

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)
Energy Ohio, Inc. for Tariff Approval.) Case No. 16-2210-GA-ATA

**APPLICATION OF
DUKE ENERGY OHIO, INC.
FOR AN ADJUSTMENT TO RIDER AMRP
GAS RATES AND FOR TARIFF APPROVAL**

2. This Application is made pursuant to R.C. 4909.18 and related sections of the Ohio Revised Code for authority to make changes and increases in gas rates applicable in incorporated communities and the unincorporated territory within Duke Energy Ohio's entire service area, which includes all or part of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

The gas rates that Duke Energy Ohio seeks to change in its tariff, P.U.C.O. Gas No. 18, are as follows:

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3. The Pre-Filing Notice was served on the mayor and legislative authority of each municipality affected by this Application on November 22, 2016, and was filed with the Public Utilities Commission of Ohio (Commission) on November 22, 2016, pursuant to R.C. 4909.43(B) and in compliance with the Commission's Standard Filing Requirements set forth in O.A.C. 4901-7-01.

4. Duke Energy Ohio proposes a test year consisting of the twelve-month period ended December 31, 2016, and the date certain for property valuation of December 31, 2016.

5. Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full and factoring in the applicable rate caps approved by the Commission, would decrease gross revenues by \$0.5 million, or 0.12%, annually, over the estimated test period gross revenues generated from providing service to customers.

6. Duke Energy Ohio is filing this Application pursuant to the terms and conditions of a Stipulation and Recommendation filed with the Commission on April 2, 2013, in *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in its Natural Gas Distribution Rates*, Case No. 12-1685-GA-AIR, *et al.*, and approved by the Commission in its Opinion and Order dated November 13, 2013 (Stipulation and Recommendation).

7. Duke Energy Ohio filed the current Rider AMRP and the proposed new Rider AMRP with its Pre-Filing Notice, and incorporates such current and proposed riders herein by reference, as required by R.C. 4909.18 and the Commission's Standard Filing Requirements. Duke Energy Ohio also filed the following schedules with the Commission on November 22, 2016, in accordance with the Stipulation and Recommendation, and Duke Energy Ohio reproduces such schedules here, for the convenience of the Commission, as Attachment A:

- (a) Schedule 1, AMRP Annualized Revenue Requirement;

- (b) Schedule 2, AMRP Revenue Requirement Riser Replacement;
- (c) Schedule 3, AMRP Provision for Depreciation;
- (d) Schedule 4, AMRP Net Regulatory Assets – Post In-Service Carrying Cost;
- (e) Schedule 5, Riser Replacement Net Regulatory Asset – Post In-Service Carrying Cost;
- (f) Schedules 6-A and 6-B, AMRP Deferred Taxes on Liberalized Depreciation;
- (g) Schedule 7, Riser Replacement Deferred Taxes on Liberalized Depreciation;
- (h) Schedule 8, AMRP Annualized Reduction in Depreciation For Retirements
- (i) Schedule 9, AMRP Annualized Amortization of PISCC;
- (j) Schedule 10, Gas Maintenance Accounts Savings Calculation;
- (k) Schedule 11, Camera Work Expenses;
- (l) Schedule 12, AMRP Annualized Property Tax Expense Calculation;
- (m) Schedule 13, Riser Calculation – Projected Annualized Property Tax Expense Calculation and;
- (n) Schedule 14, AMRP Cap Calculation by Rate Class.

8. At the time of the filing of this Application, no municipal corporation has in effect any ordinance or franchise that does, or will, regulate the rates or charges to any customer affected by this Application.

WHEREFORE, since the rates, prices, charges, and other provisions in the current rate schedules do not yield just and reasonable compensation to Duke Energy Ohio for supplying gas service to the customers to which they are applicable, do not yield a just and reasonable return to Duke Energy Ohio on the value of the property used for furnishing gas service to such

customers, and result in the taking of Duke Energy Ohio's property for public use without compensation and without due process of law, Duke Energy Ohio respectfully prays that this Honorable Commission:

- (a) Accept this Application for filing;
- (b) Find that this Application and the schedules incorporated by reference herein are in accordance with R.C. 4909.18 and the rules of the Commission;
- (c) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ended December 31, 2016, and approve such schedules in the form tendered herewith or incorporated by reference herein;
- (d) Find that Duke Energy Ohio is in compliance with R.C. 4905.35;
- (e) Approve the proposed notice for newspaper publication attached hereto as Attachment B or, in the alternative, find that no newspaper publication is required because Duke Energy Ohio published newspaper notification of all proposed Rider AMRP increases when it filed the original application in the proceeding resulting in the Opinion and Order that initiated this filing;
- (f) Approve Duke Energy Ohio's Application for Approval to Change Accounting Methods consistent with proposed Rider AMRP; and
- (g) Fix the date on or after which deliveries made are subject to the proposed rates.

