

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke )	
Energy Ohio, Inc., for Approval to )	Case No. 13-2417-GA-UNC
Implement a Capital Expenditure Program. )	

In the Matter of the Application of Duke )	
Energy Ohio, Inc., for Approval to Change )	Case No. 13-2418-GA-AAM
Accounting Methods. )	

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**2016 ANNUAL INFORMATIONAL FILING OF  
DUKE ENERGY OHIO, INC.**

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On December 20, 2013, Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) filed an Application in the above-captioned cases, seeking approval of a Capital Expenditure Program (CEP). On October 1, 2014, the Public Utilities Commission of Ohio (Commission) issued a Finding and Order (Order), modifying and approving the Application.

In the Order, the Commission required the Company to make annual informational filings regarding its CEP on April 30, beginning in 2015. Such annual filings are required to consist of the following information: the CEP regulatory asset balance at December 31; calculations used to determine monthly deferred amounts, including a breakdown of investments in post-in service carrying costs (PISCC), depreciation expense, and property tax for each budget type; a breakdown of rate impact by customer class; capital budget for the calendar year in which the informational filing is made and the succeeding year; estimate of the effect that the deferred amounts would have on residential customer bills, if they were included in rates; schedules showing the calculations and inputs for deferrals; and an explanation of any substantial deviation

between the planned, estimated CEP expenditures and actual expenditures, where such substantial deviation would reasonably impede Staff's ability to monitor or review the filing.<sup>1</sup>

In accordance with the Order, Duke Energy Ohio is making this annual filing, including the following schedules:

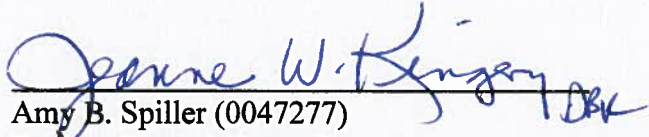
- Exhibit 1: Estimated Capital Budget – 2016
- Exhibit 2: Cumulative Estimated Bill Impact – Deferred Amounts
- Exhibit 3: Monthly CEP Investments
- Exhibit 4a: Deferred Depreciation – Distribution Improvement
- Exhibit 4b: Deferred Depreciation – Information Technology
- Exhibit 5: Post In-Service Carrying Costs (PISCC)
- Exhibit 6: Property Tax Deferral
- Exhibit 7: Incremental Revenue Associated with CEP Investments
- Exhibit 8: Actual – Authorized CEP Explanations
- Exhibit 9: Estimated Capital Budget - 2017

The attached exhibits contain the information required by the Order. Duke Energy Ohio respectfully requests that the Commission accept such information in compliance with its requirements, thereby approving ongoing deferral authority under the CEP.

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<sup>1</sup> Order, pg. 10.

Respectfully submitted,



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Associate General Counsel

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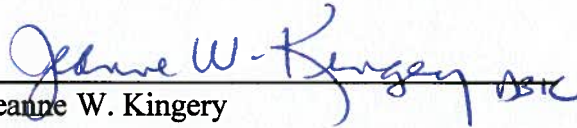
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*Attorneys for Duke Energy Ohio, Inc.*

## CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered, via electronic mail delivery, facsimile, or regular mail delivery, postage prepaid, on this 1<sup>st</sup> day of May, 2017, to the persons listed below.

  
Jeanne W. Kingery

John H. Jones  
Assistant Attorney General  
Public Utilities Commission of Ohio  
180 East Broad Street, 6<sup>th</sup> floor  
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Counsel for Staff, Public Utilities Commission of Ohio

**DUKE ENERGY OHIO, INC.**  
**CAPITAL EXPENDITURE PROGRAM (CEP)**  
**CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM**  
**ESTIMATED CAPITAL BUDGET**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2016**  
**(\$ MILLIONS)**

**Description: Provide approved Capital Budget for the previous year per 13-2417-GA-UNC**

<b>Line No.</b>	<b>Category</b>		<b>2016</b>
1	Distribution Improvement	[A]	\$ 60.8
2	Information Technology		3.8
3	Compliance with Rules, Regulations and Orders		<u>3.1</u>
4	Total		<u><u>\$ 67.7</u></u>

[A] Does not include investments recovered through Rider AMRP or Rider AU cost-recovery mechanisms.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CUMULATIVE ESTIMATED BILL IMPACT - DEFERRED AMOUNTS  
FOR THE PERIODS ENDED DECEMBER 31, 2014 THROUGH DECEMBER 31, 2016

Description: Estimated bill impacts related to deferrals of depreciation, PISCC, and Property Taxes on CEP investments.  
Represents an estimated rate impact related to deferred activity.

Line No.	Description	Balance at 12/31/2013 [2]	Balance at 12/31/2014	Balance at 12/31/2015	Balance at 12/31/2016	
1	Deferred Depreciation Expense	\$ 246,242	\$ 906,019	\$ 1,757,223	\$ 3,388,933	Exhibit No. 4a, Line 1 + Exhibit No. 4b, Line 1
2	Deferred PISCC	\$ 394,149	\$ 1,455,187	\$ 2,814,325	\$ 5,247,878	Exhibit No. 5, Line 3
3	Deferred Property Tax Expense	\$ -	\$ 509,951	\$ 1,111,178	\$ 2,094,858	Exhibit No. 6, Line 3
4	Incremental Revenue Offset Deferral	\$ (1,043,238)	\$ (1,811,413)	\$ (4,121,558)	\$ (3,058,051)	Exhibit No. 7, Line 4
5	Total Deferred CEP Amounts [2]	\$ (402,847)	\$ 1,059,744	\$ 1,561,168	\$ 7,671,418	Sum of Lines 1 - 4
6	Deferred Taxes - Depreciation		\$ (317,107)	\$ (815,028)	\$ (1,188,427)	Line 1 x -35%
7	Deferred Taxes - PISCC		\$ (509,315)	\$ (885,014)	\$ (1,836,757)	Line 2 x -35%
8	Net Cumulative Deferred CEP Amounts		\$ 233,322	\$ (38,874)	\$ 4,649,234	Sum of Lines 5 - 7
9	Rate of Return		10.60%	10.60%	10.60%	Pre-Tax rate of return approved in Case No. 12-1685-GA-AIR
10	Pre-Tax Return on Deferred CEP Amounts		\$ 24,732	\$ (4,121)	\$ 492,819	Line 8 x Line 9
11	Amortization of Deferred Depreciation Regulatory Asset		\$ 55,399	\$ 107,446	\$ 207,095	Line 1 x 2.54% [1]
12	Amortization of Deferred PISCC Regulatory Asset		\$ 88,978	\$ 172,083	\$ 320,883	Line 2 x 2.54% [1]
13	Amortization of Deferred Property Tax Regulatory Asset		\$ 31,181	\$ 67,943	\$ 128,078	Line 3 x 2.54% [1]
14	Amortization of Revenue Offset Deferral		\$ (110,759)	\$ (262,014)	\$ (188,985)	Line 4 x 2.54% [1]
15	Total Annual Revenue Requirement		\$ 89,531	\$ 91,337	\$ 961,890	Sum of Lines 11 - 14
	<u>Allocation %</u>					
16	Rate RS / RFT / RSLI		72.3475%	72.3475%	72.3475%	Case No. 12-1685-GA-AIR, Schedule E-3.2f, page 7 of 14
17	Rate GS / FT Small		7.4632%	7.4632%	7.4632%	Case No. 12-1685-GA-AIR, Schedule E-3.2f, page 7 of 14
18	Rate GS / FT Large		15.6175%	15.6175%	15.6175%	Case No. 12-1685-GA-AIR, Schedule E-3.2f, page 7 of 14
19	Rate IT		4.5718%	4.5718%	4.5718%	Case No. 12-1685-GA-AIR, Schedule E-3.2f, page 7 of 14
20	Total Allocation		100.0000%	100.0000%	100.0000%	Sum of Lines 16 - 19
	<u>Annual Revenue Requirement</u>					
21	Rate RS / RFT / RSLI		\$ 64,773	\$ 68,079	\$ 699,903	Line 15 x Line 16
22	Rate GS / FT Small		\$ 6,682	\$ 6,817	\$ 71,788	Line 15 x Line 17
23	Rate GS / FT Large		\$ 13,983	\$ 14,285	\$ 150,223	Line 15 x Line 18
24	Rate IT		\$ 4,093	\$ 4,178	\$ 43,978	Line 15 x Line 19
25	Total Annual Revenue Requirement		\$ 89,531	\$ 91,337	\$ 961,890	Sum of Lines 21 - 24
	<u>Annual Bills Issued</u>					
26	Rate RS / RFT / RSLI		4,716,733	4,733,059	4,757,415	Work Papers 7.2 thru 7.4
27	Rate GS / FT Small		249,180	238,052	243,983	Work Papers 7.2 thru 7.4
28	Rate GS / FT Large		91,938	103,440	94,209	Work Papers 7.2 thru 7.4
29	Rate IT		1,083	992	988	Work Papers 7.2 thru 7.4
	<u>Estimated Monthly Rate Impact</u>					
30	Rate RS / RFT / RSLI	\$ 0.01	\$ 0.03	\$ 0.17	Line 21 / Line 26 (Cap is \$1.50 per month)	
31	Rate GS / FT Small	\$ 0.03	\$ 0.08	\$ 0.35	Line 22 / Line 27	
32	Rate GS / FT Large	\$ 0.15	\$ 0.27	\$ 1.89	Line 23 / Line 28	
33	Rate IT	\$ 3.74	\$ 8.34	\$ 52.35	Line 24 / Line 29	

[1] For purposes of this calculation Duke Energy Ohio used a composite depreciation rate calculated using data from 2015 FERC Form 2. It includes carrying costs on the unamortized balance.  
The actual amortization period will be determined in Duke Energy Ohio's next gas base rate case.

[2] No deferral related to calendar year 2013 since net deferral is less than zero.

[illegible]

Budget Category	16	17	18
Distribution Improvement			
Information Technology			
Total CFP In-Service Activity - Retirement Above Cap			



DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
MONTHLY CEP INVESTMENTS  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Report on all CEP Investments placed in-service during January 2016-December 2016.  
Represents Net Asset Balance eligible for Accounting Authority.

Line  
No.

[A] Cumulative Balance

Description: Net Cumulative Asset Balance eligible for Accounting treatment approved in 13-2417-GA-UNC.

Calculation: Prior Month Asset Balance + Current Month Asset Activity

Budget Category	201610	201611	Balance at 201612
1 Distribution Improvement	\$ 117,371,749	\$ 130,954,365	\$ 123,851,365
2 Information Technology	\$ 3,880,617	\$ 4,031,184	\$ 4,004,087
3 Total CEP In-Service	\$ 121,252,565	\$ 134,985,550	\$ 127,855,452

[B] Monthly Activity - Net Assets

Description: Monthly activity for all Assets placed in-service and eligible for Accounting Treatment

Calculation: Total Asset Activity [C] + Ineligible Asset Activity [D] + Total Retirement Activity [E] + Ineligible Retirement Activity [F]

Budget Category	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
4 Distribution Improvement	\$ 4,013,703	\$ 13,582,618	\$ (7,103,001)	\$ 46,362,944
5 Information Technology	\$ 2,481,342	\$ 150,368	\$ (27,087)	\$ 3,550,915
6 Total CEP In-Service Activity - Net Assets	\$ 6,495,045	\$ 13,732,986	\$ (7,130,088)	\$ 49,913,859

[C] Monthly Activity - Assets (Total)

Description: Monthly activity for all Assets placed in-service.

Source: WP-3.1

Budget Category	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
7 Distribution Improvement	\$ 4,240,949	\$ 13,857,042	\$ 5,004,063	\$ 63,994,260
8 Information Technology	\$ 2,481,342	\$ 150,368	\$ (27,087)	\$ 4,472,237
9 Total CEP In-Service Activity - Gross Assets	\$ 6,722,291	\$ 14,007,410	\$ 4,976,976	\$ 68,466,517

[D] Monthly Activity - Assets (Excess Above Cap)

Description: Represents the amount of Asset in-service activity not eligible for accounting treatment, under the Cap terms of 13-2417-GA-UNC.

Budget Category	201610	201611	201612	Months Ended 12/31/2016
10 Distribution Improvement	\$ -	\$ -	\$ -	\$ -
11 Information Technology	\$ -	\$ -	\$ -	\$ -
12 Total CEP In-Service Activity - Gross Assets Above Cap	\$ -	\$ -	\$ -	\$ -

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
MONTHLY CEP INVESTMENTS  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Report on all CEP Investments placed in-service during  
January 2016-December 2016.  
Represents Net Asset Balance eligible for Accounting Authority.

[E] Monthly Activity - Retirements [Total]  
Description: Monthly activity for all Retirements processed.  
Source: WP-3.2

Budget Category	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
13 Distribution Improvement	\$ (227,246)	\$ (274,424)	\$ (12,107,063)	\$ (17,631,336)
14 Information Technology	\$ -	\$ -	\$ -	\$ (921,322)
15 Total CEP In-Service Activity - Retirements	\$ (227,246)	\$ (274,424)	\$ (12,107,063)	\$ (18,552,658)

[F] Monthly Activity - Retirements [Excess Above Cap]  
Description: Represents the amount of Retirement activity not eligible for accounting treatment, under the Cap terms of 13-2417-GA-UNC.

