

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for an	)	Case No. 21-887-EL-AIR
Increase in Electric Distribution Rates.	)	
In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for Tariff	)	Case No. 21-888-EL-ATA
Approval.	)	
In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for Approval	)	Case No. 21-889-EL-AAM
to Change Accounting Methods.	)	

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**VOLUME 1**

**APPLICATION, SCHEDULES S-1 THROUGH S-4.1**

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October 1, 2021

**Duke Energy Ohio, Inc.**  
**Case No. 21-887-EL-AIR, et al.**  
**Standard Filing Requirements**  
**Table of Contents**

<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Schedule</b>	<b>Description</b>
1	1	R.C. 4909.18		Application of Duke Energy Ohio, Inc.
1	2	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(1)	S-1	Most Recent 5-Year Capital Expenditures Budget
1	3	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(2)	S-2	Most Recent 5-Year Financial Forecast
1	4	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(7)	S-3	Proposed Newspaper Notice – Legal Notice to Commission
1	5	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(8)	S-4.1	Executive Summary of Corporate Process
2	1	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(9)	S-4.2	Management Policies & Practices Part 1
2	2	O.A.C. 4901-7-01 Appendix A, Chapter II (B)(9)	S-4.2	Management Policies & Practices Part 2
3	1	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(1)	Supplemental	Most Recent FERC Audit Report
3	2	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(2)	Supplemental	Prospectuses - Most Recent Offering Common Stock/Bonds
3	3	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(3)	Supplemental	Annual Report to Shareholders (5 Years)
3	4	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(4)	Supplemental	Most Recent SEC Form 10-K, 10-Q, & 8-K and Subsequent (Duke Energy Consolidated & Duke Energy Ohio Consolidated)
4	1	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(5)	Supplemental	Work Papers - To be Filed Hard Copy and Computer Disks
4	2	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(6)	Supplemental	Schedule C-2.1 Worksheet with Monthly Test Year & Totals
4	4	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(8)	Supplemental	Latest Certificate of Valuation from Department of Taxation
4	5	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(9)	Supplemental	Monthly Sales by Rate Schedule Consistent with Schedule C-2.1
4	6	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(10)	Supplemental	Written Summary Explain Forecast Method for Test Year
4	7	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(11)	Supplemental	Explanation of Computation of Material & Supplies
4	8	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(12)	Supplemental	Depreciation Expenses Related to Specific Plant Accounts
4	10	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(14)	Supplemental	Other Rate Base Items Listed on B-6 detailed information
4	11	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(15)	Supplemental	Copy of All Ads Charged in the Test Year
4	12	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(16)	Supplemental	Plant In-Service from the Last Date Certain thru Date Certain of the Test Year

**Duke Energy Ohio, Inc.**  
**Case No. 21-887-EL-AIR, et al.**  
**Standard Filing Requirements**  
**Table of Contents**

<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Schedule</b>	<b>Description</b>
4	13	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(17)	Supplemental	Depreciation Reserve Study Related to Schedule B-3
5	1	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(18)	Supplemental	Revised Depreciation Accrual Rates
6	1	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(19)	Supplemental	Breakdown of Depreciation Reserve from Last Date Certain thru Date Certain of the Test Year
6	2	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(21)	Supplemental	Surviving Dollars by Vintage Years
6	3	O.A.C. 4901-7-01 Appendix A, Chapter II (C)(22)	Supplemental	Test Year & 2 most recent Calendar Years Employee level by month
6	4	O.A.C. 4901-7-01 Appendix A, Chapter II, Section A	A	Revenue Requirements
6	5	O.A.C. 4901-7-01 Appendix A, Chapter II, Section B	B	Rate Base
6	6	O.A.C. 4901-7-01 Appendix A, Chapter II, Section C	C	Operating Income
6	7	O.A.C. 4901-7-01 Appendix A, Chapter II, Section D	D	Rate of Return
7	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(B)(1)	E-1	Clean Copy Proposed Tariff
8	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(B)(2)(a)	E-2	Clean Copy Current Tariff
9	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(B)(2)(b)	E-2.1	Scored and redlined copy of current tariff showing all proposed changes
10	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(B)(3)	E-3	Narrative Rationale for Tariff Changes
10	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(C)(2)(a)	E-4	Class, Schedule Revenue Summary
10	1	O.A.C. 4901-7-01 Appendix A, Chapter II, Section E(D)	E-5	Typical Bill Comparison by Class & Schedule

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Duke Energy Ohio, Inc., for Approval	)	Case No. 21-889-EL-AAM
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**APPLICATION OF DUKE ENERGY OHIO, INC.**

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TO THE HONORABLE  
PUBLIC UTILITIES COMMISSION OF OHIO:

1. Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) is an Ohio corporation engaged in the business of supplying electric service to over 700,000 customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R.C. 4905.02 and R.C. 4905.03.

