#### BEFORE

#### THE PUBLIC UTILITIES COMMISSION OF OHIO

)

)

In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider DR-IM for 2017 SmartGrid Costs.

Case No. 18-838-EL-RDR

#### DIRECT TESTIMONY OF

#### **DOUGLAS J. HEITKAMP**

#### **ON BEHALF OF**

#### **DUKE ENERGY OHIO, INC.**

June 29, 2018

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Attachment:

DJH-1	Rider DR-IM Revenue Requirement Calculation	

DJH-2 2017 Distribution System Efficiency Metrics (IVVC)

#### I. <u>INTRODUCTION</u>

1	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
2	A.	My name is Douglas J. Heitkamp. My business address is 139 East Fourth Street,
3		Cincinnati, Ohio 45202.
4	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
5	A.	I am employed by Duke Energy Business Services LLC, an affiliate of Duke
6		Energy Ohio, Inc., (Duke Energy Ohio or Company) as Senior Analyst, Rates and
7		Regulatory Strategy.
8	Q.	PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL
9		QUALIFICATIONS.
10	A.	I earned a Bachelor of Science in Business Administration degree with a
11		concentration in accounting from Saint Louis University and subsequently a
12		Master of Science in Accountancy from the University of Notre Dame. I am a
13		Certified Public Accountant licensed in Missouri. I began my career with Deloitte
14		& Touche LLP as an audit associate in 2008. In 2009, I joined Ameren
15		Corporation, an electric and gas investor-owned utility in St. Louis, Missouri, in
16		the Internal Audit department. In 2013, I left Ameren for Macy's, Inc., a national
17		department store, where I worked in Internal Audit initially and then in Selling
18		Support, as Manager, Investment Strategies. I started working at Duke Energy in
19		May 2017 in my current position as a Senior Analyst, Rates and Regulatory
20		Strategy.
21	Q.	HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC

### 22 UTILITIES COMMISSION OF OHIO (COMMISSION)?

1 A. No.

#### 2 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS 3 PROCEEDING?

A. My testimony addresses the electric Rider DR-IM (Distribution Reliability –
Infrastructure Modernization). I provide an overview of the revenue requirement
calculation for the rider and then describe each schedule supporting the revenue
requirement calculation. I will be sponsoring Attachments DJH-1, DJH-2 and
DJH-3, to support the proposed charges for Rider DR-IM.

#### II. <u>REVENUE REQUIREMENT CALCULATIONS</u>

# 9 Q. PLEASE DESCRIBE THE COMPONENTS OF THE REVENUE 10 REQUIREMENTS INCLUDED IN RIDER DR-IM.

- 11 A. The revenue requirement includes the following components:
  - a return on the rate base;

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- depreciation and property taxes; and
  - incremental expenses.

#### 15 Q. HOW IS RATE BASE CALCULATED?

A. Rate base is calculated in a manner consistent with the traditional rate base calculation for general retail rate cases. One component is net plant, or gross plant minus accumulated depreciation. Another common component is accumulated deferred income taxes (ADITs) associated with accelerated tax depreciation. The stipulations approved by the Commission in its Opinion and Order in Case No. 08-920-EL-SSO, *et al.*, and its Opinion and Order in Case No. 09-543-GE-RDR, allow an additional component of rate base in the form of post-in-service carrying

#### **DOUGLAS J. HEITKAMP DIRECT**

costs (PISCC). Because there are deferred income taxes associated with this item,
an additional adjustment is made to offset rate base for accumulated deferred
income taxes on this item. As a result of the Tax Cuts & Jobs Act (TCJA),
another component of rate base included in this year's filing is excess
accumulated deferred income taxes (EDITs).

# 6 Q. ARE THERE COSTS THAT ARE SHARED BETWEEN THE ELECTRIC 7 AND GAS DISTRIBUTION BUSINESSES?

A. Yes. The fact that Duke Energy Ohio is a combination electric and gas utility allows the Company to maximize the potential benefits of the SmartGrid project for both electric and gas customers. For much of the SmartGrid equipment, it is a simple exercise to assign costs directly to electric or to gas. The cost of some equipment and some expenses, however, is incurred for both electric and gas services.

The costs for "common" equipment are allocated between gas and electric service based on appropriate allocation factors. The development of these allocation factors is based on the Company's determination of the extent to which each type of plant (*e.g.*, communication boxes, information technology costs (IT), etc.) contributes to the gas or electric SmartGrid function.

# 19 Q. DESCRIBE THE COMPUTATION FOR DEPRECIATION AND 20 PROPERTY TAX EXPENSES INCLUDED IN THE RIDER DR-IM 21 REVENUE REQUIREMENT.

A. Depreciation expense is annualized by using currently approved accrual rates and
 the depreciable gross plant for each plant type as of December 31, 2017.

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1 Similarly, property tax expense is annualized by applying the latest average 2 property tax rates to the calculated property tax valuation as of December 31, 3 2017.

4 Q. WHAT INCREMENTAL EXPENSES ARE INCLUDED IN THE
5 REVENUE REQUIREMENT CALCULATIONS?

- A. The only incremental expenses included in the Rider DR-IM revenue requirement
  calculations are specifically identifiable costs associated with the implementation
  of the SmartGrid project. Such costs include Information Technology costs,
  system support, data transfer fees, and any other costs that can be directly
  attributed to the SmartGrid program.
- 11 Q. DO THE REVENUE REQUIREMENT CALCULATIONS REFLECT THE
- SAVINGS THAT DISTRIBUTION AUTOMATION AND SMARTGRID
   PROJECTS WILL GENERATE?
- A. Yes. In the Order in Case No. 10-2326-GE-RDR, the Commission approved a
   stipulation that included an agreement by Duke Energy Ohio to establish an
   amount of savings to be included in Rider DR-IM.

III. <u>CHANGES FROM PRIOR FILING</u>

- 17 Q. HAVE YOU MADE ANY CHANGES IN THE REVENUE
   18 REQUIREMENT CALCULATIONS SINCE THE COMPANY'S LAST
   19 SMARTGRID COST RECOVERY FILING?
- A. Yes. As a result of the TCJA, the Company was required to establish EDIT balances associated with the decrease in the federal tax rate from 35% to 21% as of December 31, 2017. As such, a provision for EDITs has been included as an

offset to rate base as of December 31, 2017. This does not change the overall rate
 base calculation as it is simply a transfer from the ADIT balances, but is
 necessary to preserve the rate base calculation.

#### IV. <u>SCHEDULES</u>

# 4 Q. PLEASE PROVIDE A GENERAL OVERVIEW OF THE SCHEDULES 5 FOR RIDER DR-IM.

A. The schedules provide extensive detail of the revenue requirement calculations for
Rider DR-IM, starting with support for the rate base component and the pre-tax rate
of return, followed by details for the expenses to be included. Finally, the schedules
show the calculation of the proposed monthly rates for Rider DR-IM applicable to
the rate classes.

#### 11 Q. PLEASE EXPLAIN SCHEDULE 1.

A. Schedule 1 summarizes the annualized revenue requirement for Duke Energy Ohio's Rider DR-IM rates. The underlying rate base reflects the net balance of the Company's investment in SmartGrid including distribution automation equipment as of December 31, 2017. The information on this schedule is supported in Schedules 2 through 11.

#### Q. PLEASE EXPLAIN SCHEDULE 2.

A. Schedule 2 provides the adjusted balance of plant additions at December 31, 2017,
The balance as of December 31, 2016, agrees with the amounts approved in the prior
Rider DR-IM filing in Case No. 17-1403-EL-RDR. There were no new additions in
calendar year 2017.

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#### 1 Q. PLEASE EXPLAIN SCHEDULE 3.

A. Schedule 3 provides the adjusted balance of accumulated provision for
depreciation at December 31, 2016, and actual provision for depreciation by
month from January 1, 2017, through December 31, 2017, to arrive at the balance as
of December 31, 2017.

#### 6 Q. PLEASE EXPLAIN SCHEDULE 4.

A. Schedule 4 provides the adjusted balance of the PISCC regulatory asset at
December 31, 2016, and the PISCC activity by month from January 1, 2017,
through December 31, 2017, to arrive at the balance as of December 31, 2017. This
schedule also provides the balance of PISCC amortization at December 31, 2016,
and actual PISCC amortization by month from January 1, 2017, through December
31, 2017, to calculate the estimated balance at December 31, 2017. The net
electric PISCC Regulatory Asset for the periods is also provided.

#### 14 Q. PLEASE EXPLAIN SCHEDULE 5.

- A. Schedule 5 provides the net deferred tax balance and excess deferred tax balance
  of electric PISCC and electric O&M at December 31, 2016, and December 31,
  2017.
- 18 Q. PLEASE EXPLAIN SCHEDULE 6.

A. Schedule 6 provides the calculation of the deferred taxes on liberalized
depreciation for plant placed in service during vintage years 2008 through 2015.
These deferred taxes are calculated on the electric-related SmartGrid plant in
service since the program's inception. Schedule 6 also includes the calculation
for excess deferred taxes.

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#### 1 Q. PLEASE EXPLAIN SCHEDULE 7.

2 A. Schedule 7 provides the calculation of the pre-tax weighted average cost of capital for the return component of the Rider DR-IM revenue requirement calculation. 3 The capital structure and the capital cost rates are based on the most recently 4 approved electric distribution rate case, Case No. 12-1682-EL-AIR. Upon the 5 6 TCJA becoming law the Rate of Return was adjusted to reflect a reduction of the Corporate tax Rate from 35% to 21%. This adjustment was reflected in the 7 amended Rider DR-IM filing in Case No. 17-1403-EL-RDR and subsequently 8 9 approved by the Commission on March 21, 2018.

10 Q. PLEASE EXPLAIN SCHEDULE 8.

11 A. Schedule 8 provides the calculation of the annualized depreciation expense 12 associated with additions, based on actual SmartGrid plant additions from the 13 beginning of the program through December 31, 2017, using currently approved 14 depreciation accrual rates. Fully depreciated plant has been removed from the 15 calculation.

#### 16 Q. PLEASE EXPLAIN SCHEDULE 9.

A. Schedule 9 provides a calculation of the annualized amortization of the electric
PISCC accrued from the beginning of the program through December 31, 2017.
The electric-related PISCC Regulatory Assets by account are in agreement with
those provided on Schedule 4 and the amortization calculations use the currently
approved average service lives.

#### 1 Q. PLEASE EXPLAIN SCHEDULE 10.

A. Schedule 10 is a schedule providing the calculation of the regulatory asset
associated with the deferral of O&M and depreciation costs pursuant to the
stipulation approved in the ESP Case.

