

**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
	)	

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**STIPULATION AND RECOMMENDATION**

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**I. INTRODUCTION**

Rule 4901-1-30, Ohio Administrative Code provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding and agreement of the parties that have signed below (Signatory Parties)<sup>1</sup> and to recommend that the Public Utilities Commission of Ohio (Commission) approve and adopt this Stipulation and Recommendation (Stipulation), which resolves all of the issues raised in these proceedings through the application filed by Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) on June 30, 2022 (Application) and the Staff Report filed on December 21, 2022 (Staff Report).

The Stipulation represents a just and reasonable resolution of the issues raised in these proceedings, violates no regulatory principle or precedent, and is the product of lengthy, serious

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<sup>1</sup> The Signatory Parties include the Company, Staff of the Public Utilities Commission of Ohio, the Ohio Energy Group, Interstate Gas Supply, LLC, Retail Energy Supply Association, and People Working Cooperatively.

bargaining among knowledgeable and capable parties representing a wide range of interests, including the Staff of the Commission (Staff), to resolve the aforementioned issues. The Stipulation is supported by adequate data and information and, as a package, benefits customers and the public interest. Although this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission. For purposes of resolving all issues raised by these proceedings, the Signatory Parties stipulate, agree, and recommend as set forth below.

## **II. RECITALS**

WHEREAS, on June 30, 2022, Duke Energy Ohio filed an Application to adjust its base distribution rates; and

WHEREAS, on December 21, 2022, the Staff filed the Staff Report in these proceedings; and

WHEREAS, Staff and all other parties to these proceedings have engaged in substantial discovery; and

WHEREAS, all of the related issues and concerns raised by the Signatory Parties have been addressed in the substantive provisions of this Stipulation, and reflect, as a result of such discussions and compromises by the Signatory Parties, an overall reasonable resolution of all such issues; and

WHEREAS, this Stipulation is the product of the discussions and negotiations of the Signatory Parties and is not intended to reflect the views or proposals that any individual Signatory Party might have advanced acting unilaterally; and

WHEREAS, this Stipulation represents an accommodation of the diverse interests represented by the Signatory Parties and is entitled to careful consideration by the Commission; and

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable; and

WHEREAS, the Signatory Parties believe that the agreements herein represent a fair and reasonable solution to the issues raised in these proceedings; and

NOW, THEREFORE, the Signatory Parties stipulate, agree, and recommend that the Commission make the following findings and issue its Opinion and Order (Order) in these proceedings, approving this Stipulation in accordance with the following:

### **III. JOINT RECOMMENDATION OF PARTIES**

#### **A. Approval of Application**

The Signatory Parties recommend that the Company's Application be approved as modified by the recommendations in the Staff Report, unless otherwise stated below, in order to fully resolve all of the issues raised in these proceedings.

#### **B. Distribution Service**

##### **1. Revenue Requirement**

The Signatory Parties agree and recommend that the Commission approve a revenue requirement for Duke Energy Ohio's natural gas service of \$531.7 million, excluding all riders except gas cost recovery (GCR) revenues and Gas Surcharge Rider (GSR), which reflects an increase of \$31.7 million comprised of an increase in overall base distribution rates of \$31.8 million and a decrease of miscellaneous revenues of \$0.1 million. The \$531.7 million is comprised of \$526.9 million of base distribution revenues and \$4.8 million of miscellaneous revenues. The Signatory Parties agree that Duke Energy Ohio's revenue requirement related to natural gas distribution service is as detailed in the updated attached Schedule A-1, part of Stipulation Attachment 1.

## **2. Return on Equity/Capital Structure**

The Signatory Parties agree and recommend that the Commission determine Duke Energy Ohio's capital structure, as of March 31, 2022, to be 52.32 percent equity and 47.68 percent long-term debt and approve a return on equity (ROE) of 9.6 percent until such time as new rates are effective with a new ROE authorized by the Commission in the Company's next natural gas base rate case. Based on this ROE, the Signatory Parties agree and recommend that Duke Energy Ohio's overall rate of return shall be 6.96 percent<sup>2</sup> and that the Commission find that such overall rate of return on rate base is fair and reasonable.