2. This Application is made pursuant to R.C. 4909.18 and related sections of the Ohio Revised Code for authority to make changes and increases in electric distribution rates applicable in incorporated communities and unincorporated territory within Duke Energy Ohio's entire service area, which includes all or part of Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, Preble, Montgomery, and Warren Counties in Ohio.

3. Duke Energy Ohio seeks to amend its electric distribution rates through changes in its tariff, P.U.C.O. Electric No. 19, Retail Electric Service. Duke Energy Ohio

proposes changes to the Terms and Conditions of service, including the updated prices for miscellaneous distribution charges. The proposed tariff schedules, which reflect the proposed rates and language changes as well as certain proposals involving restructuring of rate schedules, are detailed in Schedule E-1, filed as part of this Application and will be described in more detail in the Company's testimony.

4. Duke Energy Ohio also proposes the following new tariff schedules:

- Optional Time-of-Day Rate with Critical Peak Pricing for Residential Service, Sheet No. 32 (Rate TD-CPP)
  - Rate TD-CPP will provide residential customers the opportunity to better manage their electric bills.
- Community Driven Electric Investment Rider, Sheet No. 53 (Rider CDI)
  - Rider CDI provides a mechanism whereby a community may choose to receive selected electric distribution facilities, with the cost of those facilities being charged to residents of that community.
- Applicable Riders, Sheet 85
  - This sheet provides a cross-reference listing of the riders applicable to various rates.
- Retail Reconciliation Rider, Sheet 116 (Rider RR)
  - Rider RR is a placeholder that, if required by the Commission, would reallocate quantifiable costs related to either the provision of standard service

offer generation service or the support of the customer choice program, rather than including such costs in base distribution rates.

5. Duke Energy Ohio requests that the rates established in this proceeding be effective for the first billing cycle of July 2022, for all of its customers.

6. The Notice of Intent to file was served upon the Public Utilities Commission of Ohio (Commission) and the mayors and legislative authorities of each municipality affected by this Application on September 1, 2021, pursuant to R.C. 4909.43(B) and in compliance with the Commission's Standard Filing Requirements set forth in O.A.C. 4901-7-01.

7. Duke Energy Ohio proposes a test year consisting of the twelve-month period ending March 31, 2022, and a date certain for property valuation of June 30, 2021. The Commission has authorized the Company's test year and date certain, as proposed.

8. Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full, would increase electric distribution operating revenues by approximately \$54.7 million or approximately 10 percent, annually, over the test period electric distribution revenues generated from providing electric distribution service to customers. This increase equates to an approximate 3.3% increase on a customer's total bill.

9. Duke Energy Ohio is filing this Application in order to generate sufficient revenues to pay its distribution-related operating expenses, including taxes and depreciation; to service its debt; and to provide an adequate rate of return on its property used and useful in the rendition of electric distribution service to its customers.

10. The Company's current rates, authorized by the Commission in Case No. 17-0032-EL-AIR, *et al.*, are based on a date certain of June 30, 2016, and on a test period of the twelve months ended March 31, 2017. Since the date certain in the prior case, the investment in property used and useful in the rendition of electric distribution service to the customers affected by this Application has materially increased. As a result, the current rates are projected to provide a 5.21 percent rate of return on rate base for the proposed test period. This is substantially below the 7.54 percent return found reasonable for Duke Energy Ohio by the Commission in the Company's last electric distribution base rate proceeding. Duke Energy Ohio is the provider of last resort for all of the Company's retail electric customers, thus necessitating its incurring of unavoidable costs in order to perform that function.<sup>1</sup> The Company submits that an overall return of 7.26 percent, which includes a 10.30 percent return on equity, is fair and reasonable to allow full recovery for statutory obligations imposed upon Duke Energy Ohio, as an electric distribution utility.

11. Duke Energy Ohio's primary reason for filing this Application is to recover a return on and of the investments the Company has made since the time of its last electric distribution base rate case. The Company proposes to roll rate base, depreciation, and property taxes included in its Rider DCI filings into the base rates as part of this proceeding.

12. Duke Energy Ohio also proposes to continue existing riders consistent with the term of its current Electric Security Plan (ESP IV) in effect through May 31, 2025.<sup>2</sup> As part of this Application, per the terms of ESP IV, and under the authority of R.C. 4909.18, Duke Energy Ohio will continue its Rider DCI. This progressive regulatory treatment of

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<sup>1</sup> *Indus. Energy Users-Ohio v. PUC*, 117 Ohio St.3d 486, 493, 2008-Ohio-990, ¶32, 885 N.E.2d 195, 202.

