Towers & Fixtures	124,853,251	(292,138)	124,561,113
8	365	3650, 3651	Overhead Conductors and Devices	126,876,466	(3,271,176)	123,605,290
9	366	3660	Underground Conduit	43,376,369		43,376,369
10	367	3670	Underground Conductors and Devices	93,833,244		93,833,244
11	368	3680, 3681	Line Transformers	147,962,152		147,962,152
12	368	3682	Customer Transformer Installations	2,637,651		2,637,651
13	369	3691	Services - Underground	2,537,126		2,537,126
14	369	3692	Services - Overhead	46,533,746		46,533,746
15	370	3700	Meters	(6,753,932)		(6,753,932)
16	370	3700	Meter Instrument Transformers	2,204,857		2,204,857
17	370	3701	Leased Meters	(718,805)		(718,805)
18	370	3701	Leased Meter Instrument Transformers	994,857		994,857
19	370	3702	Utility of the Future Meters	19,487,051	(19,422,740)	64,311
20	371	3710	Installations on Customers' Premises	10,636		10,636
21	371	3712	Company Owned Outdoor Light	(298,115)	298,115	0
22	372	3720	Leased Property on Customers' Premises	(58,390)		(58,390)
23	373	3730	Street Lighting	(432,365)	432,365	0
24	373	3731	CGE Street Lighting - OH	12,340,800		12,340,800
25	373	3732	Street Lighting - Boulevard	8,700,862		8,700,862
26	373	3733	Light Security OL POL Flood	8,085,172		8,085,172
27	373	3734	Light Choice OLE - Public	(169,814)	169,814	0
28		108	Retirement Work in Progress	(15,594,971)		(15,594,971)
29				\$745,696,466	(\$25,629,494)	\$720,066,972

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
	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 (June 30, 2016)**

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
Account 282						
1	282	282.XXX	263A	\$ (55,636,594)	\$0	(\$55,636,594)
2	282	282.XXX	AFUDC Debt	(2,112,782)	0	(2,112,782)
3	282	282.XXX	Casualty Loss	(14,695,573)	0	(14,695,573)
4	282	282.XXX	CIAC	18,639,433	0	18,639,433
5	282	282.XXX	CWIP Differences	422,556	0	422,556
6	282	282.XXX	FAS109	(35,635,591)	35,635,591	0
7	282	282.XXX	Miscellaneous	9,671,847	0	9,671,847
8	282	282.XXX	Non-Cash Overheads	21,738,180	0	21,738,180
9	282	282.XXX	Section 174	(798,162)	798,162	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(415,326,001)	62,485,269	(a) (352,840,732)
12	282	282.XXX	TIC	4,225,564	0	4,225,564
13	Total Plant-Related Accumulated Deferred Income Tax			\$ (469,507,123)	\$ 98,919,022	\$ (370,588,101)

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	Jun-16		Base Case	Jun-16
<b>Distribution Accounts</b>								
1	360	3600	Land and Land Rights	\$13,109,977	\$13,770,790	-	\$0	\$0
2	360	3601	Rights of Way	\$26,110,943	\$26,286,892	1.33	\$347,276	\$349,616
3	361	3610	Structures and Improvements	\$9,317,815	\$19,163,277	1.69	140,571	323,859
4	362	3620	Station Equipment	\$164,940,269	\$181,342,605	1.92	3,166,853	3,481,778
5	362	3622	Major Equipment	\$101,125,887	\$112,215,285	1.92	1,941,617	2,154,533
6	362	3635	Station Equipment Electronic	(\$99,380)	\$0	5.00	(4,969)	-
7	364	3640	Poles, Towers & Fixtures	\$242,324,299	\$306,106,828	2.40	5,815,783	7,346,564
8	365	3650, 3651	Overhead Conductors and Devices	\$384,604,443	\$528,153,782	2.80	10,768,924	14,788,306
9	366	3660	Underground Conduit	\$88,227,723	\$113,281,755	2.00	1,764,554	2,265,235
10	367	3670	Underground Conductors and Devices	\$282,336,871	\$344,816,482	2.16	6,098,476	7,448,036
11	368	3680, 3681	Line Transformers	\$367,228,972	\$332,913,016	2.50	9,180,724	8,322,825
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	\$5,525,489	2.00	67,838	110,510
14	369	3692	Services - Overhead	\$64,385,178	\$81,827,783	3.26	2,098,957	2,667,586
15	370	3700	Meters	\$32,936,648	\$7,409,920	Amortization	3,508,121	3,508,121
16	370	3701	Leased Meters	\$17,899,187	\$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	\$6,350,891	6.67	0	423,604
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	\$102,503	4.00	4,100	4,100
22	373	3730, 3731	Street Lighting - Overhead	\$20,946,536	\$15,300,750	3.93	823,199	601,319
23	373	3732	Street Lighting - Boulevard	\$28,103,634	\$27,727,621	2.44	685,729	676,554
24	373	3733	Light Security OL POL Flood	\$17,694,882	\$15,094,000	3.83	677,713	578,100
25	373	3734	Light Choice OLE - Public	-	-	4.20	-	-
26			<b>Total</b>	<b>\$1,878,034,210</b>	<b>\$2,147,182,922</b>		<b>\$49,047,161</b>	<b>\$56,866,468</b>

**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	\$81,378,166	\$249,128	\$81,627,294

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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	\$2,147,182,922
2	Jurisdictional Real Property	<u>59,220,959</u>
3	Net Cost of Taxable Personal Property	<u>\$2,087,961,963</u>
4	True Value Percentage (1)	48.52%
5	True Value of Taxable Personal Property	<u>\$1,013,079,144</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$861,117,273</u>
8	Personal Property Tax Rate	9.4503%
9	Personal Property Tax	<u><u>\$81,378,166</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	\$59,220,959
2	Assessment Percentage (1)	<u>7.086%</u>
3	Assessment Value	\$4,196,397
4	Real Property Tax Rate	<u>5.93671%</u>
5	Real Property Tax	<u><u>\$249,128</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	\$ 2,125,899.43
April, 2016	\$ 1,902,296.22
May, 2016	\$ 1,808,616.78
June, 2016	\$ 2,163,954.03
July, 2016	
August, 2016	
September, 2016	
October, 2016	
November, 2016	
December, 2016	
Unbilled Balance	<u>\$ 989,000.00</u>
Total	\$ 13,773,732.79

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**

**7/20/2016 3:04:13 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.