

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Application of)
Duke Energy Ohio, Inc., for an Adjustment) Case No. 21-1036-GA-RDR
to Rider AMRP Rates.)

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Tariff Approval.) Case No. 21-1037-GA-ATA

**APPLICATION OF
DUKE ENERGY OHIO, INC.,
FOR AN ADJUSTMENT TO RIDER AMRP
GAS RATES AND FOR TARIFF APPROVAL**

1. Duke Energy Ohio, Inc., (Duke Energy Ohio) is an Ohio corporation engaged in the business of supplying natural gas to approximately 448,000 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 gas rates applicable in incorporated communities and the unincorporated territory within Duke Energy Ohio's entire service area, which includes all or part of Adams, Brown, Butler, Clinton, Clermont, Hamilton, Montgomery, and Warren Counties in Ohio.

The gas rates that Duke Energy Ohio seeks to change in its tariff, P.U.C.O. Gas No. 18, are as follows:

Rider AMRP, Accelerated Main Replacement Program
Rider, Sheet No. 65.20

3. The Pre-Filing Notice was served on the mayor and legislative authority of each municipality affected by this Application on November 29, 2021, and was filed with the Public Utilities Commission of Ohio (Commission) on November 29, 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.

4. Duke Energy Ohio proposes a test year consisting of the twelve-month period ended December 31, 2021, and the date certain for property valuation of December 31, 2021.

5. Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full and factoring in the applicable rate caps approved by the Commission, would decrease gross revenues by \$0.753 million, or 0.20%, annually, over the estimated test period - gross revenues generated from providing service to customers.

6. Duke Energy Ohio is filing this Application pursuant to the terms and conditions of a Stipulation and Recommendation filed with the Commission on April 2, 2013, in *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in its Natural Gas Distribution Rates*, Case No. 12-1685-GA-AIR, *et al.*, and approved by the Commission in its Opinion and Order in those proceedings dated November 13, 2013 (Stipulation and Recommendation).

7. Duke Energy Ohio filed the current Rider AMRP and the proposed new Rider AMRP with its Pre-Filing Notice, and incorporates such current and proposed riders herein by reference, as required by R.C. 4909.18 and the Commission's Standard Filing Requirements. Duke Energy Ohio also filed the following schedules with the Commission on November 29, 2021, in accordance with the Stipulation and Recommendation, and Duke Energy Ohio reproduces such schedules here, for the convenience of the Commission, as Attachment A:

- (a) Schedule 1, AMRP Annualized Revenue Requirement;
- (b) Schedule 2, Riser Replacement Annualized Revenue Requirement;
- (c) Schedule 3, AMRP Provision for Depreciation;
- (d) Schedule 4, AMRP Net Regulatory Assets – Post In-Service Carrying Cost;
- (e) Schedule 5, Riser Replacement Net Regulatory Asset – Post In-Service Carrying Cost;
- (f) Schedules 6-A and 6-B, AMRP Deferred Taxes on Liberalized Depreciation and Excess Deferred Income Taxes;
- (g) Schedule 7, Riser Replacement Deferred Taxes on Liberalized Depreciation and Excess Deferred Income Taxes;
- (h) Schedule 8, AMRP Annualized Reduction in Depreciation for Retirements;
- (i) Schedule 9, AMRP Annualized Amortization of PISCC;
- (j) Schedule 10, Gas Maintenance Accounts Savings Calculation;
- (k) Schedule 11, Camera Work Expenses;
- (l) Schedule 12, AMRP Annualized Property Tax Expense Calculation;
- (m) Schedule 13, Riser Replacement Annualized Property Tax Expense Calculation and;
- (n) Schedule 14, AMRP Cap Calculation by Rate Class.

8. At the time of the filing of 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, since 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 gas 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 gas 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 asks that the Commission:

- (a) Accept this Application for filing;
- (b) Find that this Application and the schedules incorporated by reference herein are in accordance with R.C. 4909.18 and the rules of the Commission;
- (c) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ended December 31, 2021, and approve such schedules in the form tendered herewith or incorporated by reference herein;
- (d) Find that Duke Energy Ohio is in compliance with R.C. 4905.35;
- (e) Approve the proposed notice for newspaper publication attached hereto as Attachment B or, in the alternative, find that no newspaper publication is required because Duke Energy Ohio published newspaper notification of all proposed Rider AMRP increases when it filed the original application in the proceeding resulting in the Opinion and Order that initiated this filing;
- (f) Approve Duke Energy Ohio's Application for Approval to Change Accounting Methods consistent with proposed Rider AMRP; and
- (g) Fix the date on or after which deliveries made are subject to the proposed rates.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

/s/ Jeanne W. Kingery

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(Willing to accept service by email)

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Application was served on the following parties of record by electronic mail delivery this 22nd day of February, 2022.