Budget Category	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
16 Distribution Improvement	\$ -	\$ -	\$ -	\$ -
17 Information Technology	\$ -	\$ -	\$ -	\$ -
18 Total CEP In-Service Activity - Retirements Above Cap	\$ -	\$ -	\$ -	\$ -

HB 96 Category	FERC ACCT	CD. ACCOUNT	ACCOUNT TITLE	Rate	201601	201602	201603	201604	201605	201606	201607	201608		
Distribution Improvement	374	2740	Land and Land Rights	0.00%										
	374	2741	Rights of Way	1.54%										
	374	2742	City Gate Check Station	0.00%										
	375	2750	Structures & Improvements	2.09%										
	375	2761, 2764	Mains - Cast Iron & Copper	2.72%										
	376	2762, 65, 67, 69	Mains - Steel	1.87%	\$ 473,358	\$ 26,313	\$ (234)	\$ -	\$ 100,120	\$ 213,170	\$ 144,459	\$ 1,128,157		
	376	2763, 2766, 2768	Mains - Plastic	2.08%	\$ 1,761,164	\$ 865,226	\$ 650,248	\$ 1,054,069	\$ 476,352	\$ 3,558,522	\$ 635,572	\$ 775,280		
	376	2760	System Meas. & Reg. Station Equipment	2.35%	\$ 38,380	\$ 542,319	\$ (627)	\$ 537,907	\$ 97,137	\$ (124)				
	378	2781	System Meas. & Reg. Station Equipment-Elec	7.00%										
	378	2782	District Regulating Equipment	2.40%										
	379	2790	Meas. & Reg. - City Gate	6.67%										
	380	2801	Services- Cast Iron & Copper	3.11%										
	380	2802, 2804, 2808	Services-Steel	2.88%	\$ 81,342	\$ 72,210	\$ 169,316	\$ 68,417	\$ 113,008	\$ 72,154	\$ 91,089	\$ 83,105		
	380	2803, 05, 06, 07	Services-Plastic	3.59%	\$ 1,830,703	\$ 2,350,865	\$ 2,542,956	\$ 2,484,515	\$ 2,069,992	\$ 2,070,625	\$ 103,192	\$ 2,278,128		
	381	2810, 2811	Meisers	2.22%	\$ 156,911	\$ 111,169	\$ 143,824	\$ 321,557	\$ 143,808	\$ 187,751	\$ 83,858	\$ 203,005		
	381	2812	Utility of the Future Meters	5.00%										
	382	2820, 2821	Meier Installations	2.00%										
	383	2830	House Regulators	2.00%										
	384	2840	House Regulator Installations	2.00%										
	385	2850	Large Industrial Meas. & Reg. Equipment	2.53%										
	385	2851	Large Industrial Meas. & Reg. Equipment - Comm	4.20%										
	387	2870	Other Equipment - Other	6.67%										
	387	2871	Street Lighting Equipment	2.67%										
	380	2900	Structures & Improvements	3.33%										
	394	2940	Toilets, Shop & Garage Equipment	4.00%	\$ 51,883	\$ 15,556	\$ 1,229,505	\$ 21,305	\$ 35,533	\$ 6,455	\$ 52,390	\$ 51,637		
	395	2950	Laboratory Equipment	6.67%										
	396	2960	Power Operated Equipment	6.36%										
	397	2970	Communication Equipment	6.67%	\$ 1,064						\$ 114,668	\$ -		
	Distribution Improvement Sum					\$ 4,384,804	\$ 5,400,413	\$ 5,105,106	\$ 6,864,649	\$ 3,880,905	\$ 6,228,179	\$ 1,226,228	\$ 4,519,312	
	Information Technology	391	2911	Electronic Data Processing	20.00%	\$ 22,679	\$ 4,091	\$ 3,981	\$ 32,291	\$ 456	\$ -	\$ 239	\$ 130,880	\$ (130,880)
			2030	Miscellaneous Intangible Plant	0.00%				\$ 1,803,877	\$ -	\$ -	\$ 239	\$ 130,880	\$ (130,880)
	Information Technology Sum					\$ 22,679	\$ 4,091	\$ 3,981	\$ 1,836,168	\$ 456	\$ 239	\$ 130,880	\$ (130,880)	
	Total CEP Additions					\$ 4,407,483	\$ 5,404,505	\$ 5,109,088	\$ 8,520,817	\$ 3,880,960	\$ 6,228,418	\$ 1,356,108	\$ 4,388,432	

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
ADDITIONS BY FERC ACCOUNT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016  
SOURCE: POWERPLAN

HB 95 Category	FERC ACCT	CO. ACCOUNT	ACCOUNT TITLE	Rate	201609	201610	201611	201612	2016 Totals
Distribution Improvement	374	2740	Land and Land Rights	0.00%					\$ -
	374	2741	Rights of Way	1.54%					\$ -
	374	2742	City Gate Check Station	0.00%					\$ -
	375	2750	Structures & Improvements	2.09%			72,132		\$ 72,132
	376	2761, 2764	Mains - Cast Iron & Copper	2.72%					\$ 26,080
	376	2762, 65, 67, 69	Mains - Steel	1.87%					\$ 12,489,478
	376	2763, 2766, 2768	Mains - Plastic	2.05%					\$ 17,645,660
	378	2780	System Meas. & Reg. Station Equipment	2.35%					\$ 2,046,327
	378	2781	District Regulating Equipment	7.00%					\$ 428,634
	378	2782	Meas. & Reg. - City Gate	2.40%					\$ 554,084
	379	2790	Services- Cast Iron & Copper	6.67%					\$ 601,952
	380	2801	Services-Steel	3.11%					\$ 83
	380	2802, 2804, 2808	Services-Plastic	2.88%					\$ 1,301,389
	380	2803, 06, 06, 07	Meters	3.59%					\$ 24,385,256
	381	2810, 2811	Utility of the Future Meters	2.22%					\$ 2,328,118
	381	2812	Meter Installations	5.00%					\$ -
	382	2820, 2821	House Regulators	2.00%					\$ -
	383	2830	House Regulator Installations	2.00%					\$ 4,485
	384	2840	Large Industrial Meas. & Reg. Equipment	2.00%					\$ -
	385	2850	Other Equipment - Other	2.83%					\$ -
	385	2851	Street Lighting Equipment	4.20%					\$ -
	387	2870	Structures & Improvements	6.67%					\$ -
	387	2871	Tools, Shop & Garage Equipment	2.67%					\$ 15
	390	2900	Laboratory Equipment	3.33%					\$ -
	394	2940	Power Operated Equipment	4.00%					\$ 1,735,591
	395	2950	Communication Equipment	6.67%					\$ -
	396	2960		6.36%					\$ 115,732
	397	2970		6.67%					\$ 147,508
Distribution Improvement Sum					\$ 3,464,031	\$ 4,240,949	\$ 13,867,042	\$ 5,004,063	\$ 63,964,260
Information Technology	391	2911	Electronic Data Processing	20.00%					\$ 81,172
	391	2030	Miscellaneous Intangible Plant	0.00%					\$ 4,391,066
Information Technology Sum					\$ -	\$ 2,481,342	\$ 150,368	\$ (27,087)	\$ 4,472,237
Total CEP Additions					\$ 3,464,031	\$ 6,722,291	\$ 14,007,410	\$ 4,976,976	\$ 68,488,517

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
RETIREMENTS BY FERC ACCOUNT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016  
SOURCE: POWERPLAN

HB 95 Category	FERC ALCT	CO. ACCOUNT	ACCOUNT TITLE	Rate	201601	201602	201603	201604	201605	201606	201607	201608
Distribution Improvement	374	2740	Land and Land Rights	0.00%								
	374	2741	Rights of Way	1.54%								
	374	2742	City Gate Check Station	0.00%								
Distribution Improvement	375	2750	Structures & Improvements	2.09%								
	376	2761, 2764	Mains - Cast Iron & Copper	2.72%		(1,294) \$	-	(36) \$	(2,849) \$	(47) \$		
	376	2762, 65, 67, 69	Mains - Steel	1.87%	(72,764) \$	(14,791) \$	(484) \$	(24,262) \$	(23,029) \$	(67,060) \$	(139,820) \$	(427) \$
	376	2763, 2766, 2768	Mains - Plastic	2.08%	(18,186) \$	(62,111) \$	(3,376) \$	(6,296) \$	(27,978) \$	(10,403) \$	(20,680) \$	(26,644) \$
	378	2780	System Meas. & Reg. Station Equipment	2.35%					(6,233) \$			
	378	2781	System Meas. & Reg. Station Equipment-Elec	7.00%								
	378	2782	District Regulating Equipment	2.40%								
	379	2790	Meas. & Reg. - Cdy Gate	6.67%								
	380	2801	Services- Cast Iron & Copper	3.11%	(20,390) \$	(7,981) \$	(20,687) \$	(26,348) \$	(24,279) \$	(8,731) \$	(25,359) \$	(17,485) \$
	380	2802, 2804, 2808	Services-Steel	2.88%	(12,311) \$	(5,983) \$	(11,645) \$	(4,579) \$	(4,405) \$	(1,225) \$	(11,074) \$	(41,605) \$
	380	2803, 05, 06, 07	Services-Plastic	3.59%	(141,252) \$	(105,463) \$	(138,788) \$	(74,280) \$	(54,324) \$	(53,702) \$	(217,501) \$	(103,887) \$
	381	2810, 2811	Meters	2.22%	(1,132,700) \$	(733,779) \$	-					
	381	2812	Utility of the Future Meters	5.00%								
	382	2820, 2821	Meter Installations	2.00%		(214,702) \$	-					
	383	2830	House Regulators	2.00%		(280) \$	-					
Distribution Improvement	384	2840	House Regulator Installations	2.00%								
	385	2850	Large Industrial Meas. & Reg. Equipment	2.63%								
	385	2851	Large Industrial Meas. & Reg. Equipment - Comm	4.20%								
	387	2870	Other Equipment - Other	6.67%								
	387	2871	Street Lighting Equipment	2.67%								
	390	2900	Structures & Improvements	3.33%								
	394	2940	Tools, Shop & Garage Equipment	4.00%								
	395	2950	Laboratory Equipment	6.67%								
	396	2960	Power Operated Equipment	6.36%								
	397	2970	Communication Equipment	6.67%								
			Distribution Improvement Sum		\$ (1,397,683) \$	\$ (1,146,394) \$	\$ (174,980) \$	\$ (135,801) \$	\$ (143,097) \$	\$ (139,168) \$	\$ (414,434) \$	\$ (1,327,535) \$
Information Technology	391	2911	Electronic Data Processing	20.00%								
	0	2030	Miscellaneous Intangible Plant	0.00%								
Information Technology Sum					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (921,322) \$
Total CEP Retirements					\$ (1,397,683) \$	\$ (1,146,394) \$	\$ (174,980) \$	\$ (135,801) \$	\$ (143,097) \$	\$ (139,168) \$	\$ (414,434) \$	\$ (2,248,957) \$

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
RETIREMENTS BY FERC ACCOUNT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016  
SOURCE: POWERPLAN

HB 95 Category	FERC ACCT	CO. ACCOUNT	ACCOUNT TITLE	Rate	201609	201610	201611	201612	2016 Totals
Distribution Improvement	374	2740	Land and Land Rights	0.00%					\$ -
	374	2741	Rights of Way	1.54%					\$ -
	374	2742	City Gate Check Station	0.00%					\$ -
	375	2750	Structures & Improvements	2.09%					\$ -
	376	2761, 2764	Mains - Cast Iron & Copper	2.73%				(51)	(4,373)
	376	2762, 65, 67, 69	Mains - Steel	1.87%				(68,821)	(583,448)
	376	2763, 2766, 2768	Mains - Plastic	2.08%				(77,568)	(279,605)
	378	2780	System Meas. & Reg. Station Equipment	2.35%					\$ -
	378	2781	System Meas. & Reg. Station Equipment-Elec	7.00%					(6,233)
	378	2782	District Regulating Equipment	2.40%					\$ -
	379	2790	Meas. & Reg. - City Gate	6.67%					\$ -
	380	2801	Services- Cast Iron & Copper	3.11%				(13,032)	(198,305)
	380	2802, 2804, 2808	Services-Steel	2.88%				(6,220)	(151,108)
	380	2803, 05, 06, 07	Services-Plastic	3.59%				(57,819)	(1,305,454)
	381	2810, 2811	Meters	2.22%				(9,688,898)	(11,556,377)
	381	2812	Utility of the Future Meters	5.00%					\$ -
	382	2820, 2821	Meter Installations	2.00%				(2,193,654)	(2,408,356)
	383	2830	House Regulators	2.00%					(290)
	384	2840	House Regulator Installations	2.00%					\$ -
	385	2850	Large Industrial Meas. & Reg. Equipment	2.63%					\$ -
	385	2851	Large Industrial Meas. & Reg. Equipment - Comm	4.20%					\$ -
	387	2870	Other Equipment - Other	6.67%					\$ -
	387	2871	Street Lighting Equipment	2.67%					\$ -
	390	2900	Structures & Improvements	3.33%					\$ -
	394	2940	Tools, Shop & Garage Equipment	4.00%					(846,276)
	395	2950	Laboratory Equipment	6.67%					(54,460)
	396	2960	Power Operated Equipment	6.36%					(118,620)
	397	2970	Communication Equipment	6.67%					(118,431)
Distribution Improvement Sum					\$ (143,410)	\$ (227,246)	\$ (274,424)	\$ (12,107,063)	\$ (17,631,336)
Information Technology	391	2911	Electronic Data Processing	20.00%					\$ (921,322)
Information Technology Sum	0	2030	Miscellaneous Intangible Plant	0.00%					\$ -
Total CEP Retirements					\$ (143,410)	\$ (227,246)	\$ (274,424)	\$ (12,107,063)	\$ (18,552,658)

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
DISTRIBUTION IMPROVEMENT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP investments.  
Represents the Deferred Depreciation on Distribution Improvement.

