

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Natural Gas Rates.)	Case No. 22-507-GA-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Form of Regulation.)	Case No. 22-508-GA-ALT
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 22-509-GA-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 22-510-GA-AAM
)	

DIRECT TESTIMONY OF

HUYEN C. DANG

ON BEHALF OF

DUKE ENERGY OHIO, INC.

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

July 14, 2022

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I. INTRODUCTION

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

2 A. My name is Huyen C. Dang, and my business address 526 South Church Street,
3 Charlotte, North Carolina 28202.

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

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

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I am a graduate of the University of North Carolina at Charlotte, with a Bachelor
12 of Science degree in Accounting. I began my employment with Duke Energy in
13 1997 in the Financial Reporting group within the Accounting Department. I
14 transferred to Asset Accounting in 2000 and transitioned to my current position
15 within Asset Accounting in May 2022.

16 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR OF**
17 **ACCOUNTING.**

18 A. As Director of Accounting, I have responsibility for accounting and reporting
19 activities within Duke Energy's electric and natural gas utilities related to fixed
20 assets, including natural gas plant in service, construction work in progress, and
21 depreciation.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**
2 **UTILITIES COMMISSION OF OHIO?**

3 A. No.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**
5 **PROCEEDINGS?**

6 A. I am responsible for net plant in service contained in rate base as of the date
7 certain, March 31, 2022, and other plant-related items. I sponsor the following
8 Schedules: B-2, B-2.1, B-2.2, B-2.3, B-2.4, B-2.5, B-3, B-3.1, B-3.2, B-3.2a, B-
9 3.3, B-3.4, B-6.2, and C-3.5. I also sponsor page 1 of both Schedule D-5A and
10 Schedule D-5B, and Supplemental Filing Requirements (C)(8), (C)(12), (C)(13),
11 (C)(15), (C)(17), (D)(4), (D)(5), (D)(8) and (D)(16).

II. SCHEDULES AND FILING REQUIREMENTS
SPONSORED BY WITNESS

12 **Q. PLEASE DESCRIBE THE INFORMATION CONTAINED IN THE**
13 **SCHEDULES OF SECTION B THAT YOU SPONSOR.**

14 A. The schedules of Section B that I sponsor develop the Jurisdictional Net Plant in
15 Service. The schedules are based on Duke Energy Ohio's property records as of
16 March 31, 2022, the date certain in these proceedings.

17 **Q. PLEASE DESCRIBE SCHEDULE B-2.**

18 A. Schedule B-2 shows the investment in natural gas plant in service, including
19 allocated common plant by major property grouping, as of the date certain, March
20 31, 2022. The amount shown in the column labeled "Adjusted Jurisdiction"
21 represents plant in service that is used and useful in providing natural gas service
22 to Duke Energy Ohio's jurisdictional customers.

1 **Q. PLEASE DESCRIBE SCHEDULE B-2.1.**

2 A. Schedule B-2.1 consists of a further breakdown of Schedule B-2 by the Federal
3 Energy Regulatory Commission (FERC) and Company Account for each major
4 property grouping. The plant investment shown in the column labeled “Adjusted
5 Jurisdiction” represents plant in service that is used and useful in providing
6 natural gas service to Duke Energy Ohio’s jurisdictional customers.

7 **Q. PLEASE DESCRIBE SCHEDULE B-2.2.**

8 A. Adjustments to plant in service are shown on Schedule B-2.2.

9 **Q. PLEASE DESCRIBE SCHEDULE B-2.3.**

10 A. Schedule B-2.3 shows gross additions, retirements, and transfers by the FERC and
11 Company Account for each major property grouping from March 31, 2012, the
12 date certain in the Company’s most recent natural gas rate case (Case No. 12-
13 1685-GA-AIR, *et al.*) through the date certain in these proceedings of March 31,
14 2022.

15 **Q. PLEASE DESCRIBE SCHEDULE B-2.4.**

16 A. Schedule B-2.4 is entitled “Leased Property.” Duke Energy Ohio did not have any
17 leased property on March 31, 2022.

18 **Q. PLEASE DESCRIBE SCHEDULE B-2.5.**

19 A. Schedule B-2.5 is a standard filing requirement to identify property to be
20 excluded from rate base. As Duke Energy Ohio is not proposing any exclusions in
21 these proceedings, this schedule is not applicable.