/s/Jeanne W. Kingery
Jeanne W. Kingery

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Attorney for Staff of the Public Utilities Commission of Ohio

ATTACHMENT A

**Annualized Revenue Requirement
Schedule 1**

No.		Actual Thru December 31, 2020	Activity Thru October 31, 2021	Actual Nov & Dec 2021	Total	
1	Return on Investment					
2	Plant In-Service					
3	Additions	246,381,666.64	-	-	246,381,666.64	
4	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
5	Total Plant In-Service	228,444,965.25	-	-	228,444,965.25	
6	Less: Accumulation Provision for Depreciation					
7	Depreciation Expense	40,144,216.06	4,826,422.10	965,284.42	45,935,922.58	Schedule 3, Ln 18
8	Cost of Removal	(5,284,983.68)	-	-	(5,284,983.68)	
9	Original Cost Retired	(17,936,701.39)	-	-	(17,936,701.39)	
10	Total Accumulated Provision for Depreciation	16,922,530.99	4,826,422.10	965,284.42	22,714,237.51	
11	Net Regulatory Asset--Post In-Service Carrying Cost	5,837,763.84	(121,801.70)	(24,360.34)	5,691,601.80	Schedule 4, Ln. 22
12	Net Deferred Tax Balance--PISCC (1)	(1,225,930.41)	25,578.36	5,115.67	(1,195,236.38)	-21% of Line No. 11
13	Excess Deferred Tax Balance--PISCC (1)	(878,674.99)	-	-	(878,674.99)	See Note 1
14	Deferred Taxes on Liberalized Depreciation	(29,262,904.46)	-	127,123.94	(29,135,780.52)	Schedule 6, Ln. 35
15	Excess Deferred Taxes	(19,496,147.70)	-	-	(19,496,147.70)	Schedule 6, Ln. 34
16	Net Rate Base	166,496,540.53	(4,922,645.44)	(857,405.15)	160,716,489.95	
17	Approved Pre-tax Rate of Return (2)	9.16%	9.16%	9.16%	9.16%	
18	Annualized Return on Rate Base & Deferred Expense	15,251,083.11	(450,914.32)	(78,538.31)	14,721,630.48	
19	Operating Expenses					
20	Annualized Provision for Depreciation For Additions					
21	Mains--Plastic				2,840,111.64	Schedule 3, Ln 18
22	Mains--Steel				1,078,058.88	Schedule 3, Ln 18
23	Main to Curb Services--Plastic				1,000,778.88	Schedule 3, Ln 18
24	Curb to Meter Services				872,757.12	Schedule 3, Ln 18
25	Current Year Provision				5,791,706.52	
26	Annualized Reduction in Depreciation For Retirements					
27	Mains--Cast Iron & Copper				(90,557.74)	Schedule 8, Ln. 16
28	Mains--Steel				(51,164.21)	Schedule 8, Ln. 17
29	Mains--Plastic				(16,852.30)	Schedule 8, Ln. 18
30	Main to Curb Services--Cast Iron & Copper				(45,388.76)	Schedule 8, Ln. 21
31	Main to Curb Services--Steel				(36,955.32)	Schedule 8, Ln. 22
32	Main to Curb Services--Plastic				(298,633.99)	Schedule 8, Ln. 23
33	Total				(539,552.32)	
34	Annualized Amortization of PISCC				149,007.36	Schedule 9, Ln. 30
35	Annualized Property Tax Expense				4,330,518.71	Schedule 12 Ln. 12
36	Achieved Reduction in Mains--Maintenance Expense				(312,532.00)	Schedule 10 Ln. 10
37	Camera Work Expenses				13,203.92	Schedule 11 Ln. 1
38	Annualized Revenue Requirement				<u>24,153,982.67</u>	

Notes:

- (1) The PISCC related Deferred Taxes on Liberalized Depreciation amounts and Excess Deferred Income Tax (EDIT) presented are after adjustments from the Tax Cuts and Jobs Act of 2017. As part of tax reform portions of the PISCC related Deferred Taxes on Liberalized Depreciation amounts were reclassified as regulatory liabilities that would also be deducted for purposes of calculating net rate base.
- (2) Approved Pre-Tax Rate of Return set per Stipulation in Case No. 12-1685-GA-AIR. Upon the Tax Cut and Jobs Act of 2017 becoming law the Pre-Tax Rate of Return has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

**Annualized Revenue Requirement Riser Replacement
Schedule 2**

<u>No.</u>		Actual Thru December 31, 2020	Activity 2021	Actual Thru December 31, 2021	
1	<u>Return on Investment</u>				
2	Riser Replacements				
3	Additions	2,126,202.66	-	2,126,202.66	
4	Less: Accumulation Provision for Depreciation				
5	Depreciation Expense	631,061.70	76,330.68	707,392.38	
6	Net Regulatory Asset--Post In-Service Carrying Cost	75,269.08	(3,255.36)	72,013.72	Schedule 5, Ln. 17
7	Net Deferred Tax Balance--PISCC (1)	(15,806.50)	683.63	(15,122.87)	-21% of Line 11
8	Excess Deferred Tax Balance--PISCC (1)	(11,904.92)		(11,904.92)	See Note 1
	Deferred Taxes on Liberalized Depreciation	(203,130.24)	6,072.85	(197,057.39)	Schedule 7, Ln. 24
9	Excess Deferred Taxes	(144,024.43)	-	(144,024.43)	Schedule 7, Ln. 23
10	Net Rate Base	1,195,543.95	(72,829.56)	1,122,714.39	
11	Approved Pre-tax Rate of Return (2)	9.16%	9.16%	9.16%	
12	Annualized Return on Rate Base & Deferred Expense	109,511.82	(6,671.19)	102,840.63	
13	<u>Operating Expenses</u>				
14	Annualized Provision for Depreciation For Additions			76,330.68	3.59% of Line 3
15	Annualized Amortization of PISCC			3,255.36	Schedule 5 , Ln. 17
16	Annualized Property Tax Expense			37,779.62	Schedule 13, Ln. 7
17	Annualized Revenue Requirement			<u>220,206.29</u>	

