FILE

25

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of the Annual Audit Report of Rider SCR, Rider RE, Rider LFA, Rider ESSC, and Rider ECF	))))	Case No. 18-0046-EL-RDR

DUKE ENERGY OHIO, INC.'S MOTION FOR PROTECTIVE ORDER

Duke Energy Ohio, Inc., (Duke Energy Ohio) by its attorneys and pursuant to O.A.C 4901-1-24 (D), moves for a protective order keeping confidential the designated information filed in the above-captioned matter relating to Duke Energy Ohio's application (Application) for an annual audit of certain riders, including the Supplier Cost Reconciliation Rider (Rider SCR), Rider Load Factor Adjustment (Rider LFA), Rider Electric Security Stabilization Rider (Rider ESSC) and Rider Economic Competitiveness Fund (Rider ECF), filed contemporaneously herewith. The information designated as confidential in the Application is contained in Attachment A to the Application, and supports Duke Energy Ohio's Rider SCR, one of the subjects of this audit as ordered in Case 14-841-EL-SSO, *et al.* (Duke Energy Ohio's ESP 3 case)[1] and Case 15-6001-EL-RDR.[2]

---

[1] *In the Matter of Application of Duke Energy Ohio, Inc. for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service*, Case 14-841-EL-SSO, *et al,* (April 2, 2015) and Entry at pg. 3 (May 13, 2015).
[2] *In the Matter of the Informational Filings Authorized as Part of Duke Energy Ohio Inc.'s Standard Service Offer*, Case 15-6001-EL-RDR, Entry at pg. 2 (May 13, 2015).

Respectfully submitted,

Rocco O. D'Ascenzo (0077651)
Deputy General Counsel
Elizabeth H. Watts (0031092)
Associate General Counsel
Jeanne W. Kingery (0012172)
Associate General Counsel
DUKE ENERGY OHIO, INC.
139 East Fourth Street
1303-Main
P.O. Box 960
Cincinnati, Ohio 45202
Telephone: (513) 287-4320
Rocco.D'Ascenzo@duke-energy.com
Elizabeth.Watts@duke-energy.com
Jeanne.Kingery@duke-energy.com

MEMORANDUM IN SUPPORT

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) respectfully requests that the Public Utilities Commission of Ohio (Commission) grant its Motion for Protective Order.

Duke Energy Ohio is an Ohio corporation with its principal office in Cincinnati, Ohio. Duke Energy Ohio has the corporate power and authority, among others, to engage, and it is engaged, in the business of supplying electric distribution service to the public in the state of Ohio. Accordingly, Duke Energy Ohio is a public utility within the meaning of that term as used in R.C. 4905.02 and 4905.03. As such, Duke Energy Ohio is subject to the jurisdiction of the Commission in the manner and to the extent provided by the laws of the state of Ohio.

In its Opinion and Order (Order) dated April 2, 2015, in Case No 14-841-EL-SSO, *et al.*, the Commission approved and established Duke Energy Ohio's Standard Service Offer (SSO) for the period beginning June 1, 2015, through May 31, 2018.[3] The SSO is in the form of an electric security plan (ESP) in which the supply for competitive retail electric service for Duke Energy Ohio's SSO is procured through a competitive bidding process.[4] The Company's SSO, as approved by the Commission, is implemented through several formulaic pricing components that are established as separate riders.[5]

The Commission's Order provided for a level of review of the Company's various pricing terms during the term of the ESP, including annual audits and true-ups of Duke Energy

[3] *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, 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 (April 2, 2015); and Entry at pg. 2 (May 13, 2015). The Commission's May Entry directed the Company to file the various rider pricing components in a new rider docket using the case code RDR.
[4] Id.
[5] Id, Opinion and Order at pp. 50-75.

Ohio's riders.[6] The documentation supporting the calculation and adjustment of Rider SCR, contained in Attachment A to the Application, includes certain information that is confidential, proprietary, trade secret information. The information considered confidential relates to auction fees that are charged by a third-party vendor and that are subject to a confidentiality agreement.

Ohio Administrative Code Rule 4901-1-24(D) provides that the Commission or its attorney examiners may issue a protective order to assure the confidentiality of information contained in filed documents, to the extent that state or federal law prohibits the release of the information, and where non-disclosure of the information is not inconsistent with the purposes of Title 49 of the Revised Code.

The Commission generally refers to the requirements of R.C. 1333.61 for a determination of whether specific information should be released or treated confidentially. Subsection (D) of that section defines "trade secret" as follows:

> "Trade secret" means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that satisfies both of the following:
>
> (1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
>
> (2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.[7]

Thus, business information or plans and financial information are trade secrets if they derive independent economic value from not being generally known to or ascertainable by others

[6] Id, at pp. 50-75.
[7] R.C. 1333.61.

who can obtain their own value from use of the information and they are the subject of reasonable efforts to maintain their secrecy.

The redacted information contained in Attachment A constitutes trade secret information in accordance with such standards. The confidential material described above, relating to the pricing of certain auction services, if disclosed, would allow the competitors access to information that is competitively sensitive and such information would impact the market. The confidentiality of this information allows it to retain its independent economic value. If this information were to become publicly known, Duke Energy Ohio and its vendor would be placed at a competitive disadvantage, potentially resulting in higher auction fees to be passed on to Duke Energy Ohio and its customers. The information for which Duke Energy Ohio is seeking confidential treatment is not known outside of Duke Energy Ohio and its vendor, and it is not disseminated within Duke Energy Ohio except to those employees with a legitimate business need to know and act upon the information.

The public interest will be served by granting this motion. By protecting the confidentiality of the information in Attachment A, the Commission will prevent undue harm to Duke Energy Ohio and its ratepayers, as well as ensuring a sound competitive marketplace.

With this filing, Duke Energy Ohio has filed a redacted version of the confidential material contained in Attachment A, as well as the unredacted version of the confidential material under seal.

WHEREFORE, Duke Energy Ohio respectfully requests that the Commission, pursuant to O.A.C. 4901-1-24(D), grant its Motion for Protective Order.