Respectfully submitted,

DUKE ENERGY OHIO, INC.


Amy B. Spiller (0047277)

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Application was served on the following parties of record by electronic mail delivery this 13th day of February, 2017.



Jeane W. Kingery

William Wright
Section Chief, Public Utilities Section
Public Utilities Commission of Ohio
180 East Broad Street, 6th Floor
Columbus, OH 43215
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ATTACHMENT A

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Annualized Revenue Requirement

Schedule 1

Line No.		Actual Thru December 31, 2015	Activity Thru October 31, 2016	Actual Nov & Dec 2016	Total	
1	Return on Investment					
2	Plant In-Service					
3	Additions	246,381,666.64	-	-	246,381,666.64	
4	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
5	Total Plant In-Service	228,444,965.25	-	-	228,444,965.25	
6	Less: Accumulation Provision for Depreciation					Schedule 3, Ln 18
7	Depreciation Expense	11,185,683.46	4,826,422.10	965,284.42	16,977,389.98	
8	Cost of Removal	(5,284,983.68)	-	-	(5,284,983.68)	
9	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
10	Total Accumulated Provision for Depreciation	(12,036,001.61)	4,826,422.10	965,284.42	(6,244,295.09)	
11	Net Regulatory Asset--Post In-Service Carrying Cost	6,023,032.14	423,740.20	(24,360.34)	6,422,412.00	Schedule 4, Ln. 23
12	Net Deferred Tax Balance--PISCC	(2,108,061.25)	(148,309.07)	8,526.12	(2,247,844.20)	-35% of Line No. 11
13	Deferred Taxes on Liberalized Depreciation	(47,868,215.77)	-	(531,578.67)	(48,399,794.44)	Schedule 6, Ln. 30
14	Net Rate Base	196,527,721.98	(4,550,990.97)	(1,512,697.31)	190,464,033.70	
15	Approved Pre-tax Rate of Return	10.60%	10.60%	10.60%	10.60%	
16	Annualized Return on Rate Base & Deferred Expense	20,831,938.53	(482,405.04)	(160,345.91)	20,189,187.57	
17	Operating Expenses					
18	Annualized Provision for Depreciation For Additions					Schedule 3, Ln 18
19	Mains--Plastic				2,840,111.64	
20	Mains--Steel				1,078,058.88	Schedule 3, Ln 18
21	Main to Curb Services--Plastic				1,000,778.88	Schedule 3, Ln 18
22	Curb to Meter Services				872,757.12	Schedule 3, Ln 18
23	Current Year Provision				5,791,706.52	
24	Annualized Reduction in Depreciation For Retirements					Schedule 8, Ln. 16
25	Mains--Cast Iron & Copper				(90,557.74)	Schedule 8, Ln. 17
26	Mains--Steel				(51,164.21)	Schedule 8, Ln. 18
27	Mains--Plastic				(16,852.30)	Schedule 8, Ln. 18
28	Main to Curb Services--Cast Iron & Copper				(45,388.76)	Schedule 8, Ln. 21
29	Main to Curb Services--Steel				(36,955.32)	Schedule 8, Ln. 22
30	Main to Curb Services--Plastic				(298,633.99)	Schedule 8, Ln. 23
31	Total				(539,552.32)	
32	Annualized Amortization of PISCC				149,007.36	Schedule 9, Ln. 30
33	Annualized Property Tax Expense				5,255,898.45	Schedule 12 Ln. 12
34	Achieved Reduction in Mains--Maintenance Expense				(312,532.00)	Schedule 10 Ln. 10
35	Camera Work Expenses				226,296.25	Schedule 11 Ln. 1
36	Amortization of Camera Work Expenses				1,000,000.00	Case No. 12-1685 (Years 2013 thru 2017)
37	Annualized Revenue Requirement				31,760,011.83	

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Annualized Revenue Requirement Riser Replacement

Schedule 2

Line No.		Actual Thru December 31, 2015	Activity 2016	Actual Thru December 31, 2016	
<u>1</u>	<u>Return on Investment</u>				
2	Riser Replacements				
3	Additions	2,126,202.66	-	2,126,202.66	
4	Less: Accumulation Provision for Depreciation				
5	Depreciation Expense	249,408.30	76,330.68	325,738.98	
6	Net Regulatory Asset--Post In-Service Carrying Cost	91,545.88	(3,255.36)	88,290.52	Schedule 5, Ln. 17
7	Net Deferred Tax Balance--PISCC	(32,041.05)	1,139.38	(30,901.68)	-35% of Line 11
8	Deferred Taxes on Liberalized Depreciation	(374,355.41)	3,479.39	(370,876.02)	Schedule 7, Ln. 20
9	Net Rate Base	1,561,943.78	(74,967.27)	1,486,976.50	
10	Approved Pre-tax Rate of Return	10.60%	10.60%	10.60%	
11	Annualized Return on Rate Base & Deferred Expense	165,566.03	(7,946.53)	157,619.50	
<u>12</u>	<u>Operating Expenses</u>				
13	Annualized Provision for Depreciation For Additions			76,330.68	3.59% of Line 3
14	Annualized Amortization of PISCC			3,255.36	Schedule 5, Ln. 15
15	Annualized Property Tax Expense			44,668.09	Schedule 13, Ln. 7
16	Annualized Revenue Requirement			<u>281,873.63</u>	