Note:

- (1) The PISCC related Deferred Taxes on Liberalized Depreciation amounts and Excess Deferred Income Tax (EDIT) presented are after adjustments from the Tax Cuts and Jobs Act of 2017. As part of tax reform portions of the PISCC related Deferred Taxes on Liberalized Depreciation amounts were reclassified as regulatory liabilities that would also be deducted for purposes of calculating net rate base.
- (2) Approved Pre-Tax Rate of Return set per Stipulation in Case No. 12-1685-GA-AIR. Upon the Tax Cut and Jobs Act of 2017 becoming law the Pre-Tax Rate of Return has been adjusted to reflect a reduction of the Corporate tax rate from 35% to 21%.

Provision for Depreciation
Schedule 3

Line No.		MAIN - STEEL		MAIN - PLASTIC		SERVICES - PLASTIC		C-toM SERVICES - PLASTIC		TOTALS	
		Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance	Monthly Depreciation	Cumulative Balance
1	Incremental										
2	Provision for Depreciation										
3	Balance at 12/31/2020 (actual)		7,376,073.11		19,616,404.20		7,093,972.23		6,057,766.52		40,144,216.06
4											
5	01/31/21	89,838.24	7,465,911.35	236,675.97	19,853,080.17	83,398.24	7,177,370.47	72,729.76	6,130,496.28	482,642.21	40,626,858.27
6	02/28/21	89,838.24	7,555,749.59	236,675.97	20,089,756.14	83,398.24	7,260,768.71	72,729.76	6,203,226.04	482,642.21	41,109,500.48
7	03/31/21	89,838.24	7,645,587.83	236,675.97	20,326,432.11	83,398.24	7,344,166.95	72,729.76	6,275,955.80	482,642.21	41,592,142.69
8	04/30/21	89,838.24	7,735,426.07	236,675.97	20,563,108.08	83,398.24	7,427,565.19	72,729.76	6,348,685.56	482,642.21	42,074,784.90
9	05/31/21	89,838.24	7,825,264.31	236,675.97	20,799,784.05	83,398.24	7,510,963.43	72,729.76	6,421,415.32	482,642.21	42,557,427.11
10	06/30/21	89,838.24	7,915,102.55	236,675.97	21,036,460.02	83,398.24	7,594,361.67	72,729.76	6,494,145.08	482,642.21	43,040,069.32
11	07/31/21	89,838.24	8,004,940.79	236,675.97	21,273,135.99	83,398.24	7,677,759.91	72,729.76	6,566,874.84	482,642.21	43,522,711.53
12	08/31/21	89,838.24	8,094,779.03	236,675.97	21,509,811.96	83,398.24	7,761,158.15	72,729.76	6,639,604.60	482,642.21	44,005,353.74
13	09/30/21	89,838.24	8,184,617.27	236,675.97	21,746,487.93	83,398.24	7,844,556.39	72,729.76	6,712,334.36	482,642.21	44,487,995.95
14	10/31/21	89,838.24	8,274,455.51	236,675.97	21,983,163.90	83,398.24	7,927,954.63	72,729.76	6,785,064.12	482,642.21	44,970,638.16
15	Activity Thru Oct 31, 2021	898,382.40		2,366,759.70		833,982.40		727,297.60		4,826,422.10	
	11/30/21	89,838.24	8,364,293.75	236,675.97	22,219,839.87	83,398.24	8,011,352.87	72,729.76	6,857,793.88	482,642.21	45,453,280.37
16	12/31/21	89,838.24	8,454,131.99	236,675.97	22,456,515.84	83,398.24	8,094,751.11	72,729.76	6,930,523.64	482,642.21	45,935,922.58
17	Activity Nov and Dec 2021	179,676.48		473,351.94		166,796.48		145,459.52		965,284.42	
18	Balance at 12/31/2021	1,078,058.88	8,454,131.99	2,840,111.64	22,456,515.84	1,000,778.88	8,094,751.11	872,757.12	6,930,523.64	5,791,706.52	45,935,922.58

