

**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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**DIRECT TESTIMONY OF**

**JOHN R. PANIZZA**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

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_____	Management policies, practices, and organization
_____	Operating income
_____	Rate Base
_____	Allocations
_____	Rate of return
_____	Rates and tariffs
<u>  X  </u>	Other: Taxes

October 15, 2021

**JOHN R. PANIZZA DIRECT**

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## **I. INTRODUCTION AND PURPOSE**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is John R. Panizza and my business address is currently 550 South  
3       Tryon Street, Charlotte, North Carolina 28202. Effective November 1, 2021, that  
4       address will change to 526 South Church Street, Charlotte, North Carolina 28202.

5   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6   A.   I am employed by Duke Energy Business Services LLC (DEBS) as Director, Tax  
7       Operations. DEBS provides various administrative and other services to Duke  
8       Energy Ohio, Inc., (Duke Energy Ohio or Company) and other affiliated  
9       companies of Duke Energy Corporation (Duke Energy).

10  **Q.   PLEASE   BRIEFLY   SUMMARIZE   YOUR   EDUCATIONAL**  
11  **BACKGROUND AND PROFESSIONAL EXPERIENCE.**

12  A.   I have a Bachelor of Science degree in Accounting from Montclair State  
13       University and a Master's degree in Taxation from Seton Hall University. I am a  
14       Certified Public Accountant in the state of New Jersey. My professional work  
15       experience began in 1989 as an auditor with KPMG. From 1993 to 2002, I held a  
16       number of financial positions primarily at two companies, in telecommunications  
17       and automotive (AT&T Corp., and Collins & Aikman Inc.). In 2002, I joined  
18       Duke Energy and have held a number of financial positions of increasing  
19       responsibilities, including various accounting and tax related positions. In March  
20       2018, after a three-year rotation primarily in Corporate Accounting, I moved back  
21       into the role of Director, Tax Operations, a position that I had previously held.

1   **Q.   PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS DIRECTOR,**  
2       **TAX OPERATIONS.**

3   A.   As Director, Tax Operations, I have overall responsibility for corporate tax  
4       compliance, and accounting for Duke Energy. The Duke Energy Tax Operations  
5       Department is responsible for all federal, state, and local income tax returns for  
6       Duke Energy, including various joint ventures if Duke Energy is the designated  
7       tax matters partner.

8               The Tax Department is responsible for maintaining and reconciling Duke  
9       Energy's tax accounts and for the reporting and disclosure of tax-related matters,  
10      to the extent required.

11   **Q.   HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**  
12       **UTILITIES COMMISSION OF OHIO?**

13   A.   No.

14   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**  
15       **PROCEEDINGS?**

16   A.   My testimony addresses Duke Energy Ohio's income tax expense presented in  
17       this filing. I sponsor Schedules C-4 and C-4.1, and Supplemental Filing  
18       Requirement (C)(8), and I will sponsor the information required by Supplemental  
19       Requirement (C)(13) when such information is provided to the Commission.<sup>1</sup> I

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<sup>1</sup> To ensure that the information in its federal income tax returns remains confidential, the Company has requested that it be permitted instead to make the required information available to Staff on a coincidental basis during Staff's field audit, when it also will be making copies of its state income tax returns available on a confidential basis to Staff. *See* Motion of Duke Energy Ohio, Inc., To Set Test Period and Date Certain under R.C. 4909.15(C) and for Waiver of Certain Filing Requirements Contained in O.A.C. 4901-7-01, p. 6 (September 9, 2021).

1 also cosponsor Schedule B-6 and have provided certain tax information to other  
2 witnesses for their use in these proceedings.

**II. SCHEDULES, FILING REQUIREMENTS AND INFORMATION  
SPONSORED BY WITNESS**

3 **Q. PLEASE DESCRIBE SCHEDULE B-6.**

4 A. Schedule B-6 is a summary of date certain balances for Customer Advances for  
5 Construction, Customer Service Deposits, Post Retirement Benefits, Accumulated  
6 Deferred Investment Tax Credits, Excess Deferred Income Taxes, Accumulated  
7 Deferred Income Taxes and Other Rate Base Items.

8 **Q. WHAT INFORMATION ON SCHEDULE B-6 ARE YOU SPONSORING?**

9 A. I am sponsoring the balances shown in the "Total Company" column for  
10 Accumulated Deferred Investment Tax Credits, Excess Deferred Income Taxes,  
11 and Accumulated Deferred Income Taxes. Duke Energy Ohio witness Lisa D.  
12 Steinkuhl is responsible for the remainder of the information and the adjustments  
13 provided on Schedule B-6.

14 **Q. PLEASE DESCRIBE SCHEDULE C-4.**

15 A. Schedule C-4 provides the adjusted jurisdictional federal, state, and municipal  
16 income tax expenses for Duke Energy Ohio.

17 **Q. PLEASE DESCRIBE SCHEDULE C-4.1.**

18 A. Schedule C-4.1 presents the jurisdictional federal, state, and municipal income tax  
19 expenses for Duke Energy Ohio prior to adjustments.

20 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT (C)(8).**

21 A. Supplemental Filing Requirement (C)(8) provides the latest certificate of  
22 valuation.

1   **Q.   PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT**  
2       **(C)(13).**

3   A.   Supplemental Filing Requirement (C)(13) provides information relating to the  
4       Company's federal and state income tax expense. As noted in footnote 1, *supra*,  
5       the Company has requested to provide this information confidentially to the  
6       Commission Staff.

7   **Q.   PLEASE DESCRIBE THE TAX INFORMATION YOU PROVIDED TO**  
8       **OTHER WITNESSES FOR THEIR USE IN THESE PROCEEDINGS.**

9   A.   In addition to cosponsoring Schedule B-6, I also provided Duke Energy Ohio  
10       witness Christopher Bauer with the accumulated deferred income tax and  
11       accumulated deferred investment tax credit balances for use on Schedules D-1A  
12       and D-1B.

### **III.       CONCLUSION**

13   **Q.   WAS THE INFORMATION YOU PROVIDED IN SCHEDULES B-6, C-4,**  
14       **AND C-4.1, SUPPLEMENTAL FILING REQUIREMENT (C)(8), AND**  
15       **THE INFORMATION YOU HAVE PREPARED TO PROVIDE**  
16       **CONFIDENTIALLY PERTAINING TO SUPPLEMENTAL FILING**  
17       **REQUIREMENT (C)(13), AND THE TAX INFORMATION YOU**  
18       **SUPPLIED TO OTHER WITNESSES PREPARED UNDER YOUR**  
19       **DIRECTION AND SUPERVISION?**

20   A.   Yes.

21   **Q.   IS THE INFORMATION YOU SPONSORED ACCURATE TO THE BEST**  
22       **OF YOUR KNOWLEDGE AND BELIEF?**

1    A.    Yes.

2    **Q.    DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

3    A.    Yes.

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

Summary: Testimony Direct Testimony of John R. Panizza electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne W. and Vaysman, Larisa and Elizabeth M. Brama