Duke Energy Ohio
Ohio AMRP - Case No. 16-2209
Provision for Depreciation

Schedule 3

Line No.		MAIN - STEEL		MAIN - PLASTIC		SERVICES - PLASTIC		C-to-M SERVICES - PLASTIC		TOTALS	
		Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance
1	Incremental										
2	Provision for Depreciation										
3	Balance at 12/31/2015 (actual)		1,985,778.71		5,415,846.00		2,090,077.83		1,693,980.92		11,185,683.46
4											
5	01/31/16	89,838.24	2,075,616.95	236,675.97	5,652,521.97	83,398.24	2,173,476.07	72,729.76	1,766,710.68	482,642.21	11,668,325.67
6	02/29/16	89,838.24	2,165,455.19	236,675.97	5,889,197.94	83,398.24	2,256,874.31	72,729.76	1,839,440.44	482,642.21	12,150,967.88
7	03/31/16	89,838.24	2,255,293.43	236,675.97	6,125,873.91	83,398.24	2,340,272.55	72,729.76	1,912,170.20	482,642.21	12,633,610.09
8	04/30/16	89,838.24	2,345,131.67	236,675.97	6,362,549.88	83,398.24	2,423,670.79	72,729.76	1,984,899.96	482,642.21	13,116,252.30
9	05/31/16	89,838.24	2,434,969.91	236,675.97	6,599,225.85	83,398.24	2,507,069.03	72,729.76	2,057,629.72	482,642.21	13,598,894.51
10	06/30/16	89,838.24	2,524,808.15	236,675.97	6,835,901.82	83,398.24	2,590,467.27	72,729.76	2,130,359.48	482,642.21	14,081,536.72
11	07/31/16	89,838.24	2,614,646.39	236,675.97	7,072,577.79	83,398.24	2,673,865.51	72,729.76	2,203,089.24	482,642.21	14,564,178.93
12	08/31/16	89,838.24	2,704,484.63	236,675.97	7,309,253.76	83,398.24	2,757,263.75	72,729.76	2,275,819.00	482,642.21	15,046,821.14
13	09/30/16	89,838.24	2,794,322.87	236,675.97	7,545,929.73	83,398.24	2,840,661.99	72,729.76	2,348,548.76	482,642.21	15,529,463.35
14	10/31/16	89,838.24	2,884,161.11	236,675.97	7,782,605.70	83,398.24	2,924,060.23	72,729.76	2,421,278.52	482,642.21	16,012,105.56
15	Activity Thru Oct 31, 2016	898,382.40		2,366,759.70		833,982.40		727,297.60		4,826,422.10	
16	11/30/16	89,838.24	2,973,999.35	236,675.97	8,019,281.67	83,398.24	3,007,458.47	72,729.76	2,494,008.28	482,642.21	16,494,747.77
17	12/31/16	89,838.24	3,063,837.59	236,675.97	8,255,957.64	83,398.24	3,090,856.71	72,729.76	2,566,738.04	482,642.21	16,977,389.98
18	Activity Nov and Dec 2016	179,676.48		473,351.94		166,796.48		145,459.52		965,284.42	
19	Balance at 12/31/2016	1,078,058.88	3,063,837.59	2,840,111.64	8,255,957.64	1,000,778.88	3,090,856.71	872,757.12	2,566,738.04	5,791,706.52	16,977,389.98

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Net Regulatory Asset--Post In-Service Carrying Cost