**Net Regulatory Asset--Post In-Service Carrying Cost
Schedule 4**

<u>No.</u>		VINTAGE 2011 Accounts	VINTAGE 2012 Accounts	VINTAGE 2013 Accounts	VINTAGE 2014 Accounts	VINTAGE 2015 Accounts	TOTALS
	Post in service carrying costs						
1	Steel	182120	182124	182128	182162	182233	
2	Plastic	182121	182125	182129	182163	182234	
3	Service	182122	182126	182130	182164	182235	
4	Balance at 12/31/2020 (actual)	154,545.31	2,024,370.33	1,344,884.27	1,260,463.14	1,053,500.79	5,837,763.84
5	Amortization balance at 12/31/2020	58,866.00	413,724.52	222,471.20	152,613.76	126,865.20	974,540.68
6	01/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
7	02/28/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
8	03/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
9	04/30/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
10	05/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
11	06/30/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
12	07/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
13	08/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
14	09/30/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
15	10/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
16	Activity Thru Oct 31, 2021						121,801.70
17	11/30/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
18	12/31/21	388.56	4,500.95	2,780.89	2,244.32	2,265.45	12,180.17
19	Activity Nov and Dec 2021						24,360.34
20	Total Amortization expense- 2021	4,662.72	54,011.40	33,370.68	26,931.84	27,185.40	146,162.04
21	Amortization Balance at 12/31/2021	63,528.72	467,735.92	255,841.88	179,545.60	154,050.60	1,120,702.72
22	Net Regulatory Asset Balance at 12/31/2021	149,882.59	1,970,358.93	1,311,513.59	1,233,531.30	1,026,315.39	5,691,601.80

Riser Replacement
Net Regulatory Asset--Post In-Service Carrying Cost
Schedule 5

<u>No.</u>		Account 182123 2011 costs	Account 182127 2012 costs	Total
	Post in service carrying costs			
1	Balance at 12/31/2020 (actual)	8,977.75	66,291.33	75,269.08
2	Amortization balance at 12/31/2020	7,799.36	20,937.72	
3	01/31/21	43.76	227.52	
4	02/28/21	43.76	227.52	
5	03/31/21	43.76	227.52	
6	04/30/21	43.76	227.52	
7	05/31/21	43.76	227.52	
8	06/30/21	43.76	227.52	
9	07/31/21	43.76	227.52	
10	08/31/21	43.76	227.52	
11	09/30/21	43.76	227.52	
12	10/31/21	43.76	227.52	
13	Activity Thru Oct 31, 2021	437.60	2,275.20	
14	11/30/21	43.76	227.52	
15	12/31/21	43.76	227.52	
16	Activity Nov and Dec 2021	87.52	455.04	
17	Total Amortization expense- 2021	525.12	2,730.24	3,255.36
18	Amortization Balance at 12/31/2021	8,324.48	23,667.96	31,992.44
19	Net Regulatory Asset Balance at 12/31/2021	8,452.63	63,561.09	72,013.72