Line  
No.

(A) Cumulative Balance

Description: Cumulative Deferred Depreciation Balance for Distribution Improvement  
Calculation: Prior Month Deferred Balance + Current Month Deferred Depreciation

Budget Category	201601	201602	201603	201604	201605	201606	201607
1 Distribution Improvement - Deferred Depreciation	\$ 2,854,838	\$ 3,050,004	\$ 3,252,313	\$ 3,454,716	\$ 3,650,697	\$ 3,930,893	\$ 4,182,419
							\$ 4,447,538

(B) Net Plant Additions Eligible for Deferred Depreciation  
Description: Monthly Activity of Net Plant Additions for Distribution Improvement

Source: Work Paper-3.1 and Work Paper-3.2

Utility Account	201612	201601	201602	201603	201604	201605	201606	201607
2 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Rights of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 City Gate Check Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Structures & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Mains - Cast Iron & Copper	\$ (52)	\$ (80)	\$ 25,020	\$ (234)	\$ (36)	\$ (2,849)	\$ (47)	\$ -
7 Mains - Steel	\$ 1,955,889	\$ 400,894	\$ 1,401,964	\$ 389,635	\$ 2,172,596	\$ 77,081	\$ 146,110	\$ 4,639
8 Mains - Plastic	\$ 1,543,876	\$ 1,732,977	\$ 803,115	\$ 648,873	\$ 1,047,794	\$ 448,374	\$ 3,548,119	\$ 814,891
9 System Meas. & Reg. Station Equipment	\$ -	\$ 38,380	\$ 542,319	\$ (627)	\$ 537,907	\$ 97,137	\$ (124)	\$ -
10 District Regulating Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,233)	\$ -	\$ -
11 Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288,583	\$ 2,210	\$ -
12 Services- Cast Iron & Copper	\$ (28,348)	\$ (20,380)	\$ (7,981)	\$ (20,687)	\$ (28,348)	\$ 557,981	\$ 12,775	\$ -
13 Services-Steel	\$ 66,011	\$ 69,031	\$ 66,228	\$ 157,670	\$ 69,838	\$ (24,279)	\$ (6,731)	\$ (25,359)
14 Services-Plastic	\$ 1,728,247	\$ 1,889,451	\$ 2,245,402	\$ 2,404,167	\$ 2,410,235	\$ 108,602	\$ 70,929	\$ 80,015
15 Meters	\$ 398,753	\$ (975,788)	\$ (622,609)	\$ 143,824	\$ 321,557	\$ 2,015,868	\$ 2,016,923	\$ (114,309)
16 Utility of the Future Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,808	\$ 187,751	\$ 83,858
17 Meter Installations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 House Regulators	\$ -	\$ -	\$ (214,702)	\$ -	\$ -	\$ -	\$ -	\$ -
19 House Regulator Installations	\$ -	\$ -	\$ (290)	\$ -	\$ -	\$ -	\$ -	\$ -
20 Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Other Equipment - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23 Street Lighting Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24 Structures & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 Tools, Shop & Garage Equipment	\$ (353,166)	\$ 51,883	\$ 15,556	\$ 1,229,505	\$ 21,305	\$ 35,533	\$ 6,455	\$ 52,390
26 Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27 Power Operated Equipment	\$ 62,829	\$ 1,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,668
28 Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29 Total Distribution Improvement	\$ 5,374,040	\$ 2,987,120	\$ 4,254,020	\$ 4,930,126	\$ 6,548,848	\$ 3,737,407	\$ 6,089,010	\$ 810,784

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
DISTRIBUTION IMPROVEMENT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP Investments.  
Represents the Deferred Depreciation on Distribution Improvement.

Line	Utility Account	201512	201601	201602	201603	201604	201605	201606	201607
[C]	Deferred Depreciation Calculation								
	Description: Deferred Depreciation Calculation by Month								
	Calculation: Prior Month Asset Balance x Depreciation Rate/12 Months								
		Depreciation Rate 1%							
32	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Rights of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	City Gate Check Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Structures & Improvements	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403
36	Mains - Cast Iron & Copper	\$ (28)	\$ (28)	\$ (28)	\$ (28)	\$ (28)	\$ (28)	\$ (28)	\$ (28)
37	Mains - Steel	\$ 16,863	\$ 19,911	\$ 20,535	\$ 22,720	\$ 23,296	\$ 26,681	\$ 26,801	\$ 27,029
38	Mains - Plastic	\$ 24,320	\$ 26,986	\$ 30,000	\$ 31,382	\$ 32,514	\$ 34,330	\$ 35,107	\$ 35,107
39	System Meas. & Reg. Station Equipment	\$ 762	\$ 762	\$ 837	\$ 1,899	\$ 1,898	\$ 2,851	\$ 3,141	\$ 3,141
40	System Meas. & Reg. Station Equipment-Elec	\$ 3,479	\$ 3,479	\$ 3,479	\$ 3,479	\$ 3,479	\$ 3,479	\$ 3,443	\$ 3,443
41	District Regulating Equipment	\$ 1,772	\$ 1,772	\$ 1,772	\$ 1,772	\$ 1,772	\$ 1,772	\$ 2,345	\$ 2,345
42	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,101	\$ 3,172
43	Services- Cast Iron & Copper	\$ (1,021)	\$ (1,094)	\$ (1,147)	\$ (1,168)	\$ (1,221)	\$ (1,280)	\$ (1,353)	\$ (1,370)
44	Services-Steel	\$ 1,776	\$ 1,935	\$ 2,100	\$ 2,259	\$ 2,636	\$ 2,791	\$ 3,051	\$ 3,222
45	Services-Plastic	\$ 124,638	\$ 130,008	\$ 135,062	\$ 141,780	\$ 148,972	\$ 156,183	\$ 162,213	\$ 168,247
46	Meters	\$ 139	\$ 876	\$ (929)	\$ (2,081)	\$ (1,815)	\$ (1,220)	\$ (954)	\$ (606)
47	Utility of the Future Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Meter Installations	\$ (1,468)	\$ (1,468)	\$ (1,468)	\$ (1,468)	\$ (1,468)	\$ (1,468)	\$ (1,468)	\$ (1,468)
49	House Regulators	\$ 2,324	\$ 2,324	\$ 2,324	\$ 1,987	\$ 1,987	\$ 1,967	\$ 1,967	\$ 1,967
50	House Regulator Installations	\$ 126	\$ 126	\$ 126	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
51	Large Industrial Meas. & Reg. Equipment	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
52	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	Other Equipment - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	Street Lighting Equipment	\$ (285)	\$ (285)	\$ (285)	\$ (285)	\$ (285)	\$ (285)	\$ (285)	\$ (285)
55	Structures & Improvements	\$ (343)	\$ (343)	\$ (343)	\$ (343)	\$ (343)	\$ (343)	\$ (343)	\$ (343)
56	Tools, Shop & Garage Equipment	\$ 6,272	\$ 5,095	\$ 5,268	\$ 5,320	\$ 9,418	\$ 9,469	\$ 9,507	\$ 9,629
57	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Power Operated Equipment	\$ 4,122	\$ 4,455	\$ 4,461	\$ 4,461	\$ 4,461	\$ 4,461	\$ 4,461	\$ 4,461
59	Communication Equipment	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143
60	Total Distribution Improvement Deferred Depreciation	\$ 184,183	\$ 195,068	\$ 202,308	\$ 212,403	\$ 225,981	\$ 240,188	\$ 251,526	\$ 265,119

[1] Utility Account specific depreciation rate approved in Case No. 12-1885-GA-AIR.



DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
DISTRIBUTION IMPROVEMENT  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP Investments.  
Represents the Deferred Depreciation on Distribution Improvement.

Line  
No.

[A] Cumulative Balance

Description: Cumulative Deferred Depreciation Balance for Distribution Improvement  
Calculation: Prior Month Deferred Balance + Current Month Deferred Depreciation

Budget Category	201608	201609	201610	201611	201612	Balance at
1 Distribution Improvement - Deferred Depreciation	\$ 4,714,452	\$ 4,987,115	\$ 5,267,736	\$ 5,557,556	\$ 5,874,919	

[B] Net Plant Additions Eligible for Deferred Depreciation  
Description: Monthly Activity of Net Plant Additions for Distribution Improvement

Source: Work Paper-3.1 and Work Paper-3.2

Utility Account	201608	201609	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
2 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Rights of Way	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 City Gate Check Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Structures & Improvements	\$ -	\$ -	\$ -	\$ 72,132	\$ -	\$ 72,132
6 Mains - Cast Iron & Copper	\$ -	\$ (15)	\$ -	\$ -	\$ (51)	\$ 21,707
7 Mains - Steel	\$ 1,127,730	\$ 605,737	\$ 119,098	\$ 5,195,534	\$ 285,302	\$ 11,906,029
8 Mains - Plastic	\$ 748,635	\$ 676,638	\$ 1,615,974	\$ 4,422,239	\$ 1,060,424	\$ 17,366,054
9 System Meas. & Reg. Station Equipment	\$ -	\$ 67,987	\$ 266,778	\$ 403,151	\$ 93,519	\$ 2,046,327
10 System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	\$ 410,218	\$ 18,415	\$ 422,401
11 District Regulating Equipment	\$ -	\$ -	\$ -	\$ 365,261	\$ -	\$ 654,084
12 Meas. & Reg. - City Gate	\$ -	\$ 7,779	\$ 6,068	\$ 2,075	\$ 15,293	\$ 601,952
13 Services- Cast Iron & Copper	\$ (17,485)	\$ (9,895)	\$ (11,750)	\$ (14,322)	\$ (12,997)	\$ (188,222)
14 Services-Steel	\$ 41,500	\$ 34,457	\$ 131,708	\$ 194,654	\$ 131,651	\$ 1,150,281
15 Services-Plastic	\$ 2,174,441	\$ 1,648,600	\$ 1,583,334	\$ 2,287,323	\$ 2,716,577	\$ 23,079,812
16 Meters	\$ 203,005	\$ 251,403	\$ 264,212	\$ 238,715	\$ (9,457,993)	\$ (9,228,259)
17 Utility of the Future Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Meter Installations	\$ -	\$ -	\$ -	\$ -	\$ (2,189,169)	\$ (2,403,871)
19 House Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (280)
20 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	\$ 5,527	\$ 6,221	\$ 11,748
21 Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Other Equipment - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23 Street Lighting Equipment	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ 15
24 Structures & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 Tools, Shop & Garage Equipment	\$ (794,639)	\$ 496	\$ 46,757	\$ (1,889)	\$ 225,763	\$ 889,316
26 Laboratory Equipment	\$ (54,460)	\$ -	\$ -	\$ -	\$ -	\$ (54,460)
27 Power Operated Equipment	\$ (118,620)	\$ -	\$ -	\$ -	\$ -	\$ (2,808)
28 Communication Equipment	\$ (118,431)	\$ 37,535	\$ 1,510	\$ 1,780	\$ 2,043	\$ 29,077
31 Total Distribution Improvement	\$ 3,191,677	\$ 3,320,621	\$ 4,013,703	\$ 13,562,618	\$ (7,103,001)	\$ 46,362,944

Exhibit No. 3, Line 4

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
DISTRIBUTION IMPROVEMENT  
FOR THE MONTHS - JANUARY 2018 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP Investments.  
Represents the Deferred Depreciation on Distribution Improvement.

Line	Utility Account	201608	201609	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
[C]	Deferred Depreciation Calculation						
	Description: Deferred Depreciation Calculation by Month						
	Calculation: Prior Month Asset Balance x Depreciation Rate/12 Months						
	Depreciation Rate [1]						
32	Land and Land Rights	\$ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
33	Rights of Way	\$ 1.54%	\$ -	\$ -	\$ -	\$ -	\$ -
34	City Gate Check Station	\$ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
35	Structures & Improvements	\$ 2.09%	\$ 403	\$ 403	\$ 403	\$ 528	\$ 4,961
36	Mains - Cast Iron & Copper	\$ 2.72%	\$ 22	\$ 22	\$ 22	\$ 22	\$ 183
37	Mains - Steel	\$ 1.87%	\$ 27,036	\$ 28,794	\$ 29,738	\$ 29,923	\$ 320,484
38	Mains - Plastic	\$ 2.08%	\$ 42,323	\$ 43,620	\$ 44,793	\$ 47,594	\$ 485,185
39	System Meas. & Reg. Station Equipment	\$ 2.35%	\$ 3,141	\$ 3,141	\$ 3,274	\$ 3,786	\$ 32,567
40	System Meas. & Reg. Station Equipment-Elec	\$ 7.00%	\$ 3,443	\$ 3,443	\$ 3,443	\$ 3,443	\$ 43,888
41	District Regulating Equipment	\$ 2.40%	\$ 2,349	\$ 2,349	\$ 2,349	\$ 3,080	\$ 26,030
42	Meas. & Reg. - City Gate	\$ 6.67%	\$ 3,172	\$ 3,172	\$ 3,216	\$ 3,249	\$ 22,343
43	Services - Cast Iron & Copper	\$ 3.11%	\$ (1,436)	\$ (1,481)	\$ (1,507)	\$ (1,537)	\$ (16,178)
44	Services-Steel	\$ 2.88%	\$ 3,414	\$ 3,513	\$ 3,596	\$ 3,912	\$ 36,810
45	Services-Plastic	\$ 3.59%	\$ 167,905	\$ 174,410	\$ 179,342	\$ 184,079	\$ 1,939,123
46	Meters	\$ 2.22%	\$ (451)	\$ (76)	\$ 389	\$ 860	\$ (4,706)
47	Utility of the Future Meters	\$ 5.00%	\$ -	\$ -	\$ -	\$ -	\$ -
48	Meter Installations	\$ 2.00%	\$ (1,466)	\$ (1,466)	\$ (1,466)	\$ (1,466)	\$ (17,592)
49	House Regulators	\$ 1.967	\$ 1,967	\$ 1,967	\$ 1,967	\$ 1,967	\$ 24,318
50	House Regulator Installations	\$ 2.00%	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,502
51	Large Industrial Meas. & Reg. Equipment	\$ 2.63%	\$ 7	\$ 7	\$ 7	\$ 19	\$ 96
52	Large Industrial Meas. & Reg. Equipment - Comm	\$ 4.20%	\$ -	\$ -	\$ -	\$ -	\$ -
53	Other Equipment - Other	\$ 6.67%	\$ -	\$ -	\$ -	\$ -	\$ -
54	Street Lighting Equipment	\$ 2.67%	\$ (295)	\$ (295)	\$ (295)	\$ (295)	\$ (3,540)
55	Structures & Improvements	\$ 3.33%	\$ (343)	\$ (343)	\$ (343)	\$ (343)	\$ (4,116)
56	Tools, Shop & Garage Equipment	\$ 4.00%	\$ 9,804	\$ 7,155	\$ 7,155	\$ 7,312	\$ 92,560
57	Laboratory Equipment	\$ 6.67%	\$ -	\$ (303)	\$ (303)	\$ (303)	\$ (1,212)
58	Power Operated Equipment	\$ 6.36%	\$ 5,069	\$ 4,440	\$ 4,440	\$ 4,440	\$ 54,050
59	Communication Equipment	\$ 6.67%	\$ 725	\$ 66	\$ 275	\$ 283	\$ 3,225
60	Total Distribution Improvement Deferred Depreciation		\$ 266,914	\$ 272,663	\$ 289,621	\$ 317,363	\$ 3,019,981