5 Q. PLEASE EXPLAIN SCHEDULE 11.

A. Schedule 11 provides the calculation of the annualized property tax expense based
on actual additions to electric-related SmartGrid plant in service from the
beginning of the program through December 31, 2017. This calculation follows
the process used in Duke Energy Ohio's Annual Report to the Ohio Department
of Taxation to determine the Net Property Valuation and uses the latest known
average electric property tax rate per \$1,000 of valuation.

#### 12 Q. PLEASE EXPLAIN SCHEDULE 12.

Schedule 12 provides a calculation of the new Rider DR-IM monthly charge by 13 A. 14 rate class. Pursuant to the Stipulation approved in Case No. 08-920-EL-SSO, et al., 85% of the revenue requirement is allocable to residential customers and the 15 remaining 15% is allocable to non-residential customers. The allocated revenue 16 17 requirement is then divided by the number of bills (*i.e.*, customers x 12) for the residential and non-residential rate classes. The result is a per bill charge of \$3.99 18 19 for all residential customers and a per bill charge of \$5.98 for all non-residential 20 customers. The Company excluded all lighting customers from Rider DR-IM.

#### 21 Q. PLEASE DESCRIBE THE ATTACHMENTS TO YOUR TESTIMONY.

A. Attachment DJH-1 is the revenue requirement consisting of the various schedules
 described above. I am also providing Attachment DJH-2 pursuant to the

Company's agreement to do so. Attachment DJH-2 is the 2017 Distribution
 System Efficiency Metrics for (IVVC), which is a report of Duke Energy Ohio's
 megawatthour (MWH) reduction under Integrated Volt/Var Control (IVVC)
 based on the number of circuits under IVVC control for 2017.

# Q. ARE THERE ANY PROVISIONS OF THE STIPULATION REACHED IN CASE NO. 13-1141-GE-RDR THAT ARE RELEVANT TO THE RIDER DR-IM RATE CALCULATION?

A. Yes. The parties in this proceeding agreed to impose caps on the Rider DR-IM
charge for residential customers for filings made in calendar year 2015. The cap
represents the maximum monthly per meter rate that can be charged to residential
customers for a given year. The agreed-to cap for residential Rider DR-IM
charges is \$7.00 for the filing made for calendar year 2017. Per Schedule 12 of
this filing the Company's calculated rate for residential customers is under the
\$7.00 cap for this year.

# Q. HOW IS THIS FILING IMPACTED BY PENDING CASE NO.17-032-EL AIR?

A. If the Company receives an order in Case No. 17-032-EL-AIR, which includes recovery for these same smart grid costs, the Company will withdraw its application in this case as of the effective date of the new rates implemented in the 17-032-EL-AIR case. If new base rates are not approved before April 1, 2019, the Rider DR-IM rates proposed here would take effect on that day. The Company will continue to make Rider DR-IM filings, updating the rates, until the Commission approves new base rates that include the SmartGrid investment.

#### **DOUGLAS J. HEITKAMP DIRECT**

- Q. DO YOU HAVE AN OPINION REGARDING WHETHER DUKE
   ENERGY OHIO'S REQUEST FOR NEW RIDER DR-IM RATES IS
   REASONABLE?
- 4 A. Yes.
- 5 Q. PLEASE STATE YOUR OPINION.

A. Duke Energy Ohio's rate request is fair and reasonable. I believe that the costs of
service are properly allocated to customer classes and the rate design was properly
performed in accordance with the terms and conditions of the Stipulation
approved in Case No. 08-920-EL-SSO, *et al.* The proposed Rider DR-IM rates are
within the rate caps established in the Stipulation in Case No. 13-1141-GE-RDR.

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#### V. <u>CONCLUSION</u>

# 12 Q. WERE ATTACHMENTS DJH-1 AND DJH-2 PREPARED BY YOU OR 13 UNDER YOUR SUPERVISION?

- A. DJH-1 was prepared under my direct supervision. DJH-2 was provided to me by
  Donald Schneider.
- 16 Q. IS THE INFORMATION CONTAINED IN ATTACHMENTS DJH-1 AND
- 17 DJH-2 TRUE AND ACCURATE TO THE BEST OF YOUR KNOWLEDGE
- 18 **AND BELIEF?**
- 19 A. Yes.
- 20 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
- 21 A. Yes.

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#### Duke Energy Ohio Calculation of Rider DR-IM Case No. 18-838-EL-RDR Attachment DJH-1 Index of Schedules

Schedule No.	Description
1	Revenue Requirement Summary
2	Plant Additions by Month
3	Depreciation Expense Accrued
4	Post In Service Carrying Costs on Plant Additions Accrued as Regulatory Asset
5	Deferred Income Taxes on Post In Service Carrying Costs and Deferred O&M
6	Deferred Taxes on Liberalized Depreciation Associated with Plant Additions
7	Summary of Weighted-Average Cost of Capital from Most Recent Retail Rate Case
8	Annualized Depreciation Expense on Plant in Service at Year End
9	Annualized Amortization of Post In Service Carrying Charges
10	Regulatory Asset for Deferred O&M and Associated Carrying Costs
11	Annualized Property Taxes on Plant in Service at Year End
12	Calculation of Rider DR-IM Charges

#### **Revenue Requirement**

		Delenee		Adjusted	A - 411 - 114 - 1	Cumulative thru	
Line <u>No.</u>		Balance 12/31/16	Adjustment	Balance 12/31/16	Activity 2017	Cumulative thru 12/31/17	Reference
	Return on Investment	12/01/10		12/01/10	2011	12/01/11	
	Plant In-Service						
1	Additions	\$293,628,888	\$0	\$293,628,888	\$0	\$293,628,888	Schedule 2
2	Total Plant In-Service	293,628,888	0	293,628,888	0	293,628,888	
	Less: Accumulation Provision for Depreciation						
3	Depreciation Expense	82,517,504	0	82,517,504	17,297,706	99,815,210	Schedule 3
4	Total Accumulated Provision for Depreciation	82,517,504	0	82,517,504	17,297,706	99,815,210	
5	Net Regulatory AssetPost In-Service Carrying Cost	32,504,248	0	32,504,248	(1,506,050)	30,998,198	Schedule 4
	Net Deferred Tax BalancePISCC, Deferred Depreciation &						
6	CC and Deferred O&M & CC (ADIT & EDIT)	(15,379,364)	0	(15,379,364)	732,425	(14,646,939)	Schedule 5
7	Deferred Taxes on Liberalized Depreciation (ADIT & EDIT)	(61,042,638)	0	(61,042,638)	2,877,474	(58,165,164)	Schedule 6
8	Net Rate Base	167,193,630	0	167,193,630	(15,193,857)	151,999,773	
9	Approved Pre-tax Rate of Return (at 21% Federal Income Tax Rate)			-	9.23%	9.23%	Schedule 7
10	Annualuzed Return on Rate Base				(1,402,393)	14,029,579	
	Operating Expenses						
11	Annualized Provision for Depreciation For Additions				17,297,712	17,297,712	Schedule 8
12	Annualized Amortization of PISCC				2,304,782	2,304,782	Schedule 9
13	Deferred O&M Expense and Carrying Costs				4,304,322	4,304,322	Schedule 10
14	Annualized Property Tax Expense				10,663,854	10,663,854	Schedule 11
15	Reduction in Operation & Maintenance Expense			-	(12,933,000)	(12,933,000)	Per Stipulation in Case No. 10- 2326-GE-RDR
16	Annualized Revenue Requirement - Subtotal				20,235,277	35,667,249	
17	Commerical Activity Tax Gross Up 0.26068%				52,749	92,977	
18	Annualized Revenue Requirement				\$20,288,026	\$35,760,226	
10				=	ψ20,200,020	ψ00,700,220	

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### Schedule 1 Electric Summary

#### Calculation of Rider DR-IM

Plant Additions by Month

			<b>-</b> • •		Adjusted													
_ine		Plant	Balance at 12/31/2016	Adjuctment	Balance at 12/31/2016	1/31/2017	2/29/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	
<u>No.</u>		Account	12/31/2010	Adjustment	12/31/2010	1/31/2017	2/29/2017	3/31/2017	4/30/2017	5/31/2017	0/30/2017	//31/2017	0/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	-
	Cumulative Investment																	
1	Station Equipment	36200	\$31,626,169	\$0	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	\$31,626,169	
2	Major Equipment	36202	3,606,452	0	3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	\$3,606,452	
3	Poles, Towers and Fixtures	36400	3,581,655	0	3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	\$3,581,655	
4	Distribution OH Conduct & Devises	36500	28,765,883	0	28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	\$28,765,883	
5	Leased Meters	37002	65,447,240	0	65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	\$65,447,240	
6	Electronic Data Processing Equip	39101	1,899,274	0	1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	\$1,899,274	
7	Communication Equipment Electric	39700	102,036,328	0	102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	\$102,036,328	
8	Intangible Electric	30300	11,941,524	0	11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	\$11,941,524	
9	Leased AMI Meters	17001	11,136,417	0	11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	\$11,136,417	
10	Communication Equipment Common	19700	33,526,501	0	33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	\$33,526,501	
11	Electronic Data Processing Common	19101	61,445	0	61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	\$61,445	
12	Total		\$293,628,888	\$0	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	\$293,628,888	-
																		=
	Incremental Investment																	
13	Station Equipment	36200				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Major Equipment	36202				0	0	0	0	0	0	0	0	0	0	0	0	
15	Distribution Station Equipment	36305				0	0	0	0	0	0	0	0	0	0	0	0	
16	Poles, Towers and Fixtures	36400				0	0	0	0	0	0	0	0	0	0	0	0	
17	Distribution OH Conduct & Devises	36500				0	0	0	0	0	0	0	0	0	0	0	0	
18	Leased Meters	37002				0	0	0	0	0	0	0	0	0	0	0	0	
19	Electronic Data Processing Equip	39101				0	0	0	0	0	0	0	0	0	0	0	0	
20	Communication Equipment Electric	39700				0	0	0	0	0	0	0	0	0	0	0	0	
21	Intangible Electric	30300				0	0	0	0	0	0	0	0	0	0	0	0	
22	Leased AMI Meters	17001				0	0	0	0	0	0	0	0	0	0	0	0	
23	Communication Equipment Common	19700				0	0	0	0	0	0	0	0	0	0	0	0	
24	Electronic Data Processing Common	19101				0	0	0	0	0	0	0	0	0	0	0	0	
25	Total				-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Depreciation on current Year Additions																	
	Station Equipment	36200				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Major Equipment	36202				0	0	0	0	0	0	0	0	0	0	0	0	
	Poles, Towers and Fixtures	36400				0	0	0	0	0	0	0	0	0	0	0	0	
	Distribution OH Conduct & Devises	36500				0	0	0	0	0	0	0	0	0	0	0	0	
	Leased Meters	37002				0	0	0	0	0	0	0	0	0	0	0	0	
	Electronic Data Processing Equip	39101				0	0	0	0	0	0	0	0	0	0	0	0	
	Communication Equipment Electric	39700				0	0	0	0	0	0	0	0	0	0	0	0	
	Intangible Electric	30300				0	0	0	0	0	0	0	0	0	0	0	0	
	Leased AMI Meters	17001				0	0	0	0	0	0	0	0	0	0	0	0	
	Communication Equipment Common	19700				0	0	0	0	0	0	0	0	0	0	0	0	
	Electronic Data Processing Common	19101				0	0	0	0	0	0	0	0	0	0	0	0	
	LICERTITIE Data 1 1000001111 0011111011	13101			-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<u> </u>	\$0	\$0	\$0	<u> </u>	