Schedule 4

Line No.	Post in service carrying costs	VINTAGE 2011 Accounts	VINTAGE 2012 Accounts	VINTAGE 2013 Accounts	VINTAGE 2014 Accounts	VINTAGE 2015 Accounts	TOTALS
1	Steel	182120	182124	182128	182162	182233	
2	Plastic	182121	182125	182129	182163	182234	
3	Service	182122	182126	182130	182164	182235	
4	Balance at 12/31/2015 (actual)	213,411.31	2,438,094.85	1,567,355.47	1,413,076.90	643,885.89	6,275,824.42
5	Activity 2016 - Vintage 2015 (Jan thru April)						
6	Amortization balance at 12/31/2015	35,552.40	143,667.52	55,617.80	17,954.56	536,480.10	536,480.10
7	01/31/16	388.56	4,500.95	2,780.89	2,244.32	0.00	9,914.72
8	02/29/16	388.56	4,500.95	2,780.89	2,244.32	0.00	9,914.72
9	03/31/16	388.56	4,500.95	2,780.89	2,244.32	0.00	9,914.72
10	04/30/16	388.56	4,500.95	2,780.89	2,244.32	0.00	9,914.72
11	05/31/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
12	06/30/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
13	07/31/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
14	08/31/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
15	09/30/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
16	10/31/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
17	Activity Thru Oct 31, 2016			2,780.89	2,244.32	2,265.45	112,739.90
18	11/30/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
19	12/31/16	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
20	Activity Nov and Dec 2016						24,360.34
21	Total Amortization expense- 2016	4,662.72	54,011.40	33,370.68	26,931.84	18,123.60	137,100.24
22	Amortization Balance at 12/31/2016	40,215.12	197,678.92	88,988.48	44,886.40	18,123.60	389,892.52
23	Net Regulatory Asset Balance at 12/31/2016	173,196.19	2,240,415.93	1,478,366.99	1,368,190.50	1,162,242.39	6,422,412.00

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Riser Replacement
Net Regulatory Asset--Post In-Service Carrying Cost

Schedule 5

Line No.	Post in service carrying costs	Account 182123 2011 costs	Account 182127 2012 costs	Total
1	Balance at 12/31/2015 (actual)	16,777.11	87,229.05	104,006.16
2	Amortization balance at 12/31/2015	5,173.76	7,286.52	
3	01/31/16	43.76	227.52	
4	02/29/16	43.76	227.52	
5	03/31/16	43.76	227.52	
6	04/30/16	43.76	227.52	
7	05/31/16	43.76	227.52	
8	06/30/16	43.76	227.52	
9	07/31/16	43.76	227.52	
10	08/31/16	43.76	227.52	
11	09/30/16	43.76	227.52	
12	10/31/16	43.76	227.52	
13	11/30/16	43.76	227.52	
14	12/31/16	43.76	227.52	
15	Total Amortization expense- 2016	525.12	2,730.24	3,255.36
16	Amortization Balance at 12/31/2016	5,698.88	10,016.76	15,715.64
17	Net Regulatory Asset Balance at 12/31/2016	11,078.23	77,212.29	88,290.52

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Deferred Taxes on Liberalized Depreciation

		Schedule - 6A		
		Tax Year 2012	Tax Year 2013	Tax Year 2014
Line No.	Plant In-Service -			
1	Mains - Plastic	40,180,050.68	76,711,411.38	111,119,540.75
2	Mains - Steel	14,457,968.72	32,253,529.51	50,031,505.05
3	Main to Curb Services - Plastic	8,662,644.46	16,005,261.49	22,790,259.57
4	Main to Curb Services - Steel	-	-	-
5	Curb to Meter Services	6,039,754.66	13,194,287.27	18,399,429.74
6	Total Plant In-Service	69,340,418.52	138,164,489.65	202,340,735.11
7	Book to Tax Basis Adjustments:	(411,927.26)	(181,764.61)	(569,855.54)
8	Tax Base In-Service subject to:			
9	Bonus Depreciation - 50%	49,066,862.05	118,121,095.83	181,909,250.36
10	Bonus Depreciation - 100%	19,861,629.21	19,861,629.21	19,861,629.21
11	MACRS on Balance	-	-	-
12	Total Tax Depreciation Base	68,928,491.26	137,982,725.04	201,770,879.57
13	Tax Depreciation -			
14	Bonus Depreciation - 50%	24,533,431.03	34,527,116.89	31,894,077.27
15	Bonus Depreciation - 100%	19,861,629.21	3,096,824.70	5,355,421.47
16	MACRS on Balance	506,307.56	37,623,941.59	37,249,498.74
17	Total Tax Depreciation	44,901,367.80		
18	Book Depreciation			
19	Mains - Plastic	146,945.70	1,011,983.55	1,735,186.690
20	Mains - Steel	48,711.89	309,328.11	645,512.190
21	Main to Curb Services - Plastic	96,262.59	405,990.49	674,091.310
22	Main to Curb Services - Steel	-	-	-
23	Curb to Meter Services	66,770.05	313,063.03	547,699.810
24	Total Book Depreciation	358,690.23	2,040,365.18	3,602,490.00
25	Less: Book Depr on AFUDC Equity	3,258.00	13,324.58	22,053.83
26	Plus: Originating Dif. Exclusive of AFUDC Equity	217,916.70	325,582.41	245,896.09
27	Net Book Depreciation	573,348.93	2,352,623.01	3,826,332.26
28	Tax Depreciation in Excess of Book Depreciation	44,328,018.87	35,271,318.58	33,423,166.48
29	Federal Deferred Taxes @ 35.00%	15,514,806.60	12,344,961.50	11,698,108.27
30	Deferred Tax Balance	15,514,806.60	27,859,768.11	39,557,876.37
	Federal Deferral Rate	35%	35%	35%