[1] Utility Account specific depreciation rate approved in Case No. 12-1685-GA-AIR.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
INFORMATION TECHNOLOGY  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP Investments.  
Represents the Deferred Depreciation on Information Technology

Line  
No.

[A] Cumulative Balance  
Description: Cumulative Deferred Depreciation Balance for Information Technology  
Calculation: Prior Month Deferred Balance + Current Month Deferred Depreciation

Budget Category		Balance at											
		201512	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610	201611
1	Information Technology - Deferred Depreciation	\$ 54,546	\$ 62,089	\$ 70,030	\$ 78,029	\$ 85,095	\$ 124,764	\$ 163,440	\$ 202,120	\$ 242,981	\$ 266,306		

[B] Net Plant Additions Eligible for Deferred Depreciation  
Description: Monthly Activity of Net Plant Additions for Information Technology  
Source: Work Paper-3.1 and Work Paper-3.2

Utility Account													
		201512	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610	201611
2	Electronic Data Processing	\$ 14,975	\$ 22,679	\$ 4,091	\$ 3,981	\$ 32,291	\$ 456	\$ -	\$ -	\$ (921,322)	\$ -	\$ -	\$ -
3	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ 1,803,877	\$ -	\$ 238	\$ 130,880	\$ (130,880)	\$ -	\$ -	\$ -
4	Total Information Technology	\$ 14,975	\$ 22,679	\$ 4,091	\$ 3,981	\$ 1,836,168	\$ 456	\$ 238	\$ 130,880	\$ (1,052,202)	\$ -	\$ -	\$ -

[C] Deferred Depreciation Calculation  
Description: Deferred Depreciation Calculation by Month  
Calculation: Prior Month Asset Balance x Depreciation Rate/12 Months

Utility Account		Depreciation Rate 1%											
		201512	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610	201611
5	Electronic Data Processing	\$ 7,303	\$ 7,553	\$ 7,931	\$ 7,998	\$ 8,066	\$ 8,604	\$ 8,611	\$ 8,611	\$ 8,611	\$ (6,744)	\$ -	\$ -
6	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,065	\$ 30,065	\$ 30,065	\$ 32,250	\$ 30,069	\$ 30,069	\$ 30,069
7	Total Information Technology Deferred Depreciation	\$ 7,303	\$ 7,553	\$ 7,931	\$ 7,998	\$ 8,066	\$ 38,669	\$ 38,676	\$ 38,680	\$ 40,861	\$ 23,325	\$ -	\$ -

[1] Utility Account specific depreciation rate approved in Case No. 12-1685-GA-AIR.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
DEFERRED DEPRECIATION  
INFORMATION TECHNOLOGY  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of deferred depreciation on CEP Investments.  
Represents the Deferred Depreciation on Information Technology

Line  
No.

[A] Cumulative Balance  
Description: Cumulative Deferred Depreciation Balance for Information Technology  
Calculation: Prior Month Deferred Balance + Current Month Deferred Depreciation

Budget Category	201610	201611	Balance at 201612
1 Information Technology - Deferred Depreciation	\$ 289,631	\$ 354,311	\$ 421,488

[B] Net Plant Additions Eligible for Deferred Depreciation  
Description: Monthly Activity of Net Plant Additions for Information Technology  
Source: Work Paper-3.1 and Work Paper-3.2

Utility Account	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
2 Electronic Data Processing	\$ 1,093	\$ 16,580	\$ -	\$ (840,150)
3 Miscellaneous Intangible Plant	\$ 2,480,249	\$ 133,787	\$ (27,087)	\$ 4,391,066
4 Total Information Technology	\$ 2,481,342	\$ 150,368	\$ (27,087)	\$ 3,550,915

Exhibit No. 3, Line 5

[C] Deferred Depreciation Calculation  
Description: Deferred Depreciation Calculation by Month  
Calculation: Prior Month Asset Balance x Depreciation Rate/12 Months

Utility Account	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
5 Electronic Data Processing	\$ (6,744)	\$ (6,726)	\$ (6,449)	\$ 39,323
6 Miscellaneous Intangible Plant	\$ 30,069	\$ 71,408	\$ 73,636	\$ 327,629
7 Total Information Technology Deferred Depreciation	\$ 23,325	\$ 64,680	\$ 67,187	\$ 366,952

[1] Utility Account specific depreciation rate approved in Case No. 12-1685-GA-AIR.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
POST IN-SERVICE CARRYING COSTS (PISCC)  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of post in-service carrying costs (PISCC) on CEP Investments  
Represents the deferred PISCC on eligible investments

Line  
No.

(A) Cumulative Balance  
Description: Cumulative Deferred PISCC Balance for eligible CEP Investments  
Calculation: Prior Month Deferred Balance + Current Month Deferred PISCC

Budget Category	Balance at 201512	201601	201602	201603	201604	201605	201606	201607
1 Distribution Improvement	\$ 4,650,175	\$ 4,981,050	\$ 5,324,303	\$ 5,685,519	\$ 6,067,650	\$ 6,477,812	\$ 6,903,479	\$ 7,355,025
2 Information Technology	\$ 13,486	\$ 15,253	\$ 17,087	\$ 18,904	\$ 20,704	\$ 20,908	\$ 40,343	\$ 49,907
3 Total CEP - Deferred PISCC	\$ 4,663,661	\$ 4,996,303	\$ 5,341,390	\$ 5,704,423	\$ 6,088,354	\$ 6,508,720	\$ 6,943,822	\$ 7,404,932

(B) Net Plant Additions Eligible for Deferred PISCC  
Description: Net Plant Addition Balance by Month for eligible CEP Investments  
Source: Exhibit No. 3

Utility Account	Balance at 201512	201601	201602	201603	201604	201605	201606	201607
4 Distribution Improvement	\$ 77,468,422	\$ 80,475,542	\$ 84,729,562	\$ 88,689,688	\$ 95,206,536	\$ 99,945,943	\$ 106,034,954	\$ 106,845,747
5 Information Technology	\$ 453,182	\$ 475,861	\$ 479,952	\$ 483,933	\$ 2,320,102	\$ 2,320,557	\$ 2,320,796	\$ 2,451,876
6 Total CEP In-Service	\$ 77,941,603	\$ 80,951,403	\$ 85,209,514	\$ 90,143,621	\$ 98,528,638	\$ 102,266,501	\$ 108,355,750	\$ 109,297,424

(C) Accumulated Depreciation on Net Plant Additions  
Description: Accumulated Depreciation Balance by Month on eligible CEP Investments  
Source: Exhibit No. 4a, Exhibit No. 4b

Utility Account	Balance at 201512	201601	201602	201603	201604	201605	201606	201607
7 Distribution Improvement	\$ (2,854,938)	\$ (3,050,004)	\$ (3,252,313)	\$ (3,464,716)	\$ (3,690,887)	\$ (3,930,883)	\$ (4,182,419)	\$ (4,447,538)
8 Information Technology	\$ (54,548)	\$ (62,099)	\$ (70,030)	\$ (78,028)	\$ (86,095)	\$ (124,764)	\$ (163,440)	\$ (202,120)
9 Total CEP Accumulated Depreciation	\$ (2,909,484)	\$ (3,112,103)	\$ (3,322,343)	\$ (3,542,745)	\$ (3,776,792)	\$ (4,055,657)	\$ (4,345,859)	\$ (4,649,658)

(D) Deferred PISCC Calculation  
Description: Deferred PISCC Calculation by Month  
Source: (Net Plant Addition Balance Prior Month + Accumulated Depreciation Balance Prior Month) x PISCC Rate/12 Months

Utility Account	201512	201601	201602	201603	201604	201605	201606	201607
10 Distribution Improvement	\$ 307,887	\$ 330,875	\$ 343,253	\$ 361,216	\$ 382,131	\$ 410,162	\$ 425,667	\$ 451,546
11 Information Technology	\$ 1,733	\$ 1,767	\$ 1,834	\$ 1,817	\$ 1,800	\$ 9,804	\$ 9,795	\$ 9,560
12 Total CEP Deferred PISCC	\$ 309,600	\$ 332,642	\$ 345,087	\$ 363,033	\$ 383,931	\$ 420,066	\$ 435,462	\$ 461,110

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
POST IN-SERVICE CARRYING COSTS (PISCC)  
FOR THE MONTHS - JANUARY 2016 - DECEMBER 2016

Description: Provide detailed calculation of post in-service carrying costs (PISCC) on CEP Investments  
Represents the deferred PISCC on eligible Investments

Line  
No.

[A] Cumulative Balance  
Description: Cumulative Deferred PISCC Balance for eligible CEP Investments  
Calculation: Prior Month Deferred Balance + Current Month Deferred PISCC

Budget Category	201608	201609	201610	201611	Balance at 201612
1 Distribution Improvement	\$ 7,808,990	\$ 8,275,922	\$ 8,756,366	\$ 9,253,360	\$ 9,809,286
2 Information Technology	\$ 59,880	\$ 65,007	\$ 70,031	\$ 85,952	\$ 102,253
3 Total CEP - Deferred PISCC	\$ 7,868,870	\$ 8,340,929	\$ 8,826,397	\$ 9,339,312	\$ 9,911,539

[B] Net Plant Additions Eligible for Deferred PISCC  
Description: Net Plant Addition Balance by Month for eligible CEP Investments  
Source: Exhibit No. 3

Utility Account	201608	201609	201610	201611	Balance at 201612
4 Distribution Improvement	\$ 110,037,424	\$ 113,356,045	\$ 117,371,748	\$ 130,954,366	\$ 123,851,365
5 Information Technology	\$ 1,399,474	\$ 1,399,474	\$ 3,860,617	\$ 4,031,104	\$ 4,004,097
6 Total CEP In-Service	\$ 111,436,898	\$ 114,755,520	\$ 121,232,365	\$ 134,985,470	\$ 127,855,462

[C] Accumulated Depreciation on Net Plant Additions  
Description: Accumulated Depreciation Balance by Month on eligible CEP Investments  
Source: Exhibit No. 4a, Exhibit No. 4b

Utility Account	201608	201609	201610	201611	Balance at 201612
7 Distribution Improvement	\$ (4,714,452)	\$ (4,987,115)	\$ (5,267,736)	\$ (5,557,596)	\$ (5,874,919)
8 Information Technology	\$ (242,981)	\$ (268,306)	\$ (289,631)	\$ (354,311)	\$ (421,498)
9 Total CEP Accumulated Depreciation	\$ (4,957,433)	\$ (5,255,421)	\$ (5,557,367)	\$ (5,911,907)	\$ (6,296,417)

[D] Deferred PISCC Calculation  
Description: Deferred PISCC Calculation by Month  
Source: (Net Plant Addition Balance Prior Month + Accumulated Depreciation Balance  
Prior Month) x PISCC Rate/12 Months

Utility Account	PISCC Rate	201608	201609	201610	201611	201612	Activity for Twelve Months Ended 12/31/2016
10 Distribution Improvement	5.32%	\$ 453,965	\$ 466,932	\$ 480,444	\$ 495,994	\$ 555,928	\$ 5,159,111
11 Information Technology	5.32%	\$ 9,973	\$ 5,127	\$ 5,024	\$ 15,921	\$ 16,301	\$ 88,767
12 Total CEP Deferred PISCC		\$ 463,938	\$ 472,059	\$ 485,468	\$ 512,915	\$ 572,227	\$ 5,247,878

Exhibit No. 3, Line 1  
Exhibit No. 4a, Line 1  
Exhibit No. 4b, Line 1

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
PROPERTY TAX DEFERRAL  
FOR THE PERIOD ENDED DECEMBER 31, 2016

Description: Provide summary of calculation of deferred property taxes on CEP Investments  
Represents the deferred property taxes on eligible investments

Line  
No.