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> Schedule 2 Electric

#### Accumulated Provision for Depreciation

Line <u>No.</u>		Plant Account	Balance at 12/31/2016	Adjustment	Adjusted Balance at 12/31/2016	1/31/2017	2/29/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	
	Cumulative																	
1	Station Equipment	36200	\$3,484,565		\$3,484,565	\$3,535,167	\$3,585,769	\$3,636,371	\$3,686,973	\$3,737,575	\$3,788,177	\$3,838,779	\$3,889,381	\$3,939,982	\$3,990,584	\$4,041,186	\$4,091,787	
2	Major Equipment	36202	397,401		397,401	\$403,171	408,941	414,712	420,482	426,252	432,023	437,793	443,563	449,334	455,104	460,874	466,645	
3	Poles, Towers and Fixtures	36400	335,118		335,118	\$342,281	349,444	356,608	363,771	370,934	378,096	385,259	392,422	399,586	406,749	413,912	421,076	
4	Distribution OH Conduct & Devises	36500	3,673,899		3,673,899	\$3,741,019	3,808,139	3,875,260	3,942,380	4,009,500	4,076,621	4,143,741	4,210,861	4,277,982	4,345,102	4,412,222	4,479,344	
5	Leased Meters	37002	21,605,406		21,605,406	\$21,969,184	22,332,962	22,696,739	23,060,517	23,424,295	23,788,072	24,151,850	24,515,628	24,879,405	25,243,183	25,606,961	25,970,738	
6	Electronic Data Processing Equip	39101	1,534,501		1,534,501	\$1,545,420	1,556,339	1,567,258	1,578,177	1,589,096	1,600,015	1,610,934	1,621,853	1,632,772	1,643,691	1,654,610	1,665,529	
7	Communication Equipment Electric	39700	31,766,593		31,766,593	\$32,333,745	32,900,897	33,468,049	34,035,201	34,602,353	35,169,505	35,736,657	36,303,809	36,870,961	37,438,113	38,005,265	38,572,417	
8	Intangible Electric	30300	7,065,144		7,065,144	\$7,185,864	7,306,584	7,427,304	7,548,024	7,668,744	7,789,464	7,910,184	8,030,904	8,151,624	8,272,344	8,393,064	8,513,785	
9	Leased AMI Meters	17001	2,558,060		2,558,060	\$2,619,960	2,681,860	2,743,760	2,805,660	2,867,560	2,929,460	2,991,360	3,053,260	3,115,160	3,177,060	3,238,960	3,300,860	
10	Communication Equipment Common	19700	10,030,845		10,030,845	\$10,217,196	10,403,547	10,589,898	10,776,249	10,962,600	11,148,951	11,335,302	11,521,653	11,708,004	11,894,355	12,080,706	12,267,057	
11	Electronic Data Processing Common	19101	65,972		65,972	\$65,972	65,972	65,972	65,972	65,972	65,972	65,972	65,972	65,972	65,972	65,972	65,972	
12	Total		\$82,517,504	\$0	\$82,517,504	\$83,958,979	\$85,400,454	\$86,841,931	\$88,283,406	\$89,724,881	\$91,166,356	\$92,607,831	\$94,049,306	\$95,490,782	\$96,932,257	\$98,373,732	\$99,815,210	
																		Total
	Incremental																	Activity
13	Station Equipment	36200				50,602	50,602	50,602	50,602	50,602	50,602	50,602	50,602	50,601	50,602	50,602	50,601	\$607,22
14	Major Equipment	36202				5,770	5,770	5,771	5,770	5,770	5,771	5,770	5,770	5,771	5,770	5,770	5,771	\$69,24
15	Poles, Towers and Fixtures	36400				7,163	7,163	7,164	7,163	7,163	7,162	7,163	7,163	7,164	7,163	7,163	7,164	\$85,95
16	Distribution OH Conduct & Devises	36500				67,120	67,120	67,121	67,120	67,120	67,121	67,120	67,120	67,121	67,120	67,120	67,122	\$805,44
17	Leased Meters	37002				363,778	363,778	363,777	363,778	363,778	363,777	363,778	363,778	363,777	363,778	363,778	363,777	\$4,365,33
18	Electronic Data Processing Equip	39101				10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	10,919	\$131,02
19	Communication Equipment Electric	39700				567,152	567,152	567,152	567,152	567,152	567,152	567,152	567,152	567,152	567,152	567,152	567,152	\$6,805,82
20	Intangible Electric	30300				120,720	120,720	120,720	120,720	120,720	120,720	120,720	120,720	120,720	120,720	120,720	120,721	\$1,448,64
21	Leased AMI Meters	17001				61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	61,900	\$742,80
22	Communication Equipment Common	19700				186,351	186,351	186,351	186,351	186,351	186,351	186,351	186,351	186,351	186,351	186,351	186,351	\$2,236,21
23	Electronic Data Processing Common	19101 (1	1)			-	-	-	-	-	-	-	-	-	-	-	-	\$
24	Total					\$1,441,475	\$1,441,475	\$1,441,477	\$1,441,475	\$1,441,475	\$1,441,475	\$1,441,475	\$1,441,475	\$1,441,476	\$1,441,475	\$1,441,475	\$1,441,478	\$17,297,70
	Incremental		Depreciation Perc JAN - DEC	ent														

	Incremental		
25	Station Equipment	36200	1.92%
26	Major Equipment	36202	1.92%
27	Poles, Towers and Fixtures	36400	2.40%
28	Distribution OH Conduct & Devises	36500	2.80%
29	Leased Meters	37002	6.67%
30	Electronic Data Processing Equip	39101	20.00%
31	Communication Equipment Electric	39700	6.67%
32	Intangible Electric	30300	20.00%
33	Leased AMI Meters	17001	6.67%
34	Communication Equipment Common	19700	6.67%
35	Electronic Data Processing Common	19101	20.00%

Notes (1) Fully depreciated

#### PUCO Case No. 18-838-EL-RDR DJH-1 Attachment Page 4 of 21

#### Schedule 3 Electric

#### Net Regulatory Asset -- Post In-Service Carrying Cost

Line			Balance at		Adjusted Balance at													Balance at
<u>No.</u>	<u>Account</u>	Description	12/31/2016	Adjustment	12/31/2016	1/31/2017	2/29/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	12/31/2017
	Regulatory	AssetDeferrals																
1	18236x	Station Equipment	\$4,195,266		\$4,195,266	\$21,437	\$21,530	\$21,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,259,856
2	18236x	Major Equipment	\$471,383		\$471,383	\$1,981	\$1,990	\$1,999	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$477,353
3	18236x	Distribution Station Equipment	\$31,043		\$31,043	(\$3,937)	(\$3,955)	(\$3,972)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,179
4	18236x	Poles, Towers and Fixtures	\$406,826		\$406,826	\$1,831	\$1,838	\$1,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$412,341
5	18236x	Distribution OH Conduct & Devises	\$3,552,113		\$3,552,113	\$16,700	\$16,772	\$16,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,602,430
6	18236x	Leased Meters	\$9,021,378		\$9,021,378	\$40,349	\$40,523	\$40,699	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,142,949
7	18236x	Electronic Data Processing Equip	\$232,054		\$232,054	\$1,140	\$1,145	\$1,149	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$235,488
8	18236x	Communication Equipment Electric	\$12,432,618		\$12,432,618	\$53,818	\$54,051	\$54,285	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,594,772
9	18236x	Intangible Electric	\$1,484,643		\$1,484,643	\$6,560	\$6,588	\$6,617	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,504,408
10	18236x	Leased AMI Meters	\$1,165,612		\$1,165,612	\$5,028	\$5,049	\$5,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,180,760
11	18236x	Communication Equipment Common	4,063,136		\$4,063,136	\$17,570	\$17,646	\$17,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	4,116,074
12	18236x	Electronic Data Processing Common	9,015		\$9,015	\$39	\$39	\$39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	9,132
13		Total	\$37,065,087	\$0	\$37,065,087	\$162,516	\$163,216	\$163,923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,554,742
	5																	
	• •	AssetAmortization	<b>*</b>		<b>*</b>	<b>^</b>	<b>A</b>	<b>^</b>	<b>A</b>	<b>*</b>	<b>A</b>	<b>A</b>	<b>*</b>	<b>•</b>	<b>A</b>	<b>A</b>	<b>^</b>	<b>Aa</b> / <b>a a a a</b>
14	18236x	Station Equipment	\$157,003		\$157,003	\$5,088	\$5,088	\$5,088	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$219,229
15	18236x	Major Equipment	\$20,659		\$20,659	\$586	\$586	\$586	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$27,754
16	18236x	Distribution Station Equipment	\$48,679		\$48,679	\$581	\$581	\$581	\$311	\$311	\$311	\$311	\$311	\$311	\$311	\$311	\$311	\$53,221
17	18236x	Poles, Towers and Fixtures	\$10,253		\$10,253	\$518	\$518	\$518	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$593	\$17,144
18	18236x	Distribution OH Conduct & Devises	\$128,544		\$128,544	\$4,575	\$4,575	\$4,575	\$4,884	\$4,884	\$4,884	\$4,884	\$4,884	\$4,884	\$4,884	\$4,884	\$4,884	\$186,225
19	18236x	Leased Meters	\$1,298,944		\$1,298,944	\$40,598	\$40,598	\$40,598	\$46,011	\$46,011	\$46,011	\$46,011	\$46,011	\$46,011	\$46,011	\$46,011	\$46,011	\$1,834,837
20	18236x	Electronic Data Processing Equip	\$90,762		\$90,762	\$2,954	\$2,954	\$2,954	\$3,443	\$3,443	\$3,443	\$3,443	\$3,443	\$3,443	\$3,443	\$3,443	\$3,443	\$130,611
21	18236x	Communication Equipment Electric	\$1,683,765		\$1,683,765	\$56,355	\$56,355	\$56,355	\$62,650	\$62,650	\$62,650	\$62,650	\$62,650	\$62,650	\$62,650	\$62,650	\$62,650	\$2,416,680
22	18236x	Intangible Electric	\$539,109		\$539,109	\$16,110	\$16,110	\$16,110	\$21,456	\$21,456	\$21,456	\$21,456	\$21,456	\$21,456	\$21,456	\$21,456	\$21,456	\$780,543
23	18236x	Leased AMI Meters	\$66,466		\$66,466	\$4,824	\$4,824	\$4,824	\$5,876	\$5,876	\$5,876	\$5,876	\$5,876	\$5,876	\$5,876	\$5,876	\$5,876	\$133,822
24	18236x	Communication Equipment Common	\$513,009		\$513,009	\$18,134	\$18,134	\$18,134	\$20,429	\$20,429	\$20,429	\$20,429	\$20,429	\$20,429	\$20,429	\$20,429	\$20,429	\$751,272
25	18236x	Electronic Data Processing Common	\$3,646		\$3,646	\$106	\$106	\$106	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$138	\$5,206
26		Total	\$4,560,839	\$0	\$4,560,839	\$150,429	\$150,429	\$150,429	\$171,602	\$171,602	\$171,602	\$171,602	\$171,602	\$171,602	\$171,602	\$171,602	\$171,602	\$6,556,544