Deferred Taxes on Liberalized Depreciation
Schedule 6

Schedule - 6A

	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018	Tax Year 2019	Tax Year 2020
Line No.									
1	Plant In-Service -								
2	Mains - Plastic	40,180,050.68	76,711,411.38	111,119,540.75	136,543,827.07	136,543,827.07	136,543,827.07	136,543,827.07	136,543,827.07
3	Mains - Steel	14,457,968.72	32,253,529.51	50,031,505.05	57,650,208.18	57,650,208.18	57,650,208.18	57,650,208.18	57,650,208.18
4	Main to Curb Services - Plastic	8,662,644.46	16,005,261.49	22,790,259.57	27,876,847.47	27,876,847.47	27,876,847.47	27,876,847.47	27,876,847.47
5	Main to Curb Services - Steel	-	-	-	-	-	-	-	-
6	Curb to Meter Services	6,039,754.66	13,194,287.27	18,399,429.74	24,310,783.92	24,310,783.92	24,310,783.92	24,310,783.92	24,310,783.92
	Total Plant In-Service	69,340,418.52	138,164,489.65	202,340,735.11	246,381,666.64	246,381,666.64	246,381,666.64	246,381,666.64	246,381,666.64
7	Book to Tax Basis Adjustments:	(411,927.26)	(181,764.61)	(569,855.54)	(645,644.93)	(645,644.93)	(645,644.93)	(645,644.93)	(645,644.93)
8	Tax Base In-Service subject to:								
9	Bonus Depreciation - 50%	49,066,862.05	118,121,095.83	181,909,250.36	225,874,392.50	225,874,392.50	225,874,392.50	225,874,392.50	225,874,392.50
10	Bonus Depreciation - 100%	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21	19,861,629.21
11	MACRS on Balance	-	-	-	-	-	-	-	-
12	Total Tax Depreciation Base	68,928,491.26	137,982,725.04	201,770,879.57	245,736,021.71	245,736,021.71	245,736,021.71	245,736,021.71	245,736,021.71
13	Tax Depreciation -								
14	Bonus Depreciation - 50%	24,533,431.03	34,527,116.89	31,894,077.27	21,982,571.07				
15	Bonus Depreciation - 100%	19,861,629.21							
16	MACRS on Balance	506,307.56	3,096,824.70	5,355,421.47	6,973,914.84	7,275,491.72	6,224,983.02	5,757,960.56	5,376,109.20
17	Total Tax Depreciation	44,901,367.80	37,623,941.59	37,249,498.74	28,956,485.91	7,275,491.72	6,224,983.02	5,757,960.56	5,376,109.20
18	Book Depreciation								
19	Mains - Plastic	146,945.70	1,011,983.55	1,735,186.690	2,521,730.060	2,840,111.60	2,840,111.60	2,840,111.60	2,840,111.60
20	Mains - Steel	48,711.89	309,328.11	645,512.190	982,226.520	1,078,058.89	1,078,058.89	1,078,058.89	1,078,058.89
21	Main to Curb Services - Plastic	96,262.59	405,990.49	674,091.310	913,733.440	1,000,778.82	1,000,778.82	1,000,778.82	1,000,778.82
22	Main to Curb Services - Steel	-	-	-	-	-	-	-	-
23	Curb to Meter Services	66,770.05	313,063.03	547,699.810	766,448.030	872,757.14	872,757.14	872,757.14	872,757.14
24	Total Book Depreciation	358,690.23	2,040,365.18	3,602,490.00	5,184,138.05	5,791,706.46	5,791,706.46	5,791,706.46	5,791,706.46
25	Less: Book Depr on AFUDC Equity	3,258.00	13,324.58	22,053.83	33,145.00	35,010.94	35,010.94	35,010.94	35,010.94
26	Plus: Originating Dif. Exclusive of AFUDC Equity	217,916.70	325,582.41	245,896.09	61,666.00				
27	Net Book Depreciation	573,348.93	2,352,623.01	3,826,332.26	5,212,659.05	5,756,695.52	5,756,695.52	5,756,695.52	5,756,695.52
28	Tax Depreciation in Excess of Book Depreciation	44,328,018.87	35,271,318.58	33,423,166.48	23,743,826.86	1,518,796.20	973,070.88	468,287.50	(380,586.32)
29	Federal Deferred Taxes @ 35.00% 2012-2017, @ 21.00% 2018-present	15,514,806.60	12,344,961.50	11,698,108.27	8,310,339.40	531,578.67	340,574.81	98,340.38	265.67
30	Deferred Tax Balance	15,514,806.60	27,859,768.11	39,557,876.37	47,868,215.77	48,399,794.44	48,740,369.25	29,342,827.59	29,262,904.46
31	Federal Deferral Rate	35%	35%	35%	35%	35%	35%	21%	21%
32	Excess Deferred Taxes Tax Years 2012 - 2017	6,205,922.64	4,937,984.60	4,679,243.31	3,324,135.76	212,631.47	136,229.92		
33	(35%-21%=14%)								
34	Excess Deferred Tax Balance	6,205,922.64	11,143,907.24	15,823,150.55	19,147,286.31	19,359,917.78	19,496,147.70	19,496,147.70	19,496,147.70
35	Accumulated Deferred Tax Balance at 21%	9,308,883.96	16,715,860.86	23,734,725.82	28,720,929.46	29,039,876.67	29,244,221.55	29,342,827.59	29,262,904.46

Deferred Taxes on Liberalized Depreciation
Schedule 6

Schedule - 6B

	Tax Year 2021				Total
	Vintage 2012	Vintage 2013	Vintage 2014	Vintage 2015	
Plant In-Service -					
Mains - Plastic	40,180,050.68	36,531,360.70	34,408,129.37	25,424,286.32	136,543,827.07
Mains - Steel	14,457,968.72	17,795,560.79	17,777,975.54	7,618,703.13	57,650,208.18
Main to Curb Services - Plastic	8,662,644.46	7,342,617.03	6,784,998.08	5,086,587.90	27,876,847.47
Main to Curb Services - Steel	-	-	-	-	-
Curb to Meter Services	6,039,754.66	7,154,532.61	5,205,142.47	5,911,354.18	24,310,783.92
Total Plant In-Service	69,340,418.52	68,824,071.13	64,176,245.46	44,040,931.53	246,381,666.64
Book to Tax Basis Adjustments:	(411,927.26)	230,162.65	(388,090.93)	(75,789.39)	(645,644.93)
Tax Base In-Service subject to:					
Bonus Depreciation - 50%	49,066,862.05	69,054,233.78	63,788,154.53	43,965,142.14	225,874,392.50
Bonus Depreciation - 100%	19,861,629.21	-	-	-	19,861,629.21
MACRS on Balance	-	-	-	-	-
Total Tax Depreciation Base	68,928,491.26	69,054,233.78	63,788,154.53	43,965,142.14	245,736,021.71
Tax Depreciation -					
Bonus Depreciation - 50%					-
Bonus Depreciation - 100%				-	-
MACRS on Balance	1,093,985.26	1,540,599.96	1,442,250.17	1,074,508.07	5,151,343.46
Total Tax Depreciation	1,093,985.26	1,540,599.96	1,442,250.17	1,074,508.07	5,151,343.46
Book Depreciation					
Mains - Plastic	835,745.06	759,852.31	715,689.10	528,825.17	2,840,111.64
Mains - Steel	270,364.01	332,776.98	332,448.14	142,469.75	1,078,058.88
Main to Curb Services - Plastic	310,988.96	263,599.97	243,581.44	182,608.52	1,000,778.88
Main to Curb Services - Steel	-	-	-	-	-
Curb to Meter Services	216,827.18	256,847.71	186,864.61	212,217.62	872,757.12
Total Book Depreciation	1,633,925.21	1,613,076.97	1,478,583.30	1,066,121.04	5,791,706.52
Less: Book Depr on AFUDC Equity	14,840.94	2,235.72	14,606.92	3,327.36	35,010.94
Plus: Originating Dif. Exclusive of AFUDC Equity					-
Net Book Depreciation	1,619,084.27	1,610,841.25	1,463,976.38	1,062,793.68	5,756,695.58
Tax Depreciation in Excess of Book Depreciation	(525,099.01)	(70,241.29)	(21,726.21)	11,714.39	(605,352.12)
Federal Deferred Taxes @ 35.00% 2012-2017, @ 21.00% 2018-present	(110,270.79)	(14,750.67)	(4,562.50)	2,460.02	(127,123.94)
Deferred Tax Balance					29,135,780.52
Federal Deferral Rate					21%
Excess Deferred Taxes Tax Years 2012 - 2017 (35%-21%=14%)					
Excess Deferred Tax Balance					19,496,147.70
Accumulated Deferred Tax Balance at 21%					29,135,780.52