## **3. Rate Base**

The Signatory Parties agree that Duke Energy Ohio's rate base related to distribution service is as detailed in the updated attached Schedules A-1, B-1, B-2, and B-2.2 (Stipulated Schedules) included as Stipulation Attachment 1, Attachment 2, Attachment 3, and Attachment 4, respectively.

a. The Stipulated Schedules include an addition to rate base as compared to the Staff Report of \$411,747 associated with fitness center expenditures, of which \$147,995 is the jurisdictional allocated amount, to account for a double counting error in the Staff Report.<sup>3</sup>

b. The Stipulated Schedules include an addition to rate base as compared to the Staff Report of \$2,132,937 associated with financial incentives that were capitalized within net plant-in-service. As more fully addressed in paragraph 9, the Company agrees to credit customers for the amount of capitalized financial incentives through Rider CEP on a going forward basis.

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<sup>2</sup> As shown on Schedule A-1 of Stipulation Attachment 1.

<sup>3</sup> The Stipulation maintains the exclusion of Plant-in-Service associated with fitness centers and locker rooms located at the Company's headquarters, Kellogg Training Center, and five Operations Service Centers as recommended in the Staff Report.

#### **4. Depreciation**

The Signatory Parties agree that Duke Energy Ohio shall use the depreciation rates as reflected in its Application and as modified in the Staff Report. The Stipulated Schedules include an addition of \$4,199 in depreciation expense as compared to the Staff Report.

#### **5. Operation and Maintenance**

The Signatory Parties agree that the Stipulated Schedules reflect the following changes as compared to the Staff Report:

- a. The addition of \$2,124 associated with property tax expense.
- b. The addition of \$17,117 associated with miscellaneous expense.
- c. The addition of \$511,183 associated with labor expense, including payroll tax, benefits, pension, and incentive compensation.

#### **6. Implementation of New Rates**

The Signatory Parties agree and recommend that the Commission approve final tariffs that go into effect on a service rendered basis after the Commission approves this Stipulation and final tariffs are filed with the Commission and reviewed by Commission Staff.

#### **7. Future Depreciation Studies**

The Company agrees that it will include a depreciation study in its next natural gas base rate case. The Staff Report recommendation to perform another depreciation study within five years is not required so long as one is performed and included as part of the Company's next natural gas base rate case application.

## 8. Cost of Service Allocations, Billing Determinants and Rate Design

The Signatory Parties agree to the following allocation of base distribution revenues:

### **Base Distribution Revenues**

Residential (RS, RSLI, RFT, RFTLI)	\$249,785,349	67.8%
General Service Small (GS-S, FT-S)	37,792,617	10.3%
General Service Large (GS-L, FT-L)	60,191,213	16.3%
Interruptible (IT, Spec Contracts)	<u>20,463,998</u>	5.6%
Total Base Distribution	368,233,178	100.0%
Gas Cost Revenue	158,631,474	
Miscellaneous Revenue	<u>4,853,764</u>	
Total	<u><u>\$531,718,416</u></u>	

The Signatory Parties agree and recommend that Duke Energy Ohio's natural gas rate design shall be consistent with the Staff's calculations and recommendations set forth in the Staff Report, except that such rates shall be corrected to reflect the per ccf charges and the volumetric charges for Rate IT and Rate IS will be stepped as follows<sup>4</sup>:

#### Rate RS & RFT

Fixed Delivery Charge	\$43.29	
Volumetric Charge (first 400 ccf)	\$0.099153	per ccf
Volumetric Charge (Additional ccf)	\$0.110750	per ccf

#### Rate RSLI & RFT-LI

Fixed Delivery Charge	\$39.29	
Volumetric Charge (all ccf)	\$0.099153	per ccf

#### Rate GS-S & FT-S

Fixed Delivery Charge	\$132.46	
Volumetric Charge (all ccf)	\$0.135502	per ccf

#### Rate GS-L & FT-L

Fixed Delivery Charge	\$338.82	
Volumetric Charge (all ccf)	\$0.130622	per ccf

#### Rate IS & IT

Fixed Delivery Charge	\$622.39	
Volumetric Charge (first 250,000 ccf)	\$0.125963	per ccf

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<sup>4</sup> Final tariffs filed consisted with the Implementation of New Rates provision of this Stipulation will reflect a revenue requirement and rates that are different from those included in this paragraph to reflect the increases in Rate Case Expense identified in paragraph 9 of this Stipulation.