#### PUCO Case No. 18-838-EL-RDR DJH-1 Attachment Page 5 of 21

#### Schedule 4 Electric

	Regulatory	/ AssetNet																
27	18236x	Station Equipment	\$4,038,263		\$4,038,263	\$16,349	\$16,442	\$16,535	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	(\$5,218)	\$4,040,627
28	18236x	Major Equipment	\$450,724		\$450,724	\$1,395	\$1,404	\$1,413	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	\$449,599
29	18236x	Distribution Station Equipment	(\$17,636)		(\$17,636)	(\$4,518)	(\$4,536)	(\$4,553)	(\$311)	(\$311)	(\$311)	(\$311)	(\$311)	(\$311)	(\$311)	(\$311)	(\$311)	(\$34,042)
30	18236x	Poles, Towers and Fixtures	\$396,573		\$396,573	\$1,313	\$1,320	\$1,328	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	(\$593)	\$395,197
31	18236x	Distribution OH Conduct & Devises	\$3,423,569		\$3,423,569	\$12,125	\$12,197	\$12,270	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	(\$4,884)	\$3,416,205
32	18236x	Leased Meters	\$7,722,434		\$7,722,434	(\$249)	(\$75)	\$101	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	(\$46,011)	\$7,308,112
33	18236x	Electronic Data Processing Equip	\$141,292		\$141,292	(\$1,814)	(\$1,809)	(\$1,805)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	(\$3,443)	\$104,877
34	18236x	Communication Equipment Electric	\$10,748,853		\$10,748,853	(\$2,537)	(\$2,304)	(\$2,070)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	(\$62,650)	\$10,178,092
35	18236x	Intangible Electric	\$945,534		\$945,534	(\$9,550)	(\$9,522)	(\$9,493)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	(\$21,456)	\$723,865
36	18236x	Leased AMI Meters	\$1,099,146		\$1,099,146	\$204	\$225	\$247	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	(\$5,876)	\$1,046,938
37	18236x	Communication Equipment Common	\$3,550,127		\$3,550,127	(\$564)	(\$488)	(\$412)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	(\$20,429)	\$3,364,802
38	18236x	Electronic Data Processing Common	\$5,369		\$5,369	(\$67)	(\$67)	(\$67)	(\$138)	(\$138)	(\$138)	(\$138)	(\$138)	(\$138)	(\$138)	(\$138)	(\$138)	\$3,926
39		Total	\$32,504,248	\$0	\$32,504,248	\$12,087	\$12,787	\$13,494	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	(\$171,602)	\$30,998,198
			Jan - Dec															
		PISCC Rate used in 2017	5.32%															
	Dollars Apr	proved in Previous Filings (cumulative)	2008	2009	2010	2011	2012	2013	2014	2015								
40		proved in Previous Filings (cumulative) Station Equipment	2008	<u>2009</u> \$2.399.623	<u>2010</u> \$8.753.332	<u>2011</u> \$16.715.952	<u>2012</u> \$21.107.609	<u>2013</u> \$30.923.113	<u>2014</u> \$30.869.275	<u>2015</u> \$31.626.169								
40 41	18236x	Station Equipment	<u>2008</u>	\$2,399,623	\$8,753,332	\$16,715,952	\$21,107,609	\$30,923,113	\$30,869,275	\$31,626,169								
	18236x 18236x	Station Equipment Major Equipment	2008	\$2,399,623 \$956,938	\$8,753,332 \$1,771,237	\$16,715,952 \$2,082,440	\$21,107,609 \$2,873,492	\$30,923,113 \$3,624,290	\$30,869,275 \$3,620,114	\$31,626,169 \$3,606,452								
41	18236x 18236x 18236x	Station Equipment	<u>2008</u>	\$2,399,623	\$8,753,332 \$1,771,237 \$1,327,263	\$16,715,952 \$2,082,440 \$2,388,256	\$21,107,609 \$2,873,492 \$4,551,045	\$30,923,113 \$3,624,290 \$942,658	\$30,869,275 \$3,620,114 \$940,646	\$31,626,169 \$3,606,452 \$0								
41 42	18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment	<u>2008</u>	\$2,399,623 \$956,938	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604	\$31,626,169 \$3,606,452 \$0 \$3,581,655								
41 42 43	18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises		\$2,399,623 \$956,938 \$640,421 \$1,669,379	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884								
41 42 43 44	18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters	<u>2008</u> \$6,575,444	\$2,399,623 \$956,938 \$640,421	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240								
41 42 43 44 45	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip	\$6,575,444	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274								
41 42 43 44 45 46	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip Communication Equipment Electric		\$2,399,623 \$956,938 \$640,421 \$1,669,379	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020 \$16,645,029	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769 \$35,053,373	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328								
41 42 43 44 45 46 47	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip	\$6,575,444	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280 \$6,594,841	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023 \$5,887,901	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328 \$11,910,778	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328 \$11,941,524								
41 42 43 44 45 46 47 48	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip Communication Equipment Electric Intangible Electric Leased AMI Meters	\$6,575,444 \$12,016,987	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836 \$11,946,495	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020 \$16,645,029 \$4,496,850	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769 \$35,053,373 \$5,824,324	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280 \$6,594,841 \$1,230,621	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023 \$5,887,901 \$10,026,620	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328 \$11,910,778 \$11,140,571	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328 \$11,941,524 \$11,136,417								
41 42 43 44 45 46 47 48 49	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip Communication Equipment Electric Intangible Electric	\$6,575,444	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020 \$16,645,029	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769 \$35,053,373	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280 \$6,594,841	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023 \$5,887,901	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328 \$11,910,778	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328 \$11,941,524								
41 42 43 44 45 46 47 48 49 50	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip Communication Equipment Electric Intangible Electric Leased AMI Meters Communication Equipment Common	\$6,575,444 \$12,016,987 \$1,036,040	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836 \$11,946,495 \$2,202,634	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020 \$16,645,029 \$4,496,850 \$4,582,456	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769 \$35,053,373 \$5,824,324 \$12,785,265	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280 \$6,594,841 \$1,230,621 \$20,192,709	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023 \$5,887,901 \$10,026,620 \$28,918,100	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328 \$11,910,778 \$11,140,571 \$33,530,757	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328 \$11,941,524 \$11,136,417 \$33,526,501								
41 42 43 44 45 46 47 48 49 50	18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x 18236x	Station Equipment Major Equipment Distribution Station Equipment Poles, Towers and Fixtures Distribution OH Conduct & Devises Leased Meters Electronic Data Processing Equip Communication Equipment Electric Intangible Electric Leased AMI Meters Communication Equipment Common	\$6,575,444 \$12,016,987 \$1,036,040	\$2,399,623 \$956,938 \$640,421 \$1,669,379 \$8,859,836 \$11,946,495 \$2,202,634	\$8,753,332 \$1,771,237 \$1,327,263 \$71,298 \$6,632,181 \$20,638,950 \$670,020 \$16,645,029 \$4,496,850 \$4,582,456 \$19,522	\$16,715,952 \$2,082,440 \$2,388,256 \$921,383 \$10,982,561 \$37,323,032 \$1,035,769 \$35,053,373 \$5,824,324 \$12,785,265 \$61,445	\$21,107,609 \$2,873,492 \$4,551,045 \$929,538 \$19,030,143 \$54,516,600 \$1,189,379 \$65,478,280 \$6,594,841 \$1,230,621 \$20,192,709	\$30,923,113 \$3,624,290 \$942,658 \$3,357,656 \$27,618,658 \$65,535,997 \$1,459,802 \$89,980,023 \$5,887,901 \$10,026,620 \$28,918,100 \$61,445	\$30,869,275 \$3,620,114 \$940,646 \$3,565,604 \$28,460,140 \$65,147,603 \$1,868,070 \$102,036,328 \$11,910,778 \$11,140,571 \$33,530,757 \$61,445	\$31,626,169 \$3,606,452 \$0 \$3,581,655 \$28,765,884 \$65,447,240 \$1,899,274 \$102,036,328 \$11,941,524 \$11,136,417 \$33,526,501								

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#### Schedule 4 Electric

Schedule 5 Electric

#### Duke Energy Ohio Calculation of Rider DR-IM

#### Net Deferred Tax Balance -- PISCC, Deferred Deprec and Deferred O&M

Line <u>No.</u>		Balance at 12/31/2016		12/31/2017
1	<b>Net Deferred Tax Balance - PISCC</b> Ending Balance Per Sch 4	\$32,504,248		\$30,998,198
2	Tax Rate (35% in 2016, 21% in 2017)	35.00%		21.00%
3	Cumulative ADIT	(\$11,376,487)		(\$6,509,622)
4	Cumulative EDIT			(\$4,339,748)
	Net Deferred Tax Balance - Deferred	Depreciation and C	arrying Costs	
5	Ending Balance Per Sch 10	\$1,070,019		\$669,900
6	Tax Rate (35% in 2016, 21% in 2017)	35.00%		21.00%
7	Cumulative ADIT	(\$374,507)		(\$140,679)
8	Cumulative EDIT			(\$93,786)
	Net Deferred Tax Balance - Deferred	O&M and Carrying	Costs	
9	Ending Balance Per Sch 10	\$10,366,771		\$10,180,297
10	Tax Rate (35% in 2016, 21% in 2017)	35.00%		21.00%
11	Cumulative ADIT	(\$3,628,370)		(\$2,137,862)
12	Cumulative EDIT			(\$1,425,242)
	Total	(\$15,379,364)	Total	(\$14,646,939)