Respectfully submitted,

Rocco O. D'Ascenzo (0077651)
Deputy General Counsel
Elizabeth H. Watts (0031092)
Associate General Counsel
Jeanne W. Kingery (0012172)
Associate General Counsel
DUKE ENERGY OHIO, INC.
139 East Fourth Street
1303-Main
P.O. Box 960
Cincinnati, Ohio 45202
Telephone: (513) 287-4320
Rocco.D'Ascenzo@duke-energy.com
Elizabeth.Watts@duke-energy.com
Jeanne.Kingery@duke-energy.com

CONFIDENTIAL PROPRIETARY TRADE SECRET

Duke Energy Ohio
Supplier Cost Reconciliation
Summary of SSO Supplier Costs/Revenue
Effective for the Period October 2016 through December 2016

Line	Description	Aug-16	Sep-16	Oct-16
1	Beginning Balance	[redacted]	[redacted]	[redacted]
2				
3	Revenue Associated with Riders RE and RC	32,715,794.79	27,521,744.66	18,750,216.97
4	*less: FES PIPP included in RC & RE*	-	-	-
5	**Net RC / RE Revenue including CAT Tax**	32,715,794.79	27,521,744.66	18,750,216.97
6	less: CAT tax	85,061.79	71,557.15	48,750.98
7	**Net RC / RE Revenue excluding CAT Tax**	**32,630,733.00**	**27,450,187.51**	**18,701,465.98**
8				
9	Cost of Supplying Generation Service	31,345,170.82	26,281,792.82	16,998,823.41
10	less: FES PIPP Payment	-	-	-
11	*Auction Expenses*	[redacted]	[redacted]	[redacted]
12	Curtailment Energy Credit	(3,494.67)	(803.32)	5.98
13	Audit Fees	-	-	-
14	**Net expense for current month**	[redacted]	[redacted]	[redacted]
15				
16	Net (revenue) / expense for current month	[redacted]	$ [redacted]	[redacted]
17				
18	*Revenue Associated with Rider SCR*	257,136.73	185,903.53	106,867.21
19	less: FES PIPP included in SCR	-	-	-
20	**Net SCR Revenue including CAT Tax**	257,136.73	185,903.53	106,867.21
21	less: CAT tax	668.56	483.35	277.86
22	**Net SCR Revenue excluding CAT Tax**	**256,468.17**	**185,420.17**	**106,589.35**
23				
24	**(Over) / Under Recovery for the month**	[redacted]	[redacted]	[redacted]
25				
26	Ending Balance before interest	[redacted]	[redacted]	[redacted]
27	Applicable Interest for the month @ 5.32% beg. May '13	4,213.61	(2,162.24)	(9,163.98)
28	**Ending Balance**	[redacted]	[redacted]	[redacted]
29	Projected Non-Switched Kwh Sales for Twelve Months ended December 2017			5,100,874,000
30	CAT Tax Rate			0.0026068
31	Rider SCR Charge (per Kwh)			$ **(0.000585)**
32				
33				
34	Non-Bypassable Threshold Calculation			
35	*(Over) / Under Recovery Balance*			$ (2,977,805.53)
36	Total SSO Revenue (Riders RE, RC, AER-R & RECON)			$ 310,454,699.21
37	Threshold Percentage			10%
38	Threshold Amount (Line 18 * Line 19)			$ 31,045,469.92
39	Variance			$ -
40	Rider SCR Bypassable Yes / No			YES

CONFIDENTIAL PROPRIETARY TRADE SECRET

Duke Energy Ohio
Supplier Cost Reconciliation
Summary of SSO Supplier Costs/Revenue
Effective for the Period Arpil 2017 through June 2017

Line	Description	Nov-16	Dec-16	Jan-17
1	Beginning Balance	$ [redacted]	[redacted]	[redacted])
2				
3	Revenue Associated with Riders RE and RC	20,458,105.46	26,826,453.63	25,560,783.70
4	less: FES PIPP included in RC & RE	-	-	-
5	**Net RC / RE Revenue including CAT Tax**	20,458,105.46	26,826,453.63	25,560,783.70
6	less: CAT tax	53,191.53	69,749.38	66,458.61
7	**Net RC / RE Revenue excluding CAT Tax**	**20,404,913.93**	**26,756,704.25**	**25,494,325.09**
8				
9	Cost of Supplying Generation Service	19,584,682.86	25,374,238.65	23,723,459.07
10	less: FES PIPP Payment	-	-	-
11	Auction Expenses	[redacted]	[redacted]	[redacted]
12	Curtailment Energy Credit	(0.04)	(0.99)	-
13	Audit Fees	-	-	-
14	**Net expense for current month**	$ [redacted]	[redacted] [redacted]	[redacted]
15				
16	Net (revenue) / expense for current month	$ [redacted]	[redacted]	[redacted])
17				
18	Revenue Associated with Rider SCR	117,771.35	(75,774.76)	(265,814.73)
19	less: FES PIPP included in SCR	-	-	-
20	**Net SCR Revenue including CAT Tax**	117,771.35	(75,774.76)	(265,814.73)
21	less: CAT tax	306.21	(197.02)	(691.12)
22	**Net SCR Revenue excluding CAT Tax**	**117,465.15**	**(75,577.74)**	**(265,123.61)**
23				
24	**(Over) / Under Recovery for the month**	$ [redacted]	[redacted]	[redacted]
25				
26	Ending Balance before interest	$ [redacted]	[redacted]	[redacted]
27	Applicable Interest for the month @ 5.32% beg. May '13	(15,112.73)	(19,451.26)	(25,140.52)
28	**Ending Balance**	$ [redacted]	[redacted]	[redacted]
29	Projected Non-Switched Kwh Sales for Twelve Months ended March 2018			5,145,085,000
30	CAT Tax Rate			0.0026068
31	Rider SCR Charge (per Kwh)			$ (0.001257)
32				
33				
34	Non-Bypassable Threshold Calculation			
35	(Over) / Under Recovery Balance			$ (6,448,652.38)
36	Total SSO Revenue (Riders RE, RC, AER-R & RECON)			$ 306,214,658.76
37	Threshold Percentage			10%
38	Threshold Amount (Line 18 * Line 19)			$ 30,621,465.88
39	Variance			$ -
40	Rider SCR Bypassable Yes / No			YES