[A] Cumulative Balance

Description: Cumulative Deferred Property Tax Balance for eligible CEP Investments  
Calculation: Prior Year Deferred Balance + Current Year Deferred Activity

Budget Category	Balance at			
	12/31/2013	12/31/2014	12/31/2015	12/31/2016
1 Distribution Improvement - Deferred Property Taxes	\$ -	\$ 509,951	\$ 1,621,109	\$ 3,704,813
2 Information Technology - Deferred Property Taxes	\$ -	\$ -	\$ 20	\$ 10,974
3 Total CEP - Deferred Property Taxes	\$ -	\$ 509,951	\$ 1,621,129	\$ 3,715,787

[B] Annual Property Tax Deferrals by Investment Year

Description: Property Tax Deferrals for Annual Period on eligible CEP Investments, by Investment Year  
Source: Work Paper 6.1

Utility Account	Activity through			
	12/31/2013	12/31/2014	12/31/2015	12/31/2016
4 Distribution Improvement				
5 2013 Investment - Accrued 2014	\$ -	\$ 509,951		Work Paper 6.1
6 2013 Investment - Accrued 2015			\$ 492,315	Work Paper 6.2
7 2013 Investment - Accrued 2016				\$ 477,813 Work Paper 6.3
8 2014 Investment - Accrued 2015			\$ 618,843	Work Paper 6.4
9 2014 Investment - Accrued 2016				\$ 801,581 Work Paper 6.5
10 2015 Investment - Accrued 2017				\$ 1,004,310 Work Paper 6.6
11 Total Distribution Improvement	\$ -	\$ 509,951	\$ 1,111,158	\$ 2,083,704
12 Information Technology				
13 2013 Investment - Accrued 2014	\$ -	\$ -		Work Paper 6.1
14 2013 Investment - Accrued 2015			\$ -	Work Paper 6.2
15 2013 Investment - Accrued 2016				\$ - Work Paper 6.3
16 2014 Investment - Accrued 2015			\$ 20	Work Paper 6.4
17 2014 Investment - Accrued 2016				\$ 21 Work Paper 6.5
18 2015 Investment - Accrued 2017				\$ 10,933 Work Paper 6.6
19 Total Information Technology	\$ -	\$ -	\$ 20	\$ 10,954
20 Total CEP Property Tax Activity	\$ -	\$ 509,951	\$ 1,111,178	\$ 2,094,658

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2013 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2014

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.	Year 2013	Year 2013 - Exemptions	Year 2013 - Taxable Value	% Good <sup>(1)</sup>	Tax Value
<b>[A] Distribution Improvement - Additions</b>					
1 Land and Land Rights	\$ -	\$ -	\$ -	98.3%	\$ -
2 Rights of Way	\$ -	\$ -	\$ -	98.3%	\$ -
3 City Gate Check Station	\$ -	\$ -	\$ -	98.3%	\$ -
4 Structures & Improvements	\$ -	\$ -	\$ -	98.3%	\$ -
5 Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	98.3%	\$ -
6 Mains - Steel	\$ 969,437	\$ -	\$ 969,437	98.3%	\$ 952,859
7 Mains - Plastic	\$ 2,922,728	\$ -	\$ 2,922,728	98.3%	\$ 2,873,041
8 System Meas. & Reg. Station Equipment	\$ 11,353	\$ -	\$ 11,353	98.3%	\$ 11,160
9 System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	98.3%	\$ -
10 District Regulating Equipment	\$ 144,349	\$ -	\$ 144,349	98.3%	\$ 141,895
11 Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	98.3%	\$ -
12 Services-Cast Iron & Copper	\$ -	\$ -	\$ -	98.3%	\$ -
13 Services-Steel	\$ 228,034	\$ -	\$ 228,034	98.3%	\$ 224,157
14 Services-Plastic	\$ 15,757,049	\$ -	\$ 15,757,049	98.3%	\$ 15,489,179
15 Meters	\$ 350,452	\$ -	\$ 350,452	98.3%	\$ 344,494
16 Utility of the Future Meters	\$ -	\$ -	\$ -	98.3%	\$ -
17 Meter Installations	\$ 65,453	\$ -	\$ 65,453	98.3%	\$ 64,240
18 House Regulators	\$ 1,088,362	\$ -	\$ 1,088,362	98.3%	\$ 1,069,880
19 House Regulator Installations	\$ 75,359	\$ -	\$ 75,359	98.3%	\$ 74,077
20 Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
21 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	98.3%	\$ -
22 Other Equipment - Other	\$ -	\$ -	\$ -	98.3%	\$ -
23 Street Lighting Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
24 Structures & Improvements	\$ -	\$ -	\$ -	98.3%	\$ -
25 Tools, Shop & Garage Equipment	\$ 264,756	\$ -	\$ 264,756	98.3%	\$ 260,255
27 Laboratory Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
28 Power Operated Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
29 Communication Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
<b>[B] Distribution Improvement - Retirements</b>					
30 Land and Land Rights	\$ -	\$ -	\$ -	15.0%	\$ -
31 Rights of Way	\$ -	\$ -	\$ -	15.0%	\$ -
32 City Gate Check Station	\$ -	\$ -	\$ -	15.0%	\$ -
33 Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
34 Mains - Cast Iron & Copper	\$ (58,618)	\$ -	\$ (58,618)	15.0%	\$ (6,793)
35 Mains - Steel	\$ (947,525)	\$ -	\$ (947,525)	15.0%	\$ (142,129)
36 Mains - Plastic	\$ (678,925)	\$ -	\$ (678,925)	15.0%	\$ (101,839)
37 System Meas. & Reg. Station Equipment	\$ (8,065)	\$ -	\$ (8,065)	15.0%	\$ (1,210)
38 System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	15.0%	\$ -
39 District Regulating Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
40 Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	15.0%	\$ -
41 Services-Cast Iron & Copper	\$ (154,209)	\$ -	\$ (154,209)	15.0%	\$ (23,131)
42 Services-Steel	\$ (38,033)	\$ -	\$ (38,033)	15.0%	\$ (5,705)
43 Services-Plastic	\$ (1,672,059)	\$ -	\$ (1,672,059)	15.0%	\$ (250,809)
44 Meters	\$ (354,295)	\$ -	\$ (354,295)	15.0%	\$ (53,144)
45 Utility of the Future Meters	\$ -	\$ -	\$ -	15.0%	\$ -
46 Meter Installations	\$ (100,376)	\$ -	\$ (100,376)	15.0%	\$ (15,056)
47 House Regulators	\$ -	\$ -	\$ -	15.0%	\$ -
48 House Regulator Installations	\$ -	\$ -	\$ -	15.0%	\$ -
49 Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
50 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	15.0%	\$ -
51 Other Equipment - Other	\$ -	\$ -	\$ -	15.0%	\$ -
52 Street Lighting Equipment	\$ (63,962)	\$ -	\$ (63,962)	15.0%	\$ (9,597)
53 Structures & Improvements	\$ (123,531)	\$ -	\$ (123,531)	15.0%	\$ (18,530)
54 Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
55 Laboratory Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
56 Power Operated Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
57 Communication Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
58 Net Tax Value Distribution Improvement (Sum of Lines 1 - 57)					\$ 20,975,471
59 Valuation Percentage (25%) <sup>(2)</sup>					25%
60 Taxable Value/Assessment (Line 57 x Line 59)					\$ 5,218,868
61 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					9.7713%
62 Annual Property Tax Expense - Distribution Improvement (Line 59 x Line 60)					\$ 509,951
<b>[B] Information Technology - Additions</b>					
63 Electronic Data Processing	\$ -	\$ -	\$ -	98.3%	\$ -
64 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	98.3%	\$ -
<b>[B] Information Technology - Retirements</b>					
65 Electronic Data Processing	\$ -	\$ -	\$ -	15.0%	\$ -
66 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	15.0%	\$ -
67 Net Tax Value of Information Technology (Sum of Lines 62 - 66)					\$ -
68 Valuation Percentage (25%) <sup>(2)</sup>					25%
69 Taxable Value/Assessment (Line 66 x Line 67)					\$ -
70 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					9.7713%
71 Annual Property Tax Expense - Information Technology (Line 68 x Line 69)					\$ -
72 Total Est. of 2014 Deferred Property Tax Expense (2013 Investment) - Capital Expenditure Program <sup>(3)</sup> (Sum of Lines 61 and 70)					\$ 509,951

Notes:  
(1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant  
(2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G  
(3) Property tax expense is accrued one year in arrears; therefore, no property tax expense will be deferred in 2013 and property tax expense deferred in 2014 will be based on assets placed in service as of December 31, 2013  
(4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant



DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2013 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2015

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP Investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.		Year 2013	Year 2013 - Exemptions	Year 2013 - Taxable Value	% Good <sup>(1)</sup> 2014	Tax Value
[A]	Distribution Improvement - Additions					
1	Land and Land Rights	\$ -	\$ -	\$ -	95.0%	\$ -
2	Rights of Way	\$ -	\$ -	\$ -	95.0%	\$ -
3	City Gate Check Station	\$ -	\$ -	\$ -	95.0%	\$ -
4	Structures & Improvements	\$ -	\$ -	\$ -	95.0%	\$ -
5	Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	95.0%	\$ -
6	Mains - Steel	\$ 989,437	\$ -	\$ 989,437	95.0%	\$ 920,985
7	Mains - Plastic	\$ 2,922,728	\$ -	\$ 2,922,728	95.0%	\$ 2,776,591
8	System Meas. & Reg. Station Equipment	\$ 11,353	\$ -	\$ 11,353	95.0%	\$ 10,785
9	System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	95.0%	\$ -
10	District Regulating Equipment	\$ 144,349	\$ -	\$ 144,349	95.0%	\$ 137,131
11	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	95.0%	\$ -
12	Services- Cast Iron & Copper	\$ -	\$ -	\$ -	95.0%	\$ -
13	Services-Steel	\$ 228,034	\$ -	\$ 228,034	95.0%	\$ 216,632
14	Services-Plastic	\$ 15,757,049	\$ -	\$ 15,757,049	95.0%	\$ 14,989,197
15	Meters	\$ 350,452	\$ -	\$ 350,452	95.0%	\$ 332,029
16	Utility of the Future Meters	\$ -	\$ -	\$ -	95.0%	\$ -
17	Meter Installations	\$ 65,453	\$ -	\$ 65,453	95.0%	\$ 62,180
18	House Regulators	\$ 1,088,362	\$ -	\$ 1,088,362	95.0%	\$ 1,033,944
19	House Regulator Installations	\$ 75,359	\$ -	\$ 75,359	95.0%	\$ 71,591
20	Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
21	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	95.0%	\$ -
22	Other Equipment - Other	\$ -	\$ -	\$ -	95.0%	\$ -
23	Street Lighting Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
24	Structures & Improvements	\$ -	\$ -	\$ -	95.0%	\$ -
25	Tools, Shop & Garage Equipment	\$ 264,756	\$ -	\$ 264,756	95.0%	\$ 251,518
26	Laboratory Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
27	Power Operated Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
28	Communication Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
[B]	Distribution Improvement - Retirements					
29	Land and Land Rights	\$ -	\$ -	\$ -	15.0%	\$ -
30	Rights of Way	\$ -	\$ -	\$ -	15.0%	\$ -
31	City Gate Check Station	\$ -	\$ -	\$ -	15.0%	\$ -
32	Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
33	Mains - Cast Iron & Copper	\$ (58,618)	\$ -	\$ (58,618)	15.0%	\$ (5,793)
34	Mains - Steel	\$ (947,525)	\$ -	\$ (947,525)	15.0%	\$ (142,129)
35	Mains - Plastic	\$ (878,925)	\$ -	\$ (878,925)	15.0%	\$ (101,839)
36	System Meas. & Reg. Station Equipment	\$ (8,085)	\$ -	\$ (8,085)	15.0%	\$ (1,210)
37	System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	15.0%	\$ -
38	District Regulating Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
39	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	15.0%	\$ -
40	Services- Cast Iron & Copper	\$ (154,209)	\$ -	\$ (154,209)	15.0%	\$ (23,131)
41	Services-Steel	\$ (38,033)	\$ -	\$ (38,033)	15.0%	\$ (5,705)
42	Services-Plastic	\$ (1,872,059)	\$ -	\$ (1,872,059)	15.0%	\$ (280,809)
43	Meters	\$ (354,295)	\$ -	\$ (354,295)	15.0%	\$ (53,144)
44	Utility of the Future Meters	\$ -	\$ -	\$ -	15.0%	\$ -
45	Meter Installations	\$ (100,376)	\$ -	\$ (100,376)	15.0%	\$ (15,056)
46	House Regulators	\$ -	\$ -	\$ -	15.0%	\$ -
47	House Regulator Installations	\$ -	\$ -	\$ -	15.0%	\$ -
48	Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
49	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	15.0%	\$ -
50	Other Equipment - Other	\$ -	\$ -	\$ -	15.0%	\$ -
51	Street Lighting Equipment	\$ (63,882)	\$ -	\$ (63,882)	15.0%	\$ (9,697)
52	Structures & Improvements	\$ (123,531)	\$ -	\$ (123,531)	15.0%	\$ (18,530)
53	Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
54	Laboratory Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
55	Power Operated Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
56	Communication Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
59	Net Tax Value Distribution Improvement (Sum of Lines 1 - 58)					\$ 20,153,520
60	Valuation Percentage (25%) <sup>(2)</sup>					25%
61	Taxable Value/Assessment (Line 59 x Line 60)					\$ 5,038,380
62	Duke Energy Ohio's Average 2014 Personal Property Tax Rate					0.7713%
63	Annual Property Tax Expense - Distribution Improvement (Line 61 x Line 62)					\$ 492,315
[C]	Information Technology - Additions					
64	Electronic Data Processing	\$ -	\$ -	\$ -	95.0%	\$ -
65	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	95.0%	\$ -
[D]	Information Technology - Retirements					
66	Electronic Data Processing	\$ -	\$ -	\$ -	15.0%	\$ -
67	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	15.0%	\$ -
68	Net Tax Value of Information Technology (Sum of Lines 63 - 65)					\$ -
69	Valuation Percentage (25%) <sup>(2)</sup>					25%
70	Taxable Value/Assessment (Line 68 x Line 69)					\$ -
71	Duke Energy Ohio's Average 2014 Personal Property Tax Rate					0.7713%
72	Annual Property Tax Expense - Information Technology (Line 70 x Line 71)					\$ -
73	Total Est. of 2015 Deferred Property Tax Expense (2013 Investment) - Capital Expenditure Program <sup>(3)</sup> (Sum of Lines 61 and 72)					\$ 492,315

