



155 E. Broad Street
20th Floor
Columbus, OH 45215
o: 614-222-1334
f: 614-222-1337

July 28, 2017

Jeanne W. Kingery@duke-energy.com
Jeanne W. Kingery
Associate General Counsel

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: Case No. 16-2064-EL-RDR

Dear Ms. McNeal:

Pursuant to the Public Utilities Commission of Ohio's (Commission) Opinion and Order in Case No. 14-841-EL-SSO, Duke Energy Ohio, Inc., submits herein the required schedules and tariff pages related to the update of its Distribution Capital Investment Rider (Rider DCI).¹

As part of the approval of Rider DCI, the Commission ordered that quarterly filings be made, with such filings automatically approved. The Commission further ordered that Rider DCI be audited annually, with the August quarterly filing. Consistent therewith, this update to Rider DCI rate will be implemented with the first billing cycle of October 2017. The proposed Rider DCI rate is based on investment data from the FERC Form 3Q and Form 1, for the second quarter of 2017 and is supported by two attachments. Attachment A is the proposed tariff sheet reflecting the revised Rider DCI rate and Attachment B contains the schedules and workpapers supporting the calculation of the proposed Rider DCI rate. The attached schedules demonstrate that the revenue requirement is below the permitted cap for 2017 for the second quarter.

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

Respectfully submitted,

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

¹ In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service, Case No. 14-841-EL-SSO, et al., Opinion and Order, at pp. 70-72 (April 2, 2015).

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19
Sheet No. 103.9
Cancels and Supersedes
Sheet No. 103.8
Page 1 of 1

RIDER DCI
DISTRIBUTION CAPITAL INVESTMENT RIDER

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

All retail jurisdictional customers shall be assessed a charge of 14.954% of the customer's applicable base distribution charges (*i.e.*, customer charge plus base distribution charge) to recover the revenue requirement associated with incremental distribution capital costs incurred by the Company. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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

Issued: July 27, 2017

Effective: September 29, 2017

Issued by James P. Henning, President

Duke Energy Ohio
Revenue Requirement for Rider DCI

Line	Description	March 31, 2012	June 30, 2017	Reference
1	Gross Distribution Plant	\$1,878,034,210	\$2,323,052,685	Pages 2 & 3
2	Accumulated Depreciation on Distribution Plant	646,781,562	719,387,921	Pages 4 & 5
3	Net Distribution Plant in Service	\$1,231,252,648	\$1,603,664,764	
4	Accum Def Income Taxes on Distr Plant	(\$249,112,366)	(\$423,525,997)	Pages 6 & 7
5	Distribution Rate Base for Rider DCI	<u>\$982,140,282</u>	<u>\$1,180,138,767</u>	Line (3) + Line (4)
6	Return on Rate Base (Pre-Tax %)	10.68%	10.68%	Per Stipulation
7	Return on Rate Base (Pre-Tax)	\$104,892,582	\$126,038,820	Line (5) * Line (6)
8	Depreciation Expense	\$49,047,161	\$62,049,866	Page 8
9	Property Tax Expense (Excludes M&S)	<u>\$65,218,326</u>	<u>\$91,385,971</u>	Page 9
10	Revenue Requirement Before CAT	\$219,158,069	\$279,474,657	Line (7) + Line (8) +Line (9)
11	Change in Revenue Requirement		\$60,316,588	Line (10) _{current} - Line (10) _{base}
12	Incremental Commercial Activities Tax		\$157,232	{1/(1-CAT) * Line (11)}
13	Total Rider DCI Revenue Requirement (1)		\$60,473,820	Line (11) + Line (12)
14	Annual Base Distribution Revenue (2)		<u>\$404,401,058</u>	
15	DEO Percentage of Base Distribution Revenue		<u>14.954%</u>	Line (16) ÷ Line (17)

Notes: (1) See Revenue schedule for amount collected year to date 2017.
The Company will be under the 2017 \$67million cap as ordered in
Case No. 14-841-EL-SSO.