<sup>2</sup> *In the Matter of Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Accounting Modifications, and Tariffs for Generation Service*, Case No. 17-1263-EL-SSO, *et al.*, Opinion and Order (December 19, 2018).

distribution investment remains necessary in light of the ever-increasing costs to enhance the electric distribution system and maintain its reliability without undermining the utility's ability to earn a fair and reasonable rate of return. Rider DCI furthers the public interest through the incorporation of innovative technologies and related investments. Rider DCI will continue to be structured to recover a return on incremental capital investment and the associated depreciation and property tax expense for investment in the Company's distribution system, incremental to what will be included in base rates. All of the Company's investment in distribution facilities through June 30, 2021, (the date certain) will have been incorporated into base rates upon approval of this Application by the Commission; therefore, future Rider DCI calculations will compare incremental investment to the rate base as of June 30, 2021, the date certain being used in these proceedings.

13. In this proceeding, and consistent with the Commission's Opinion and Order approving the Stipulation and Recommendation establishing ESP IV, the Company is also requesting that caps on Rider DCI previously established be adjusted to ensure the Company's ability to earn a fair return on the distribution investments necessary to provide safe and reliable electric distribution service to its customers.<sup>3</sup>

14. For any year that Duke Energy Ohio's investment results in revenues collected that exceed the revenue requirement subject to the cap, the excess would be refunded in the subsequent period. The same would be true when revenues collected fall below the revenue requirement subject to the cap for the period; the shortfall would be collected in the subsequent period. Adjustments in the subsequent period will not be subject to that period's cap.

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<sup>3</sup> *Id.*, p. 40.



15. Other riders previously established under the Company's ESP IV through May 31, 2025, involve decoupling and incremental operation and maintenance (O&M) spending, respectively, and need to be synchronized with the base level of spending reflected in base distribution rates and continued.

16. As such, the Company's Electric Service Reliability Rider (Rider ESRR) for recovery of incremental contractor vegetation management O&M expenses will be reset. In this proceeding, the Company has rolled into base rates the O&M currently included in Rider ESRR. Consistent with the terms of ESP IV, Duke Energy Ohio will amend and continue Rider ESRR. The Company proposes to modify the rider to include an under-recovery provision in addition to the existing over-recovery provision so that any incremental O&M above or below those amounts included in base rates are charged or refunded to customers.

17. The Company is also proposing to reset its Distribution Storm Rider (Rider DSR) for recovery of or refund to customers of any incremental O&M associated with major storms above or below those amounts included in base rates.

18. The Company is also proposing to reset its decoupling rider (Rider DDR) which compares authorized distribution revenues to revenues actually collected from customers. Upon approval in this proceeding, these new rates will become the decoupling baseline for distribution base revenues received by the Company subsequent to the effective date of the new distribution base rates.

19. Albeit established outside of the Company's ESP IV, the Company is also proposing to continue its Electric Tax Cuts and Jobs Act Rider (Rider ETCJA) to refund to customers the amortization of excess deferred income taxes (EDITs). In this proceeding, the

Company has rolled into base rates the component of Rider ETCJA associated with the federal income tax (FIT) rate adjustments not previously included in base rates. However, the amortization of EDITs will still be reflected in this rider.

20. Duke Energy Ohio is seeking to reset the baseline for Rider Power Future Initiatives (Rider PF) to recover a return on incremental capital investment and the associated depreciation and property tax expense and O&M for the three components previously approved in ESP IV. All of the Company's investment through June 30, 2021, (the date certain) will have been incorporated into base rates upon approval of this Application by the Commission; therefore, future Rider PF calculations will compare incremental investment to the rate base as of June 30, 2021, the date certain being used in these proceedings.

21. All other previously approved rider mechanisms not discussed in this application will continue as currently approved.

22. The Company is also seeking approval to recover the costs of offering a fee-free payment option for residential customers who wish to pay their Duke Energy Ohio bill with a credit card, debit card, pre-paid card or electronic check. The proposal will eliminate existing direct third-party convenience fees per transaction and instead recover such costs in future uncollectible rider filings.

23. The Company is also seeking approval for changes it proposes to its economic development tariff, Development Incentive Rider (Rider DIR), that will assist in economic development in Duke Energy Ohio's service territory. These changes will allow the Company to offer a more competitive economic development package by restructuring the maximum incentive from 50% for 2 years to 30% for up to 5 years,

among other adjustments to the tariff.