Notes:

- (1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant
- (2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G.
- (3) Property tax expense deferred in 2015 is based on assets placed in service as of December 31, 2014
- (4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2013 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2016

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP Investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.	Year 2013	Year 2013 - Exemptions	Year 2013 - Taxable Value	% Good <sup>(1)</sup>	Tax Value
<b>[A] Distribution Improvement - Additions</b>					
1 Land and Land Rights	\$ -	\$ -	\$ -	91.7%	\$ -
2 Rights of Way	\$ -	\$ -	\$ -	91.7%	\$ -
3 City Gate Check Station	\$ -	\$ -	\$ -	91.7%	\$ -
4 Structures & Improvements	\$ -	\$ -	\$ -	91.7%	\$ -
5 Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	91.7%	\$ -
6 Mains - Steel	\$ 969,437	\$ -	\$ 969,437	91.7%	\$ 886,974
7 Mains - Plastic	\$ 2,922,728	\$ -	\$ 2,922,728	91.7%	\$ 2,680,141
8 System Meters & Reg. Station Equipment	\$ 11,353	\$ -	\$ 11,353	91.7%	\$ 10,411
9 System Meters & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	91.7%	\$ -
10 District Regulating Equipment	\$ 144,349	\$ -	\$ 144,349	91.7%	\$ 132,368
11 Meters & Reg. - City Gate	\$ -	\$ -	\$ -	91.7%	\$ -
12 Services- Cast Iron & Copper	\$ -	\$ -	\$ -	91.7%	\$ -
13 Services-Steel	\$ 228,034	\$ -	\$ 228,034	91.7%	\$ 208,107
14 Services-Plastic	\$ 15,757,049	\$ -	\$ 15,757,049	91.7%	\$ 14,448,214
15 Meters	\$ 350,452	\$ -	\$ 350,452	91.7%	\$ 321,364
16 Utility of the Future Meters	\$ -	\$ -	\$ -	91.7%	\$ -
17 Meter Installations	\$ 65,453	\$ -	\$ 65,453	91.7%	\$ 60,020
18 House Regulators	\$ 1,068,362	\$ -	\$ 1,068,362	91.7%	\$ 986,026
19 House Regulator Installations	\$ 75,359	\$ -	\$ 75,359	91.7%	\$ 69,104
20 Large Industrial Meters & Reg. Equipment	\$ -	\$ -	\$ -	91.7%	\$ -
21 Large Industrial Meters & Reg. Equipment - Comm	\$ -	\$ -	\$ -	91.7%	\$ -
22 Other Equipment - Other	\$ -	\$ -	\$ -	91.7%	\$ -
23 Street Lighting Equipment	\$ -	\$ -	\$ -	91.7%	\$ -
24 Structures & Improvements	\$ -	\$ -	\$ -	91.7%	\$ -
25 Tools, Shop & Garage Equipment	\$ 264,756	\$ -	\$ 264,756	91.7%	\$ 242,781
26 Laboratory Equipment	\$ -	\$ -	\$ -	91.7%	\$ -
27 Power Operated Equipment	\$ -	\$ -	\$ -	91.7%	\$ -
28 Communication Equipment	\$ -	\$ -	\$ -	91.7%	\$ -
<b>[B] Distribution Improvement - Retirements</b>					
31 Land and Land Rights	\$ -	\$ -	\$ -	15.0%	\$ -
32 Rights of Way	\$ -	\$ -	\$ -	15.0%	\$ -
33 City Gate Check Station	\$ -	\$ -	\$ -	15.0%	\$ -
34 Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
35 Mains - Cast Iron & Copper	\$ (58,618)	\$ -	\$ (58,618)	15.0%	\$ (8,783)
36 Mains - Steel	\$ (947,525)	\$ -	\$ (947,525)	15.0%	\$ (142,126)
37 Mains - Plastic	\$ (878,925)	\$ -	\$ (878,925)	15.0%	\$ (101,839)
38 System Meters & Reg. Station Equipment	\$ (8,065)	\$ -	\$ (8,065)	15.0%	\$ (1,210)
39 System Meters & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	15.0%	\$ -
40 District Regulating Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
41 Meters & Reg. - City Gate	\$ -	\$ -	\$ -	15.0%	\$ -
42 Services- Cast Iron & Copper	\$ (154,209)	\$ -	\$ (154,209)	15.0%	\$ (23,131)
43 Services-Steel	\$ (38,033)	\$ -	\$ (38,033)	15.0%	\$ (5,705)
44 Services-Plastic	\$ (1,672,059)	\$ -	\$ (1,672,059)	15.0%	\$ (250,809)
45 Meters	\$ (354,295)	\$ -	\$ (354,295)	15.0%	\$ (53,144)
46 Utility of the Future Meters	\$ -	\$ -	\$ -	15.0%	\$ -
47 Meter Installations	\$ (100,378)	\$ -	\$ (100,378)	15.0%	\$ (15,056)
48 House Regulators	\$ -	\$ -	\$ -	15.0%	\$ -
49 House Regulator Installations	\$ -	\$ -	\$ -	15.0%	\$ -
50 Large Industrial Meters & Reg. Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
51 Large Industrial Meters & Reg. Equipment - Comm	\$ -	\$ -	\$ -	15.0%	\$ -
52 Other Equipment - Other	\$ -	\$ -	\$ -	15.0%	\$ -
53 Street Lighting Equipment	\$ (63,982)	\$ -	\$ (63,982)	15.0%	\$ (9,597)
54 Structures & Improvements	\$ (123,531)	\$ -	\$ (123,531)	15.0%	\$ (18,030)
55 Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
56 Laboratory Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
57 Power Operated Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
58 Communication Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
59 Net Tax Value Distribution Improvement (Sum of Lines 1 - 58)					\$ 19,431,569
60 Valuation Percentage (25%) <sup>(2)</sup>					25%
61 Taxable Value/Assessment (Line 59 x Line 60)					\$ 4,557,892
62 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					0.8356%
63 Annual Property Tax Expense - Distribution Improvement (Line 61 x Line 62)					\$ 477,813
<b>[C] Information Technology - Additions</b>					
64 Electronic Data Processing	\$ -	\$ -	\$ -	91.7%	\$ -
65 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	91.7%	\$ -
<b>[D] Information Technology - Retirements</b>					
66 Electronic Data Processing	\$ -	\$ -	\$ -	15.0%	\$ -
67 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	15.0%	\$ -
68 Net Tax Value of Information Technology (Sum of Lines 62 - 65)					\$ -
69 Valuation Percentage (25%) <sup>(2)</sup>					25%
70 Taxable Value/Assessment (Line 68 x Line 67)					\$ -
71 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					0.8356%
72 Annual Property Tax Expense - Information Technology (Line 70 x Line 69)					\$ -
73 Total Est. of 2016 Deferred Property Tax Expense (2013 Investment) - Capital Expenditure Program <sup>(3)</sup> (Sum of Lines 61 and 72)					\$ 477,813

Notes:

- (1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant
- (2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G
- (3) Property tax expense deferred in 2015 is based on assets placed in service as of December 31, 2014
- (4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2416-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2014 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2015

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.	Year 2014	Year 2014 - Exemptions	Year 2014 - Taxable Value	% Good <sup>(1)</sup>	Tax Value
<b>[A] Distribution Improvement - Additions</b>					
1 Land and Land Rights	\$ -	\$ -	\$ -	98.3%	\$ -
2 Rights of Way	\$ -	\$ -	\$ -	98.3%	\$ -
3 City Gate Check Station	\$ -	\$ -	\$ -	98.3%	\$ -
4 Structures & Improvements	\$ 231,249	\$ -	\$ 231,249	98.3%	\$ 227,318
5 Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	98.3%	\$ -
6 Mains - Steel	\$ 2,710,388	\$ -	\$ 2,710,388	98.3%	\$ 2,694,311
7 Mains - Plastic	\$ 4,802,843	\$ -	\$ 4,802,843	98.3%	\$ 4,720,988
8 System Meas. & Reg. Station Equipment	\$ 113,394	\$ -	\$ 113,394	98.3%	\$ 111,487
9 System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	98.3%	\$ -
10 District Regulating Equipment	\$ 227,706	\$ -	\$ 227,706	98.3%	\$ 223,835
11 Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	98.3%	\$ -
12 Services-Cast Iron & Copper	\$ -	\$ -	\$ -	98.3%	\$ -
13 Services-Steel	\$ 214,070	\$ -	\$ 214,070	98.3%	\$ 210,431
14 Services-Plastic	\$ 15,183,133	\$ -	\$ 15,183,133	98.3%	\$ 14,905,360
15 Meters	\$ 187,883	\$ -	\$ 187,883	98.3%	\$ 184,833
16 Utility of the Future Meters	\$ -	\$ -	\$ -	98.3%	\$ -
17 Meter Installations	\$ -	\$ -	\$ -	98.3%	\$ -
18 House Regulators	\$ 1,378,105	\$ -	\$ 1,378,105	98.3%	\$ 1,352,711
19 House Regulator Installations	\$ -	\$ -	\$ -	98.3%	\$ -
20 Large Industrial Meas. & Reg. Equipment	\$ 3,341	\$ -	\$ 3,341	98.3%	\$ 3,294
21 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	98.3%	\$ -
22 Other Equipment - Other	\$ -	\$ -	\$ -	98.3%	\$ -
23 Street Lighting Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
24 Structures & Improvements	\$ -	\$ -	\$ -	98.3%	\$ -
25 Tools, Shop & Garage Equipment	\$ 961,536	\$ -	\$ 961,536	98.3%	\$ 945,190
26 Laboratory Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
27 Power Operated Equipment	\$ 336,430	\$ -	\$ 336,430	98.3%	\$ 330,711
28 Communication Equipment	\$ -	\$ -	\$ -	98.3%	\$ -
<b>[B] Distribution Improvement - Retirements</b>					
31 Land and Land Rights	\$ -	\$ -	\$ -	15.0%	\$ -
32 Rights of Way	\$ -	\$ -	\$ -	15.0%	\$ -
33 City Gate Check Station	\$ -	\$ -	\$ -	15.0%	\$ -
34 Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
35 Mains - Cast Iron & Copper	\$ 46,522	\$ -	\$ 46,522	15.0%	\$ 6,978
36 Mains - Steel	\$ (740,144)	\$ -	\$ (740,144)	15.0%	\$ (111,022)
37 Mains - Plastic	\$ (612,888)	\$ -	\$ (612,888)	15.0%	\$ (91,933)
38 System Meas. & Reg. Station Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
39 System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	15.0%	\$ -
40 District Regulating Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
41 Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	15.0%	\$ -
42 Services-Cast Iron & Copper	\$ (142,826)	\$ -	\$ (142,826)	15.0%	\$ (21,424)
43 Services-Steel	\$ (31,962)	\$ -	\$ (31,962)	15.0%	\$ (4,859)
44 Services-Plastic	\$ (1,482,380)	\$ -	\$ (1,482,380)	15.0%	\$ (222,357)
45 Meters	\$ (443,552)	\$ -	\$ (443,552)	15.0%	\$ (66,533)
46 Utility of the Future Meters	\$ -	\$ -	\$ -	15.0%	\$ -
47 Meter Installations	\$ (100,086)	\$ -	\$ (100,086)	15.0%	\$ (15,013)
48 House Regulators	\$ -	\$ -	\$ -	15.0%	\$ -
49 House Regulator Installations	\$ -	\$ -	\$ -	15.0%	\$ -
50 Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
51 Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	15.0%	\$ -
52 Other Equipment - Other	\$ -	\$ -	\$ -	15.0%	\$ -
53 Street Lighting Equipment	\$ (9,203)	\$ -	\$ (9,203)	15.0%	\$ (1,380)
54 Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
55 Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
56 Laboratory Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
57 Power Operated Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
58 Communication Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
59 Net Tax Value Distribution Improvement (Sum of Lines 1 - 58)					\$ 25,333,108
60 Valuation Percentage (25%) <sup>(2)</sup>					25%
61 Taxable Value/Assessment (Line 59 x Line 60)					\$ 6,333,277
62 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					9.7713%
63 Annual Property Tax Expense - Distribution Improvement (Line 61 x Line 62)					\$ 618,843
<b>[C] Information Technology - Additions</b>					
64 Electronic Data Processing	\$ 851	\$ -	\$ 851	98.3%	\$ 837
65 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	98.3%	\$ -
<b>[D] Information Technology - Retirements</b>					
66 Electronic Data Processing	\$ -	\$ -	\$ -	15.0%	\$ -
67 Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	15.0%	\$ -
68 Net Tax Value of Information Technology (Sum of Lines 62 - 65)					837
69 Valuation Percentage (25%) <sup>(2)</sup>					25%
70 Taxable Value/Assessment (Line 68 x Line 67)					\$ 209
71 Duke Energy Ohio's Average 2014 Personal Property Tax Rate					9.7713%
72 Annual Property Tax Expense - Information Technology (Line 70 x Line 69)					\$ 20
73 Total Est. of 2015 Deferred Property Tax Expense (2014 Investment) - Capital Expenditure Program <sup>(3)</sup> (Sum of Lines 61 and 70)					\$ 618,863