CONFIDENTIAL PROPRIETARY TRADE SECRET

Duke Energy Ohio
Supplier Cost Reconciliation
Summary of SSO Supplier Costs/Revenue
Effective for the Period July 2017 through September 2017

Line	Description	Feb-17	Mar-17	Apr-17
1	Beginning Balance	$ [redacted]		[redacted])
2				
3	Revenue Associated with Riders RE and RC	21,418,164.96	21,467,931.13	19,008,409.68
4	less: FES PIPP included in RC & RE			
5	**Net RC / RE Revenue including CAT Tax**	21,418,164.96	21,467,931.13	19,008,409.68
6	less: CAT tax	55,687.71	55,817.10	49,422.29
7	**Net RC / RE Revenue excluding CAT Tax**	**21,362,477.25**	**21,412,114.03**	**18,958,987.39**
8				
9	Cost of Supplying Generation Service	19,775,715.64	21,837,159.65	18,864,423.05
10	less: FES PIPP Payment	-	-	-
11	Auction Expenses	[redacted]	[redacted]	[redacted]
12	Curtailment Energy Credit	-	-	-
13	Audit Fees	-	-	-
14	**Net expense for current month**	[redacted]		
15				
16	Net (revenue) / expense for current month	$ [redacted]	[redacted]	[redacted])
17				
18	Revenue Associated with Rider SCR	(218,754.82)	(332,977.90)	(399,487.72)
19	less: FES PIPP included in SCR			
20	**Net SCR Revenue including CAT Tax**	(218,754.82)	(332,977.90)	(399,487.72)
21	less: CAT tax	(568.77)	(865.75)	(1,038.68)
22	**Net SCR Revenue excluding CAT Tax**	**(218,186.05)**	**(332,112.15)**	**(398,449.05)**
23				
24	**(Over) / Under Recovery for the month**	$ [redacted]	[redacted]	[redacted]
25				
26	Ending Balance before interest	$ [redacted]		[redacted]
27	Applicable Interest for the month @ 5.32% beg. May '13	(31,565.90)	(32,894.02)	(30,427.07)
28	***Ending Balance***	$ [redacted]		[redacted]
29	Projected Non-Switched Kwh Sales for Twelve Months ended June 2018			6,722,658,000
30	CAT Tax Rate			0.0026068
31	Rider SCR Charge (per Kwh)			$ (0.001000)
32				
33				
34	Non-Bypassable Threshold Calculation			
35	(Over) / Under Recovery Balance			$ (6,707,792.30)
36	Total SSO Revenue (Riders RE, RC, AER-R & RECON)			$ 296,689,000.99
37	Threshold Percentage			10%
38	*Threshold Amount (Line 18 * Line 19)*			$ 29,668,900.10
39	Variance			$ -
40	Rider SCR Bypassable Yes / No			YES

CONFIDENTIAL PROPRIETARY TRADE SECRET

Duke Energy Ohio
Supplier Cost Reconciliation
Summary of SSO Supplier Costs/Revenue
Effective for the Period October 2017 through December 2017

Line	Description	May-17	Jun-17	Jul-17
1	Beginning Balance	$ [redacted]	[redacted]	[redacted])
2				
3	Revenue Associated with Riders RE and RC	19,631,896.18	22,549,866.96	25,306,685.25
4	less: FES PIPP included in RC & RE			
5	**Net RC / RE Revenue including CAT Tax**	19,631,896.18	22,549,866.96	25,306,685.25
6	less: CAT tax	51,043.37	58,630.16	65,797.95
7	**Net RC / RE Revenue excluding CAT Tax**	**19,580,852.81**	**22,491,236.81**	**25,240,887.30**
8				
9	Cost of Supplying Generation Service	18,806,413.14	19,875,763.16	25,349,981.77
10	less: FES PIPP Payment			
11	Auction Expenses	[redacted]	[redacted]	[redacted]
12	Curtailment Energy Credit	-	-	-
13	Audit Fees	-	-	-
14	**Net expense for current month**	$ [redacted]	[redacted]	[redacted]
15				
16	Net (revenue) / expense for current month	$ [redacted]	[redacted]	[redacted]
17				
18	Revenue Associated with Rider SCR	(407,832.72)	(407,494.04)	(412,644.96)
19	less: FES PIPP included in SCR			
20	**Net SCR Revenue including CAT Tax**	(407,832.72)	(407,494.04)	(412,644.96)
21	less: CAT tax	(1,060.37)	(1,059.49)	(1,072.89)
22	**Net SCR Revenue excluding CAT Tax**	**(406,772.35)**	**(406,434.55)**	**(411,572.08)**
23				
24	**(Over) / Under Recovery for the month**	$ [redacted]	$ [redacted]	$ [redacted]
25				
26	Ending Balance before interest	$ [redacted]	$ [redacted]	$ [redacted]
27	Applicable Interest for the month @ 5.32% beg. May '13	(30,086.17)	(35,296.25)	(38,996.03)
28	**Ending Balance**	$ [redacted]	$ [redacted]	$ [redacted]
29	Projected Non-Switched Kwh Sales for Twelve Months ended June 2018			6,732,311,000
30	CAT Tax Rate			0.0026068
31	Rider SCR Charge (per Kwh)			$ (0.001276)
32				
33				
34	Non-Bypassable Threshold Calculation			
35	(Over) / Under Recovery Balance			$ (8,567,778.78)
36	Total SSO Revenue (Riders RE, RC, AER-R & RECON)			$ 213,262,610.05
37	Threshold Percentage			10%
38	Threshold Amount (Line 18 * Line 19)			$ 21,326,261.01
39	Variance			$ -
40	Rider SCR Bypassable Yes / No			YES

