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October 12, 2017

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Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. Application for an Increase in Electric Distribution Rates, Case No. 17-0032-EL-AIR, et al.*

Dear Docketing Division:

Enclosed please find Staff's supplement in regard to the Staff Report issued on September 26, 2017 regarding Duke Energy Ohio, Inc., for the approval of an Increase in Electric Distribution Rates, Case No. 17-0032-EL-AIR, et al.



Patrick Donlon
Director, Utilities Department
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.

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The purpose of this letter is to amend the Staff Report filed on September 26, 2017 to make corrections to the Rates and Tariff section of the Staff Report. These corrections pertain to the Cost of Service Analysis, specifically Table 4, Table 5, Table 6, and Table 7 on pages 29 through 32. These tables are for informational purposes only and have no impact on the rate design or the revenue requirement proposed by Staff within the Staff Report.

Table 4, see below, is modified to reflect Staff's adjusted revenue as reflected on Line 2 of Schedule C-2. Additionally, a footnote has been added to indicate that the change in Staff Proposed Total Distribution of (\$23,645,234) excludes "Other Operating Revenues." This modification does not impact the rate design or the revenue requirement due to this adjustment not affecting Staff's proposed revenues used to develop the recommended rate design or the proposed revenue requirement.

Tables 5 and 6, as presented in the Staff Report on pages 30 and 31, should be disregarded as these tables were intended to illustrate Duke Energy Ohio, Inc.'s total revenue, including total rider revenue; however, rider revenues, other than Rider DR-IM and the DCI Rider, have been excluded from base rate calculations.

Table 7, see below, has been modified to reflect Staff's proposed revenue decrease relative to Staff's adjusted current operating revenues.

Table 4

**Revenue Distribution and Increase
Staff Proposed**

	Adjusted Current		Staff Proposed		Increase	
	\$	% of Total	\$	% of Total	\$	%
RS	287,129,430	60.92	272,718,313	60.92	(14,411,117)	-3.0577
Secondary Large	122,622,638	26.02	116,470,605	26.02	(6,152,033)	-1.3053
Secondary Large (EH)	1,300,656	0.28	1,235,331	0.28	(65,325)	-0.0139
Secondary Small (DM)	26,774,201	5.68	25,430,954	5.68	(1,343,247)	-0.2850
Secondary Small (GSFL)	684,373	0.15	651,268	0.15	(33,105)	-0.0070
Primary	23,644,803	5.02	22,458,486	5.02	(1,186,317)	-0.2517
Transmission	68,169	0.01	67,800	0.02	(369)	0.0001
Lighting	<u>9,076,650</u>	<u>1.93</u>	<u>8,622,929</u>	<u>1.93</u>	<u>(453,721)</u>	<u>-0.0963</u>
Total Distribution*	471,300,920 ¹	100.00	447,655,686	100.00	(23,645,234)	-5.0170

***Totals do not include miscellaneous revenue**

¹ Staff's Schedule C-2

TABLE 7**Distribution of Proposed Revenue Increase/Decrease
Applicant Proposed and Staff Proposed**

	Applicant Proposed		Staff Proposed*	
	\$	% of Total	\$	% of Total
RS	14,591,011	94.71	(14,411,117)	60.95
Secondary Large	864,420	5.61	(6,152,033)	26.02
Secondary Large (EH)	76,628	0.50	(65,325)	0.28
Secondary Small (DM)	(284,449)	-1.85	(1,343,247)	5.68
Secondary Small (GSFL)	21,890	0.14	(33,105)	0.14
Primary	(84,454)	-0.55	(1,186,317)	5.02
Transmission	0	0.00	(369)	0.00
Lighting	<u>220,173</u>	<u>1.43</u>	<u>(453,721)</u>	<u>1.92</u>
Total Distribution	15,405,219	100.00	(23,645,234)	100.00

***Totals do not include miscellaneous revenue**