Notes:

- (1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant
- (2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G
- (3) Property tax expense deferred in 2015 is based on assets placed in service as of December 31, 2014
- (4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2014 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2016

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.		Year 2014	Year 2014 - Exemptions	Year 2014 - Taxable Value	% Good <sup>(1)</sup>	Tax Value
[A]	Distribution Improvement - Additions					
1	Land and Land Rights	\$ -	\$ -	\$ -	95.0%	\$ -
2	Rights of Way	\$ -	\$ -	\$ -	95.0%	\$ -
3	City Gate Check Station	\$ -	\$ -	\$ -	95.0%	\$ -
4	Structures & Improvements	\$ 231,249	\$ -	\$ 231,249	95.0%	\$ 219,687
5	Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	95.0%	\$ -
6	Mains - Steel	\$ 2,710,388	\$ -	\$ 2,710,388	95.0%	\$ 2,574,868
7	Mains - Plastic	\$ 4,802,843	\$ -	\$ 4,802,843	95.0%	\$ 4,562,511
8	System Meas. & Reg. Station Equipment	\$ 113,394	\$ -	\$ 113,394	95.0%	\$ 107,725
9	System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	95.0%	\$ -
10	District Regulating Equipment	\$ 227,706	\$ -	\$ 227,706	95.0%	\$ 216,321
11	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	95.0%	\$ -
12	Services- Cast Iron & Copper	\$ -	\$ -	\$ -	95.0%	\$ -
13	Services-Steel	\$ 214,070	\$ -	\$ 214,070	95.0%	\$ 203,368
14	Services-Plastic	\$ 15,183,133	\$ -	\$ 15,183,133	95.0%	\$ 14,404,978
15	Meters	\$ 167,883	\$ -	\$ 167,883	95.0%	\$ 159,289
16	Utility of the Future Meters	\$ -	\$ -	\$ -	95.0%	\$ -
17	Water Installations	\$ -	\$ -	\$ -	95.0%	\$ -
18	House Regulators	\$ 1,376,108	\$ -	\$ 1,376,108	95.0%	\$ 1,307,300
19	House Regulator Installations	\$ -	\$ -	\$ -	95.0%	\$ -
20	Large Industrial Meas. & Reg. Equipment	\$ 3,341	\$ -	\$ 3,341	95.0%	\$ 3,174
21	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	95.0%	\$ -
22	Other Equipment - Other	\$ -	\$ -	\$ -	95.0%	\$ -
23	Street Lighting Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
24	Structures & Improvements	\$ -	\$ -	\$ -	95.0%	\$ -
25	Tools, Shop & Garage Equipment	\$ 861,536	\$ -	\$ 861,536	95.0%	\$ 813,459
26	Laboratory Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
27	Power Operated Equipment	\$ 336,430	\$ -	\$ 336,430	95.0%	\$ 319,809
28	Communication Equipment	\$ -	\$ -	\$ -	95.0%	\$ -
	Distribution Improvement - Retirements					
31	Land and Land Rights	\$ -	\$ -	\$ -	15.0%	\$ -
32	Rights of Way	\$ -	\$ -	\$ -	15.0%	\$ -
33	City Gate Check Station	\$ -	\$ -	\$ -	15.0%	\$ -
34	Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
35	Mains - Cast Iron & Copper	\$ 48,522	\$ -	\$ 48,522	15.0%	\$ 8,978
36	Mains - Steel	\$ (740,144)	\$ -	\$ (740,144)	15.0%	\$ (111,022)
37	Mains - Plastic	\$ (812,888)	\$ -	\$ (812,888)	15.0%	\$ (81,933)
38	System Meas. & Reg. Station Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
39	System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	15.0%	\$ -
40	District Regulating Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
41	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	15.0%	\$ -
42	Services- Cast Iron & Copper	\$ (142,828)	\$ -	\$ (142,828)	15.0%	\$ (21,424)
43	Services-Steel	\$ (31,962)	\$ -	\$ (31,962)	15.0%	\$ (4,859)
44	Services-Plastic	\$ (1,482,380)	\$ -	\$ (1,482,380)	15.0%	\$ (222,357)
45	Meters	\$ (443,552)	\$ -	\$ (443,552)	15.0%	\$ (66,533)
46	Utility of the Future Meters	\$ -	\$ -	\$ -	15.0%	\$ -
47	Water Installations	\$ (100,086)	\$ -	\$ (100,086)	15.0%	\$ (15,013)
48	House Regulators	\$ -	\$ -	\$ -	15.0%	\$ -
49	House Regulator Installations	\$ -	\$ -	\$ -	15.0%	\$ -
50	Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
51	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	15.0%	\$ -
52	Other Equipment - Other	\$ -	\$ -	\$ -	15.0%	\$ -
53	Street Lighting Equipment	\$ (8,203)	\$ -	\$ (8,203)	15.0%	\$ (1,380)
54	Structures & Improvements	\$ -	\$ -	\$ -	15.0%	\$ -
55	Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
56	Laboratory Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
57	Power Operated Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
58	Communication Equipment	\$ -	\$ -	\$ -	15.0%	\$ -
59	Net Tax Value Distribution Improvement (Sum of Lines 1 - 58)					\$ 24,464,852
60	Valuation Percentage (25%) <sup>(2)</sup>					25%
61	Taxable Value/Assessment (Line 59 x Line 60)					\$ 6,116,238
62	Duke Energy Ohio's Average 2014 Personal Property Tax Rate					8.8358%
63	Annual Property Tax Expense - Distribution Improvement (Line 61 x Line 62)					\$ 601,581
[B]	Information Technology - Additions					
64	Electronic Data Processing	\$ 851	\$ -	\$ 851	98.3%	\$ 837
65	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	98.3%	\$ -
	Information Technology - Retirements					
66	Electronic Data Processing	\$ -	\$ -	\$ -	15.0%	\$ -
67	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	15.0%	\$ -
68	Net Tax Value of Information Technology (Sum of Lines 62 - 65)					837
69	Valuation Percentage (25%) <sup>(2)</sup>					25%
70	Taxable Value/Assessment (Line 68 x Line 69)					\$ 209
71	Duke Energy Ohio's Average 2014 Personal Property Tax Rate					8.8358%
72	Annual Property Tax Expense - Information Technology (Line 70 x Line 71)					\$ 21
73	Total Est. of 2016 Deferred Property Tax Expense (2014 Investment) - Capital Expenditure Program <sup>(3)</sup> (Sum of Lines 61 and 70)					\$ 601,602

Notes:

- (1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant.  
(2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G.  
(3) Property tax expense deferred in 2015 is based on assets placed in service as of December 31, 2014.  
(4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF ESTIMATED PROPERTY TAX DEFERRAL  
2015 INVESTMENTS - PROPERTY TAXES EXPENSED IN 2016

Description: Provide detailed calculation of deferred property taxes (incremental) on CEP investments.  
Represents the deferred Property Taxes on CEP eligible investments.

Line No.		Year		Year		% Good <sup>(1)</sup>	Tax Value
		2015	2016	2015 - Exemptions	2016 - Taxable Value		
[A]	Distribution Improvement - Additions						
1	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
2	Rights of Way	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
3	City Gate Check Station	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
4	Structures & Improvements	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
5	Mains - Cast Iron & Copper	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
6	Mains - Steel	\$ 11,365,017	\$ -	\$ -	\$ 11,365,017	98.3%	\$ 11,171,812
7	Mains - Plastic	\$ 9,243,236	\$ -	\$ -	\$ 9,243,236	98.3%	\$ 9,088,101
8	System Meas. & Reg. Station Equipment	\$ 272,293	\$ -	\$ -	\$ 272,293	98.3%	\$ 267,694
9	System Meas. & Reg. Station Equipment-Elec	\$ 596,366	\$ -	\$ -	\$ 596,366	98.3%	\$ 586,246
10	District Regulating Equipment	\$ 513,791	\$ -	\$ -	\$ 513,791	98.3%	\$ 505,057
11	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
12	Services-Cast Iron & Copper	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
13	Services-Steel	\$ 467,170	\$ -	\$ -	\$ 467,170	98.3%	\$ 458,228
14	Services-Plastic	\$ 18,458,034	\$ -	\$ -	\$ 18,458,034	98.3%	\$ 18,178,247
15	Meters	\$ 2,347,929	\$ -	\$ -	\$ 2,347,929	98.3%	\$ 2,308,014
16	Utility of the Future Meters	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
17	House Regulators	\$ 269,299	\$ -	\$ -	\$ 269,299	98.3%	\$ 264,721
18	House Regulator Installations	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
19	Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
20	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
21	Other Equipment - Other	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
22	Street Lighting Equipment	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
23	Structures & Improvements	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
24	Tools, Shop & Garage Equipment	\$ 302,151	\$ -	\$ -	\$ 302,151	98.3%	\$ 297,014
25	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
26	Power Operated Equipment	\$ 504,197	\$ -	\$ -	\$ 504,197	98.3%	\$ 495,629
27	Communication Equipment	\$ 25,744	\$ -	\$ -	\$ 25,744	98.3%	\$ 25,307
[B]	Distribution Improvement - Retirements						
28	Land and Land Rights	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
29	Rights of Way	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
30	City Gate Check Station	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
31	Structures & Improvements	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
32	Mains - Cast Iron & Copper	\$ (170)	\$ -	\$ -	\$ (170)	15.0%	\$ (26)
33	Mains - Steel	\$ (580,321)	\$ -	\$ -	\$ (580,321)	15.0%	\$ (87,048)
34	Mains - Plastic	\$ (101,866)	\$ -	\$ -	\$ (101,866)	15.0%	\$ (15,295)
35	System Meas. & Reg. Station Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
36	System Meas. & Reg. Station Equipment-Elec	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
37	District Regulating Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
38	Meas. & Reg. - City Gate	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
39	Services-Cast Iron & Copper	\$ (125,180)	\$ -	\$ -	\$ (125,180)	15.0%	\$ (18,777)
40	Services-Steel	\$ (34,104)	\$ -	\$ -	\$ (34,104)	15.0%	\$ (5,116)
41	Services-Plastic	\$ (787,040)	\$ -	\$ -	\$ (787,040)	15.0%	\$ (115,058)
42	Meters	\$ (1,594,546)	\$ -	\$ -	\$ (1,594,546)	15.0%	\$ (239,162)
43	Utility of the Future Meters	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
44	House Regulators	\$ (744,685)	\$ -	\$ -	\$ (744,685)	15.0%	\$ (111,703)
45	House Regulator Installations	\$ (1,339,108)	\$ -	\$ -	\$ (1,339,108)	15.0%	\$ (200,866)
46	Large Industrial Meas. & Reg. Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
47	Large Industrial Meas. & Reg. Equipment - Comm	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
48	Other Equipment - Other	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
49	Street Lighting Equipment	\$ (59,477)	\$ -	\$ -	\$ (59,477)	15.0%	\$ (8,921)
50	Structures & Improvements	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
51	Tools, Shop & Garage Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
52	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
53	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
54	Communication Equipment	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
55	Net Tax Value Distribution Improvement (Sum of Lines 1 - 54)						\$ 40,843,049
56	Valuation Percentage (25%) <sup>(2)</sup>						25%
57	Taxable Value/Assessment (Line 55 x Line 56)						\$ 10,210,762
58	Duke Energy Ohio's Average 2014 Personal Property Tax Rate						9.8358%
59	Annual Property Tax Expense - Distribution Improvement (Line 57 x Line 58)						\$ 1,004,310
[B]	Information Technology - Additions						
60	Electronic Data Processing	\$ 452,331	\$ -	\$ -	\$ 452,331	98.3%	\$ 444,641
61	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	\$ -	98.3%	\$ -
62	Information Technology - Retirements						
63	Electronic Data Processing	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
64	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -
65	Net Tax Value of Information Technology (Sum of Lines 60 - 64)						444,641
66	Valuation Percentage (25%) <sup>(2)</sup>						25%
67	Taxable Value/Assessment (Line 65 x Line 66)						\$ 111,160
68	Duke Energy Ohio's Average 2014 Personal Property Tax Rate						9.8358%
69	Annual Property Tax Expense - Information Technology (Line 67 x Line 68)						\$ 10,933
70	Total Est. of 2016 Deferred Property Tax Expense (2015 Investment) - Capital Expenditure Program <sup>(3)</sup>						\$ 1,015,243
	(Sum of Lines 59 and 69)						

Notes:

- (1) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule C(2) for specific classes of plant
- (2) Per Ohio Department of Taxation Annual Natural Gas Property Tax Report, Schedule G.
- (3) Property tax expense deferred in 2015 is based on assets placed in service as of December 31, 2014
- (4) Transportation equipment and Real Property is exempt from personal property taxes per Schedule C for general plant.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-JNC and 13-2418-GA-AAM  
INCREMENTAL REVENUE ASSOCIATED WITH CEP INVESTMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2016

Description: Provide detailed calculation of incremental revenues on CEP Investments.  
Represents the incremental revenues associated with CEP Investments, treated as offset to deferred expenses.

Line  
No.