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

Duke Energy Ohio, Inc.
Plant in Service Summary by Major Property Groupings (As of June 30, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$14,827,148		\$14,827,148
2	360	3601	Rights of Way	\$26,210,824		26,210,824
3	361	3610	Structures and Improvements	\$20,093,467		20,093,467
4	362	3620	Station Equipment	\$220,406,915	(\$31,626,169)	188,780,746
5	362	3622	Major Equipment	\$121,478,884	(\$3,606,452)	117,872,432
6	363	3635	Station Equipment Electronic	\$0	\$0	0
7	364	3640	Poles, Towers & Fixtures	\$331,904,743	(\$3,581,655)	328,323,088
8	365	3650, 3651	Overhead Conductors and Devices	\$574,796,516	(\$28,765,884)	546,030,632
9	366	3660	Underground Conduit	\$122,421,910		122,421,910
10	367	3670	Underground Conductors and Devices	\$370,709,095		370,709,095
11	368	3680, 3681	Line Transformers	\$412,253,294		412,253,294
12	368	3682	Customer Transformer Installations	\$3,755,297		3,755,297
13	369	3691	Services - Underground	\$4,940,498		4,940,498
14	369	3692	Services - Overhead	\$78,946,064		78,946,064
15	370	3700	Meters	\$135,413		135,413
16	370	3700	Meter Instrument Transformers	\$7,409,920		7,409,920
17	370	3701	Leased Meters	\$0		0
18	370	3701	Leased Meter Instrument Transformers	\$5,672,328		5,672,328
19	370	3702	Utility of the Future Meters	\$95,362,609	(\$65,447,240)	29,915,369
20	371	3710	Installations on Customers' Premises	\$0		0
21	371	3712	Company Owned Outdoor Light	\$4,403,398	(\$4,403,398)	0
22	372	3720	Leased Property on Customers' Premises	\$102,503		102,503
23	373	3730	Street Lighting	\$2,057,896	(\$2,057,896)	0
24	373	3731	CGE Street Lighting - OH	\$11,733,435		11,733,435
25	373	3732	Street Lighting - Boulevard	\$27,802,825		27,802,825
26	373	3733	Light Security OL POL Flood	\$5,116,397		5,116,397
27	373	3734	Light Choice OLE - Public	\$15,652,728	(\$15,652,728)	0
28				\$2,478,194,107	(\$155,141,422)	\$2,323,052,685

Notes: (a) Grid Mod additions and tariffed street lights

Duke Energy Ohio, Inc.
Plant in Service Summary by Major Property Groupings (As of March 31, 2012)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted
	FERC	Company				Total Company
Distribution Accounts						
1	360	3600	Land and Land Rights	\$13,109,977		\$13,109,977
2	360	3601	Rights of Way	\$26,110,943		26,110,943
3	361	3610	Structures and Improvements	\$8,317,815		8,317,815
4	362	3620	Station Equipment	\$182,040,569	(\$17,100,300)	164,940,269
5	362	3622	Major Equipment	\$103,229,213	(\$2,103,326)	101,125,887
6	362	3635	Station Equipment Electronic	\$2,620,440	(\$2,719,820)	(99,380)
7	364	3640	Poles, Towers & Fixtures	\$243,486,355	(\$1,162,056)	242,324,299
8	365	3650, 3651	Overhead Conductors and Devices	\$396,969,778	(\$12,365,335)	384,604,443
9	366	3660	Underground Conduit	\$88,227,723		88,227,723
10	367	3670	Underground Conductors and Devices	\$282,336,871		282,336,871
11	368	3680, 3681	Line Transformers	\$367,228,972		367,228,972
12	368	3682	Customer Transformer Installations	\$5,272,832		5,272,832
13	369	3691	Services - Underground	\$3,391,901		3,391,901
14	369	3692	Services - Overhead	\$64,385,178		64,385,178
15	370	3700	Meters	\$35,626,976		35,626,976
16	370	3700	Meter Instrument Transformers	\$6,341,273		6,341,273
17	370	3701	Leased Meters	\$15,008,859		15,008,859
18	370	3701	Meter Instrument Transformers	\$2,690,328		2,690,328
19	370	3702	Utility of the Future Meters	\$40,433,742	(\$40,433,742)	0
20	371	3710	Installations on Customers' Premises	\$241,509		241,509
21	371	3712	Company Owned Outdoor Light	\$714,040	(\$714,040)	0
22	372	3720	Leased Property on Customers' Premises	\$102,503		102,503
23	373	3730, 3731	Street Lighting	\$21,127,345	(\$180,809)	20,946,536
24	373	3732	Street Lighting - Boulevard	\$28,103,634		28,103,634
25	373	3733	Light Security OL POL Flood	\$17,694,862		17,694,862
26	373	3734	Light Choice OLE - Public	\$1,364,763	(\$1,364,763)	0
27				\$1,956,178,401	(\$78,144,191)	\$1,878,034,210