#### Deferred Taxes on Liberalized Depreciation

Line

No						(),			
<u>No.</u>		Total Tax <u>Year 2008</u>	Total Tax <u>Year 2009</u>	Total Tax <u>Year 2010</u>	Total Tax <u>Year 2011</u>	Total Tax <u>Year 2012</u>	Total Tax <u>Year 2013</u>	Total Tax <u>Year 2014</u>	Total Tax <u>Year 2015</u>
1	Total Plant In-Service	\$19,647,993	\$28,694,847	\$65,608,139	\$125,173,802	\$197,755,704	\$268,336,265	\$293,151,333	\$293,628,891
2	Book to Tax Basis Adjustments:	0	0	0	0	0	0	0	0
3	Tax Base In-Service subject to: Bonus Depreciation - 50%	19,647,993	28,694,847	54.087.031	56,746,496	129,328,398	200,362,261	225,177,329	225,654,887
3	•	19,047,993	28,094,847	, ,	, ,		, ,	, ,	, ,
4	Bonus Depreciation - 100%	0	0	11,521,108	68,427,305	68,427,305	67,974,005	67,974,005	67,974,005
5	MACRS	0	0	0	0	0	0	0	0
6	Total Tax Depreciation Base	19,647,993	28,694,847	65,608,139	125,173,801	197,755,703	268,336,266	293,151,334	293,628,892
7	Tax Depreciation - MACRS	1,179,950	2,432,339	4,158,340	4,798,205	7,546,322	13,837,590	17,024,811	14,881,568
8	Tax Depreciation - Bonus - 50%	9,823,997	4,523,427	13,022,840	1,329,733	36,290,951	36,494,245	12,407,534	238,779
9	Tax Depreciation - Bonus - 100%	0	0	11,521,108	56,906,197	0	0	0	0
10	Total Tax Depreciation	11,003,947	6,955,766	28,702,288	63,034,135	43,837,273	50,331,835	29,432,345	15,120,347
	Book Depreciation	· · · ·		· · ·		, <u>, , ,</u>	<u>, , , , , , , , , , , , , , , , , </u>	, <u>, , ,</u>	, <u>, , ,</u>
11	Total Book Depreciation	225,398	1,239,916	2,580,160	5,305,586	8,880,980	13,158,265	17,533,867	18,518,717
12	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0	0	0
13		0	0	0	0	0	0	0	0
14	– Net Book Depreciation	225,398	1,239,916	2,580,160	5,305,586	8,880,980	13,158,265	17,533,867	18,518,717
			.,,	_,000,100	0,000,000	0,000,000	.0,.00,200	,000,001	,
15	Tax Depreciation in Excess of Book Depreciation	10,778,549	5,715,850	26,122,128	57,728,549	34,956,293	37,173,570	11,898,478	(3,398,370)
16	Federal Deferred Taxes @ 35.00%	(\$3,772,492)	(\$2,000,548)	(\$9,142,745)	(\$20,204,992)	(\$12,234,703)	(\$13,010,750)	(\$4,164,467)	\$1,189,430
17	Federal Deferral Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
	Deferred Taxes Tax Years 2008-2017 (35%-21%=14%)	-\$1,508,997	-\$800,219	-\$3,657,098	-\$8,081,997	-\$4,893,881	-\$5,204,300	-\$1,665,787	\$475,772

#### Tax Years 2008- 2015 (By tax year total)

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Schedule 6 Electric Page 1 of 6

#### Deferred Taxes on Liberalized Depreciation

Line			Tax Year 2016			ar 2016	Tax Yea		Tax Year 2016		
<u>No.</u>		Vintage 2008 Total <u>Vintage 2008</u>	Vintage 2009 Total <u>Vintage 2009</u>	Vintage 2010 Total <u>Vintage 2010</u>	Vintage 2011 Total Vintage 2011	Vintage 2012 Total <u>Vintage 2012</u>	Vinatge 2013 Total Vintage 2013	Vintage 2014 Total Vintage 2014	Vintage 2015 Total <u>Vintage 2015</u>	Total Tax <u>Year 2016</u>	
1	Total Plant In-Service	\$19,647,993	\$10,736,164	\$32,816,053	\$59,565,663	\$72,581,902	\$72,988,490	\$24,815,068	\$477,558	\$293,628,891	
2	Book to Tax Basis Adjustments:	0	0	0	0	0	0	0	0	0	
3 4 5 6	Tax Base In-Service subject to: Bonus Depreciation - 50% Bonus Depreciation - 100% MACRS Total Tax Depreciation Base	19,647,993 0 0 19,647,993	10,736,164 0 0 10,736,164	21,294,945 11,521,108 0 32,816,053	3,112,767 56,452,897 0 59,565,664	72,581,902 0 0 72,581,902	72,988,490 0 0 72,988,490	24,815,068 0 0	477,558 0 0 477,558	225,654,887 67,974,005 0 293,628,892	
7 8 9	Tax Depreciation - MACRS Tax Depreciation - Bonus - 50% Tax Depreciation - Bonus - 100%	288,200 0	444,320 0	816,512 0	61,778 0 0	3,196,753 0 0	4,001,765 0 0	2,039,017 0 0	66,676 0 0	10,915,021 0 0	
10 11 12	Total Tax Depreciation Book Depreciation Total Book Depreciation Less: Book Depr on AFUDC Equity	288,200 1,309,219 0	444,320 426,325 0	816,512 1,512,805 0	61,778 3,231,042 0	3,196,753 4,154,201 0	4,001,765 4,367,178 0	2,039,017 2,473,778 0	66,676 7,991 0	10,915,021 17,482,538 0	
13 14	Net Book Depreciation	0 1,309,219	0 426,325	1,512,805	3,231,042	4,154,201	4,367,178	0 2,473,778	7,991	0 17,482,538	
15	Tax Depreciation in Excess of Book Depreciation	(1,021,019)	17,995	(696,293)	(3,169,264)	(957,448)	(365,413)	(434,761)	58,685	(6,567,518)	
16	Federal Deferred Taxes @ 35.00%	\$357,357	(\$6,299)	\$243,703	\$1,109,242	\$335,106	\$127,895	\$152,165	(\$20,540)	\$2,298,629	
17	Federal Deferral Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35%	
	Deferred Taxes Tax Years 2008-2017 (35%-21%=14%)	\$142,943	-\$2,519	\$97,481	\$443,697	\$134,043	\$51,158	\$60,867	-\$8,216	\$919,452	

Schedule 6 Electric Page 2 of 6

#### Deferred Taxes on Liberalized Depreciation

Line <u>No.</u>			Vintage 2008			Tax Year 2 Vintage 2009	2017 (part 1 of 4)			Vintage 2010		
		7-Year MACRS	10-Year <u>MACRS</u>	Total <u>Vintage 2008</u>	7-Year <u>MACRS</u>	10-Year <u>MACRS</u>	Total <u>Vintage 2009</u>	3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	7-Year <u>MACRS</u>	10-Year <u>MACRS</u>	Total <u>Vintage 2010</u>
1	Total Plant In-Service	\$13,053,027	\$6,594,966	\$19,647,993	\$1,159,563	\$9,576,601	\$10,736,164	\$2,088,921	\$670,020	\$7,014,895	\$23,042,217	\$32,816,053
2	Book to Tax Basis Adjustments:	0	0	0	0	0	0	0	0	0	0	0
	Tax Base In-Service subject to:											
3	Bonus Depreciation - 50%	13,053,027	6,594,966	19,647,993	1,159,563	9,576,601	10,736,164	2,088,921	670,020	7,014,895	11,521,109	21,294,945
4	Bonus Depreciation - 100%	0	0	0	0	0	0	0	0	0	11,521,108	11,521,108
5	MACRS	0	0	0	0	0	0	0	0			0
6	Total Tax Depreciation Base	13,053,027	6,594,966	19,647,993	1,159,563	9,576,601	10,736,164	2,088,921	670,020	7,014,895	23,042,217	32,816,053
7	Tax Depreciation - MACRS	0	288,167	288,167	0	418,497	418,497	0	0	156,502	503,415	659,917
8	Tax Depreciation - Bonus - 50%	0	0	0	0	0	0	0	0	0	0	0
9	Tax Depreciation - Bonus - 100%									0	0	
10	Total Tax Depreciation	0	288,167	288,167	0	418,497	418,497	0	0	156,502	503,415	659,917
11	Book Depreciation Total Book Depreciation	870,637	438,582	1,309,219	77,343	348,971	426,314	0	0	467,893	1,044,912	1,512,805
12	Less: Book Depr on AFUDC Equity	0	0	1,000,210	0	0 10,01 1	0	0	0	0	1,011,012	0
13		0	0	0	0	0	0	0	0	0	·	· ·
14	Net Book Depreciation	870,637	438,582	1,309,219	77,343	348,971	426,314	0	0	467,893	1,044,912	1,512,805
15	Tax Depreciation in Excess of Book Depreciation	(870,637)	(150,415)	(1,021,052)	(77,343)	69,526	(7,817)	0	0	(311,391)	(541,497)	(852,888)
16	Federal Deferred Taxes @ 35.00%	\$304,723	\$52,645	\$357,368	\$27,070	(\$24,334)	\$2,736	\$0	\$0	\$108,987	\$189,524	\$298,511
17	Federal Deferral Rate			35.00%			35.00%					35.00%