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

2 A. Schedule B-3 shows the total plant investment and the Reserve for Accumulated
3 Depreciation and Amortization by FERC and Company Account grouping as of
4 March 31, 2022. The adjusted jurisdictional reserve in the last column is
5 applicable to the jurisdictional plant shown on Schedule B-2, “Adjusted
6 Jurisdiction.”

7 **Q. PLEASE DESCRIBE SCHEDULE B-3.1.**

8 A. Schedule B-3.1 is a standard filing requirement to identify adjustments to
9 Accumulated Depreciation and Amortization.

10 **Q. PLEASE DESCRIBE SCHEDULE B-3.2.**

11 A. Schedule B-3.2 lists the jurisdictional plant investment and reserve balance as of
12 March 31, 2022, for each FERC and Company Account within each major
13 property grouping. It also shows the proposed depreciation and amortization
14 accrual rate, calculated annual depreciation and amortization expense, percentage
15 of net salvage, average service life, and curve form, as applicable, for each
16 account. The calculated annual depreciation and amortization for Natural Gas
17 Plant was determined by multiplying the allocated jurisdictional plant investment
18 on March 31, 2022, by the proposed natural gas depreciation or amortization
19 accrual rate. With this filing, Duke Energy Ohio has also filed with the Public
20 Utilities Commission of Ohio (Commission) proposed depreciation and
21 amortization accrual rates. The account numbers referred to in the depreciation
22 study were those in effect on December 31, 2021, for Duke Energy Ohio. These
23 depreciation and amortization accrual rates were established by Duke Energy

1 Ohio witness John J. Spanos. Mr. Spanos, of Gannett Fleming Valuation and Rate
2 Consultants, LLC, supports the Company's depreciation and amortization study
3 through his testimony. Duke Energy Ohio requests that the Commission approve
4 the depreciation and amortization accrual rates submitted in this case and that the
5 depreciation and amortization accrual rates be effective with the natural gas rates
6 established in these proceedings.

7 **Q. PLEASE DESCRIBE SCHEDULE B-3.2a.**

8 A. Schedule B-3.2a is the same as Schedule B-3.2, except that it shows the current
9 depreciation and amortization accrual rate and current annual depreciation and
10 amortization expense. Duke Energy Ohio is filing Schedule B-3.2a so that the
11 current and proposed depreciation and amortization accrual rates, and resulting
12 depreciation and amortization expense, can be easily compared.

13 **Q. PLEASE DESCRIBE SCHEDULE B-3.3.**

14 A. Schedule B-3.3 shows depreciation accruals, salvage, retirements, cost of
15 removal, and transfers by FERC and Company Account for each major property
16 grouping from March 31, 2012, the date certain in the Company's most recent
17 natural gas rate case, through the date certain in these proceedings of March 31,
18 2022.

19 **Q. PLEASE DESCRIBE SCHEDULE B-3.4.**

20 A. Schedule B-3.4 contains accumulated depreciation reserve, depreciation rates, and
21 the annual depreciation expense for leased property. Duke Energy Ohio does not
22 have any leased property as of March 31, 2022.

1 **Q. PLEASE DESCRIBE SCHEDULE B-6.2.**

2 A. This schedule presents Contributions in Aid of Construction by Account and
3 Subaccount. Duke Energy Ohio nets all Contributions in Aid of Construction
4 against gross plant pursuant to Federal Power Commission (now FERC) Order
5 No. 490.

6 **Q. PLEASE DESCRIBE SCHEDULE C-3.5.**

7 A. Schedule C-3.5 calculates the annualized depreciation expense adjustment
8 between the proposed depreciation on Schedule B-3.2 and the test period
9 depreciation calculated using three months of actual depreciation expense and
10 nine months of projected depreciation expense.