GL History		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	2012	$507,841.24	($1,579,457.00)	($1,223,469.49)	($967,658.66)	($691,152.35)	$564,256.42	$1,823,947.85	$1,495,985.75	$848,619.82	($537,529.37)	($950,113.61)	($35,234.43)	
	2013	$52,539.82	($1,102,005.44)	($993,148.00)	($532,534.80)	($1,256,187.22)	$32,159.21	$1,391,756.60	$2,318,956.97	$1,619,897.12	$640,238.30	($756,461.45)	$827,380.41	
	2014	$1,052,555.16	($385,344.38)	($524,703.68)	$153,497.06	$175,364.43	$1,382,905.77	$1,392,168.56	$540,223.61	$1,955,070.31	($1,186,645.54)	($2,483,359.94)	($132,543.06)	
	2015	($100,727.27)	($1,899,974.82)	($343,824.45)	($1,296,796.96)	($692,034.88)	($110,909.55)	$452,488.01	$235,853.55	$454,001.39	($403,660.22)	($579,753.36)	$20,663.19	$902,744.71
	2016	($153,912.87)	($665,191.99)	($604,841.07)	($934,409.48)	($472,493.32)	$442,347.93	$663,181.90	$1,027,593.14	$876,597.33	$406,592.90	$147,611.82	$404,467.55	
	2017	$584,138.47	$7,921.78											
GL Total		$1,942,434.55	($5,624,051.85)	($3,689,986.69)	($3,577,902.84)	($2,936,503.34)	$2,310,759.78	$5,723,542.92	$5,618,613.02	$5,754,185.97	($1,081,003.93)	($4,622,076.54)	$1,084,733.66	
GL Avg		$323,739.09	($937,341.98)	($737,997.34)	($715,580.57)	($587,300.67)	$462,151.96	$1,144,708.58	$1,123,722.60	$1,150,837.19	($216,200.79)	($924,415.31)	$216,946.73	
CMS		($323,739.09)	$937,341.98	$737,997.34	$715,580.57	$587,300.67	($462,151.96)	($1,144,708.58)	($1,123,722.60)	($1,150,837.19)	$216,200.79	$924,415.31	($216,946.73)	

Duke Energy Ohio
DEO Forecast Data April 2017 through May 2017

Rate Effective April 2, 2017

	DS		DP		TS	
	kW	kWh	kW	kWh	kW	kWh
Apr-17	84,918	27,445,141	469,681	192,601,180	550,067	270,486,160
May-17	81,827	27,251,275	482,784	201,611,811	523,826	266,068,907

April 2017 through May 2017

DS	DP	TS	total
54,696,416	394,212,991	536,555,067	985,464,474

Duke Energy Ohio
LFA rider credit calculation adjustment

Rate Effective April 2, 2017

Forecasted kWh	Increase to make revenue neutral	Calculated Adjustment	Current Rate	Adjusted Rate	
985,464,474	$902,744.71	0.00091606	(0.007158)	(0.006242)	forecast calc

GL History		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	2012	$507,841.24	($1,579,457.00)	($1,223,469.49)	($967,658.66)	($691,152.35)	$564,256.42	$1,823,947.85	$1,495,985.75	$848,619.82	($537,529.37)	($950,113.61)	($35,234.43)	
	2013	$52,539.82	($1,102,005.44)	($993,148.00)	($532,534.80)	($1,256,187.22)	$32,159.21	$1,391,756.60	$2,318,956.97	$1,619,897.12	$640,238.30	($756,461.45)	$827,380.41	
	2014	$1,052,555.16	($385,344.38)	($524,703.68)	$153,497.06	$175,364.43	$1,382,905.77	$1,392,168.56	$540,223.61	$1,955,070.31	($1,186,645.54)	($2,483,359.94)	($132,543.06)	
	2015	($100,727.27)	($1,899,974.82)	($343,824.45)	($1,296,796.96)	($692,034.88)	($110,909.55)	$452,488.01	$235,853.55	$454,001.39	($403,660.22)	($579,753.36)	$20,663.19	($538,229.63)
	2016	($153,912.87)	($665,191.99)	($604,841.07)	($934,409.48)	($472,493.32)	$442,347.93	$663,181.90	$1,027,593.14	$876,597.33	$406,592.90	$147,611.82	$404,467.55	
	2017	$584,138.47	$7,921.78	($16,613.51)	($756,114.65)	($667,731.67)	($7,219.83)	$8,469.15	($1,763.83)					
GL Total		$1,942,434.55	($5,624,051.85)	($3,706,600.20)	($4,334,017.49)	($3,604,235.01)	$2,310,759.78	$5,723,542.92	$5,618,613.02	$5,754,185.97	($1,081,003.93)	($4,622,076.54)	$1,084,733.66	
GL Avg		$323,739.09	($937,341.98)	($617,766.70)	($722,336.25)	($600,705.84)	$462,151.96	$1,144,708.58	$1,123,722.60	$1,150,837.19	($216,200.79)	($924,415.31)	$216,946.73	
CMS		($323,739.09)	$937,341.98	$617,766.70	$722,336.25	$600,705.84	($462,151.96)	($1,144,708.58)	($1,123,722.60)	($1,150,837.19)	$216,200.79	$924,415.31	($216,946.73)	

Duke Energy Ohio
DEO Average Billing System Data October 2012-2016

Rate Effective September 29, 2017

	DS		DP		TS	
	kW	kWh	kW	kWh	kW	kWh
Oct-17	1,644,903	516,293,038	417,375	182,430,264	557,691	274,357,395

Oct-17

DS	*DP*	*TS*	*total*
516,293,038	182,430,264	274,357,395	973,080,697

Duke Energy Ohio
LFA rider credit calculation adjustment

Rate Effective September 29, 2017

Forecasted kWh	Increase to make revenue neutral	Calculated Adjustment	Current Rate	Adjusted Rate	
973,080,697	($538,229.63)	-0.00055312	0.000000	(0.000553)	forecast calc