**[A] Cumulative Balance**

Description: Cumulative Incremental Revenue related to CEP Investments  
Calculation: Prior Year Incremental Revenue + Current Year Incremental Revenue

		Balance at		
Category		12/31/2013	12/31/2014	12/31/2015
1	Rate RS / RFT / RSLI	\$ (986,239)	\$ (2,787,652)	\$ (5,043,990)
2	Rate GS / FT Small	\$ (56,999)	\$ (56,999)	\$ (56,999)
3	Rate GS / FT Large	\$ -	\$ -	\$ (1,875,220)
4	Rate IT	\$ -	\$ -	\$ -
5	Total Incremental Revenue - (Increase)	\$ (1,043,238)	\$ (2,854,651)	\$ (6,976,209)
				\$ (10,034,260)

**[B] Annual Incremental Revenue by Category**

Description: Incremental Revenues for Annual Period related to CEP Investments by Category  
Source: Work Paper 7.1, Work Paper 7.1

		Activity Through		
Category		12/31/2013	12/31/2014	12/31/2015
6	Rate RS / RFT / RSLI	\$ (986,239)	\$ (1,811,413)	\$ (2,246,338)
7	Rate GS / FT Small	\$ (56,999)	\$ -	\$ -
8	Rate GS / FT Large	\$ -	\$ -	\$ (1,875,220)
9	Rate IT	\$ -	\$ -	\$ -
10	Total Incremental Revenue - (Increase)	\$ (1,043,238)	\$ (1,811,413)	\$ (4,121,558)
				\$ (3,058,051)

Work Paper 7.1 thru 7.4  
Work Paper 7.1 thru 7.4  
Work Paper 7.1 thru 7.4  
Work Paper 7.1 thru 7.4

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF INCREMENTAL REVENUE RELATED TO CEP INVESTMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 2013

Description: Provide detailed calculation of incremental revenues related to CEP investments.  
Treated as offset to deferred expenses, in the event that actual customers exceed the authorized/base level set in rates.

Line No.		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
<b>[A] Incremental Revenue</b>							
1	Annual Number of Customer Bills Issued in 2013	4,685,758	257,493	83,628	1,203		Line 19
2	Baseline Number of Customer Bills Issued	4,648,737	256,758	93,331	1,744		Line 20
3	Annual Increase/(Decrease) in Customers	37,021	735	(9,703)	(541)		Line 1 - Line 2
4	Monthly Fixed Rate - Cost Recovery	\$ 26.64	\$ 77.55	\$ 185.50	\$ 446.40		[1]
5	Annual Increase/(Decrease) in Revenue	\$ 986,239	\$ 56,999	\$ (1,799,907)	\$ (241,502)		
6	Incremental Revenue Offset - 2013	\$ 986,239	\$ 56,999	\$ -	\$ -	\$ 1,043,238	If Line 5 > 0, Line 5, else 0
<b>[B] Actual Number of Bills</b>							
		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
7	January 2013	392,774	22,220	7,789	101	422,884	
8	February 2013	392,977	22,514	7,586	86	423,163	
9	March 2013	390,041	22,812	6,798	96	419,747	
10	April 2013	392,639	22,454	6,921	94	422,108	
11	May 2013	390,791	21,389	6,854	95	419,129	
12	June 2013	389,042	20,688	6,787	103	416,620	
13	July 2013	387,929	20,290	6,774	99	415,092	
14	August 2013	386,727	20,092	6,751	114	413,684	
15	September 2013	387,746	19,969	6,753	111	414,579	
16	October 2013	388,844	20,329	6,801	113	416,087	
17	November 2013	391,981	21,976	6,861	96	420,914	
18	December 2013	394,267	22,760	6,953	95	424,075	
19	Total Customer Bills	4,685,758	257,493	83,628	1,203	5,028,082	
<b>[C] Baseline Number of Bills</b>							
	Case No. 12-1685-GA-AIR, Schedule E-4	Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
20	Total Customer Bills	4,648,737	256,758	93,331	1,744	5,000,570	

[1] Fixed Cost rates derived by removing the equity return and taxes from the rates derived in Case No. 12-1685-GA-AIR.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF INCREMENTAL REVENUE RELATED TO CEP INVESTMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 2014

Description: Provide detailed calculation of incremental revenues related to CEP investments.  
Treated as offset to deferred expenses, in the event that actual customers exceed the authorized/base level set in rates.

Line No.		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
<b>[A] Incremental Revenue</b>							
1	Annual Number of Customer Bills Issued in 2014	4,716,733	249,180	91,938	1,093		Line 19
2	Baseline Number of Customer Bills Issued	4,648,737	256,758	93,331	1,744		Line 20
3	Annual Increase/(Decrease) in Customers	67,996	(7,578)	(1,393)	(651)		Line 1 - Line 2
4	Monthly Fixed Rate - Cost Recovery	\$ 26.64	\$ 77.55	\$ 185.50	\$ 448.40		[1]
5	Annual Increase/(Decrease) in Revenue	\$ 1,811,413	\$ (587,674)	\$ (258,402)	\$ (290,606)		
6	Incremental Revenue Offset - 2014	\$ 1,811,413	\$ -	\$ -	\$ -	\$ 1,811,413	If Line 5 > 0, Line 5, else 0
<b>[B] Actual Number of Bills</b>							
		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
7	January 2014	395,580	22,808	7,255	105	425,748	
8	February 2014	395,791	22,579	7,813	125	426,108	
9	March 2014	395,768	22,271	7,657	102	425,798	
10	April 2014	395,144	21,855	7,776	104	424,879	
11	May 2014	393,039	20,421	7,760	84	421,304	
12	June 2014	391,060	19,552	7,758	85	418,455	
13	July 2014	390,065	19,160	7,723	79	417,027	
14	August 2014	388,774	18,909	7,709	89	415,481	
15	September 2014	389,871	19,102	7,480	84	418,547	
16	October 2014	391,233	19,561	7,685	76	418,555	
17	November 2014	393,817	21,029	7,732	73	422,651	
18	December 2014	396,591	22,133	7,780	87	426,591	
19	Total Customer Bills	4,716,733	249,180	91,938	1,093	5,058,944	
<b>[C] Baseline Number of Bills</b>							
		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
20	Total Customer Bills	4,648,737	256,758	93,331	1,744	5,000,570	

[1] Fixed Cost rates derived by removing the equity return and taxes from the rates derived in Case No. 12-1685-GA-AIR.



DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF INCREMENTAL REVENUE RELATED TO CEP INVESTMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 2015

Description: Provide detailed calculation of incremental revenues related to CEP investments.  
Treated as offset to deferred expenses, in the event that actual customers exceed the authorized/base level set in rates.

Line No.		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
<b>[A] Incremental Revenue</b>							
1	Annual Number of Customer Bills Issued in 2015	4,733,059	236,052	103,440	992		Line 19
2	Baseline Number of Customer Bills Issued	4,648,737	256,758	93,331	1,744		Line 20
3	Annual Increase/(Decrease) in Customers	84,322	(20,706)	10,109	(752)		Line 1 - Line 2
4	Monthly Fixed Rate - Cost Recovery	\$ 26.64	\$ 77.55	\$ 185.50	\$ 446.40		[1]
5	Annual Increase/(Decrease) in Revenue	\$ 2,246,338	\$ (1,805,750)	\$ 1,875,220	\$ (335,693)		
6	Incremental Revenue Offset - 2015	\$ 2,246,338	\$ -	\$ 1,875,220	\$ -	\$ 4,121,558	If Line 5 > 0, Line 5, else 0
<b>[B] Actual Number of Bills</b>							
		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
7	January 2015	397,258	22,284	7,855	95	427,502	
8	February 2015	397,290	21,387	8,798	76	427,549	
9	March 2015	397,828	21,268	8,875	91	427,880	
10	April 2015	398,649	20,406	8,832	84	425,971	
11	May 2015	394,437	19,098	8,718	76	422,329	
12	June 2015	392,808	18,429	8,874	80	419,989	
13	July 2015	391,827	18,047	8,622	81	418,577	
14	August 2015	390,226	17,904	8,582	84	416,796	
15	September 2015	391,008	17,840	8,588	75	417,489	
16	October 2015	391,879	18,412	8,585	74	418,850	
17	November 2015	394,689	19,934	8,670	79	423,372	
18	December 2015	397,366	21,043	8,653	97	427,159	
19	Total Customer Bills	4,733,059	236,052	103,440	992	5,073,543	
<b>[C] Baseline Number of Bills</b>							
	Case No. 12-1685-GA-AIR, Schedule E-4	Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
20	Total Customer Bills	4,648,737	256,758	93,331	1,744	5,000,670	

[1] Fixed Cost rates derived by removing the equity return and taxes from the rates derived in Case No. 12-1685-GA-AIR.

DUKE ENERGY OHIO, INC.  
CAPITAL EXPENDITURE PROGRAM (CEP)  
CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM  
CALCULATION OF INCREMENTAL REVENUE RELATED TO CEP INVESTMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 2016

Description: Provide detailed calculation of incremental revenues related to CEP investments.  
Treated as offset to deferred expenses, in the event that actual customers exceed the authorized/base level set in rates.

Line No.		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
<b>[A] Incremental Revenue</b>							
1	Annual Number of Customer Bills Issued in 2016	4,757,415	243,983	94,209	998		Line 19
2	Baseline Number of Customer Bills Issued	4,648,737	256,758	93,331	1,744		Line 20
3	Annual Increase/(Decrease) in Customers	108,678	(12,775)	878	(746)		Line 1 - Line 2
4	Monthly Fixed Rate - Cost Recovery	\$ 26.64	\$ 77.55	\$ 185.50	\$ 448.40		[1]
5	Annual Increase/(Decrease) in Revenue	\$ 2,895,182	\$ (990,701)	\$ 162,869	\$ (333,014)		
6	Incremental Revenue Offset - 2016	\$ 2,895,182	\$ -	\$ 162,869	\$ -	\$ 3,058,051	If Line 5 > 0, Line 5, else 0
<b>[B] Actual Number of Bills</b>							
		Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
7	January 2016	398,657	21,404	8,672	105	428,838	
8	February 2016	399,379	22,040	8,230	79	429,728	
9	March 2016	399,182	22,078	7,913	95	429,268	
10	April 2016	398,207	21,236	7,872	88	427,403	
11	May 2016	398,598	19,976	7,789	72	424,435	
12	June 2016	394,716	19,222	7,737	89	421,764	
13	July 2016	393,629	18,905	7,688	62	420,304	
14	August 2016	392,220	18,685	7,644	82	418,631	
15	September 2016	393,259	18,655	7,628	72	419,612	
16	October 2016	394,318	19,110	7,635	77	421,140	
17	November 2016	397,025	20,564	7,686	80	425,355	
18	December 2016	400,245	22,108	7,717	77	430,147	
19	Total Customer Bills	4,757,415	243,983	94,209	998	5,086,605	
<b>[C] Baseline Number of Bills</b>							
	Case No. 12-1885-GA-AIR, Schedule E-4	Rate RS	GS / FT Small	GS / FT Large	Rate IT	Total	
20	Total Customer Bills	4,648,737	256,758	93,331	1,744	5,000,570	

[1] Fixed Cost rates derived by removing the equity return and taxes from the rates derived in Case No. 12-1885-GA-AIR.

**DUKE ENERGY OHIO, INC.**  
**CAPITAL EXPENDITURE PROGRAM (CEP)**  
**CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM**  
**ACTUAL - AUTHORIZED CEP EXPLANATIONS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2016**

**Description: Explain the variance between CEP Capital Budget and Actual In-Service Additions.**

Line No.	Category	[A]			[B]		[C]=[A]-[B]	
		Capital Budget	Actual Additions	Total Variance				
1	Distribution Improvement	\$ 60,800,000	\$ 62,833,451	\$ (2,033,451) [1]				
2	Information Technology	\$ 3,800,000	\$ 4,472,237	\$ (672,237) [2]				
3	Compliance with Rules, Regulations and Orders	\$ 3,100,000	\$ 1,160,829	\$ 1,939,171				
4	Total CEP Investment	\$ 67,700,000	\$ 68,466,517	\$ (766,517)				

**Explanations:**

- [1] The variance of (\$2.0) million related to Additions [B] is driven mainly by increased spend on expansion projects
- [2] The variance of (\$0.7) million related to Additions [B] is mainly driven by project timing
- [3] The variance of \$1.9 million related to Additions [B] is mainly due to project timing

**Notes:**

- [A] Duke Energy Ohio's approved Gas Operations Capital Budget.
- [B] Exhibit No. 3, Lines 7-8, activity for twelve months ended 12/31/2016. There is no Exhibit 3 for compliance.
- [C] Total Variance - (Over)/Under spend on additions.

**DUKE ENERGY OHIO, INC.**  
**CAPITAL EXPENDITURE PROGRAM (CEP)**  
**CASE NO. 13-2417-GA-UNC and 13-2418-GA-AAM**  
**ESTIMATED CAPITAL BUDGET**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2017**  
**(\$ MILLIONS)**

**Description: Provide estimated Capital Budget for upcoming year.**

Line No. Category	2017
1 Distribution Improvement	[A] \$ 64.7
2 Information Technology	2.1
3 Compliance with Rules, Regulations and Orders	1.2
4 Total	<u>\$ 68.0</u>

[A] Does not include investments recovered through Rider AMRP or Rider AU cost-recovery mechanisms.

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

**Commission of Ohio Docketing Information System on**

**5/1/2017 3:15:05 PM**

**in**

**Case No(s). 13-2417-GA-UNC, 13-2418-GA-AAM**

Summary: Annual Report 2016 Annual Informational Filing of Duke Energy Ohio, Inc.  
electronically filed by Mrs. Adele M. Frisch on behalf of Duke Energy Ohio, Inc. and Spiller,  
Amy B and Kingery, Jeanne W