Volumetric Charge (Additional ccf)      \$0.090445 per ccf

The Company agrees to meet with Staff six months before filing the next application to increase natural gas base rates to review the implementation of the adjustments to the Cost of Service Study (COSS) recommended in the Staff Report on pages 29-30.

## **9. Rate Case Expense**

The Signatory Parties agree that the Company shall use an amortization period of five years for rate case expense in this proceeding. The Commission should review the most recent updated information regarding the Company's rate case expense before issuing its final Order and update the final revenue requirement for the amortization of the updated rate case expenses in its final Order. The Company will submit its most recent information regarding its rate case expense as a late filed exhibit following briefing of these proceedings.

## **10. Capitalization Policy**

Duke Energy Ohio shall not be required to modify its corporate parent's convention of capitalizing employee bonus expense; however, so as not to include the value of the employee bonus expense for incremental investments on projects placed in-service after March 31, 2022, Duke Energy Ohio shall include a credit in rate base in future Rider CEP filings, for the estimated revenue requirement impact of capitalizing employee bonus expenses for incremental investment for its Ohio retail customers so as to net out the cost of the bonus expenses.<sup>5</sup>

### **C. Individual Rider and Tariff Provisions**

#### **1. Rider CEP**

##### **a. Rider CEP Requirements**

The Stipulating Parties agree and recommend that Duke Energy Ohio's recovery of incremental natural gas capital expenditures through its existing non-bypassable Rider CEP shall

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<sup>5</sup> For purposes of this section, "bonus expense" refers to the portion of the Company's incentive compensation attributable to the achievement of financial goals and that which is issued to the employee in the form of Company stock.

continue as proposed in the Application and as modified by the Staff Report for investments made through 2027, and the Company’s proposal to “roll-into base rates” and reset Rider CEP shall be approved, subject to the modifications below. Rider CEP shall be subject to the following annual residential rate caps for the investments made during the calendar years stated below:

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>AVERAGE</u>	<u>Total 6 yr</u>
\$ 2.25	\$ 2.25	\$ 1.53	\$ 1.00	\$ 1.00	\$1.50	\$ 1.59	\$9.53

The residential rate caps in the above table will not go into effect until an order is issued in this proceeding approving such caps. For avoidance of doubt, the \$2.25 residential rate cap for 2022 calendar year investments will apply to the rate that goes into effect in November 2023. The \$2.25 residential rate cap for 2023 calendar year investments will apply to the rate that goes into effect in November 2024, and so on and so forth. If an order is received after November 2023, the Company will implement Rider CEP rates consistent with the order in Case No. 19-791-GA-ALT until an order in this instant case is received and new base rates are put into effect.

Any assets excluded from recovery in Rider CEP due to the application of the residential rate caps shall be deemed to be base rate assets and included in rate base for recovery in the Company’s next natural gas base rate case proceeding. The Company will cease any Rider CEP deferrals on assets excluded from recovery due to the application of residential rate caps. Rider CEP shall be subject to the above-described annual residential rate caps, at a minimum, until the effective date of Duke Energy Ohio’s next natural gas base rate case application and/or alternative rate application to modify and/or extend Rider CEP. Rider CEP shall be reset to zero by the later of October 31, 2029, or upon full recovery of the vintage 2027 investments subject to the 2027 Rider CEP residential rate cap unless the Company files a natural gas base rate case or alternative rate application.