DUKE ENERGY OHIO
CASE NO. 16-940-EL-UNC (PIPP RFP)
CASE NO. 15-6000-EL-UNC (SSO AUCTION)
CALCULATION OF PIPP RATES - JUNE 1, 2017 - MAY 31, 2018

		% Auctioned (a)	Price (b)	Total (c)		
						$53.26
1	Auction 1	32%	59.17	18.93		
2	Auction 2	17%	49.86	8.48		
3	Previously Auctioned Load					
4	Weighted-Avg Price for Previously Auctioned Load	**49%**		$55.94	Wtd Avg of All Auctions Before PIPP-Only Auction	
5	Last Three SSO Auctions Excluding PIPP	51%	$49.75	$25.37		
6	Weighted Average SSO Price (All Classes)			$52.78	Wtd Average of what ALL customers will pay at wholesale	
7	Resulting RS rate (after 5 CP allocations and rate design, converted to wholesale)			$55.42	Wtd Average of what RS customers will pay at wholesale - Page 2	
8	Scale up Prior Auction Average for RS	**49%**		$58.73	Convert 49% Price for ALL SSO to RS rates	
9	PIPP Only Auction	**51%**		$50.69	RFP Price At Wholesale Level	
10	Weighted-Average PIPP Price At Wholesale			**$54.63**	49% of SSO Price for RS from all prior auctions plus 51% of PIPP-only auction	
11	Ratio of Wtd-Avg PIPP Price to Average RS Price at Wholesale			98.6%	To be applied to all RC and RE Blocks	
13	Convert PIPP Price At Wholesale to Retail			$58.60	Row 11 adjusted upward for losses and CAT	
14	Average RS Retail Rate June 2017-May2018 Delivery			$59.45	From Page 2	
15	Ratio of Wtd-Avg PIPP Price to Average RS Price at Retail			98.6%	To be applied to all RC and RE Blocks	

DUKE ENERGY OHIO
CASE NO. 16-940-EL-UNC (PIPP RFP)
CASE NO. 15-6000-EL-UNC (SSO AUCTION)
CALCULATION OF PIPP RATES

		From Case No. 15-6000-EL-UNC				
		Allocated SSO Costs [a]		Rate Calculations [b]		
	Annual RS MWh	Rider RC	Rider RE	Rider RC	Rider RE	RC + RE
Summer, First 1000 kWh	1,848,698,251	$33,061,979	$81,996,676	$0.017884	$0.044354	$0.062238
Summer, Additional kWh	872,720,587	15,607,669	38,516,876	$0.017884	$0.044134	$0.062018
Winter, First 1000 kWh	3,536,762,727	63,251,196	156,868,644	$0.017884	$0.044354	$0.062238
Winter, Additional kWh	975,975,737	9,157,792	31,600,364	$0.009383	$0.032378	$0.041761
Total All RS Sales	7,234,157,303	$121,078,636	$308,982,560		Weighted-Average ------>	$0.059449
Remove CAT Taxes						$0.059294
Remove T&D Losses						$0.055424

Note: [a] Allocated Revenue Requirement grossed up for 'distribution losses factor is 3.552%; transmission loss factor is 3.314%; and Commercial Activities Tax 0.26068%.
[b] Ties to tariffs for Rider RC and RE.

PIPP Rider RC and RE Rates June 2016 - May 2017	Standard Rates		PIPP Rates - 98.6% of Standard Rates		
	Rider RC	Rider RE	Rider RC	Rider RE	RC + RE
Rate RS - PIPP					
Summer, First 1000 kWh	$0.017884	$0.044354	**$0.017628**	**$0.043718**	**$0.061346**
Summer, Additional kWh	$0.017884	$0.044134	**$0.017628**	**$0.043502**	**$0.061130**
Winter, First 1000 kWh	$0.017884	$0.044354	**$0.017628**	**$0.043718**	**$0.061346**
Winter, Additional kWh	$0.009383	$0.032378	**$0.009249**	**$0.031914**	**$0.041163**
Rate ORH, Optional Residential Service - PIPP					
Summer, First 1000 kWh	$0.012652	$0.032664	**$0.012470**	**$0.032196**	**$0.044666**
Summer, Additional kWh	$0.012652	$0.029708	**$0.012470**	**$0.029282**	**$0.041753**
Summer, kWh greater than 150 times demand	$0.012652	$0.029708	**$0.012470**	**$0.029282**	**$0.041753**
Winter, First 1000 kWh	$0.012652	$0.032663	**$0.012470**	**$0.032195**	**$0.044665**
Winter, Additional kWh	$0.005338	$0.023015	**$0.005261**	**$0.022685**	**$0.027946**
Winter, kWh greater than 150 times demand	$0.003989	$0.021833	**$0.003932**	**$0.021520**	**$0.025452**