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Deferred Taxes on Liberalized Depreciation

Schedule - 6B

	Tax Year 2016				Total Deferred Tax Balance
	Vintage 2012	Vintage 2013	Vintage 2014	Vintage 2015	Total
Plant In-Service -					
Mains - Plastic	40,180,050.68	36,531,360.70	34,408,129.37	25,424,286.32	136,543,827.07
Mains - Steel	14,457,968.72	17,795,560.79	17,777,975.54	7,618,703.13	57,650,208.18
Main to Curb Services - Plastic	8,662,644.46	7,342,617.03	6,784,998.08	5,086,587.90	27,876,847.47
Main to Curb Services - Steel	-	-	-	-	-
Curb to Meter Services	6,039,754.66	7,154,532.61	5,205,142.47	5,911,354.18	24,310,783.92
Total Plant In-Service	69,340,418.52	68,824,071.13	64,176,245.46	44,040,931.53	246,381,666.64
Book to Tax Basis Adjustments:	(411,927.26)	230,162.65	(388,090.93)	(75,789.39)	(645,644.93)
Tax Base In-Service subject to:					
Bonus Depreciation - 50%	49,066,862.05	69,054,233.78	63,788,154.53	43,965,142.14	225,874,392.50
Bonus Depreciation - 100%	19,861,629.21	-	-	-	19,861,629.21
MACRS on Balance	-	-	-	-	-
Total Tax Depreciation Base	68,928,491.26	69,054,233.78	63,788,154.53	43,965,142.14	245,736,021.71
Tax Depreciation -					
Bonus Depreciation - 50%	1,426,262.36	2,132,740.01	2,129,567.54	1,586,921.81	7,275,491.72
Bonus Depreciation - 100%	1,426,262.36	2,132,740.01	2,129,567.54	1,586,921.81	7,275,491.72
MACRS on Balance	-	-	-	-	-
Total Tax Depreciation	2,852,524.72	4,265,480.02	4,259,135.08	3,173,843.62	14,550,984.42
Book Depreciation					
Mains - Plastic	835,745.05	759,852.30	715,689.09	528,825.16	2,840,111.60
Mains - Steel	270,364.02	332,776.99	332,448.14	142,469.75	1,078,058.89
Main to Curb Services - Plastic	310,988.94	263,599.95	243,581.43	182,608.51	1,000,778.82
Main to Curb Services - Steel	-	-	-	-	-
Curb to Meter Services	216,827.19	256,847.72	186,864.61	212,217.62	872,757.14
Total Book Depreciation	1,633,925.20	1,613,076.96	1,478,583.28	1,066,121.02	5,791,706.46
Less: Book Depr on AFUDC Equity	14,840.94	2,235.72	14,606.92	3,327.36	35,010.94
Plus: Originating Dif. Exclusive of AFUDC Equity	-	-	-	-	-
Net Book Depreciation	1,619,084.26	1,610,841.24	1,463,976.36	1,062,793.66	5,756,695.52
Tax Depreciation in Excess of Book Depreciation	(192,821.90)	521,898.77	665,591.18	524,128.15	1,518,796.20
Federal Deferred Taxes @ 35.00%	(67,487.66)	182,664.57	232,956.91	183,444.85	531,578.67
Deferred Tax Balance					48,399,794.44
Federal Deferral Rate					35%

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Riser Replacement
Deferred Taxes on Liberalized Depreciation

Schedule 7

Line No.	Tax Year 2012	Tax Year 2013	Tax Year 2014 all Vintage year 2012	Tax Year 2015	Tax Year 2016	Total Deferred Tax Balance
1 Riser Replacement	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	
2 Total Plant In-Service	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	
3 Book to Tax Basis Adjustments:	-	-	-	-	-	
4 Tax Base In-Service subject to:						
5 Bonus Depreciation - 50%	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	
6 MACRS on Balance	-	-	-	-	-	
7 Total Tax Depreciation Base	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	
8 Tax Depreciation -						
9 Bonus Depreciation - 50%	1,063,101.33	-	-	-	-	
10 MACRS on Balance	28,487.98	77,596.61	71,775.60	66,389.58	66,389.58	
11 Total Tax Depreciation	1,091,589.31	77,596.61	71,775.60	66,389.58	66,389.58	
12 Book Depreciation						
13 Riser Replacement	23,339.84	73,141.32	76,330.68	76,330.68	76,330.68	
14 Total Book Depreciation	23,339.84	73,141.32	76,330.68	76,330.68	76,330.68	
15 Less: Book Depr on AFUDC Equity	-	-	-	-	-	
16 Plus: Originating Dif. Exclusive of AFUDC Equity	-	-	-	-	-	
17 Net Book Depreciation	23,339.84	73,141.32	76,330.68	76,330.68	76,330.68	
18 Tax Depreciation in Excess of Book Depreciation	1,068,249.47	4,455.29	(4,555.08)	(9,941.10)	(9,941.10)	
19 Federal Deferred Taxes @ 35.00%	377,869.73	1,559.35	(1,594.28)	(3,479.39)	(3,479.39)	370,876.02
20 Deferred Tax Balance	377,869.73	379,429.08	377,834.80	374,355.41	370,876.02	
21 Federal Deferral Rate	35.00%	35.00%	35.00%	35.00%	35.00%	