Deferred Taxes Tax Years 2008-2017 (35%-21%=14%) Schedule 6 Electric Page 3 of 6

#### Deferred Taxes on Liberalized Depreciation

Line			Tax Year 2017 (part 2 of 4)										
<u>No.</u>				Vintage	e 2011					Vintag	e 2012		
		3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	7-Year <u>MACRS</u>	10-Year <u>MACRS</u>	20-Year <u>MACRS</u>	Total <u>Vintage 2011</u>	3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	7-Year <u>MACRS</u>	10-Year <u>MACRS</u>	20-Year <u>MACRS</u>	Total <u>Vintage 2012</u>
1	Total Plant In-Service	\$1,838,900	\$462,402	\$26,611,153	\$29,803,123	\$850,085	\$59,565,663	\$259,091	\$98,880	\$37,832,351	\$34,383,425	\$8,155	\$72,581,902
2	Book to Tax Basis Adjustments:	0	0	0	0		0	0	0	0	0		0
	Tax Base In-Service subject to:												
3	Bonus Depreciation - 50%	1,581,454	305,185	0	1,192,125	34,003	3,112,767	259,091	98,880	37,832,351	34,383,425	8,155	72,581,902
4	Bonus Depreciation - 100%	257,446	157,216	26,611,153	28,610,999	816,083	56,452,897	0	0	0	0	0	0
5	MACRS	0	0	0	-,,	,	0	0	0	0	0	0	0
6	Total Tax Depreciation Base	1,838,900	462,401	26,611,153	29,803,124	850,086	59,565,664	259,091	98,880	37,832,351	34,383,425	8,155	72,581,902
7	Tax Depreciation - MACRS	0	0	0	52,096	831	52,927	0	2,848	1,688,269	1,442,385	215	3,133,717
8	Tax Depreciation - Bonus - 50%	0	0	0	0_,000	0	0	0	_,0.0	0	0	0	0
9	Tax Depreciation - Bonus - 100%	0	0	0	0	0	0	0	0	0	0	0	0
10	Total Tax Depreciation Book Depreciation	0	0	0	52,096	831	52,927	0	2,848	1,688,269	1,442,385	215	3,133,717
11	Total Book Depreciation	0	0	1,774,964	1,433,965	22,113	3,231,042	0	0	2,523,418	1,558,993	196	4,082,607
12 13	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0	0	0	0	0	0	0
14	Net Book Depreciation	0	0	1,774,964	1,433,965	22,113	3,231,042	0	0	2,523,418	1,558,993	196	4,082,607
15	Tax Depreciation in Excess of Book Depreciation	0	0	(1,774,964)	(1,381,869)	(21,282)	(3,178,115)	0	2,848	(835,149)	(116,608)	20	(948,890)
16	Federal Deferred Taxes @ 35.00%	\$0	\$0	\$621,237	\$483,654	\$7,449	\$1,112,340	\$0	(\$997)	\$292,302	\$40,813	(\$7)	\$332,111
17	Federal Deferral Rate						35.00%						35.00%

Deferred Taxes Tax Years 2008-2017 (35%-21%=14%) Schedule 6 Electric Page 4 of 6

Deferred Taxes on Liberalized Depreciation

Line							Tax Year 2017	(part 3 of 4)					
<u>No.</u>				Vinatge	2013			. ,		Vintage	2014		
		3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	7-Year MACRS	10-Year <u>MACRS</u>	20-Year <u>MACRS</u>	Total <u>Vintage 2013</u>	3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	7-Year <u>MACRS</u>	10-Year <u>MACRS</u>	20-Year <u>MACRS</u>	Total <u>Vintage 2014</u>
1	Total Plant In-Service	\$1,700,989	\$270,423	\$33,227,134	\$35,361,826	\$2,428,118	\$72,988,490	\$6,022,877	\$408,268	\$16,668,962	\$1,507,013	\$207,948	\$24,815,068
2	Book to Tax Basis Adjustments:	0	0	0	0		0	0	0	0	0	0	0
3 4 5 6	Tax Base In-Service subject to: Bonus Depreciation - 50% Bonus Depreciation - 100% MACRS Total Tax Depreciation Base	1,700,989 0 0 1,700,989	270,423 0 0 270,423	33,227,134 0 0 33,227,134	35,361,826 0 0 35,361,826	2,428,118 0 0 2,428,118	72,988,490 0 0 72,988,490	6,022,877	408,268	16,668,962	1,507,013	207,948	24,815,068 0 0
7 8 9	Tax Depreciation - MACRS Tax Depreciation - Bonus - 50% Tax Depreciation - Bonus - 100%	0 0 0	15,576 0 0	1,482,761 0 0	1,545,312 0 0	69,359 0 0	3,113,008 0 0	223,057 0 0	23,516 0 0	1,041,393 0 0	75,531 0 0	6,422 0 0	1,369,919 0 0
10	Total Tax Depreciation	0	15,576	1,482,761	1,545,312	69,359	3,113,008	223,057	23,516	1,041,393	75,531	6,422	1,369,919
11 12 13	Book Depreciation Total Book Depreciation Less: Book Depr on AFUDC Equity	237,921 0	43,130 0	2,216,250 0	1,698,370 0	58,275 0	4,253,946 0	1,204,572	81,657	1,111,820	70,742	4,991	2,473,782 0 0
14	Net Book Depreciation	237,921	43,130	2,216,250	1,698,370	58,275	4,253,946	1,204,572	81,657	1,111,820	70,742	4,991	2,473,782
15	Tax Depreciation in Excess of Book Depreciation	(237,921)	(27,554)	(733,489)	(153,058)	11,084	(1,140,938)	(981,515)	(58,141)	(70,427)	4,789	1,431	(1,103,863)
16	Federal Deferred Taxes @ 35.00%	\$83,272	\$9,644	\$256,721	\$53,570	(\$3,880)	\$399,327	\$343,530	\$20,349	\$24,649	(\$1,676)	(\$501)	\$386,351
17	Federal Deferral Rate						35.00%						35.00%

Deferred Taxes Tax Years 2008-2017 (35%-21%=14%)

Schedule 6 Electric Page 5 of 6

#### Deferred Taxes on Liberalized Depreciation

Line <u>No.</u>					Tax Year 2 Vintage 2015	2017 (part 4 of 4)			
		3-Year <u>MACRS</u>	5-Year <u>MACRS</u>	5-Year SG Meter <u>MACRS</u>	7-Year MACRS	10-Year <u>MACRS</u>	20-Year <u>MACRS</u>	Total <u>Vintage 2015</u>	Total Tax <u>Year 2017</u>
1	Total Plant In-Service	\$30,746	\$31,204	\$295,483	(\$4,256)	\$108,330	\$16,051	\$477,558	\$293,628,891
2	Book to Tax Basis Adjustments:	0	0	0	0	0		0	0
	Tax Base In-Service subject to:								
3	Bonus Depreciation - 50%	30,746	31,204	295,483	(4,256)	108,330	16,051	477,558	225,654,887
4	Bonus Depreciation - 100%	0	0	0	0	0	0	0	67,974,005
5	MACRS	0	0	0	0	0	0	0	0
6	Total Tax Depreciation Base	30,746	31,204	295,483	(4,256)	108,330	16,051	477,558	293,628,892
7	Tax Depreciation - MACRS	2,278	2,996	28,366	(372)	6,388	536	40,192	9,076,344
8	Tax Depreciation - Bonus - 50%	0	0	0	) Ó	0	0	0	0
9	Tax Depreciation - Bonus - 100%	0	0	0	0	0	0	0	0
10	Total Tax Depreciation	2,278	2,996	28,366	(372)	6,388	536	40,192	9,076,344
	Book Depreciation			· · · · ·		· · · ·		<u> </u>	
11	Total Book Depreciation	6,148	6,241	19,709	(284)	(24,205)	383	7,992	17,297,706
12	Less: Book Depr on AFUDC Equity	0	0	0	0	0	0	0	0
13									0
14	Net Book Depreciation	6,148	6,241	19,709	(284)	(24,205)	383	7,992	17,297,706
15	Tax Depreciation in Excess of Book Depreciation	(3,870)	(3,245)	8,657	(88)	30,593	153	32,200	(8,221,362)
16	Federal Deferred Taxes @ 35.00%	\$1,355	\$1,136	(\$3,030)	\$31	(\$10,708)	(\$54)	(\$11,270)	\$2,877,474
17	Federal Deferral Rate							35.00%	
	Deferred Taxes Tax Years 2008-2017 (35%-21%=14%)								(\$58,165,164)

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Schedule 6 Electric Page 6 of 6

\$ (23,266,069)

Excess Deferred Taxes for Tax Year 2008 - 2017 (35%-21%=14%)

(\$34,899,095)

Total at 21% EDIT

#### Schedule 7 Electric

#### Duke Energy Ohio Calculation of Rider DR-IM

Approved Rate of Return (a)

Line <u>No.</u>		Balance at 3/31/2012	Percent of Total <sup>(a)</sup>	Rate	Weighted Cost	Tax Gross Up Factor <sup>(b)</sup>	Pre-Tax Rate of Return
1	Long-term debt	\$2,532,502,631	46.70%	5.32%	2.48%	1.0000000	2.48%
2	Common equity	2,890,859,857	53.30%	9.84%	5.25%	1.2842616	6.74%
3	Total Capitalization	\$5,423,362,488	100.00%	:	7.73%		9.23%
4	Operating Revenues			100.000%			
5	Less: Uncollectible Accounts		0.5425%				
6	City of Cincinnati Franchise Tax		0.1100%	0.6525%			
7	Income before Income Tax			99.348%	1.0065679	Debt Gross Up	
8	State and Municipal Income Tax			0.783%			
9	Income before Federal Income Tax			98.565%			
10	Federal Income Tax (21% x 98.565%)			20.699%			
11	Operating Income Percentage			77.866%			
12	Gross Revenue Conversion Factor (100	%/77.866%)		1.2842616			

Notes: <sup>(a)</sup> Approved Rate of Return set per Stipulation approved in Case No. 12-1682-EL-AIR. Upon the *Tax Cut and Jobs Act of 2017* becoming law the Rate of Return has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

#### Annualized Depreciation Expense of Plant in Service at Year End

Line <u>No.</u>		Plant Account	Balance at 12/31/2017	Fully Depreciated Plant (1)	Depreciable Balance 12/31/2017	Depreciation Rates	Annualized Depreciation
	Depreciable Plant Basis						
1	Intangible Electric	30300	\$11,941,524	(\$4,698,338)	\$7,243,186	20.00%	\$1,448,637
2	Station Equipment	36200	\$31,626,169		\$31,626,169	1.92%	\$607,222
3	Major Equipment	36202	3,606,452		\$3,606,452	1.92%	\$69,244
4	Distribution OH Conduct & Devises	36500	28,765,883		\$28,765,883	2.80%	\$805,445
5	Poles, Towers and Fixtures	36400	3,581,655		\$3,581,655	2.40%	\$85,960
6	Leased Meters	37002	65,447,240		\$65,447,240	6.67%	\$4,365,331
7	Electronic Data Processing Equip	39101	1,899,274	(1,244,109)	\$655,165	20.00%	\$131,033
8	Communication Equipment Electric	39700	102,036,328	. ,	\$102,036,328	6.67%	\$6,805,823
9	Leased AMI Meters	17001	11,136,417		\$11,136,417	6.67%	\$742,799
10	Electronic Data Processing Common	19101	61,445	(61,445)	\$0	20.00%	\$0
11	Communication Equipment Common	19700	33,526,501		\$33,526,501	6.67%	\$2,236,218
12	Total		\$293,628,888	(\$6,003,892)	\$287,624,996	-	\$17,297,712