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Accumulated Depreciation by Major Property Groupings (As of June 30, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$3,652		\$3,652
2	360	3601	Rights of Way	4,370,980		4,370,980
3	361	3610	Structures and Improvements	4,648,506		4,648,506
4	362	3620	Station Equipment	75,629,653	(3,788,177)	71,841,476
5	362	3622	Major Equipment	46,165,968	(432,023)	45,733,945
6	363	3635	Dist Station Equip Elec	0	0	0
7	364	3640	Poles, Towers & Fixtures	127,587,114	(378,096)	127,209,018
8	365	3650, 3651	Overhead Conductors and Devices	124,417,472	(4,076,621)	120,340,851
9	366	3660	Underground Conduit	43,935,052		43,935,052
10	367	3670	Underground Conductors and Devices	95,506,791		95,506,791
11	368	3680, 3681	Line Transformers	151,145,848		151,145,848
12	368	3682	Customer Transformer Installations	2,721,019		2,721,019
13	369	3691	Services - Underground	2,576,617		2,576,617
14	369	3692	Services - Overhead	48,806,818		48,806,818
15	370	3700	Meters	(3,245,813)		(3,245,813)
16	370	3700	Meter Instrument Transformers	2,416,781		2,416,781
17	370	3701	Leased Meters	465,383		465,383
18	370	3701	Leased Meter Instrument Transformers	1,157,085		1,157,085
19	370	3702	Utility of the Future Meters	21,656,378	(23,788,072)	(2,131,694)
20	371	3710	Installations on Customers' Premises	(93,745)		(93,745)
21	371	3712	Company Owned Outdoor Light	(246,745)	246,745	0
22	372	3720	Leased Property on Customers' Premises	(54,289)		(54,289)
23	373	3730	Street Lighting	(413,376)	413,376	0
24	373	3731	CGE Street Lighting - OH	12,642,656		12,642,656
25	373	3732	Street Lighting - Boulevard	9,279,405		9,279,405
26	373	3733	Light Security OL POL Flood	8,187,207		8,187,207
27	373	3734	Light Choice OLE - Public	234,396	(234,396)	0
28		108	Retirement Work in Progress	(28,075,628)		(28,075,628)
29				\$751,425,185	(\$32,037,264)	\$719,387,921

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.
Accumulated Depreciation by Major Property Groupings (As of March 31, 2012)

Line No.	Account Number		Account Title	Per Books	Adjustments ^(a)	Adjusted Total Company
	FERC	Company				
Distribution Accounts						
1	360	3600	Land and Land Rights	\$1,539		\$1,539
2	360	3601	Rights of Way	2,520,994		2,520,994
3	361	3610	Structures and Improvements	4,004,656		4,004,656
4	362	3620	Station Equipment	70,648,575	(452,294)	70,196,281
5	362	3622	Major Equipment	36,923,264	(86,536)	36,836,728
6	363	3635	Dist Station Equip Elec	209,328	(178,269)	31,059
7	364	3640	Poles, Towers & Fixtures	108,050,272	(13,609)	108,036,663
8	365	3650, 3651	Overhead Conductors and Devices	99,685,733	(367,470)	99,318,263
9	366	3660	Underground Conduit	35,969,974		35,969,974
10	367	3670	Underground Conductors and Devices	73,293,965		73,293,965
11	368	3680, 3681	Line Transformers	143,569,293		143,569,293
12	368	3682	Customer Transformer Installations	2,628,003		2,628,003
13	369	3691	Services - Underground	2,248,643		2,248,643
14	369	3692	Services - Overhead	36,808,118		36,808,118
15	370	3700	Meters	12,697,346		12,697,346
16	370	3701	Leased Meters	4,187,966		4,187,966
17	370	3702	Utility of the Future Meters	2,853,005	(2,853,005)	0
18	371	3710	Installations on Customers' Premises	2,770		2,770
19	371	3712	Company Owned Outdoor Light	(244,226)	244,226	0
20	372	3720	Leased Property on Customers' Premises	(76,085)		(76,085)
21	373	3730, 3731	Street Lighting - Overhead	8,989,199	1,748,866	10,738,065
22	373	3732	Street Lighting - Boulevard	5,929,055		5,929,055
23	373	3733	Light Security OL POL Flood	5,507,955		5,507,955
24	373	3734	Light Choice OLE - Public	(375,920)	375,920	0
25		108	Retirement Work in progress	(7,669,689)		(7,669,689)
26				\$648,363,733	(\$1,582,171)	\$646,781,562