A pre-tax return of 8.32 percent on rate base will be used in the Rider CEP calculation, consistent with prior practice, which is based on the after-tax weighted-average cost of capital, as shown on Schedule A-1 of Stipulation Attachment 1, grossed up for the current federal income tax rate. Signatory Parties agree that the depreciation offset is no longer necessary and will be removed from the revenue requirement calculation. Parties agree that the depreciation offset will be added back to the formula if no rate case is filed along with the next alternative rate application. The Company agrees to make annual Rider CEP filings with the Commission subject to an audit. The annual Rider CEP filing will include a reconciliation and true-up mechanism for over/under recovery of the Rider CEP revenue requirement approved for the prior year. The Rider CEP revenue requirement shall continue to be allocated to the rate classes consistent with the total rate base allocation in the COSS provided in response to Staff Data Request 135. These filings will be made no later than March 31 of each year. The Company will update customer rates automatically in those annual proceedings on November 1 of each year. The Commission Staff or its designee shall perform an annual audit of Duke Energy Ohio's annual application to update the Rider CEP rates to determine the lawfulness, used and usefulness, prudence, and reasonableness of the CEP assets placed in service and the related calculation of the CEP regulatory asset included in the proposed updated Rider CEP revenue requirement. To the extent the audit is performed by external auditors retained by the Commission, the costs of such audit shall be borne by Duke Energy Ohio. Any Commission approved audit recommendations will be applied to the subsequent filing immediately after the order through the approved over/under true-up mechanism.

The collection of the revenue requirement shall be through a fixed per month charge for all rate classes, except Rate IT. Rate IT will be collected as a volumetric charge with a cap for customers using 250,000 ccf of natural gas per month or more.

## **2. Gas Surcredit Rider (Rider GSR)**

The Signatory Parties agree and recommend that the Company's Rider GSR shall continue. The GSR will be a credit of \$0.000992 per ccf to Transportation Customers served on Rates RFT, RFT-LI, FT-S, FT-L, and IT until approval of the Company's next rate case.

## **3. Rider UE-G (Uncollectible Gas Expense) and Fee Free Payment Proposal**

Duke Energy Ohio agrees to withdraw its proposal to include third-party payment processing fees for credit/debit/ and other electronic payment processes for recovery in Rider UE-G. Duke Energy Ohio reserves the right to file a request for a fee free credit card payment process in a future proceeding.

## **4. Rider GTCJA (Gas Tax Cuts and Jobs Act)**

The Signatory Parties agree Rider GTCJA shall be updated to reflect the results of any changes in federal tax laws as may be ordered by the Commission as part of a future proceeding.

## **5. Competitive Retail Natural Gas Supplier/ Competitive Market Enhancements**

The Signatory Parties agree and recommend as follows:

a. Duke Energy Ohio shall eliminate its \$4.00 switching fee from Rates RFT (Sheet No. 33, pg. 2), RFTLI (Sheet No. 36, pg. 2), FT-L (Sheet No. 37, pg. 2), and FT-S (Sheet No. 52, pg. 2).

b. Duke Energy Ohio shall withdraw (1) its proposed changes to its balancing language in Sheet Nos. 37, 44, 46, 50, 51, 52 and 58, regarding the additional requirements to deliver by city gate; (2) withdraw its proposed addition of ability to procure natural gas in Sheet No. 44; and (3) withdraw its proposed TSQ penalty from Rate FRAS, Sheet No. 44). In addition, the Company will withdraw its application in Case No. 21-794-GA-ATA, which seeks the same changes.

c. Duke Energy Ohio shall add the following language to the proposed Rate IMBS (Sheet No. 58) and Rate FRAS (Sheet No. 44): “An OFO overrun/underrun penalty of \$15 will be charged per dth for unauthorized overrun/underrun resulting from the pool operator’s failure to comply with the OFO. In its sole reasonable discretion, the Company may waive the assessment of part or all of such penalty for all pool operators when the unauthorized overruns/underruns are a result of: (1) an interstate or intrastate pipeline Force Majeure documented event or (2) inaccuracy, delay, or absence of the Company’s measurement for a Pool Operator’s customer(s). Requests for waivers must be submitted in writing to Company and be signed by an authorized representative of Pool Operator. Company will retain records of waiver requests received and their dispositions for three years.”