(1) Adjusted balance as of December 2011 for property with 5 year life In 2013, \$2,407,929 in software was retired and removed from filing

#### Annualized Amortization of PISCC

Line <u>No.</u>		Balance at 12/31/2017	Amortization Rate	Annualized Amortization
	Regulatory Asset Deferrals			
1	Station Equipment	\$4,259,856	1.64%	\$69,862
2	Major Equipment	\$477,353	1.64%	\$7,829
3	Distribution Station Equipment	\$19,179	5.00%	\$959
4	Poles, Towers and Fixtures	\$412,341	1.92%	\$7,917
5	Distribution OH Conduct & Devises	\$3,602,430	1.81%	\$65,204
6	Leased Meters	\$9,142,949	6.67%	\$609,835
7	Electronic Data Processing Equip	\$235,488	20.00%	\$47,098
8	Communication Equipment Electric	\$12,594,772	6.67%	\$840,071
9	Intangible Electric	\$1,504,408	20.00%	\$300,882
10	Leased AMI Meters	\$1,180,760	6.67%	\$78,757
11	Communication Equipment Common	\$4,116,074	6.67%	\$274,542
12	Electronic Data Processing Common	\$9,132	20.00%	\$1,826
13	Total	\$37,554,742		\$2,304,782

Regulatory Asset -- Deferred O&M Expenses, Carrying Cost and Amortization

Account Description	Balance at 12/31/2016	Adjustment	Adjusted Balance 12/31/2016	1/31/2017	2/29/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	Balance at 12/31/2017
Regulatory AssetDeferred O&M Expenses																
182362 Misc. Expenses	\$43,379,229	\$0	\$43,379,229	\$243,208	\$420,374	\$437,200	\$253,371	\$429,466	\$285,040	\$444,325	\$257,806	\$235,215	\$254,380	\$442,609	\$216,653	\$47,298,876
18236X Book Depreciation- Current Year Additions	8,662,525	0	8,662,525	0	0	0	0	0	0	0	0	0	0	0	0	8,662,525
Total	52,041,754	0	52,041,754	243,208	420,374	437,200	253,371	429,466	285,040	444,325	257,806	235,215	254,380	442,609	216,653	55,961,401
CumulativeRegulatory AssetDeferrals	\$52,041,754		\$52,041,754													55,961,401
Regulatory AssetAmortization																
407XXX Misc. Material, Labor & Expenses	\$37,044,450	\$0	\$37,044,450	\$506,489	\$506,489	\$506,489	\$330,106	\$330,106	\$330,106	\$330,106	\$330,106	\$330,106	\$330,106	\$330,106	\$330,106	\$41,534,871
407XXX Book Depreciation	8,358,290	0	8,358,290	126,430	126,430	126,430	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	8,758,784
Total	45,402,740	0	45,402,740	632,919	632,919	632,919	332,462	332,462	332,462	332,462	332,462	332,462	332,462	332,462	332,462	50,293,655
CumulativeRegulatory AssetAmortization	\$45,402,740		\$45,402,740													50,293,655
Regulatory AssetDeferred O&M Expenses Carrying Cost																
182362 Misc. Material, Labor & Expenses	\$4,031,992	\$0	\$4,031,992	\$35,457	\$35,850	\$35,887	\$24,917	\$26,430	\$28,014	\$29,631	\$31,187	\$32,280	\$33,365	\$34,910	\$36,372	\$4,416,292
18236X Book Depreciation	765,784	0	765,784	125	125	125	0	0	0	0	0	0	0	0	0	766,159
Total	4,797,776	0	4,797,776	35,582	35,975	36,012	24,917	26,430	28,014	29,631	31,187	32,280	33,365	34,910	36,372	5,182,451
CumulativeRegulatory AssetDeferrals	\$4,797,776		\$4,797,776	\$4,833,358	\$4,869,333	\$4,905,345	\$4,930,262	\$4,956,692	\$4,984,706	\$5,014,337	\$5,045,524	\$5,077,804	\$5,111,169	\$5,146,079	\$5,182,451	
Regulatory AssetTotal																
182362 Misc. Expenses	\$10,366,771	\$0	\$10,366,771	(\$227,824)	(\$50,265)	(\$33,402)	(\$51,818)	\$125,790	(\$17,052)	\$143,850	(\$41,113)	(\$62,611)	(\$42,361)	\$147,413	(\$77,081)	\$10,180,297
18236X Book Depreciation- Current Year Additions	1,070,019	0	1,070,019	(126,305)	(126,305)	(126,305)	(2,356)	(2,356)	(2,356)	(2,356)	(2,356)	(2,356)	(2,356)	(2,356)	(2,356)	669,900
Total	11,436,790	0	11,436,790	(354,129)	(176,570)	(159,707)	(54,174)	123,434	(19,408)	141,494	(43,469)	(64,967)	(44,717)	145,057	(79,437)	10,850,197
CumulativeRegulatory AssetTotal	\$11,436,790		\$11,436,790	\$11,082,661	\$10,906,091	\$10,746,384	\$10,692,210	\$10,815,644	\$10,796,236	\$10,937,730	\$10,894,261	\$10,829,294	\$10,784,577	\$10,929,634	\$10,850,197	:
															\$4,304,322	
	<ul> <li>18236X Book Depreciation- Current Year Additions Total</li> <li>CumulativeRegulatory AssetDeferrals</li> <li>Regulatory AssetAmortization 407XXX Misc. Material, Labor &amp; Expenses 407XXX Book Depreciation Total</li> <li>CumulativeRegulatory AssetAmortization</li> <li>Regulatory AssetDeferred O&amp;M Expenses Carrying Cost 182362 Misc. Material, Labor &amp; Expenses 18236X Book Depreciation Total</li> <li>CumulativeRegulatory AssetDeferrals</li> <li>Regulatory AssetTotal 182362 Misc. Expenses 18236X Book Depreciation- Current Year Additions Total</li> <li>CumulativeRegulatory AssetTotal</li> <li>CumulativeRegulatory AssetTotal</li> </ul>	18236XBook Depreciation- Current Year Additions Total8,662,525 52,041,75418236XBook Depreciation- Current Year Additions\$,52,041,754CumulativeRegulatory AssetDeferrals\$52,041,754Regulatory AssetAmortization 407XXX\$37,044,450 8,358,290 45,402,740\$37,044,450 8,358,290 45,402,740Regulatory Asset-Deferred O&M Expenses 182362\$37,044,450 8,358,290 45,402,740\$45,402,740Regulatory AssetDeferred O&M Expenses Carrying Cost 182362\$4,031,992 765,784 4,797,776\$40,01,992 765,784 4,797,776Regulatory AssetDeferred O&M Expenses\$4,031,992 765,784 4,797,776\$41,01,992 765,784 4,797,776Regulatory AssetDeferred O&M Expenses\$4,031,992 765,784 4,797,776\$41,01,992 765,784 4,797,776Regulatory AssetDeferred O&M Expenses\$4,031,992 765,784 4,797,776\$41,01,992 765,784 4,797,776Regulatory AssetDeferred O&M Expenses\$4,031,992 765,784 4,797,776\$41,01,992 765,784 4,797,776Regulatory AssetDeferred O&M Expenses\$4,031,992 765,784 4,797,776\$41,01,992 	18236X       Book Depreciation- Current Year Additions       8,662,525       0         Total       52,041,754       0         CumulativeRegulatory AssetDeferrals       \$52,041,754         Regulatory AssetAmortization       \$52,041,754         407XXX       Misc. Material, Labor & Expenses       \$37,044,450       \$0         407XXX       Book Depreciation       \$358,290       0         407XXX       Book Depreciation       \$45,402,740       0         CumulativeRegulatory AssetAmortization       \$45,402,740       0         Regulatory AssetDeferred O&M Expenses Carrying Cost       \$4,031,992       \$0         182362       Misc. Material, Labor & Expenses       \$4,031,992       \$0         182362       Book Depreciation       765,784       0         Total       Total       4,797,776       0         CumulativeRegulatory AssetDeferrals       \$4,797,776       0         Regulatory AssetTotal       \$10,366,771       \$0         182362       Misc. Expenses       \$10,366,771       \$0         182362       Book Depreciation- Current Year Additions       1,070,019       0         182362       Book Depreciation- Current Year Additions       1,070,019       0         182363	18236X         Book Depreciation- Current Year Additions Total         8,662,525         0         8,662,525           18236X         Book Depreciation- Current Year Additions Total         \$52,041,754         0         52,041,754           CumulativeRegulatory AssetDeferrals         \$52,041,754         \$52,041,754         \$52,041,754           Regulatory AssetAmortization 407XXX         Material, Labor & Expenses         \$37,044,450         \$0         \$37,044,450           407XXX         Book Depreciation Total         8,358,290         0         8,358,290         0         8,358,290           407XXX         Book Depreciation Total         \$45,402,740         0         45,402,740         45,402,740           CumulativeRegulatory AssetDeferred O&M Expenses Carrying Cost 18236Z         Misc. Material, Labor & Expenses         \$4,031,992         \$0         \$4,031,992           18236X         Book Depreciation Total         765,784         0         765,784           CumulativeRegulatory AssetDeferrals         \$4,797,776         \$4,797,776           Regulatory AssetTotal         \$10,366,771         \$0         \$10,366,771           18236X         Book Depreciation- Current Year Additions         \$10,366,771         \$0         \$10,366,771           18236X         Book Depreciation- Current Year Additions	18236X       Book Depreciation- Current Year Additions       8.662,525       0       8.662,525       0         Total       52,041,754       0       52,041,754       243,208         CumulativeRegulatory AssetDeferrals       \$52,041,754       \$52,041,754       243,208         Regulatory AssetAmortization       \$52,041,754       \$52,041,754       \$506,489         407XXX       Misc. Material, Labor & Expenses       \$37,044,450       \$0       \$37,044,450       \$506,489         407XXX       Book Depreciation       0       8,358,290       0       8,358,290       126,430         Total       45,402,740       0       45,402,740       632,919       \$45,402,740       \$32,919         CumulativeRegulatory AssetDeferred O&M Expenses Carrying Cost       \$45,402,740       \$45,402,740       \$35,582         Regulatory Asset-Deferred O&M Expenses Carrying Cost       \$4,797,776       \$44,797,776       \$35,582         CumulativeRegulatory AssetDeferrals       \$4,797,776       \$4,797,776       \$4,833,358         Regulatory AssetTotal       \$10,366,771       \$0       \$10,366,771       \$227,824)         182362       Misc. Expenses       \$10,366,771       \$0       \$10,366,771       \$24,823,358         Regulatory AssetTotal       \$10	18236X         Book Depreciation- Current Year Additions Total         8,662,525         0         8,662,525         0         0           Total         52,041,754         0         52,041,754         0         52,041,754         243,208         420,374           CumulativeRegulatory AssetDeferrals         \$52,041,754         \$52,041,754         \$52,041,754         243,208         420,374           407XXX         Biosc. Material, Labor & Expenses         \$37,044,450         \$0         \$37,044,450         \$506,489         \$5	18236X       Book Depreciation - Current Year Additions Total       8,662,525       0       0       0       0         18236X       Book Depreciation - Current Year Additions Total       8,662,525       0       0       0       0       0         CumulativeRegulatory AssetAmortization 407XXX       S52,041,754       \$52,041,754       \$52,041,754       437,200         Regulatory AssetAmortization 407XXX       Book Depreciation Total       \$37,044,450       \$0       \$37,044,450       \$506,489       \$506,501       \$5	18236X       Book Depreciation- Current Year Additions Total       8,662,525       0	18236X       Book Depreciation- Current Year Additions Total       3.662,525       0	18238X       Book Depreciation-Current Year Additions       8.662.525       0	18236X         Book Depreciation- Current Year Additions         8,662,525         0	18236X       Book Depreciation- Current Year Additions       8.662.525       0	182.26 X       Book Depreciation-Current Year Additions       8.666.252       0	18228X       Book Depresentation: Current Year Additions       8.662,625       0 <td>182282       Book Depreciation-Current Year Additions       8,682,252       0</td> <td>18228X Book Deprediation - Current Year Additions       8.662.525       0</td>	182282       Book Depreciation-Current Year Additions       8,682,252       0	18228X Book Deprediation - Current Year Additions       8.662.525       0