11 **Q. PLEASE DESCRIBE PAGE 1 OF BOTH SCHEDULE D-5A AND**
12 **SCHEDULE D-5B.**

13 A. I sponsor page 1 of both Schedule D-5A and Schedule D-5B, which include plant
14 in service by major property grouping and Reserve for Accumulated Depreciation
15 and Amortization by utility service as of the date certain, and for each of the ten
16 prior years. Plant held for future use, acquisition adjustments, CWIP, and
17 composite depreciation rates have also been provided for the same periods.
18 Schedule D-5A presents this information for Duke Energy Ohio and Schedule D-
19 5B presents the same information on a consolidated Duke Energy basis as of the
20 date certain, and for each of the ten prior years.

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

22 A. Supplemental Filing Requirement (C)(8) provides information on depreciation
23 expense related to specific accounts that are charged to clearing accounts.

1 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT**
2 **(C)(12).**

3 A. Supplemental Filing Requirement (C)(12) requests information in the same
4 general format as Schedule B-2.3, which shows plant in service data from the date
5 certain in the Company's last natural gas base rate case to the date certain in these
6 proceedings. The requested information is available on workpaper WPB-2.3.

7 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT (C)(13)**
8 **AND (C)(14).**

9 A. Supplemental Filing Requirement (C)(13) requires that Duke Energy Ohio
10 provide the allocation of the depreciation reserve if it was allocated based on a
11 theoretical study. The depreciation reserve was not allocated to accounts based on
12 a theoretical reserve study. Reference is made to the depreciation study reflected
13 in Supplemental Filing Requirement (C)(14) and supported by the Direct
14 Testimony of Mr. Spanos.

15 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT**
16 **(C)(15).**

17 A. Supplemental Filing Requirement (C)(15) requests information in the same
18 general format as Schedule B-3.3, which shows depreciation reserve data from the
19 date certain in the Company's most recent natural gas base rate case to the date
20 certain in these proceedings. The requested information is available on workpaper
21 WPB-3.3.

1 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT**
2 **(C)(17).**

3 A. Supplemental Filing Requirement (C)(17) is information concerning surviving
4 dollars by vintage year of placement (original cost data as of date certain).

5 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT (D)(4).**

6 A. Supplemental Filing Requirement (D)(4) is the computation of gross maximum
7 AFUDC rates for the test year.

8 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT (D)(5).**

9 A. Supplemental Filing Requirement (D)(5) is a listing of Leased Property and
10 Leased Property Improvement, of which Duke Energy Ohio has none.

11 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT (D)(8).**

12 A. Supplemental Filing Requirement (D)(8) is the Latest Depreciation Study as of
13 December 31, 2021.

14 **Q. PLEASE DESCRIBE SUPPLEMENTAL FILING REQUIREMENT**
15 **(D)(16).**

16 A. Supplemental Filing Requirement (D)(16) is completed construction not classified
17 balances tentatively classified to plant accounts and reflected in the plant account
18 on Schedule B-2.3.

III. CONCLUSION

1 **Q. WERE SCHEDULES B-2, B-2.1, B-2.2, B-2.3, B-2.4, B-2.5, B-3, B-3.1, B-3.2,**
2 **B-3.2a, B-3.3, B-3.4, B-6.2, C-3.5, THE INFORMATION ON PAGE 1 OF**
3 **BOTH SCHEDULE D-5A AND SCHEDULE D-5B, AND SUPPLEMENTAL**
4 **FILING REQUIREMENTS (C)(8), (C)(12), (C)(13), (C)(15), (C)(17), (D)(4),**
5 **(D)(5), (D)(8) AND (D)(16) PREPARED BY YOU OR UNDER YOUR**
6 **DIRECTION AND SUPERVISION OR SUBJECT TO YOUR REVIEW?**

7 **A. Yes.**

8 **Q. IS THE INFORMATION CONTAINED IN THESE SCHEDULES AND**
9 **FILING REQUIREMENTS ACCURATE TO THE BEST OF YOUR**
10 **KNOWLEDGE AND BELIEF?**

11 **A. Yes.**

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

13 **A. Yes.**

**This foregoing document was electronically filed with the Public Utilities
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**Case No(s). 22-0507-GA-AIR, 22-0508-GA-ALT, 22-0509-GA-ATA, 22-0510-GA-
AAM**

Summary: Testimony Direct Testimony of Huyen C. Dang on Behalf of Duke Energy Ohio, Inc. electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne W. and Akhbari, Elyse Hanson and Vaysman, Larisa and Elizabeth M. Brama