d. Duke Energy Ohio agrees to update Rate FRAS (Sheet No. 44, pg. 13) and Rate SAC (Sheet No. 45, page 1) to increase the number of free rate codes per supplier from its current limit of 25 to a limit of 100. Duke Energy Ohio agrees to update Rate FRAS (Sheet No. 44, pg. 13) to increase the total rate code limit for suppliers from 80 codes to 200.

e. Duke Energy Ohio agrees it will reduce the following fees in Rate SAC, Sheet No. 45:

- i. Customer Information List shall be reduced from \$150 to \$50;
- ii. Govt Aggregator Eligible Customer List (Zip Code) from \$400 to \$135;
- iii. Govt Aggregator Eligible Customer list (Boundaries) from \$1,200 to \$400;

f. Within 14 days of the Commission opening the new Supplier Consolidated Billing docket requested by the pending joint motion in Case No. 19-1750-EL-RDR,<sup>6</sup> Duke Energy Ohio agrees it will file a letter in that new docket stating that it has no objection to Competitive Retail Natural Gas Suppliers (CRNGS) participating in the Supplier Consolidated Billing collaborative, subject to the same procedural requirements, limitations, etc., as other participants.

g. The Company agrees it will perform a study evaluating the effect of the modified straight-fixed variable rate design on IT/FT-L customers with firm usage of 5 mcf or less per day and submit this study as part of the Company's next application to adjust its natural gas base rates.

#### **6. Miscellaneous Charges**

a. Charge for Reconnection Service, Sheet No. 82. The Signatory Parties agree and recommend that the Company's reconnection charge shall be \$ 70.00.

b. Collection Charge (Field Visit), Sheet No. 82. The Signatory Parties agree and recommend that the Company's Field Collection Charge shall be eliminated.

c. Meter Pulse Service, Sheet No. 80. The Signatory Parties agree and recommend that the Company's charges for the installation of meter pulse equipment shall be \$1,000.00 and the charge for the replacement of the Meter Index shall be \$730.00.

d. The result of these three changes is that \$9,130 shall be removed from miscellaneous revenues, and instead be included for recovery in base rates.

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<sup>6</sup> Case No. 19-1750-EL-RDR, Joint Motion of Duke Energy Ohio, Inc. and Interstate Gas Supply, LLC to Bifurcate Supplier Consolidated Billing Issues and Memorandum in Support (February 13, 2023).

## **7. Miscellaneous Tariff Revisions**

The Signatory Parties agree that Duke Energy Ohio shall update the following tariffs to clarify its policies as follows:

- a. The Signatory Parties agree that Staff's recommended change to the definition of Mercantile Customer in PUCO Gas No. 18, Sheet No. 44, and Addendum Sheet No. 4, page 1 of 12 is not necessary and should not be made.

### **D. Customer Connect**

Duke Energy Ohio confirms it has only included in rate base, customer connect assets that were placed into service prior to the main conversion that occurred April 6, 2022. The Company commits that it shall maintain its current elevated levels of information technology support for customer connect issues through October 31, 2023.

### **E. Funding for Low Income Customers (At Risk Populations)**

Duke Energy Ohio's base rate test year annual revenue requirement to be approved as part of this Stipulation includes a continuation of the existing \$1,795,000 in funding support for weatherization programs administered by People Working Cooperatively (PWC). In the event PWC does not spend the full budgeted amounts of weatherization funding in one calendar year, the unspent balance shall roll over to be spent in the next calendar year. Duke Energy Ohio also agrees to provide PWC with \$200,000 in shareholder contributions per year to be used to support low-income weatherization in the Company's service territory.<sup>7</sup> This shareholder funding commitment will be effective January 1, 2024. Both said funding commitments shall continue until new base rates are established in a subsequent proceeding.

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<sup>7</sup> For the purposes of this Stipulation, the definition of "low-income" shall be equal to 200% of the federal poverty level, as established by the Department of Health and Human Services in its *Annual Update of the HHS Poverty Guidelines*, available for 2023 at: <https://www.federalregister.gov/documents/2023/01/19/2023-00885/annual-update-of-the-hhs-poverty-guidelines>.