		O&M			
182362 Misc. Material, Labor & Expenses	BY YEAR Carr	ying Costs	18236X - Book Depreciation	BY YEAR	Severance Costs
2008	\$50,977	1,350	2008	\$226,938	2013
2009	\$1,877,658	47,972	2009	\$1,238,376	2014
2010	\$6,157,972	173,473	2010	\$985,758	2015
2011	\$6,280,681	619,680	2011	\$1,348,927	2016
2012	\$9,437,253	889,595	2012	\$1,506,202	
2013	\$6,248,413	804,336	2013	\$1,810,935	
2014	\$5,449,967	627,906	2014	\$1,517,162	
2015	\$3,483,467	477,800	2015	\$28,277	
2016	\$3,733,896	390,236	2016	\$0	_
	\$42,720,284	4,032,348		8,662,575	

#### Schedule 10 Electric

ts By Year \$343,321 (1) - Severance accrued in previous yrs but not included in 2012 filing.

\$291,787 \$41,717

\$0

676,825 (2) - Included in O&M costs BUT excluded from Carrying Costs calculations

Annualized Property Taxes

Line <u>No.</u>	OHIO PROPERTY TAX	YEAR	2008	YEAR	2009	YEAR	2010
	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	15-Year General Plant	25-Year Distribution Plant	15-Year <u>General Plant</u>	25-Year Distribution Plant	15-Year <u>General Plant</u>	25-Year Distribution Plant
1	Current Year Investment	\$13,072,549	\$6,575,444	\$1,159,563	\$9,576,601	\$9,773,836	\$23,042,217
2	Less: AFUDC In-Service	241	28,105	-	-	-	-
3	Net Cost of Taxable Property	13,072,308	6,547,339	1,159,563	9,576,601	9,773,836	23,042,217
4	Percent Good <sup>(a)</sup>	36.7%	62.0%	43.3%	66.0%	50.0%	70.09
5	True Value of Taxable Property	4,797,537	4,059,350	502,091	6,320,557	4,886,918	16,129,552
6	Valuation Percent	24%	85%	24%	85%	24%	85%
7	Total Taxable Value	1,151,409	3,450,448	120,502	5,372,473	1,172,860	13,710,119
8	Retired Net Taxable Plant End of Year (@ 15%)	0_	0	0	0	0	
9	Net Property Tax Valuation	1,151,409	3,450,448	120,502	5,372,473	1,172,860	13,710,119
10	Ohio Property Tax	\$112,647	\$337,572	\$11,789	\$525,612	\$114,746	\$1,341,319
11 12	Ohio Property Tax Calculation: Average Property Tax Rate per \$1,000 of Valuation	\$97.8342		\$97.8342		\$97.8342	
12 13		\$97.8342		\$97.8342		\$97.8342	

13 14

<sup>a)</sup> From Electric Company Annual Report -Schedule C - 15 Year Class Life (General Plant) Schedule C - 25 Year Class Life (Distribution Plant) 15

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#### Schedule 11 Electric

Annualized Property Taxes

Line	OHIO PROPERTY TAX	YEAR	2011	YEAR	2012	YEAR 2013		
<u>No.</u>	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	15-Year General Plant	25-Year Distribution Plant	15-Year General Plant	25-Year Distribution Plant	15-Year General Plant	25-Year Distribution Plant	
1	Current Year Investment	\$28,912,456	\$30,653,207	\$39,420,943	\$33,160,959	\$43,994,545	\$28,993,945	
2	Less: AFUDC In-Service	-	-	-	-	-	-	
3	Net Cost of Taxable Property	28,912,456	30,653,207	39,420,943	33,160,959	43,994,545	28,993,945	
4	Percent Good <sup>(a)</sup>	56.7%	74.0%	63.3%	78.0%	70.0%	82.0%	
5	True Value of Taxable Property	16,393,363	22,683,373	24,953,457	25,865,548	30,796,182	23,775,035	
6	Valuation Percent	24%	85%	24%	85%	24%	85%	
7	Total Taxable Value	3,934,407	19,280,867	5,988,830	21,985,716	7,391,084	20,208,780	
8	Retired Net Taxable Plant End of Year (@ 15%)	0_	0	0	0	0	0	
9	Net Property Tax Valuation	3,934,407	19,280,867	5,988,830	21,985,716	7,391,084	20,208,780	
10	Ohio Property Tax	\$384,920	\$1,886,328	\$585,912	\$2,150,955	\$723,101	\$1,977,110	
11 12	Ohio Property Tax Calculation: Average Property Tax Rate per \$1,000 of Valuation	\$97.8342		\$97.8342		\$97.8342		
13	<sup>(a)</sup> From Electric Company Appual Report -							

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<sup>(a)</sup> From Electric Company Annual Report -Schedule C - 15 Year Class Life (General Plant) Schedule C - 25 Year Class Life (Distribution Plant) 14 15

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#### Schedule 11 Electric

Line <u>No.</u>	OHIO PROPERTY TAX	YEAR	2014	YEAR 2015		
	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	15-Year General Plant	25-Year Distribution Plant	15-Year <u>General Plant</u>	25-Year Distribution Plant	
1	Current Year Investment	\$24,214,058	\$601,010	\$53,540	\$424,018	
2	Less: AFUDC In-Service	-	-	-	-	
3	Net Cost of Taxable Property	24,214,058	601,010	53,540	424,018	
4	Percent Good <sup>(a)</sup>	76.7%	86.0%	83.3%	90.0%	
5	True Value of Taxable Property	18,572,182	516,869	44,599	381,616	
6	Valuation Percent	24%	85%_	24%	85%	
7	Total Taxable Value	4,457,324	439,339	10,704	324,374	
8	Retired Net Taxable Plant End of Year (@ 15%)	0	0	0	0	
9	Net Property Tax Valuation	4,457,324	439,339	10,704	324,374	
10	Ohio Property Tax	\$436,079	\$42,982	\$1,047	\$31,735	
11	Ohio Property Tax Calculation:					
12	Average Property Tax Rate per \$1,000 of Valuation	\$97.8342		\$97.8342		

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<sup>(a)</sup> From Electric Company Annual Report -Schedule C - 15 Year Class Life (General Plant) Schedule C - 25 Year Class Life (Distribution Plant)

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Schedule 11 Electric

<u>Total</u>

\$293,628,891

\$10,663,854

Charge Per Bill

Line <u>No.</u>		Total Residential <sup>(a)</sup> Non-Resid		Non-Residential	Source	
1	2017 Rider DR-IM Revenue Requirement	\$35,760,226	\$30,396,192	\$5,364,034	Schedule 1	
2	Customer Bills <sup>(b)</sup>		7,614,276	897,408	Internal Company Data	
3	Rider DR-IM Charge - Per Bill		\$3.99	\$5.98	Line 1 ÷ Line 2	
4	Rider DR-IM Charge - Subject to CAP (c)		\$3.99	N/A	Line 1(adjusted for deferred savings and 2012 severance costs) ÷ Line 2	
5	Cap per Stipulation - 2018		\$7.00	N/A	Stipulation in Case No. 13-1141-GE-RDR	

Note: <sup>(a)</sup> Per Stipulation in Case No. 08-920-EL-SSO, residential customer class is allocated 85% of Rider DR-IM revenue requirement. <sup>(b)</sup> Excludes all lighting customers.

<sup>(c)</sup> Excludes deferred savings and 2012 severance costs

#### Duke Energy Ohio Distribution System Efficiency Metrics – IVVC 2017 Report

The attached report is being filed annually along with Duke Energy Ohio's Smart Grid Cost Recovery filing as agreed to by parties on February 6, 2013 when parties met to discuss reporting of distribution system efficiencies from Integrated Volt/Var Control (IVVC) implementation. As discussed in that meeting, the IVVC development and testing began in the 4th quarter of 2012 with the first report beginning in 2012.

The following report reflects the number of circuits that were operating under IVVC control by year-end 2017. This report utilizes 2012 as the baseline year for the System Average Voltage from which the MWH Reduction under IVVC is calculated.

The MWh Reduction with IVVC is calculated with an assumed CVR Factor of .5 and .79.

Avg System Voltage Baseline(2012)	123.2					
			MWh			
		Avg Circuit Voltage	under	MWh		Circuits
	Avg System	Reduction% with	IVVC	Reduction	CVR	under IVVC
	Voltage(2017)	IVVC	Control	with IVVC	Factor	Control
IVVC Operation as of 12/31/17	121.39	1.47%	47,805,442	351,370	0.5	511
IVVC Operation as of 12/31/17	121.39	1.47%	47,805,442	555,165	0.79	511

This foregoing document was electronically filed with the Public Utilities

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6/29/2018 11:07:51 AM

in

Case No(s). 18-0838-EL-RDR

Summary: Testimony Direct Testimony of Douglas J. Heitkamp on Behalf of Duke Energy Ohio, Inc. electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.