24. Duke Energy Ohio is also seeking authority to recover an existing distribution regulatory asset based on accounting deferrals that were previously authorized by the Commission in Case No. 19-1771-El-AAM.

25. Duke Energy Ohio is also seeking approval of all appropriate accounting authority necessary to continue certain riders and to implement new riders, as well as approval of the proposed depreciation rates and the proposal to continue the accounting treatment associated with the Company's previously approved deferral mechanisms.

26. Duke Energy Ohio has attached to this Application, as required by R.C. 4909.18 and the Commission's Standard Filing Requirements, the following:

- (a) Schedule A-1, which provides certain financial data for the proposed test year and date certain; Schedule A-2, which shows the computation of the gross revenue conversion factor; and Schedule A-3, which reports that Duke Energy Ohio does not propose a mirrored construction work in progress revenue surcredit rider in this proceeding;
- (b) Schedules B-1 through B-9, which report Duke Energy Ohio's rate base, including information and adjustments regarding property used and useful in rendering electric distribution service to those customers affected by this Application, as provided in R.C. 4909.05;
- (c) Schedules C-1 through C-12, which contain:
  - (i) detailed schedules of Duke Energy Ohio's receipts,

revenues, and incomes from all sources, Duke Energy Ohio's operating costs and other expenditures, and certain adjustments that Duke Energy Ohio deems applicable; and

- (ii) a statement of the income and expense anticipated under this Application;
- (d) Schedules D-1 through D-5, which, in conjunction with the schedules mentioned in paragraph 11(a) above, contain a statement of Duke Energy Ohio's financial condition summarizing assets, liabilities, and net worth;
- (e) Schedule E-1, which sets forth Duke Energy Ohio's proposed tariff schedules;
- (f) Schedule E-2, which sets forth Duke Energy Ohio's current tariff schedules that are proposed to be changed, and Schedule E-2.1 which are scored to indicate the provisions to be changed;
- (g) Schedules E-3 through E-5, which set forth Duke Energy Ohio's cost-of-service study, the rationale for tariff changes, the class and schedule revenue summary at current and proposed rates and the typical bill comparison;
- (h) Schedules S-1 and S-2, which provide certain capital expenditure and other financial information;
- (i) Schedule S-3, which is a proposed notice for newspaper

publication, fully disclosing the substance of the Application and the specific requirements of R.C. 4909.18(E); and,

- (j) Schedule S-4.1, which is an executive summary of the Company's corporate process; and Schedule S-4.2, which provides management policies and practices.

27. Duke Energy Ohio states that the Commission has, in this proceeding, granted the Company a waiver of certain filing requirements.

28. At the time of filing this Application, no municipal corporation has in effect any ordinance or franchise that does, or will, regulate the rates or charges to any customer affected by this Application.

WHEREFORE, because the rates, prices, charges, and other provisions in the current rate schedules do not yield just and reasonable compensation to Duke Energy Ohio for supplying electric distribution service to the customers to which they are applicable, do not yield a just and reasonable return to Duke Energy Ohio on the value of the property used for furnishing electric distribution service to such customers, and result in the taking of Duke Energy Ohio's property for public use without compensation and without due process of law, Duke Energy Ohio respectfully requests that the Commission:

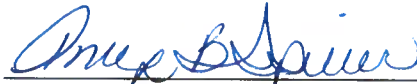
- (a) Accept this Application for filing;
- (b) Find that this Application and the attached Schedules filed herewith and incorporated herein, are in accordance with R.C. 4909.18 and the Commission's rules;
- (c) Approve the Form of Notice in Schedule S-3 filed herewith;
- (d) Find that the current rates, prices, and charges for electric distribution

service are unjust, unreasonable, and insufficient to yield reasonable compensation to Duke Energy Ohio for the electric distribution service rendered;

- (e) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ending March 31, 2022, and approve such schedules in the form tendered herewith;
- (f) Find that Duke Energy Ohio is in compliance with R.C. 4905.35;
- (g) Approve Duke Energy Ohio's Application for Approval to Change Accounting Methods as requested in these proceedings.
- (h) Fix the date on or after which applicable services provided to all customers are subject to the proposed rates as effective for the first billing cycle of July 2022.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

A handwritten signature in blue ink, appearing to read "Amy B. Spiller", is written over a horizontal line.

Amy B. Spiller, President

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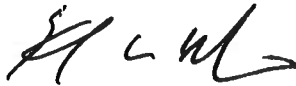
Karl W. Newlin, Senior Vice President  
Corporate Development & Treasurer

Respectfully submitted,

DUKE ENERGY OHIO, INC.