Schedule 8

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Annualized Reduction in Depreciation For Retirements

Line No.		Actual Balance at 12/31/2016
1	Plant Basis	
2	Mains	
3	Cast Iron & Copper	3,329,328.80
4	Steel	2,736,054.09
5	Plastic	810,206.62
6		<u>6,875,589.51</u>
7	Main To Curb Services	
8	Cast Iron & Copper	1,459,445.74
9	Steel	1,283,170.73
10	Plastic	8,318,495.41
11		<u>11,061,111.88</u>
12	Total	<u>17,936,701.39</u>
13	Annualized Reduction In	
14	Depreciation Expense	
15	Mains	
16	Cast Iron & Copper	(90,557.74)
17	Steel	(51,164.21)
18	Plastic	(16,852.30)
19		<u>(158,574.25)</u>
20	Main To Curb Services	
21	Cast Iron & Copper	(45,388.76)
22	Steel	(36,955.32)
23	Plastic	(298,633.99)
24		<u>(380,978.07)</u>
25	Total	<u>(539,552.32)</u>

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Annualized Amortization of PISCC

Schedule 9

Line No.	Regulatory Asset—Deferrals	Description	Actual Balance at 12/31/16	Total by Vintage Yr Sch 8
1	Account		2,754.62	
2	0182120	AMRP 2011 Steel Carry Costs	150,181.69	
3	0182121	AMRP 2011 Plastic Carry Costs	60,475.00	213,411.31
4	0182122	AMRP 2011 Service Carry Costs	470,298.98	
5	0182124	AMRP 2012 Steel Carry Costs	1,173,819.47	
6	0182125	AMRP 2012 Plastic Carry Costs	793,976.40	2,438,094.85
7	0182126	AMRP 2012 Service Carry Costs	372,876.52	
8	0182128	AMRP 2013 Steel Carry Costs	662,941.45	
9	0182129	AMRP 2013 Plastic Carry Costs	541,537.50	1,567,355.47
10	0182130	AMRP 2013 Service Carry Costs	424,681.22	
11	0182162	AMRP 2014 Steel Carry Costs	705,879.47	
12	0182163	AMRP 2014 Plastic Carry Costs	282,516.21	1,413,076.90
13	0182164	AMRP 2014 Service Carry Costs	524,203.66	
14	0182233	AMRP 2015 Plastic Carry Costs	530,187.26	
15	0182234	AMRP 2015 Service Carry Costs	125,975.07	1,180,365.99
16	0182235	AMRP 2015 Steel Carry Costs	6,812,304.52	
17		Total—PISCC		
18		Cumulative Total—PISCC	6,812,304.52	6,812,304.52

Line No.	Annualized Amortization of PISCC	Description	Actual Balance at 12/31/16	Rate
20			42.42	
21	AMRP 2011 Steel Carry Costs		1.54%	
22	AMRP 2011 Plastic Carry Costs		1.82%	2,733.31
23	AMRP 2011 Service Carry Costs		3.13%	1,892.87
24	AMRP 2012 Steel Carry Costs		1.54%	7,242.60
25	AMRP 2012 Plastic Carry Costs		1.82%	21,363.51
26	AMRP 2012 Service Carry Costs		3.13%	24,851.46
27	AMRP 2013 Steel Carry Costs		1.54%	5,742.30
28	AMRP 2013 Plastic Carry Costs		1.82%	11,883.53
29	AMRP 2013 Service Carry Costs		3.13%	16,950.12
30	AMRP 2014 Steel Carry Costs		1.54%	6,540.09
31	AMRP 2014 Plastic Carry Costs		1.82%	12,847.01
32	AMRP 2014 Service Carry Costs		3.13%	8,842.76
33	AMRP 2015 Plastic Carry Costs		1.82%	9,540.51
34	AMRP 2015 Service Carry Costs		3.13%	16,594.86
35	AMRP 2015 Steel Carry Costs		1.54%	1,940.02
36		Total—Annualized Amortization PISCC		149,007.36

