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**VIA ELECTRONIC FILING**

May 3, 2023

Ms. Tanowa Troupe, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215

Re: *In the Matter of the Application of Duke Energy Ohio, Inc. for Authority to Adjust its Power  
Future Initiatives Rider*  
Case No. 22-0163-EL-RDR

Dear Ms. Troupe:

Enclosed is Duke Energy Ohio, Inc.'s Amended Direct Testimony of Jay P. Brown which is being filed to amend the Revenue Requirement in accordance with the Company's most recent approved electric distribution base rates in Case No. 21-887-EL-AIR.

Should you have any questions please feel free to contact me.

Respectfully submitted,  
DUKE ENERGY OHIO, INC.

/s/ Larisa M. Vaysman  
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**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke       )  
Energy Ohio, Inc., for Authority to Adjust       ) Case No. 22-0163-EL-RDR  
its Power Future Initiatives Rider.               )

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**AMENDED DIRECT TESTIMONY OF**

**JEFFERSON “JAY” P. BROWN**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

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May 3, 2023

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### **Attachment:**

JPB-1 Amended – Revenue Requirement

## **I. INTRODUCTION**

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

2   A.   My name is Jefferson “Jay” P. Brown, and my business address is 139 East Fourth  
3       Street, Cincinnati, Ohio 45202.

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       Rates and Regulatory Planning. DEBS provides various administrative and other  
7       services to Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) and other  
8       affiliated companies of Duke Energy Corporation (Duke Energy).

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

11   A.   I earned a Bachelor of Science degree in Business Administration with a major in  
12       Business: Finance, Investment and Banking from the University of Wisconsin -  
13       Madison. I began my career with The Alexander Companies, a real estate  
14       development company, as an Assistant Project Manager in January 2002 managing  
15       and developing real estate. Subsequently, in December 2003 I began working for  
16       Dell Inc., mainly as a Financial Analyst in Worldwide Procurement Finance,  
17       accounting for and reporting on supplier rebates. In January 2008, I began working  
18       for Bigfoot Networks, a technology start-up. I was in charge of developing  
19       distribution, online and retail channels for a new networking product. Beginning  
20       in April 2009, I also served as a Financial Advisor for Edward Jones. In June 2011,  
21       I began working as a contractor for Progress Energy and since February 2012, I  
22       have been employed by, and worked for, companies under what is now Duke

1 Energy. The roles I've held include Sr. Business Finance Analyst and in December  
2 2012, I took the position of Manager Nuclear Station Finance. In August of 2018,  
3 I transitioned to the Rates and Regulatory group as a Lead Rates & Regulatory  
4 Strategy Analyst. I earned a Master of Business Administration from the University  
5 of North Carolina Wilmington in July of 2020 and was promoted to my current role  
6 as Director of Rates & Regulatory Planning, effective October of 2020.

7 **Q. PLEASE DESCRIBE YOUR DUTIES AS DIRECTOR OF RATES AND**  
8 **REGULATORY PLANNING.**

9 A. I am responsible for preparing financial and accounting data used in retail rate  
10 filings and various other rate recovery mechanisms for Duke Energy Ohio and  
11 Duke Energy Kentucky, Inc.

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

14 A. Yes. I have provided written testimony in several proceedings before the  
15 Commission regarding Duke Energy Ohio's various rates and mechanisms. Among  
16 other proceedings, I have provided written testimony in Case Nos. 20-0666-EL-  
17 RDR, 21-0012-EL-RDR, 22-0163-EL-RDR, and testified in the Company's  
18 application for approval of an alternative form of regulation, Case No. 19-0791-  
19 GA-ALT.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**  
21 **PROCEEDINGS?**

22 A. The purpose of my testimony is to provide an overview of the revenue requirement  
23 being proposed for recovery through the second component of the Power Future

1 Initiatives Rider (Rider PF). The second component recovers costs associated with  
2 advance metering infrastructure (AMI) and data access, including the provision of  
3 interval Customer Energy Usage Data (CEUD), the enablement of PJM settlement  
4 data transfer enhancements, and the communication infrastructure needed to  
5 support the AMI transition.