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.

Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (June 30, 2017)

Line No.	Account Number		Account Title	Per Books	Adjustments	Adjusted Total Company
	FERC	Company				
Account 282						
1	282	282.XXX	263A	\$ (83,421,022)	\$0	(\$83,421,022)
2	282	282.XXX	AFUDC Debt	(1,961,633)	0	(1,961,633)
3	282	282.XXX	Casualty Loss	(13,163,590)	0	(13,163,590)
4	282	282.XXX	CIAC	17,293,343	0	17,293,343
5	282	282.XXX	CWIP Differences	1,703,523	0	1,703,523
6	282	282.XXX	FAS109	(32,005,590)	32,005,590	0
7	282	282.XXX	Miscellaneous	(4,800,839)	0	(4,800,839)
8	282	282.XXX	Non-Cash Overheads	19,306,598	0	19,306,598
9	282	282.XXX	Section 174	(722,707)	722,707	0
10	282	282.XXX	Software	0	0	0
11	282	282.XXX	Tax Depreciation	(311,022,067)	59,964,905 (a)	(251,057,162)
12	282	282.XXX	Tax Expensing	(111,503,347)	0	(111,503,347)
13	282	282.XXX	TIC	4,078,132	0	4,078,132
14	Total Plant-Related Accumulated Deferred Income Tax			\$ (516,219,199)	\$ 92,693,202	\$ (423,525,997)

Notes: (a) Grid Mod additions

Duke Energy Ohio, Inc.

Plant Related Accumulated Deferred Income Taxes - Excluding Grid Modernization (March 31, 2012)

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

Notes: (a) Grid Mod additions

		Gross Plant Balance		Depreciation Rate (%)		Depreciation Expense	
		Base Case	Jun-17			Base Case	Jun-17
Distribution Accounts							
1	3600	Land and Land Rights	\$13,109,977	\$14,827,148	-	\$0	\$0
2	3601	Rights of Way	\$26,110,943	\$26,210,824	1.33	\$347,276	\$348,604
3	3610	Structures and Improvements	\$8,317,815	\$20,093,467	1.69	140,571	339,580
4	3620	Station Equipment	\$164,940,269	\$188,780,746	1.92	3,166,863	3,624,590
5	3622	Major Equipment	\$101,125,887	\$117,872,432	1.92	1,941,617	2,263,151
6	3635	Station Equipment Electronic	(\$99,380)	\$0	5.00	(4,969)	-
7	3640	Poles, Towers & Fixtures	\$242,324,299	\$328,323,088	2.40	5,815,783	7,879,754
8	3650, 3651	Overhead Conductors and Devices	\$384,604,443	\$546,030,632	2.80	10,768,924	15,288,858
9	3660	Underground Conduit	\$88,227,723	\$122,421,910	2.00	1,764,554	2,448,438
10	3670	Underground Conductors and Devices	\$282,336,871	\$370,709,095	2.16	6,098,476	8,007,316
11	3680, 3681	Line Transformers	\$367,228,972	\$412,253,294	2.50	9,180,724	10,306,332
12	3682	Customer Transformer Installations	\$5,272,832	\$3,755,297	2.22	117,057	83,368
13	3691	Services - Underground	\$3,391,901	\$4,940,498	2.00	67,838	98,810
14	3692	Services - Overhead	\$64,385,178	\$78,946,064	3.26	2,098,957	2,573,642
15	3700	Meters	\$35,626,976	\$135,413	Amortization	3,508,121	3,508,121
16	3700	Meter Instrument Transformers	\$6,341,273	\$7,409,920	2.86	181,360	211,924
17	3701	Leased Meters	\$15,008,859	\$0	Amortization	1,570,224	1,570,224
18	3701	Leased Meter Instrument Transformers	\$2,690,328	\$5,672,328	2.86	76,943	162,229
19	3702	Utility of the Future Meters	\$0	\$29,915,369	6.67	0	1,995,355
20	3710	Installations on Customers' Premises	\$241,509	\$0	6.67	16,109	-
21	3712	Company Owned Outdoor Lighting	\$0	\$0	6.67	-	-
22	3720	Leased Property on Customers' Premises	\$102,503	\$102,503	4.00	4,100	4,100
23	3730, 3731	Street Lighting - Overhead	\$20,946,536	\$11,733,435	3.93	823,199	461,124
24	3732	Street Lighting - Boulevard	\$28,103,634	\$27,802,825	2.44	685,729	678,389
25	3733	Light Security OL POL Flood	\$17,694,862	\$5,116,397	3.83	677,713	195,958
26	3734	Light Choice OLE - Public			4.20		
27		Total	\$1,878,034,210	\$2,323,052,685		\$49,047,161	\$62,049,866