#### **IV. Procedural Matters**

**A.** The Stipulation addresses a variety of complex issues that, absent this agreement, would have been resolved through several complex, protracted, and expensive litigated proceedings. The Stipulation contains the entire agreement among the Signatory Parties and reflects a complete settlement of all proposals, issues, comments, and objections in these proceedings. The Signatory Parties will support this Stipulation, if it is contested, and no Signatory Party shall oppose an application for rehearing designed to defend the terms of the original unmodified Stipulation. The Signatory Parties agree that this Stipulation advances the public interest and urge the Commission to adopt it.

**B.** Except for purposes of enforcing the Stipulation or establishing that its terms and conditions are lawful, neither the Stipulation nor the information and data contained therein or attached hereto shall be cited as precedent in any proceeding for or against a Signatory Party, if the Commission approves this Stipulation. The Stipulation is submitted for the purpose of resolving only the proceedings identified herein and does not reflect the position that any individual Signatory Party may take as to any individual provision of the Stipulation, standing alone. Rather, the Stipulation reflects an overall outcome that reflects a compromise and balancing of competing interests and does not reflect the position that any one of the Signatory Parties would have taken on any individual issue. As such, acceptance of any provision within this Stipulation shall not be cited by any party or the Commission in any forum to state or imply that any Signatory Party agrees with any specific provision of the settlement.

**C.** This Stipulation is expressly conditioned upon its adoption by the Commission in its entirety and without material modification. If the Commission rejects or materially modifies all or any part of this Stipulation, any Signatory Parties shall have the right, within thirty days of issuance of the Commission's Order, to file an application for rehearing. The

Signatory Parties agree that they will not oppose or argue against any other Signatory Party's application for rehearing that seeks to uphold the original unmodified Stipulation. If the Commission does not adopt the Stipulation without material modification upon any rehearing ruling, then within thirty days of such Commission rehearing ruling any Signatory Party may terminate its Signatory Party status and withdraw from the Stipulation by filing a notice with the Commission. No Signatory Party shall file a Notice of Withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement achieves such an outcome, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful, and a Signatory Party files a Notice of Withdrawal, then the Commission will convene an evidentiary hearing to afford that Signatory Party the opportunity to contest the Stipulation by presenting evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are successful, then some or all of the Signatory Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

**D.** Unless a Signatory Party exercises its right to withdraw from the Stipulation and terminate its status as a Signatory Party, each Signatory Party agrees to and will support and/or not oppose the reasonableness of the Stipulation before the Commission, and to cause its counsel to do the same, and in any appeal from the Commission's adoption or enforcement of the Stipulation in which it participates.

**E.** The Signatory Parties agree that the settlement and resulting Stipulation are a product of serious bargaining among capable, knowledgeable parties. This Stipulation is the

product of an open process in which all parties were represented by able counsel and technical experts. The Stipulation represents a comprehensive compromise of issues raised by parties with diverse interests. The Signatory Parties believe that the Stipulation that they are recommending for Commission adoption presents a fair and reasonable result. The Signatory Parties acknowledge that the costs approved herein result from settlement discussions and do not reflect any agreement with individual objections raised by the parties or the Staff Report.

**F.** Duke Energy Ohio offers its testimony and exhibits filed in these proceedings as further evidentiary support for this Stipulation, which testimony shall not be subject to cross examination by the Signatory and Non-Opposing Parties. Duke Energy Ohio will file supplemental testimony in support of this Stipulation. Nothing herein prohibits any Signatory Party or Non-Opposing Party from filing testimony or submitting evidence in support of the Stipulation.

**G.** The Signatory Parties agree that the settlement, as a package, benefits Duke Energy Ohio's customers and is in the public interest. The Signatory Parties agree that the settlement package does not violate any important regulatory principle or practice.



**IN WITNESS THEREOF**, the undersigned Signatory Parties agree to this Stipulation as of this 27<sup>th</sup> day of April, 2023. The undersigned Signatory Parties respectfully request the Commission to issue its Opinion and Order approving and adopting this Stipulation.

On Behalf of Staff of the Public Utilities Commission of Ohio

By: /s/ Robert A. Eubanks (per email authorization 4/27/2023)  
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On Behalf of Duke Energy Ohio, Inc.