**Riser Replacement
Deferred Taxes on Liberalized Depreciation
Schedule 7**

	<u>Tax Year 2012</u>	<u>Tax Year 2013</u>	<u>Tax Year 2014</u>	<u>Tax Year 2015</u>	<u>Tax Year 2016</u>	<u>Tax Year 2017</u>	<u>Tax Year 2018</u>	<u>Tax Year 2019</u>	<u>Tax Year 2020</u>	<u>Tax Year 2021</u>
	[---- all Vintage year 2012 ----]									
Line No.										
1 Plant In-Service -										
2 Riser Replacement	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66
3 Total Plant In-Service	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>
4 Book to Tax Basis Adjustments:	-									
5 Tax Base In-Service subject to:										
6 Bonus Depreciation - 50%	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66	2,126,202.66
7 MACRS on Balance	-									
8 Total Tax Depreciation Base	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>	<u>2,126,202.66</u>
9 Tax Depreciation -										
10 Bonus Depreciation - 50%	1,063,101.33	-	-	-	-	-	-	-	-	-
11 MACRS on Balance	28,487.98	77,596.61	71,775.60	66,389.58	66,389.58	56,809.15	52,545.13	48,608.71	47,415.30	47,412.37
12 Total Tax Depreciation	<u>1,091,589.31</u>	<u>77,596.61</u>	<u>71,775.60</u>	<u>66,389.58</u>	<u>66,389.58</u>	<u>56,809.15</u>	<u>52,545.13</u>	<u>48,608.71</u>	<u>47,415.30</u>	<u>47,412.37</u>
13 Book Depreciation										
14 Riser Replacement	23,339.84	73,141.32	76,330.68	76,330.68	76,330.68	76,330.68	76,330.68	76,330.68	76,330.68	76,330.68
15 Total Book Depreciation	<u>23,339.84</u>	<u>73,141.32</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>
16 Less: Book Depr on AFUDC Equity	-									
17 Plus: Originating Dif. Exclusive of AFUDC Equity	-									
18 Net Book Depreciation	<u>23,339.84</u>	<u>73,141.32</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>	<u>76,330.68</u>
19 Tax Depreciation in Excess of Book Depreciation	<u>1,068,249.47</u>	<u>4,455.29</u>	<u>(4,555.08)</u>	<u>(9,941.10)</u>	<u>(9,941.10)</u>	<u>(19,521.53)</u>	<u>(23,785.55)</u>	<u>(27,721.97)</u>	<u>(28,915.38)</u>	<u>(28,918.31)</u>
20 Federal Deferred Taxes @ 35.00% 2012-2017, @ 21.00% 2018-present	<u>377,869.73</u>	<u>1,559.35</u>	<u>(1,594.28)</u>	<u>(3,479.39)</u>	<u>(3,479.39)</u>	<u>(6,832.54)</u>	<u>(4,994.97)</u>	<u>(5,821.61)</u>	<u>(6,072.23)</u>	<u>(6,072.85)</u>
21 Deferred Tax Balance	<u>377,869.73</u>	<u>379,429.08</u>	<u>377,834.80</u>	<u>374,355.41</u>	<u>370,876.02</u>	<u>364,043.48</u>				
22 Federal Deferral Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	21.00%	21.00%	21.00%	21.00%
23 Excess Deferred Taxes Tax Years 2012 - 2017 (35%-21%=14%)	149,554.93	623.74	(637.71)	(1,391.75)	(1,391.75)	(2,733.01)				
24 Excess Deferred Tax Balance	149,554.93	150,178.67	149,540.96	148,149.20	146,757.45	144,024.43	144,024.43	144,024.43	144,024.43	144,024.43
25 Accumulated Deferred Tax Balance at 21%	228,314.80	229,250.41	228,293.84	226,206.21	224,118.57	220,019.05	215,024.08	209,202.47	203,130.24	197,057.39