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Amy B. Spiller, President

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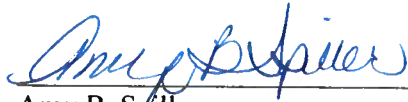
Karl W. Newlin, Senior Vice President  
Corporate Development & Treasurer



VERIFICATION

STATE OF OHIO                    )  
  )  
COUNTY OF HAMILTON        )

I, Amy B. Spiller, President of Duke Energy Ohio, Inc., and Duke Energy Kentucky, Inc., being first duly sworn, hereby verify that the information contained in this Application is true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Amy B. Spiller

Sworn to and subscribed in my presence this 16<sup>th</sup> day of September, 2021.

  
\_\_\_\_\_  
Notary Public

My commission expires: No expiration date.

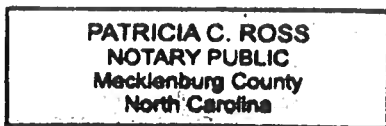
VERIFICATION


STATE OF NORTH CAROLINA   )  
  )  
COUNTY OF MECKLENBURG   )

I, Karl W. Newlin, Senior Vice President Corporate Development & Treasurer of Duke Energy Corporation and Treasurer of Duke Energy Ohio, Inc., being first duly sworn, hereby verify that the information contained in this Application is true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Karl W. Newlin

Sworn to and subscribed in my presence this 16 day of September, 2021.



  
\_\_\_\_\_  
Notary Public

My commission expires: 10-23-2024

Company Official to be contacted regarding the Application:

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**Attorneys for Duke Energy Ohio, Inc.**

## **CERTIFICATE OF SERVICE**

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via electronic mail on the 1<sup>st</sup> day of October 2021, upon the persons listed below.

/s/ Jeanne W. Kingery  
Jeanne W. Kingery

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## **SUPPLEMENTAL FILING REQUIREMENTS**

### **DUKE ENERGY OHIO**

**Case No. 21-887-EL-AIR**

**Test Year: Twelve Months Ended March 31, 2022**

**Date Certain: June 30, 2021**

<b>Schedules</b>	<b>Description</b>
S-1	Five-Year Projected Jurisdictional Capital Expenditures
S-2, P1	Five-Year Projected Jurisdictional Income Statement
S-2, P2	Five-Year Projected Balance Sheet Items
S-2, P3	Statement of Changes in Financial Position
S-2, P4	Assumptions for Five-Year Projection
S-2, P5	Load Forecast and Mix of Generation
S-3	Proposed Newspaper Notice
S-4.1	Executive Summary of Corporate Process
S-4.2	Management Policies, Practices and Organization
	(Three functional areas requested by Staff are located in separate volume.)

**DUKE ENERGY OHIO FRANCHISED ELECTRIC AND GAS**  
**CASE NO. 21-887-EL-AIR**  
**MOST RECENT FIVE YEAR CAPITAL EXPENDITURES BUDGET**  
**2022 - 2026**  
**(\$000 Omitted)**

DATA: FIVE (5) YEAR PROJECTED  
TYPE OF FILING: "X" ORIGINAL    UPDATED    REVISED

SCHEDULE S-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
G. S. CARPENTER

	CWIP Balance at <u>12/31/2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Electric</b>						
Transmission						
Additions		105,252	87,866	99,748	96,284	104,900
AFUDC Debt & Equity		3,615	3,605	3,616	3,617	4,910
Total Transmission with AFUDC	77,502	108,867	91,471	103,365	99,901	109,811
Distribution						
Additions		203,392	198,309	209,574	231,764	228,664
AFUDC Debt & Equity		4,901	5,552	5,493	7,069	6,735
Total Distribution with AFUDC	110,180	208,293	203,861	215,068	238,833	235,399
General & intangible						
Additions		65,466	46,738	56,011	66,112	57,470
AFUDC Debt & Equity		4,237	4,413	4,673	3,993	5,894
Total General with AFUDC	82,058	69,703	51,151	60,684	70,106	63,364
<b>Gas</b>						
Distribution						
Additions		228,844	194,725	184,494	135,431	167,355
AFUDC Debt & Equity		6,006	8,168	5,534	6,308	9,787
Total Distribution with AFUDC	92,671	234,850	202,892	190,028	141,740	177,142
Transmission						
Additions		2,481	6,043	9,273	443	-
AFUDC Debt & Equity		48	219	-	-	-
Total Distribution with AFUDC	-	2,529	6,261	9,273	443	-
General & intangible						
Additions		5,905	2,253	2,376	2,223	2,000
AFUDC Debt & Equity		646	586	691	795	999
Total General with AFUDC	13,438	6,551	2,839	3,067	3,018	2,999
<b>Total Duke Energy Ohio</b>						
Additions		611,339	535,935	561,477	532,257	560,390
AFUDC Debt & Equity		19,453	22,542	20,007	21,784	28,325
Total Duke energy Ohio with AFUDC	375,849	630,792	558,476	581,485	554,041	588,714