By: Rocco O. D'Ascenzo  
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On Behalf of the Ohio Energy Group

By: Kurt J. Boehm (per email authorization 4/27/2023)  
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Kurt J. Boehm  
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On Behalf of Retail Energy Supply Association

By: Michael J. Settineri (per email authorization 4/27/2023)

Michael J. Settineri (0073369), its Attorney

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On Behalf of Interstate Gas Supply, LLC

By: Michael Nugent (per email authorization 4/27/2023)

Michael Nugent, its Attorney

Michael Nugent

(Counsel of Record)

Evan Betterton

IGS Energy

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On Behalf of People Working Cooperatively

By: /s/ Christine M. T. Pirik (per email authorization 4/27/2023)

Christine M. T. Pirik, Of Counsel, its Attorney

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DUKE ENERGY OHIO, INC.  
CASE NO. 22-507-GA-AIR  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED  
TYPE OF FILING: "X" ORIGINAL    UPDATED    REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE A-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J.P. BROWN

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL PROPOSED TEST YEAR
1	Rate Base	B-1	1,897,600,872
2	Current Operating Income	C-1	107,146,245
3	Earned Rate of Return (Line 2 / Line 1)		5.65%
4	Requested Rate of Return	D-1A	6.96%
5	Required Operating Income (Line 1 x Line 4)		132,073,021
6	Operating Income Deficiency (Line 5 - Line 2)		24,926,776
7	Gross Revenue Conversion Factor	A-2	1.2713133
8	Revenue Deficiency (Line 6 x Line 7)		31,689,742
9	Revenue Increase Requested	E-4	31,689,742
10	Adjusted Operating Revenues	C-1	500,028,667
11	Revenue Requirements (Line 9 + Line 10)		531,718,409

Increase Requested to be Collected	31,689,742
Adjusted Operating Revenue	500,028,667
Percent Increase Requested	6.34%

DUKE ENERGY OHIO, INC.  
CASE NO. 22-507-GA-AIR  
JURISDICTIONAL RATE BASE SUMMARY  
AS OF MARCH 31, 2022

DATA: "X" ACTUAL ESTIMATED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
J.P. BROWN

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	COMPANY PROPOSED AMOUNT
1	Plant In Service	B-2	\$ 3,000,651,362
2	Reserve for Accumulated Depreciation	B-3	<u>(859,559,881)</u>
3	Net Plant In Service (Line 1+ Line 2)		2,141,091,481
4	Construction Work in Progress	B-4	0
5	Cash Working Capital Allowance	B-5	0
6	Material and Supplies	B-5	0
7	Other Items:		
8	Customer Advances for Construction	B-6	(5,308,995)
9	Customer Service Deposits	B-6	(11,080,519)
10	Contributions in Aid of Construction (a)	B-6	0
11	Postretirement Benefits	B-6	(16,100,816)
12	Investment Tax Credits	B-6	(287)
13	Excess Deferred Income Taxes	B-6	(109,030,054)
14	Deferred Income Taxes	B-6	(288,871,617)
15	Other Rate Base Adjustments	B-6	<u>186,901,679</u>
16	Jurisdictional Rate Base (Line 3 thru Line 15)		<u>\$ 1,897,600,872</u>

(a) Contributions in aid of construction are already  
netted against gross plant per FPC Order No. 490.

DUKE ENERGY OHIO, INC.  
CASE NO. 22-507-GA-AIR  
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS  
AS OF MARCH 31, 2022

DATA: "X" ACTUAL ESTIMATED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S).:

SCHEDULE B-2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
H.C. DANG

LINE NO.	MAJOR PROPERTY GROUPINGS	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
		\$		\$	\$	\$
1	Production	536,762	100.00	536,762	0	536,762
2	Distribution	2,747,232,479	100.00	2,747,232,479	(22,772,686)	2,724,459,793
3	General	152,680,306	100.00	152,680,306	(971,668)	151,708,638
4	Common (Allocated to Gas)	381,133,404	32.86%	125,231,900	(1,285,732)	123,946,168
5	Other (specify)					
6	TOTAL	3,281,582,951		3,025,681,447	(25,030,085)	3,000,651,362