Duke Energy Ohio
Methodology for Calculating Average Riders RC and RE

	Month	Auction 1			Auction 2	Auction 3	Auction 4	Auction 5	Avg Auction Price for Delivery Period		
		Jun 15-May 16	Jun 15-May 17	Jun 15-May 18	Jun 16-May 18	Jun 16-May 18	Jun 17-May 18	Jun 17-May 18	Total (1)	RC (2)	RE
		34%	34%	32%	17%	17%	17%	17%		From Page 2	
Auction 1	May 2015										
	Jun 2015	$58.79	$57.60	$59.17					$58.51	$11.40	$47.11
	Jul	58.79	57.60	59.17					58.51	$11.40	47.11
	Aug	58.79	57.60	59.17					58.51	$11.40	47.11
	Sep	58.79	57.60	59.17					58.51	$11.40	47.11
	Oct	58.79	57.60	59.17			June 2015 - May 2016		58.51	$11.40	47.11
Auction 2	Nov	58.79	57.60	59.17					58.51	$11.40	47.11
	Dec	58.79	57.60	59.17					58.51	$11.40	47.11
	Jan 2016	58.79	57.60	59.17					58.51	$11.40	47.11
	Feb	58.79	57.60	59.17					58.51	$11.40	47.11
Auction 3	Mar	58.79	57.60	59.17					58.51	$11.40	47.11
	Apr	58.79	57.60	59.17					58.51	$11.40	47.11
	May	58.79	57.60	59.17					58.51	$11.40	47.11
	Jun		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Jul		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Aug		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Sep		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Oct		57.60	59.17	49.86	48.34	June 2016 - May 2017		55.21	8.32	46.89
Auction 4	Nov		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Dec		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Jan 2017		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Feb		57.60	59.17	49.86	48.34			55.21	8.32	46.89
Auction 5	Mar		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Apr		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	May		57.60	59.17	49.86	48.34			55.21	8.32	46.89
	Jun			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Jul			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Aug			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Sep			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Oct			59.17	49.86	48.34	June 2017 - May 2018		52.78	12.97	39.82
	Nov			59.17	49.86	48.34			52.78	12.97	39.82
	Dec			59.17	49.86	48.34			52.78	12.97	39.82
	Jan 2018			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Feb			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Mar			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	Apr			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82
	May			59.17	49.86	48.34	50.20	50.71	52.78	12.97	39.82

NOTE: (1) Ultimate prices for each delivery period will be the weighted-average of all tranches auctioned for the applicable delivery period.
(2) Average capacity prices, BEFORE LOSSES, as calculated on page 2.

Duke Energy Ohio
Convert Capacity and Energy Prices for Proposed Delivery Periods

	Methodology for Calculating Average Price for Rider RC					
	Underlying Capacity Price		Days in	Capacity Cost	Projected	Average
Period	Demand (MW) (1)	FZCP Per MW-Day (2)	Period	Total Retail (3)	MWh in Period (4)	Capacity Price (5)
Jun '15 - May '16	5,049	$135.81	366	$250,967,917	22,014,808	$11.40
Jun '16 - May '17	4,968.6	101.55	365	184,164,885	22,128,924	8.32
Jun '17 - May '18	4,974.3	153.61	365	278,897,311	21,506,810	12.97

Note: (1) Reliability Obligation as reported to PJM.
(2) PJM's Final Zonal Capacity Price at load zone.
(3) Estimated MWh sales, grossed up for T & D losses. Assumes no switching.

TO PAGE 1

INCREASED RETAIL MWH BY T&D LOSSES
FROM PAGE 6

Duke Energy Ohio
Allocations of Capacity Costs for Rate Design - June 2017 - May 2018

No	Description	Allocation of Rider RC Revenue Requirement			
		Percent of Total	**Allocated $**	**Allocated $ Plus CAT [2]**	**PJM 5CP Demand [1]**
		From Page 3a			From Page 3a
	Rate Schedule:				
1	Residential (RS, TD, ORH)	43.87%	$122,355,886	$122,674,844	1,555,788
3	Secondary Distribution - Small (DM)	3.48%	$9,693,936	$9,719,206	123,261
5	Secondary Distribution (DS)	33.60%	$93,711,427	$93,955,714	1,191,566
6	Primary Distribution (DP)	9.45%	$26,343,053	$26,411,724	334,959
7	Transmission Voltage (TS)	9.56%	$26,671,870	$26,741,398	339,140
8	Lighting	0.04%	$121,140	$121,455	1,540
9	Total	100.00%	**$278,897,311**	**$279,624,341**	3,546,254

From Page 2

(1) Class demand at the retail level at the time of the five PJM peaks.

(2) CAT factor is 1.0026068.

DUKE ENERGY OHIO
Coincident Demand (CD) at PJM peak hours, per rate class for Ohio
Reported at "Customer Meter Level" (--without transmission & distribution losses--)
Reported at KW level

OHIO	RS Residential CD in KW @ PJM peak hr	DS Distribution Secondary CD in KW @ PJM peak hr	DP Distribution Primary CD in KW @ PJM peak hr	TS Transmission Service CD in KW @ PJM peak hr	DM Small Commercial CD in KW @ PJM peak hr	EH* Electric Heat (DS) CD in KW @ PJM peak hr	TL (Traffic Lighting) Calculated below CD in KW @ PJM peak hr
Year 2016							
PJM Peak Date/Time (Hour Ending)							
7-25-16 @ 4pm	1,641,487	1,237,931	345,525	317,441	144,138	n/a	n/a
7-27-16 @ 5pm	1,577,648	1,158,792	328,267	375,489	125,129	n/a	n/a
8-10-16 @ 5pm	1,392,170	1,142,916	332,371	354,343	110,386	n/a	n/a
8-11-16 @ 4pm	1,556,206	1,229,653	337,545	334,226	120,134	n/a	n/a
8-12-16 @ 4pm	1,611,427	1,188,536	331,085	314,200	116,520	n/a	n/a
Average	1,555,788	1,191,566	334,959	339,140	123,261		1,540
Percent	43.87%	33.60%	9.45%	9.56%	3.48%	0.00%	0.04%

TO PAGE 3

Notes:
Midwest rates are not segregated by Commercial & Industrial customers.
*EH: October thru May only. During summer months, accounts are represented in DS class.
Traffic lights operate 24 hours per day.