**DUKE ENERGY OHIO FRANCHISED ELECTRIC AND GAS**  
**CASE NO. 21-887-EL-AIR**  
**FIVE YEAR PROJECTED INCOME STATEMENT**  
**2022 - 2026**  
**(\$000 Omitted)**

DATA: FIVE (5) YEAR PROJECTED  
TYPE OF FILING: "X" ORIGINAL    UPDATED    REVISED

SCHEDULE S-2  
PAGE 1 OF 4  
WITNESS RESPONSIBLE:  
G. S. CARPENTER

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Operating Revenues	\$ 1,553,976	\$ 1,645,425	\$ 1,701,116	\$ 1,750,288	\$ 1,867,186
Operating Expenses					
Cost of Goods Sold	316,075	317,405	316,280	318,545	321,689
Operation & Maintenance	312,661	315,839	316,130	320,446	332,362
Depreciation/ Amortization	238,541	251,509	260,007	265,524	299,270
Taxes Other than Income Taxes	352,700	373,890	388,238	400,621	425,339
Current Taxes	2,770	30,672	33,291	32,076	65,019
Deferred Income Taxes	31,499	13,743	17,874	24,899	2,922
Investment Tax Credit amort	-	-	-	-	-
Total Operating Expenses	<u>\$ 1,254,246</u>	<u>\$ 1,303,059</u>	<u>\$ 1,331,818</u>	<u>\$ 1,362,112</u>	<u>\$ 1,446,602</u>
Other Income and Deductions	20,477	22,047	19,051	20,821	33,619
Net Interest Changes	93,945	100,692	102,163	101,207	123,973
Net Income	<u>\$ 226,263</u>	<u>\$ 263,721</u>	<u>\$ 286,186</u>	<u>\$ 307,790</u>	<u>\$ 330,230</u>
Preferred Dividends					
Available for Common Stock	<u>\$ 226,263</u>	<u>\$ 263,721</u>	<u>\$ 286,186</u>	<u>\$ 307,790</u>	<u>\$ 330,230</u>

**DUKE ENERGY OHIO FRANCHISED ELECTRIC AND GAS**  
**CASE NO. 21-887-EL-AIR**  
**FIVE YEAR PROJECTED BALANCE SHEET**  
**2022 - 2026**  
**(\$000 Omitted)**

DATA: FIVE (5) YEAR PROJECTED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2  
PAGE 2 OF 4  
WITNESS RESPONSIBLE:  
G. S. CARPENTER

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Assets:</b>					
Cash and Cash Equivalents	6,246	5,468	18,900	7,723	136,167
Receivables	212,915	236,107	254,235	274,023	299,166
Inventory	59,288	58,288	58,288	58,288	66,248
Other Current Assets	16,964	16,964	16,964	16,964	27,696
Total Current Assets	295,413	316,827	348,387	356,997	529,276
Goodwill	746,919	746,919	746,919	746,919	746,919
Intangibles, Net	882	882	882	882	585
Other	65,800	65,639	65,421	65,363	71,531
Total Investments and Other Assets	813,600	813,439	813,221	813,163	819,035
PP&E Net	7,015,100	7,360,783	7,721,250	8,045,368	8,522,190
Deferred debt expense	471,145	480,080	493,720	513,199	445,441
Regulatory Assets Related to Income Taxes	-	-	-	-	-
Other long-term assets	140,799	140,551	140,424	140,349	137,018
Total Regulatory Assets and Deferred Debits	611,943	620,631	634,144	653,548	582,459
Total Assets	\$ 8,736,056	\$ 9,111,679	\$ 9,517,001	\$ 9,869,077	\$ 10,452,960
<b>Liabilities:</b>					
Accounts Payable	277,889	281,199	285,010	289,153	279,710
Notes Payable and Commercial Paper	146,263	229,169	116,527	128,641	200,588
Taxes Accrued	260,405	276,147	290,912	305,390	361,126
Interest Accrued	23,144	19,375	19,375	18,542	18,776
Other Current Liabilities	106,506	106,506	106,506	106,506	107,260
Total Current Liabilities	814,208	912,398	818,331	848,232	967,460
Long-term debt, including current maturities	2,763,797	2,865,325	3,166,731	3,318,026	3,419,802
Deferred Income Taxes	848,944	885,028	925,242	972,482	987,994
Investment tax credit	1,310	1,310	1,310	1,310	1,202
Asset Retirement Obligations	34,645	34,645	34,645	34,645	35,478
Other long-term liabilities	680,745	656,845	628,427	594,277	582,482
Total Deferred Credits and Other Liabilities	1,565,644	1,577,827	1,589,624	1,602,713	1,607,155
Common Stock	382,847	382,847	382,847	382,847	382,847
Additional Paid in Capital	2,483,094	2,483,094	2,483,094	2,483,094	2,483,094
Retained Earnings	522,152	685,873	872,059	1,029,849	1,493,590
Current year Net Income	204,315	204,315	204,315	204,315	99,011
Equity	3,592,408	3,756,129	3,942,315	4,100,105	4,458,542
Total Liabilities and Equity	\$ 8,736,056	\$ 9,111,679	\$ 9,517,001	\$ 9,869,077	\$ 10,452,960
	\$ 0	\$ 0	\$ 0	\$ 0	(0)