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

Property Taxes		
Personal ⁽¹⁾	Real ⁽²⁾	Total

1	Distribution	\$91,016,907	\$369,063	\$91,385,971
---	--------------	--------------	-----------	--------------

Notes: ⁽¹⁾ See page 9.
⁽²⁾ See page 10.

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

Line	Description	Distribution
1	Jurisdictional Plant in Service	\$2,323,052,685
2	Jurisdictional Real Property	<u>61,131,439</u>
3	Net Cost of Taxable Personal Property	<u>\$2,261,921,246</u>
4	True Value Percentage (1)	48.33%
5	True Value of Taxable Personal Property	<u>\$1,093,186,538</u>
6	Assessment Percentage	85.0%
7	Assessment Value	<u>\$929,208,557</u>
8	Personal Property Tax Rate	9.7951%
9	Personal Property Tax	<u><u>\$91,016,907</u></u>

(1) Percentage based on 2016 Valuation of Dec 2015 property

Assessed Value	1,063,766,549
Distr Plant in Service per 2015 Form 1 (Excludes real Property)	2,201,207,656
	48.33%

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

Line	Description	Distribution
1	Real Property associated with electric distribution	\$61,131,439
2	Assessment Percentage (1)	<u>7.998%</u>
3	Assessment Value	\$4,889,292
4	Real Property Tax Rate	<u>7.5484%</u>
5	Real Property Tax	<u><u>\$369,063</u></u>

(1) DEO 2015 property taxes paid in 2016

2015 Real Property per Form 1	\$59,231,589
Assessed Value	<u>\$4,737,557</u>
Assessment Percentage	<u><u>7.998%</u></u>

DUKE ENERGY OHIO, INC.
Revenue Collected
Rider DCI
Calendar Year 2017

January, 2017	\$ 3,418,111.45
February , 2017	\$ 2,969,877.70
March, 2017	\$ 2,843,641.28
April, 2017	\$ 3,134,424.48
May, 2017	\$ 3,085,042.01
June, 2017	\$ 3,527,897.39
July, 2017	
August, 2017	
September, 2017	
October, 2017	
November, 2017	
December, 2017	
Unbilled Balance	<u>\$ 1,742,000.00</u>
Total	\$ 20,720,994.31

Note: Cap for calendar year 2017 is \$67 million
per order in Case No. 14-841-EL-SSO

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/28/2017 2:21:14 PM

in

Case No(s). 16-2064-EL-RDR

Summary: Report Duke Energy Ohio, Inc.'s Quarterly Report - July 2017 pursuant to the Opinion and Order in Case No. 14-841-EL-SSO. electronically filed by Mrs. Adele M. Frisch on behalf of Duke Energy Ohio, Inc. and Watts, Elizabeth H and Kingery, Jeanne W and Spiller, Amy B