6 **Q. WHAT IS THE PURPOSE OF FILING THIS AMENDED TESTIMONY?**

7 A. Subsequent to the original filing, the Commission approved new electric  
8 distribution base rates for the Company in Case No. 21-887-EL-AIR (Rate Case  
9 Order).<sup>1</sup> On March 31, 2023, the Company updated its schedules in Case No. 21-  
10 12-EL-RDR, another pending annual filing for the second component of Rider PF,  
11 to accord with the Rate Case Order.<sup>2</sup> Accordingly, the Company seeks to also  
12 update its schedules in this case in line with the Rate Case Order.

13 **Q. PLEASE DESCRIBE THE AMENDMENTS TO THE SCHEDULES?**

14 A. The Company removed all capital plant in service costs that were recorded prior to  
15 the date certain in Case No. 21-887-EL-AIR, June 30, 2021, and updated the Rate  
16 of Return (ROR), allocation percentages, and billing determinants to be consistent  
17 with the Rate Case Order.

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<sup>1</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase of its Electric Distribution Rates*, Case No. 21-887-EL-AIR, *et al.*, Opinion and Order (December 14, 2022).

<sup>2</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Adjust its Power Future Initiatives Rider*, Case No. 21-12-EL-RDR, Amended Direct Testimony of Jefferson “Jay” P. Brown on behalf of Duke Energy Ohio, Inc. (March 31, 2023).

## **II. DISCUSSION**

1   **Q.   PLEASE EXPLAIN HOW THE REVENUE REQUIREMENT FOR THE**  
2       **SECOND COMPONENT OF RIDER PF IS CALCULATED.**

3   A.   As shown on Attachment JPB-1 Amended, the revenue requirement no longer  
4       includes a return on plant in service net of associated retirements, accumulated  
5       depreciation, and accumulated deferred income taxes for costs associated with the  
6       second component. These costs are now being recovered in base rates as part of  
7       Case No. 21-887-EL-AIR. The Company is still proposing to amortize the  
8       operation and maintenance (O&M) expenses incurred through December 31, 2021,  
9       over a one-year period.

10   **Q.   WHAT ROR DO YOU PROPOSE TO USE FOR THE RIDER?**

11   A.   The Company will use its current Commission-approved authorized rate of return.  
12       As approved in the most recent electric distribution base rate case, Case No. 21-  
13       887-EL-RDR, this rate of return is 6.86 percent.<sup>3</sup> Accordingly, the Company will  
14       use an 8.24 percent rate of return on equity, which is calculated grossing up the  
15       approved ROR of 6.86 percent to the pretax rate of 8.24 percent.

16   **Q.   PLEASE EXPLAIN HOW THE COSTS ASSOCIATED WITH THE**  
17       **COMPANY'S CUSTOMER ENERGY USAGE DATA PROGRAM WILL**  
18       **BE INCLUDED IN RIDER PF.**

19   A.   As outlined in the direct testimony of Company witness Scott Nicholson, the  
20       additional estimated costs, through December 31, 2021, for the implementation of

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<sup>3</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase of its Electric Distribution Rates*, Case No. 21-887-EL-AIR, *et al.*, Opinion and Order, p. 100 (December 14, 2022).

1 corrections to CEUD Phase III is approximately \$0.072 million in O&M expenses.  
2 Also, as stated in the direct testimony of Company witness Scott Nicholson, Phase  
3 IV was scheduled to be implemented with the launch of the Customer Connect  
4 project during 2022, and therefore the associated costs of Phase IV will be included  
5 in the Company's next filing.

6 **Q. PLEASE EXPLAIN HOW THE COSTS ASSOCIATED WITH THE**  
7 **COMPANY'S PJM SETTLEMENT DATA TRANSFER ENHANCEMENTS**  
8 **WILL BE INCLUDED IN RIDER PF.**

9 A. As outlined in the direct testimony of Company witness Dana Adams, the costs  
10 incurred associated with the completion of both Phase V.A. and Phase V.B. include  
11 approximately \$2.6 million in capital costs. These capital costs were not included  
12 in Case No. 21-0012-EL-RDR until the entire project was placed in service in 2021.  
13 All capital costs (all of the \$2.6 million) placed into service before June 30, 2021,  
14 have been removed from this filing and are included in base rates.