Account	Description	Included in Rates														Total
		Actual		Estimated												
		Jan 2012 (Actual)	Feb 2012 (Actual)	Mar 2012 (Actual)	Apr 2012 (Budget)	May 2012 (Budget)	Jun 2012 (Budget)	Jul 2012 (Budget)	Aug 2012 (Budget)	Sep 2012 (Budget)	Oct 2012 (Budget)	Act/Bud. Thru Oct 2012 (Budget)	Nov 2012 (Budget)	Dec 2012 (Budget)	Nov - Dec 2012	
885000	Maintenance Supervision/Eng	17,610.00	16,667.00	16,820.00	20,115.00	15,476.00	20,115.00	15,301.00	15,311.00	17,136.00	15,357.00	165,188.00	20,138.00	35,272.00	200,460.00	
887000	Maintenance of Mains	281,528.00	277,775.00	362,848.00	319,990.00	250,968.00	319,990.00	294,280.00	299,142.00	221,118.00	216,573.00	2,683,596.00	202,556.00	535,017.00	3,312,166.07	
892000	Maintenance of Services	23,543.00	16,425.00	13,608.00	26,263.00	16,966.00	26,263.00	20,980.00	13,963.00	13,961.00	17,866.00	182,950.00	22,203.00	59,079.00	242,029.00	
Total		322,681.00	310,869.00	389,274.00	356,368.00	283,430.00	356,368.00	330,461.00	258,016.00	252,237.00	249,796.00	3,031,734.00	244,898.00	629,368.00	3,661,102.00	

Account	Description	Actual														Total
		Actual						Estimate								
		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Actual Thru Oct 2016	Estimate Nov 2016	Estimate Dec 2016	Nov - Dec 2016	
885000	Maintenance Supervision/Eng	14,773.10	9,095.17	4,289.71	(20,350.42)	(6,010.22)	5,468.79	(6,456.94)	4,745.07	(2,929.35)	(9,827.02)	(6,602.11)	-	-	(6,602.11)	
887000	Maintenance of Mains	216,349.16	259,711.15	362,771.14	381,941.70	294,173.50	207,004.81	193,761.38	253,773.83	283,725.34	305,238.17	2,778,454.18	200,798.74	533,711.89	3,312,166.07	
892000	Maintenance of Services	18,023.40	71,712.46	23,076.39	60,786.49	42,028.87	11,641.53	20,785.05	22,845.69	20,503.45	19,484.66	310,897.89	21,962.47	99,888.13	432,748.59	
Total		249,145.66	341,118.78	410,141.24	422,377.77	330,192.15	224,115.13	208,099.49	281,364.59	301,269.44	314,895.81	3,082,750.06	222,761.21	655,562.49	3,738,312.55	
2015 Savings Based on Rate Filing		73,535.34	(30,249.78)	(16,867.24)	(157,775.77)	(46,762.15)	142,252.87	122,361.51	(23,348.59)	(49,062.44)	(65,099.81)	(51,016.06)	22,136.79	(48,331.28)	(77,210.55)	
Guaranteed Amount															312,532.00	
															2016 Minimum Guaranteed Savings	

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Camera Work Expenses

Schedule 11

Line No.	01/31/16	02/29/16	03/31/16	04/30/16	05/31/16	06/30/16	07/31/16	08/31/16	09/30/16	10/31/16	Activity Thru 10/31/16	Actual 11/30/16	Actual 12/31/16	Actual Nov.-Dec. 2016	Activity at 12/31/16
1 Camera Work Expenses	49,315.12	1,467.09	34,148.74	213.90	88,643.65	5,309.15	109.70	1,470.24	3,005.67	1,881.77	185,565.03	37,381.61	3,369.61	40,731.22	226,286.25

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Annualized Property Tax Expense Calculation

Schedule 12

Line No.	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	Actual Total 2012	Actual Total 2013	Actual Total 2014	Actual Total 2015	Grand Total
1	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)					
2	Current Year Investment	69,340,418.52	68,824,071.13	64,176,245.46	44,040,931.53	246,381,666.64
3	Less: AFUDC In-Service	(651,619.40)	(148,806.87)	(825,785.15)	(259,998.47)	(1,886,209.89)
4	Drawing Costs In-Service	(158,863.96)	(444,970.60)	(398,673.63)	(229.19)	(1,002,737.38)
5	Net Cost of Taxable Property	68,529,935.16	68,230,293.66	62,951,786.68	43,780,703.87	243,492,719.37
6	Percent Good (a)	85.0%	88.3%	91.7%	95.0%	
7	True Value of Taxable Property (excluding PISCC)	58,250,444.89	60,247,349.30	61,881,606.30	43,036,431.91	223,415,832.40
8	Gas Valuation Percent	25%	25%	25%	25%	
9	Total Taxable Value	14,562,611.22	15,061,837.33	15,470,401.58	10,759,107.98	55,853,958.11
10	Retired Net Taxable Main End of Year (@ 15%)	(661,480.95)	(538,009.33)	(633,581.45)	(857,433.47)	(2,690,505.20)
11	Net Property Tax Valuation	13,901,130.27	14,523,828.00	14,836,820.13	9,901,674.51	53,163,452.91
12	Property Tax @ \$98.863 per \$1,000 of Valuation	1,374,307.44	1,435,869.21	1,466,812.55	978,909.25	5,255,898.45
						0.098863