Annualized Reduction in Depreciation For Retirements Schedule 8

<u>No.</u>		Actual Balance at 12/31/2021
1	Plant Basis	
2	Mains	
3	Cast Iron & Copper	3,329,328.80
4	Steel	2,736,054.09
5	Plastic	810,206.62
6		<u>6,875,589.51</u>
7	Main To Curb Services	
8	Cast Iron & Copper	1,459,445.74
9	Steel	1,283,170.73
10	Plastic	8,318,495.41
11		<u>11,061,111.88</u>
12	Total	<u><u>17,936,701.39</u></u>
13	Annualized Reduction In	
14	Depreciation Expense	
15	Mains	
16	Cast Iron & Copper 2.72%	(90,557.74)
17	Steel 1.87%	(51,164.21)
18	Plastic 2.08%	(16,852.30)
19		<u>(158,574.25)</u>
20	Main To Curb Services	
21	Cast Iron & Copper 3.11%	(45,388.76)
22	Steel 2.88%	(36,955.32)
23	Plastic 3.59%	(298,633.99)
24		<u>(380,978.07)</u>
25	Total	<u><u>(539,552.32)</u></u>

Annualized Amortization of PISCC Schedule 9

Regulatory Asset--Deferrals			Actual
No.	Account	Description	Balance at 12/31/21
1			
2	0182120	AMRP 2011 Steel Carry Costs	2,754.62
3	0182121	AMRP 2011 Plastic Carry Costs	150,181.69
4	0182122	AMRP 2011 Service Carry Costs	60,475.00
5	0182124	AMRP 2012 Steel Carry Costs	470,298.98
6	0182125	AMRP 2012 Plastic Carry Costs	1,173,819.47
7	0182126	AMRP 2012 Service Carry Costs	793,976.40
8	0182128	AMRP 2013 Steel Carry Costs	372,876.52
9	0182129	AMRP 2013 Plastic Carry Costs	652,941.45
10	0182130	AMRP 2013 Service Carry Costs	541,537.50
11	0182162	AMRP 2014 Steel Carry Costs	424,681.22
12	0182163	AMRP 2014 Plastic Carry Costs	705,879.47
13	0182164	AMRP 2014 Service Carry Costs	282,516.21
14	0182233	AMRP 2015 Plastic Carry Costs	524,203.66
15	0182234	AMRP 2015 Service Carry Costs	530,187.26
16	0182235	AMRP 2015 Steel Carry Costs	125,975.07
17		Total--PISCC	6,812,304.52
18		Cumulative Total--PISCC	6,812,304.52
19	Annualized Amortization of PISCC		Actual
			Balance at 12/31/21
20		Description	
21		AMRP 2011 Steel Carry Costs	1.54% 42.42
22		AMRP 2011 Plastic Carry Costs	1.82% 2,733.31
23		AMRP 2011 Service Carry Costs	3.13% 1,892.87
24		AMRP 2012 Steel Carry Costs	1.54% 7,242.60
25		AMRP 2012 Plastic Carry Costs	1.82% 21,363.51
26		AMRP 2012 Service Carry Costs	3.13% 24,851.46
21		AMRP 2013 Steel Carry Costs	1.54% 5,742.30
22		AMRP 2013 Plastic Carry Costs	1.82% 11,883.53
23		AMRP 2013 Service Carry Costs	3.13% 16,950.12
24		AMRP 2014 Steel Carry Costs	1.54% 6,540.09
25		AMRP 2014 Plastic Carry Costs	1.82% 12,847.01
26		AMRP 2014 Service Carry Costs	3.13% 8,842.76
27		AMRP 2015 Plastic Carry Costs	1.82% 9,540.51
28		AMRP 2015 Service Carry Costs	3.13% 16,594.86
29		AMRP 2015 Steel Carry Costs	1.54% 1,940.02
30		Total--Annualized Amortization PISCC	149,007.36

10	Guaranteed Amount			2021 Minimum Guaranteed Savings	312,532.00
	Guaranteed Savings Calculation				
	Amount agreed to in Case No. 10-2788-GA-RDR		929,670		
	Amount reflected in Base Rates				
	Cost included in previous Case No. 07-589-GA-AIR	4,278,240			
	Cost included in current base rates (Case No 12-1685)	3,661,102	-617,138		
	Savings to be reflected in Rider AMRP		312,532		

Camera Work Expenses
Schedule 11

Line <u>No.</u>	01/31/21	02/28/21	03/31/21	04/30/21	05/31/21	06/30/21	07/31/21	08/31/21	09/30/21	10/31/21	Activity Thru 10/31/21	11/30/21	12/31/21	Actual Thru Nov.--Dec. 2021	Activity at 12/31/21
1 Camera Work Expenses			378.25			1.78	24,739.11	(11,915.22)		-	13,203.92	-	-	-	13,203.92