CALCULATION OF TRAFFIC LIGHTING COINCIDENT DEMAND

COMPANY	1
SERV	E

Sum of USAGE	RATECODE	
MONTH	TL	Grand Total
Jun-16	1,060,879	1,060,879
Jul-16	1,171,171	1,171,171
Aug-16	1,095,045	1,095,045
Grand Total	3,327,095	3,327,095

Average kWh	1,109,032
Average kW	1,540

DUKE ENERGY OHIO
JUNE 2017 - MAY 2018 CAPACITY PRICES FROM AUCTION [1]

	June 2017 - May 2018 Forecast			June 2017 - May 2018				
	kWh; kW; kVA	RC Revenue June 2016 - May 2017 Rates	Allocation Factor	Allocated Cap Cost	Allocated Revenue	Rates ($/kWh; kW; kVA)	Forecast June17 - May18	Case No. 12-1682
Rates RS, RS3P, and RSLI, Residential Service				$122,674,844				
Summer, First 1000 kWh	1,848,698,251	$20,563,751	26.951%		$33,061,979	$0.017884	7,234,157,303	1,794,322,031
Summer, Additional kWh	872,720,587	9,707,592	12.723%		15,607,669	$0.017884		847,051,040
Winter, First 1000 kWh	3,536,762,727	$39,340,713	51.560%		63,251,196	$0.017884		3,432,735,048
Winter, Additional kWh	875,975,737	5,695,925	7.465%		9,157,792	$0.009383		947,269,121
Rate ORH, Optional Residential Service								
Summer, First 1000 kWh	935,501	$7,362	0.010%		$11,836	$0.012652	8,462,124	704,644
Summer, Additional kWh	827,372	6,511	0.009%		10,468	$0.012652		623,198
Summer, kWh greater than 150 times demand	595,175	4,683	0.006%		7,530	$0.012652		448,301
Winter, First 1000 kWh	2,277,283	17,919	0.023%		28,811	$0.012652		1,715,309
Winter, Additional kWh	2,420,910	8,037	0.011%		12,922	$0.005338		1,823,493
Winter, kWh greater than 150 times demand	1,405,883	3,488	0.005%		5,608	$0.003989		1,058,948
Rate TD, Optional Time-of-Day Rate								
Summer, On-Peak kWh	27,404	$1,112	0.001%		$1,638	$0.059764	289,215	39,961
Summer, Off-Peak kWh	71,111	158	0.000%		255	$0.003583		103,696
Winter, On-Peak kWh	43,336	1,342	0.002%		2,308	$0.053258		63,194
Winter, Off-Peak kWh	147,364	329	0.000%		528	$0.003586		214,890
Rate TD-13, Optional Time-of-Day Rate								
Summer, On-Peak kWh					-		-	
Winter, On-Peak kWh					-			
Off-Peak kWh					-			
Rate CUR, (Rev. Class 01, 02, 04, 16 & 18 only)								
Summer, First 1000 kWh	18,962,468	$207,410	0.272%		$333,470	$0.017586	88,567,218	18,866,414
Summer, Additional kWh	7,436,492	81,340	0.107%		130,777	$0.017586		7,398,823
Winter, First 1000 kWh	45,804,269	501,004	0.657%		805,504	$0.017586		45,572,249
Winter, Additional kWh	16,363,889	152,107	0.199%		244,554	$0.014945		16,281,098
Rate DS, Secondary Distribution Voltage				$93,955,714				
First 150 kWh per kW	2,876,411,711	$54,643,709	87.860%		$82,549,369	$0.028699	6,503,556,315	2,880,963,150
Next 150 kWh per kW	2,238,056,404	5,098,623	8.198%		7,702,408	$0.003442		2,226,036,314
Next 150 kWh per kW	1,114,652,799	1,271,359	2.044%		1,920,622	$0.001723		1,108,666,254
Additional kWh	274,434,401	104,062	0.167%		157,205	$0.000573		272,960,477
Rate GS-FL, Optional Unmetered								
kWh Greater Than or Equal to 540 Hours	30,116,196	$277,813	0.447%		419,688	$0.013936	30,177,727	29,601,884
kWh Less Than 540 Hours	61,531	659	0.001%		995	$0.016168		60,480
Rate SFL-ADPL, Optional Unmetered								
All kWh	61,783	$4,860	0.008%		7,342	$0.013936		517,846
Rate EH, Optional Electric Space Heating								
All kWh	64,320,127	$793,076	1.275%		1,198,086	$0.018627		69,443,303
Rate DM, Secondary Dist. Service, Small				$9,719,206				
Summer, First 2800 kWh	167,041,292	$1,711,618	27.228%		$2,646,334	$0.017592	559,403,970	157,465,541
Summer, Next 3200 kWh	32,510,443	333,124	5.299%		$515,043	$0.017592		30,646,761
Summer, Additional kWh	6,379,049	38,490	0.612%		$59,509	$0.009329		6,013,366
Winter, First 2800 kWh	310,790,845	3,800,798	60.462%		$5,876,418	$0.017592		292,974,557
Winter, Next 3200 kWh	34,348,710	351,960	5.599%		$544,166	$0.017592		32,379,648
Winter, Additional kWh	8,333,631	50,278	0.800%		$77,736	$0.009328		7,855,900
Rate DP, Service at Primary Dist.Voltage				$26,411,724				
First 150 kWh per kW	757,234,660	$15,590,409	87.828%		$23,196,981	$0.030634	2,181,852,366	767,986,260
Next 150 kWh per kW	698,955,288	1,404,287	7.911%		2,089,439	$0.002989		708,879,408
Next 150 kWh per kW	537,766,260	660,446	3.721%		982,678	$0.001827		545,401,737
Additional kWh	187,896,158	95,857	0.540%		142,626	$0.000759		190,564,003
Rate TS, Service at Transmission Voltage				$26,741,398				
First 150 kWh per kVA	949,754,475	$18,491,749	84.181%		$22,511,044	$0.023702	3,438,820,839	955,649,112
Next 150 kWh per kVA	905,586,932	2,007,090	9.137%		2,443,343	$0.002698		911,207,444
Next 150 kWh per kVA	871,171,671	1,126,174	5.127%		1,370,955	$0.001574		876,578,565
Additional kWh	712,307,761	341,771	1.556%		416,056	$0.000584		716,728,689
Rate TL, Traffic Lighting Service				$121,455				
All kWh	12,925,394	$9,630	11.436%		$13,889	$0.001075		16,168,696
Rate SL, Street Lighting Service	36,390,010	$42,978	51.039%		$61,989	$0.001703		39,007,820
Rate OL, Outdoor Lighting Service	19,066,675	$22,606	26.846%		32,606	$0.001703		20,517,593
Rate NSU, Street Lighting	906,818	$1,135	1.348%		1,637	$0.001703		1,029,982
Rate NSP, Private Outdoor Lighting	1,317,737	$1,476	1.753%		2,129	$0.001703		1,339,766
Rate SE, Street Lighting Service	4,747,234	$5,495	6.526%		7,926	$0.001703		4,987,426
All kWh								
Rate SC, Street Lighting								
Energy Only - All kWh	16,997,326	$157	0.186%		$226	$0.000028	17,134,236	20,986,249
Units - All kWh	136,908	186	0.221%		269	$0.001703		169,037
Rate UOLS, Unmetered Outdoor Lighting								
All kWh	16,685,363	$544	0.646%		$785	$0.000028		16,686,247
Totals	20,220,841,454	$184,583,202		$279,624,341 CHECK	$279,624,342			20,007,764,999

Note [1] Final figures include applicable CAT.