15 **Q. PLEASE EXPLAIN HOW THE COSTS ASSOCIATED WITH THE**  
16 **COMPANY'S ADVANCED METERING INFRASTRUCTURE PROGRAM**  
17 **WILL BE INCLUDED IN RIDER PF.**

18 A. As outlined in the direct testimony of Company witness Bob Ries, the AMI costs  
19 incurred from January 1, 2021, through December 31, 2021, were approximately  
20 \$5.3 million consisting of \$0.3 million of capital costs and approximately \$5.0  
21 million of O&M expenses. Total to date capital costs included through December  
22 31, 2021, are \$2.3 million. All capital costs placed into service before June 30,



1 2021, have been removed from this filing and are included in base rates. All but  
2 \$34,436 in capital costs have been removed.

3 **Q. ARE EXPENSES ASSOCIATED WITH RIDER PF INCLUDED IN**  
4 **CURRENT BASE RATES?**

5 A. No. All expenditures that the Company is currently proposing for recovery, as  
6 depicted in Attachment JPB-1 Amended, are incremental to base rates and are not  
7 being recovered through base rate or current riders.

8 **Q. HAS THE PUBLIC UTILITIES COMMISSION OF OHIO GRANTED THE**  
9 **COMPANY RECOVERY OF THESE COSTS THROUGH RIDER PF?**

10 A. The Company is proposing these costs be recovered through Rider PF as “the  
11 second component of Rider PF - Data Access,” as outlined in the Order and Opinion  
12 in Cases No. 17-32-EL-AIR, *et al.* “for the recovery of costs associated with  
13 advanced metering infrastructure (AMI) and data access, including the provision of  
14 interval CEUD to customers, CRES providers and third parties; the enablement of  
15 PJM settlement data transfer enhancements, as detailed in Stipulation Attachment  
16 F”.

17 **Q. HOW WILL DUKE ENERGY OHIO UPDATE ITS RIDER PF GOING**  
18 **FORWARD?**

19 A. Duke Energy Ohio will file an application for any future adjustments to its Rider  
20 PF to account for changes and additional phases of the second component as the  
21 company meets the milestones set in the Stipulation Attachment F through the term  
22 of the Company’s recently approved ESP. In addition, as Rider PF has multiple  
23 components, to the extent any of the other two components are implicated by either

1 a Commission directive (Component 1) or for recovery of the Company's  
2 Infrastructure Modernization Plan (Component 3) the Company will file a separate  
3 application to adjust Rider PF.

### **III. EXPLANATION OF ATTACHMENTS AND SCHEDULES**

#### **4 Q. PLEASE EXPLAIN ATTACHMENT JPB-1 AMENDED.**

5 A. Attachment JPB-1 Amended shows the revenue requirement associated with the  
6 investments being proposed for Rider PF recovery in this application along with  
7 supporting schedules listed below. Schedule 1 is a summary of the gross plant in-  
8 service by major property groupings. Schedule 2 is a summary of the accumulated  
9 depreciation by major property groupings. Schedule 2a provides the monthly detail  
10 of gross plant in-service and accumulated depreciation. Schedule 3 details the  
11 accumulated deferred income tax offset. Schedule 4 calculates the required rate  
12 base offset for capitalized incentives related to earnings. Schedule 5 details the  
13 recoverable O&M expenses by project. Schedule 6 calculates the personal property  
14 tax related to the plant in-service.