Annualized Property Tax Expense Calculation Schedule 12

Line No.		Actual Total 2012	Actual Total 2013	Actual Total 2014	Actual Total 2015	Grand Total
1	<u>Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)</u>					
2	Current Year Investment	69,340,418.52	68,824,071.13	64,176,245.46	44,040,931.53	246,381,666.64
3	Less: AFUDC In-Service	(651,619.40)	(148,806.87)	(825,785.15)	(259,998.47)	(1,886,209.89)
4	Drawing Costs In-Service	(158,863.96)	(444,970.60)	(398,673.63)	(229.19)	(1,002,737.38)
5	Net Cost of Taxable Property	<u>68,529,935.16</u>	<u>68,230,293.66</u>	<u>62,951,786.68</u>	<u>43,780,703.87</u>	<u>243,492,719.37</u>
6	Percent Good (a)	68.3%	71.7%	75.0%	78.3%	
7	True Value of Taxable Property (excluding PISCC)	46,805,945.71	48,921,120.55	47,213,840.01	34,280,291.13	177,221,197.40
8	Gas Valuation Percent	25%	25%	25%	25%	
9	Total Taxable Value	11,701,486.43	12,230,280.14	11,803,460.00	8,570,072.78	44,305,299.35
10	Retired Net Taxable Main End of Year (@ 15%)	(661,480.95)	(538,009.33)	(633,581.45)	(857,433.47)	(2,690,505.20)
11	Net Property Tax Valuation	<u>11,040,005.48</u>	<u>11,692,270.81</u>	<u>11,169,878.55</u>	<u>7,712,639.31</u>	<u>41,614,794.15</u>
12	Property Tax @ \$104.062 per \$1,000 of Valuation	<u>1,148,845.05</u>	<u>1,216,721.09</u>	<u>1,162,359.90</u>	<u>802,592.67</u>	<u>4,330,518.71</u>

0.104062

**Ohio Riser Calculation--Projected
Annualized Property Tax Expense Calculation
Schedule 13**

Line No.		Total Vintage 2012
1	<u>Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)</u>	
2	Current Year Investment	2,126,202.66
3	Percent Good (a)	68.3%
4	True Value of Taxable Property (excluding PISCC)	1,452,196.42
5	Gas Valuation Percent	25%
6	Total Taxable Value	363,049.11
7	Property Tax @ \$104.062 per \$1,000 of Valuation	<u>37,779.62</u>

Cap Calculation--Projection
Cap Calculation By Rate Class
Schedule 14

Rate Class	Allocated AMRP	Allocated Riser	Total Allocated	Billing Determinates		Calculated AMRP Charge
	Revenue Requirement (1)	Revenue Requirement (2)	Revenue Requirement	# of Bills	Sales (Mcf's)	
Total Residential	13,284,690.47	202,589.79	13,487,280.26	4,950,323	N/A	\$2.72
Total General Service & Firm Transportation	8,936,973.59	17,616.50	8,954,590.09	343,073	N/A	\$26.10
Interruptible Transportation	1,932,318.61	-	1,932,318.61	N/A	19,815,962	\$0.10
Total Revenue	24,153,982.67	220,206.29	24,374,188.96			
Revenue Requirement to be Allocated	24,153,982.67	220,206.29	24,374,188.96			

(1) AMRP Revenue Requirement

Allocated on the Following Basis:

Residential	55%
General Service & Firm Transportation	37%
Interruptible Transportation	8%

(2) Riser Revenue Requirement

Allocated on the Following Basis:

Residential	92%
General Service & Firm Transportation	8%
Interruptible Transportation	0%

ATTACHMENT B

PROPOSED NOTICE FOR NEWSPAPER PUBLICATION

Please take notice that, pursuant to Ohio Revised Code Section 4909.18, Duke Energy Ohio, Inc., (Duke Energy Ohio) has filed an application with the Public Utilities Commission of Ohio (Commission) for a decrease in its gas rates. The purpose of the application is to allow Duke Energy Ohio to recover the costs it incurred in 2021 related to its Accelerated Main Replacement Program (AMRP). Under these programs, Duke Energy Ohio replaced cast iron and bare steel gas mains and service lines and risers on an accelerated basis, in order to improve the safety and reliability of its distribution system. The Commission approved the AMRP in an Opinion and Order dated November 13, 2013, in Case No. 12-1685-GA-AIR, *et al.*

Duke Energy Ohio estimates that the rate changes proposed herein, if granted in full, would decrease gross revenues by \$0.753 million or 0.20% annually over the estimated test period gross revenues generated from providing service to customers. The average percentage decrease that a typical residential customer will bear should the decrease be granted in full is 0.1% based on November 2021 billings. The proposed Rider AMRP charges applicable to Duke Energy Ohio tariffed gas rates are as follows: Rate RS and RSLI - \$2.72 per month; Rate RFT and RFTLI - \$2.72 per month; Rate GS-S and GS-L - \$26.10 per month; Rate FT-S and FT-L - \$26.10 per month; Rate IT - \$.010 per CCF; and, Rate GGIT - \$.010 per CCF.

Any person, firm, corporation, or association may file, pursuant to Ohio Revised Code Section 4909.19, an objection to such decrease or may allege that such application contains proposals that are unjust and discriminatory or unreasonable.

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on
2/22/2022 11:24:05 AM**

in

Case No(s). 21-1036-GA-RDR, 21-1037-GA-ATA

Summary: Application of Duke Energy Ohio, Inc., for an Adjustment to Rider AMRP Gas Rates and for Tariff Approval electronically filed by Carys Cochern on behalf of Duke Energy Ohio, Inc.