DUKE ENERGY OHIO
JUN 2017 - MAY 2018 RETAIL ENERGY RATES CONVERTED FROM AUCTION PRICE

	June 2017 - May 2018 Forecast			June 1, 2017 - May 31, 2018		
	kWh; kW; kVA	RE Revenue June 2016 - May 2017 Rates	Allocation Factor	Revenue Requirement Plus Losses & CAT	Allocated Revenue	Rates ($/kWh; kW; kVA)
Rates RS, RS3P, and RSLI, Residential Service				$313,104,316		
Summer, First 1000 kWh	1,848,698,251	$101,734,005	26.188%		$81,996,676	$0.044354
Summer, Additional kWh	872,720,587	$48,160,442	12.397%		38,516,876	0.044134
Winter, First 1000 kWh	3,536,762,727	$194,628,321	50.101%		156,868,644	0.044354
Winter, Additional kWh	975,975,737	$38,834,640	9.997%		31,600,364	0.032378
Rate ORH, Optional Residential Service						
Summer, First 1000 kWh	935,501	$37,912	0.010%		$30,557	$0.032664
Summer, Additional kWh	827,372	$30,496	0.008%		24,579	0.029708
Summer, kWh greater than 150 times demand	595,175	$21,937	0.006%		17,681	0.029708
Winter, First 1000 kWh	2,277,283	$92,287	0.024%		74,382	0.032663
Winter, Additional kWh	2,420,910	$69,128	0.018%		55,716	0.023015
Winter, kWh greater than 150 times demand	1,405,883	$38,083	0.010%		30,695	0.021833
Rate TD, Optional Time-of-Day Rate						
Summer, On-Peak kWh	27,404	$5,134	0.001%		$5,138	$0.187479
Summer, Off-Peak kWh	71,111	$3,638	0.001%		3,632	0.051073
Winter, On-Peak kWh	43,336	$6,348	0.002%		6,117	0.141141
Winter, Off-Peak kWh	147,364	$7,088	0.002%		6,713	0.045556
Rate TD-13, Optional Time-of-Day Rate						
Summer, On-Peak kWh	-		0.000%			#DIV/0!
Winter, On-Peak kWh	-		0.000%			#DIV/0!
Off-Peak kWh	-		0.000%			#DIV/0!
Rate CUR, (Rev. Class 01, 02, 04, 16 & 18 only)						
Summer, First 1000 kWh	18,982,468	$1,101,652	0.284%		$887,921	$0.046825
Summer, Additional kWh	7,436,492	$397,563	0.102%		320,448	0.043091
Winter, First 1000 kWh	45,804,269	$2,661,065	0.685%		2,144,794	0.046825
Winter, Additional kWh	16,363,989	$641,549	0.165%		517,083	0.031599
Rate DM, Secondary Dist. Service, Small				$23,890,387		
Summer, First 2800 kWh	167,041,292	$9,566,757	33.164%		$7,607,761	$0.046742
Summer, Next 3200 kWh	32,510,443	$814,595	2.826%		675,037	0.020764
Summer, Additional kWh	6,379,049	$116,654	0.405%		96,668	0.015154
Winter, First 2800 kWh	310,790,845	$17,318,639	60.073%		14,471,575	0.046564
Winter, Next 3200 kWh	34,348,710	$860,633	2.985%		713,188	0.020763
Winter, Additional kWh	8,333,631	$152,240	0.528%		126,158	0.015138
Rate TS, Service at Transmission Voltage						$0.041242
All Other Rate Classes						
All kWh						$0.042707
Totals				$336,994,704	$336,998,404	
Retail Energy Price DELIVERED AT TRANSMISSION LEVEL BEFORE LOSSES AND CAT						$0.039815

(1) Distribution loss factor is 1.03552. Transmission loss factor is 1.03314. CAT factor is 1.0026088.

Duke Energy Ohio
Summary Revenue and Cost Calculation - Model Verification

Blended Clearing Price Jun 2017 Through May 2018			$52.783100
MWh At Bus Jun 2017 Through May 2018	21,506,809,950		21,506,810
Payments To Auction Providers			$1,135,196,100

Rider RC Revenue			$279,624,341
Rider RE Revenue	Retail kWh	RE Rate	
Residential (RS, TD, ORH, CUR, TD-13)	7,331,475,860	$0.042707	$313,104,316
Electric Space Heating (EH)	64,320,127	$0.042707	$2,746,911
Secondary Distribution - Small (DM)	559,403,970	$0.042707	$23,890,387
Unmetered Small Fixed Load (GSFL, ADPL)	30,239,510	$0.042707	$1,291,435
Secondary Distribution (DS)	6,503,555,315	$0.042707	$277,746,429
Primary Distribution (DP)	2,181,852,366	$0.042707	$93,180,065
Transmission Voltage (TS)	3,438,820,839	$0.041242	$141,823,665
Lighting	111,173,467	$0.042707	$4,747,870
Total	20,220,841,454		$858,531,078
Total RC plus RE			$1,138,155,418
Total RC plus RE excluding CAT	1.0026068		$1,135,196,189
Difference (RC/RE Revenue excluding CAT minus Payments To Auction Providers)			$89
% Difference			0.0%