**DUKE ENERGY OHIO FRANCHISED ELECTRIC AND GAS**  
**CASE NO. 21-887-EL-AIR**  
**FIVE YEAR PROJECTED CASH FLOW STATEMENT**  
**2022 - 2026**  
**(\$000 Omitted)**

DATA: FIVE (5) YEAR PROJECTED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2  
PAGE 3 OF 4  
WITNESS RESPONSIBLE:  
G. S. CARPENTER

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Net Income	\$ 226,263	\$ 263,721	\$ 286,186	\$ 307,790	\$ 330,230
Depreciation and Amortization	238,541	251,509	260,007	265,524	299,270
Amortization of Debt Costs	1,947	1,836	1,593	1,430	1,299
Losses/(Gains) on Sale of Assets					
Deferred Income Taxes and ITC	31,499	13,743	17,874	24,899	2,922
Contributions to company-sponsored pension plan	-	-	-	-	-
Receivables	(45,014)	(23,192)	(18,128)	(19,788)	(16,589)
Accounts Payables	15,709	5,495	5,996	6,328	3,887
Income Taxes Accrued	3,464	0	(0)	(0)	(0)
Taxes Other than income Accrued	14,278	15,742	14,764	14,478	14,399
Interest Accrued	-	(3,768)	(0)	(834)	(0)
Equity AFUDC	(11,231)	(13,014)	(11,551)	(12,577)	(19,141)
Other Assets and Liabilities	(50,169)	(16,845)	(20,006)	(22,947)	(7,301)
<b>Net Cash from Operating Activities</b>	<b>\$ 425,286</b>	<b>\$ 495,226</b>	<b>\$ 536,735</b>	<b>\$ 564,303</b>	<b>\$ 608,975</b>
Capital Expenditures	(611,339)	(535,935)	(561,477)	(532,257)	(560,390)
Cost of Removal	(34,888)	(33,449)	(40,726)	(46,130)	(29,623)
AFUDC Debt	(8,222)	(9,527)	(8,456)	(9,207)	(9,184)
<b>Net Cash from Investing Activities</b>	<b>\$ (654,449)</b>	<b>\$ (578,911)</b>	<b>\$ (610,660)</b>	<b>\$ (587,594)</b>	<b>\$ (599,196)</b>
Proceeds/redemptions of long-term debt	400,000	100,000	300,000	150,000	-
Money Pool Payable	(268,057)	82,906	(112,642)	12,114	13,978
Capital Contributions From/(To) Parent	100,000	(100,000)	(100,000)	(150,000)	(100,000)
<b>Net Cash from Financing Activities</b>	<b>\$ 231,943</b>	<b>\$ 82,906</b>	<b>\$ 87,358</b>	<b>\$ 12,114</b>	<b>\$ (86,022)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>\$ 2,780</b>	<b>\$ (778)</b>	<b>\$ 13,433</b>	<b>\$ (11,177)</b>	<b>\$ (76,243)</b>
Beginning Cash	3,466	6,246	5,468	18,900	212,918
Ending Cash	\$ 6,246	\$ 5,468	\$ 18,900	\$ 7,723	\$ 136,676

**DUKE ENERGY OHIO FRANCHISED ELECTRIC  
CASE NO. 21-887-EL-AIR  
ASSUMPTIONS  
2017 - 2021**

DATA: FIVE (5) YEAR PROJECTED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