DUKE ENERGY OHIO, INC.  
CASE NO. 22-507-GA-AIR  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF MARCH 31, 2022

DATA: "X" ACTUAL ESTIMATED  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.2  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
H.C. DANG

LINE NO.	FUNCTION DESCRIPTION	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	ALLOCATION %	JURISDICTIONAL ADJUSTMENT	DESCRIPTION AND PURPOSE OF ADJUSTMENT
				\$		\$	
1	DISTRIBUTION PLANT						
2		27400	Land and Land Rights	(130)	100.00%	(130)	
3		27401	Rights of Way	(9)	100.00%	(9)	
4		27602	Mains - Steel	(6)	100.00%	(6)	
5		27605	Mains - Steel	(8,420)	100.00%	(8,420)	
6		27603	Mains - Plastic	(197)	100.00%	(197)	
7		27800	System Meas. & Reg. Station Equipment	(38,019)	100.00%	(38,019)	
8		27900	Meas. & Reg.- City Gate	(4,875)	100.00%	(4,875)	
9		28003	Services-Plastic	(638)	100.00%	(638)	
10		28100	Meters	(534)	100.00%	(534)	
11		28300	House Regulators	(0)	100.00%	(0)	
12		Multiple	Capitalized Financial Incentives	0	100.00%	0	
13			Gas ARO	(22,719,857)	100.00%	(22,719,857)	
14							
15			<b>Total Distribution Plant</b>	(22,772,686)		(22,772,686)	
16							
17							
18	GENERAL PLANT						
19		20300	Miscellaneous Intangible Plant	(473)	100.00%	(473)	
20		20310	Miscellaneous Intangible Plant	(467)	100.00%	(467)	
21		29000	Structures & Improvements	(933,918)	100.00%	(933,918)	
22		29100	Office Furniture & Equipment	(18)	100.00%	(18)	
23		29101	Electronic Data Processing Equipment	(465)	100.00%	(465)	
24		29400	Tools, Shop & Garage Equipment	(19,886)	100.00%	(19,886)	
25		29700	Communication Equipment	(16,439)	100.00%	(16,439)	
26		Multiple	Capitalized Financial Incentives	0	100.00%	0	
27							
28			<b>Total General Plant</b>	(971,668)		(971,668)	
29							
30	COMMON PLANT						
31		1701	Common AMI Meters	(78,659)	37.65%	(29,615)	
32		1890	Land and Land Rights	(195,578)	30.44%	(59,535)	
33		1891	Rights of Way	(37,969)	30.44%	(11,558)	
34		1900	Structures & Improvements - 4th & Main	(2,019,699)	36.09%	(729,005)	
35		1900	Structures & Improvements - Micro	(77,290)	30.44%	(23,528)	
36		1900	Structures and Improvements	(714,972)	30.44%	(217,643)	
37		1910	Office Furniture & Equipment	(101,998)	36.09%	(36,816)	
38		1,970	Communication Equipment - Micro	(243,289)	30.44%	(74,059)	
39		1,970	Common Communication Equipment	(189,725)	30.44%	(57,754)	
40		1,980	Miscellaneous Equipment	(35)	30.44%	(11)	
41		Multiple	Capitalized Financial Incentives	0	32.86%	0	
42		1990, 1991	ARO Common General plant	(151,797)	0.00%	(46,208)	
43							
44			<b>Total Common Plant</b>	(3,811,011)		(1,285,732)	
45							
46							
47			<b>Total Adjustments including Allocated Common</b>	(27,555,364)		(25,030,085)	

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Commission of Ohio Docketing Information System on  
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**in**

**Case No(s). 22-0507-GA-AIR, 22-0508-GA-ALT, 22-0509-GA-ATA, 22-0510-GA-AAM**

Summary: Stipulation Duke Energy Ohio, Inc.'s Stipulation and Recommendation electronically filed by Mrs. Debbie L. Gates on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco O. Mr. and Kingery, Jeanne W and Akhbari, Elyse and Vaysman, Larisa.