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Ohio Riser Calculation--Projected
Annualized Property Tax Expense Calculation

Schedule 13

Line No.		Total Vintage 2012
1	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	
2	Current Year Investment	2,126,202.66
3	Percent Good (a)	85.0%
4	True Value of Taxable Property (excluding PISCC)	1,807,272.26
5	Gas Valuation Percent	25%
6	Total Taxable Value	451,818.07
7	Property Tax @ \$98.863 per \$1,000 of Valuation	44,668.09

Duke Energy Ohio
Ohio AMRP Case No. 16-2209
Cap Calculation--Projection
Cap Calculation By Rate Class

Schedule 14

Rate Class	Allocated AMRP Revenue Requirement (1)	Allocated Riser Revenue Requirement (2)	Total Allocated Revenue Requirement	Billing Determinates		Calculated AMRP Charge
				# of Bills	Sales (Mcf's)	
Total Residential	17,468,006.51	259,323.74	17,727,330.25	4,757,415	N/A	\$3.73
Total General Service & Firm Transportation	11,751,204.38	22,549.89	11,773,754.27	338,183	N/A	\$34.81
Interruptible Transportation	2,540,800.95	-	2,540,800.95	N/A	19,390,954	\$0.13
Total Revenue	31,760,011.84	281,873.63	32,041,885.47			
Revenue Requirement to be Allocated	31,760,011.83	281,873.63	32,041,885.46			

(1) AMRP Revenue Requirement
Allocated on the Following Basis:

Residential	55%
General Service & Firm Transportation	37%
Interruptible Transportation	8%

(2) Riser Revenue Requirement
Allocated on the Following Basis:

Residential	92%
General Service & Firm Transportation	8%
Interruptible Transportation	0%

ATTACHMENT B

PROPOSED NOTICE FOR NEWSPAPER PUBLICATION

Please take notice that, pursuant to Ohio Revised Code Section 4909.18, Duke Energy Ohio, Inc., (Duke Energy Ohio) has filed an application with the Public Utilities Commission of Ohio (Commission) for a decrease in its gas rates. The purpose of the application is to allow Duke Energy Ohio to recover the costs it incurred in 2016 related to its Accelerated Main Replacement Program (AMRP) and Riser Replacement Program (RRP). Under these programs, Duke Energy Ohio replaced cast iron and bare steel gas mains and service lines and risers on an accelerated basis, in order to improve the safety and reliability of its distribution system. Under the RRP, Duke Energy Ohio replaced certain gas service risers through an accelerated program, in order to improve the safety and reliability of its distribution system. The Commission approved the AMRP and the RRP in an Opinion and Order dated November 17, 2013, in Case No. 12-1685-GA-AIR, *et al.*

Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full, would decrease gross revenues by \$0.5 million or 0.12% annually over the estimated test period gross revenues generated from providing service to customers. The average percentage decrease that a typical residential customer will bear should the decrease be granted in full is 0.1% based on November 2015 billings. The proposed Rider AMRP charges applicable to Duke Energy Ohio tariffed gas rates are as follows: Rate RS and RSLI - \$3.73 per month; Rate RFT and RFTLI - \$3.73 per month; Rate GS-S and GS-L - \$34.81 per month; Rate DGS - \$34.81 per month; Rate FT-S and FT-L - \$34.81 per month; Rate IT - \$.013 per CCF; and, Rate GGIT - \$.013 per CCF.

Any person, firm, corporation, or association may file, pursuant to Ohio Revised Code Section 4909.19, an objection to such increase that may allege that such application contains proposals that are unjust and discriminatory or unreasonable.

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Commission of Ohio Docketing Information System on

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in

Case No(s). 16-2209-GA-RDR, 16-2210-GA-ATA

Summary: Application Application of Duke Energy Ohio, Inc. For an Adjustment of Rider AMRP Gas Rates and for Tariff Approval electronically filed by Dianne Kuhnell on behalf of Duke Energy Ohio, Inc. and Spiller, Amy B. and Kingery, Jeanne W.