SCHEDULE S-2  
PAGE 4 OF 4  
WITNESS RESPONSIBLE:  
G. S. CARPENTER

**1. Electric Forecast (MWH)**

	Residential	Commercial	Industrial	Street Light	OPA	Inter-Dept	Company Use	Change in Unbilled	Total
<b>Total Sales and Company Use</b>									
2022	7,149,713	6,125,541	4,905,346	87,157	1,105,656	3,941	12,516	212,513	19,602,382
2023	7,199,451	6,180,457	4,960,540	86,877	1,131,157	3,941	12,512	212,512	19,787,447
2024	7,214,349	6,189,901	4,941,651	86,847	1,139,884	3,941	12,515	212,513	19,801,600
2025	7,311,235	6,190,318	4,894,961	86,826	1,145,189	3,941	12,515	212,512	19,857,496
2026	7,629,622	6,364,191	4,697,943	87,280	1,189,180	3,904	13,583	167,860	20,153,563

2. Operations and Maintenance labor expense was budgeted by department for 2021 & 2022. The years 2023 through 2026 were based on the company's 2022 Budget with 3.5% non-union and 2.5% union Labor escalations.

Allocable costs from Duke Energy are charged to the Company

3. At the present time, Duke Energy anticipates no additional employees over the budgeted period

4. Long Term debt cost was assumed to range from 2.85% to 3.50% for 2021 - 2026. Short-term debt cost was assumed to range from 0.5% to 1.9% for the period 2021 - 2026.

NOTICE OF APPLICATION BY DUKE ENERGY OHIO, INC., FOR AUTHORITY TO INCREASE ITS  
ELECTRIC DISTRIBUTION RATES

TO WHOM IT MAY CONCERN:

Pursuant to the requirements of R.C. 4909.19, Duke Energy Ohio, Inc., ("Duke Energy Ohio" or "Company") gives notice that, on October 1, 2021, the Company filed with the Public Utilities Commission of Ohio ("Commission") an Application to increase its base rates for electric distribution service. The Application has been assigned Case Number 21-887-EL-AIR by the Commission. Duke Energy Ohio is also seeking to amend its tariffs and obtain accounting authority in connection with the proposed rate increase, which requests have been assigned Case Numbers 21-888-EL-ATA and 21-889-EL-AAM. The Application in all three cases directly affects the Company's entire service territory, which includes all or parts of Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, Montgomery, Preble, and Warren Counties in Ohio.

Base rates are partially responsible for recovering costs associated with maintaining poles, wires, and other distribution infrastructure that bring electric services into customers' homes and businesses. The proposed rates in this case reflect investments in the Company's distribution system and increased costs of operations and maintenance since the last Duke Energy Ohio electric distribution rate case filed in 2017. The proposed rates would also assist the Company in continuing to finance and support the infrastructure necessary to continue providing safe and reliable distribution service to its customers.

In reviewing the Application, the Commission will consider the Company's cost to provide electric distribution service from April 1, 2021, to March 31, 2022, and the value of its poles, wires, and other equipment used to deliver distribution service, as of June 30, 2021.

The Application requests an overall increase in distribution service operating revenue of approximately 10%, on a rate schedule basis as follows:

Total Residential Service:	10.9%
Total Distribution Voltage Service:	8.8%
Total Transmission Voltage Service:	3.9%
Total Lighting Service:	5.1%

The percentages above do not reflect the total increase associated with Duke Energy Ohio's proposals. The Application requests an overall 3.3% increase in total operating revenue on a rate schedule basis as follows:

Total Residential Service:	4.3%
Total Distribution Voltage Service:	2.6%
Total Transmission Voltage Service:	0.0%
Total Lighting Service:	3.5%

For a typical 1,000 kWh residential user, the total bill increase will be approximately 3.9%.

The proposals in the Application are subject to changes, including changes as to amount and form, by the Commission. Recommendations that differ from the filed Application may be made by the Staff of the Commission or by intervening parties and may be adopted by the Commission.

Any person, firm, corporation, or association may file, pursuant to R.C. 4909.19, an objection to the Application, which may allege that such Application contains proposals that are unjust and discriminatory, or unreasonable.

The Application and supporting documents are available at the office of the Company, located at 139 East Fourth Street, Cincinnati, Ohio 45202. The Application and supporting documents are also available on the Commission's docketing information system at <http://www.puco.ohio.gov>, by selecting DIS, inputting 21-887-EL-AIR in the case lookup box, and selecting the date the application was filed (October 1, 2021).

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

**Commission of Ohio Docketing Information System on**

**10/1/2021 2:22:30 PM**

**in**

**Case No(s). 21-0887-EL-AIR, 21-0888-EL-ATA, 21-0889-EL-AAM**

Summary: Application Volume 1 of 11

Application, Schedules S-1 through S-4.1 electronically filed by Mrs. Debbie L. Gates on behalf of Duke Energy Ohio Inc. and Kingery, Jeanne W and D'Ascenzo, Rocco O. Mr. and Ms. Elizabeth M. Brama