### **IV. CONCLUSION**

#### **15 Q. IS ATTACHMENT JPB-1 AMENDED TRUE AND ACCURATE TO THE 16 BEST OF YOUR KNOWLEDGE?**

17 A. Yes.

#### **18 Q. WAS ATTACHMENT JPB-1 AMENDED PREPARED BY YOU OR UNDER 19 YOUR DIRECTION AND CONTROL?**

20 A. Yes.

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

3   **A.   Yes.**

**Duke Energy Ohio**  
**Rider Power Future Initiatives**  
**Revenue Requirement**  
**December 31, 2021**

Line	Description	December 31, 2021	Reference
1	Gross Plant	\$34,436	Schedule 1
2	Accumulated Depreciation	541	Schedule 2
3	Net Plant in Service	<u>\$34,977</u>	Line (1) + Line (2)
4	Accum Def Income Taxes on Plant	(\$385)	Schedule 3
5	Capitalized Incentives	(\$6,316)	Schedule 4
6	Rate Base	<u><u>\$28,276</u></u>	Line (3) + Line (4) + Line (5)
7	Return on Rate Base (Pre-Tax %)	8.24%	Footnote (1)
8	Return on Rate Base (Pre-Tax)	\$2,330	Line (6) * Line (7)
9	Operation and Maintenance Expenses	5,130,851	Schedule 5
10	Depreciation Expense	(541)	Schedule 2a
11	Annualized Property Tax Expense	793	Schedule 6
12	Revenue Requirement Before CAT	<u>\$5,133,432</u>	Lines (8) through (11)
13	Commercial Activities Tax	\$13,382	{(1/(1-CAT)-1) * Line (12)}
14	Total Rider PF Revenue Requirement	<u>\$5,146,814</u>	Line (12) + Line (13)
15	Residential @ 64.000%	\$ 3,293,961	Line (14) * 64.00% Footnote (2)
16	Non Residential	<u>\$ 1,852,853</u>	Line (14) - Line (15)
17	Total	<u>\$ 5,146,814</u>	Line (15) + Line (16)
18	Residential Bill Count February 2022 - January 2023	8,199,780	
19	Non-Residential Bill Count February 2022 - January 2023	<u>825,082</u>	
20	Total Bill Count	9,024,862	Line (18) + Line (19)
21	Residential Fixed cost per bill	0.40	Line (15)/Line (18)
22	Non-Residential Fixed cost per bill	2.25	Line (16)/Line (19)

(1) Return on Rate Base (Pre-Tax %) per Opinion and Order in Case No. 21-0887-EL-AIR.

(2) Allocation percentage per Opinion and Order in Case No. 20-0666-EL-RDR and revised in Case No. 21-0887-EL-AIR.

Duke Energy Ohio  
Rider Power Future Initiatives  
Plant in Service Summary by Major Property Groupings  
December 31, 2021

Line No.	Account Number		Account Title	OHIO CUSTOMER ENERGY USAGE DATA				PJM SETTLEMENT SYSTEMS	AMI	Total Company
	FERC	Company		Phase I	Phase II	Phase III	Phase IV	Phase V		
General Plant Accounts										
1	397	3970	Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$34,436	\$34,436
2	303	3030	Miscellaneous Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3			Total General Plant	\$0	\$0	\$0	\$0	\$0	\$34,436	\$34,436

Duke Energy Ohio  
Rider Power Future Initiatives  
Accumulated Depreciation by Major Property Groupings  
December 31, 2021

Line No.	Account Number		Account Title	OHIO CUSTOMER ENERGY USAGE DATA				PJM SETTLEMENT SYSTEMS	AMI	Total Company
	FERC	Company		Phase I	Phase II	Phase III	Phase IV	Phase V		
General Plant Accounts										
1	397	3970	Communication Equipment	\$0	\$0	\$0	\$0	\$0	(\$541)	(\$541)
2	303	3030	Miscellaneous Intangible	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3				\$0	\$0	\$0	\$0	\$0	(\$541)	(\$541)

Line No.	PRG ACCT	CO ACCT	Account	Project	Account Title	Rate	201808	201809	201810	201811	201812	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012	202101	202102	202103	202104	202105	202106	202107	202108	202109	202110	202111	202112	202201	202202	202203	202204	202205	202206	202207	202208	202209	202210	202211	202212	202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312	202401	202402	202403	202404	202405	202406	202407	202408	202409	202410	202411	202412	202501	202502	202503	202504	202505	202506	202507	202508	202509	202510	202511	202512	202601	202602	202603	202604	202605	202606	202607	202608	202609	202610	202611	202612	202701	202702	202703	202704	202705	202706	202707	202708	202709	202710	202711	202712	202801	202802	202803	202804	202805	202806	202807	202808	202809	202810	202811	202812	202901	202902	202903	202904	202905	202906	202907	202908	202909	202910	202911	202912	203001	203002	203003	203004	203005	203006	203007	203008	203009	203010	203011	203012	203101	203102	203103	203104	203105	203106	203107	203108	203109	203110	203111	203112	203201	203202	203203	203204	203205	203206	203207	203208	203209	203210	203211	203212	203301	203302	203303	203304	203305	203306	203307	203308	203309	203310	203311	203312	203401	203402	203403	203404	203405	203406	203407	203408	203409	203410	203411	203412	203501	203502	203503	203504	203505	203506	203507	203508	203509	203510	203511	203512	203601	203602	203603	203604	203605	203606	203607	203608	203609	203610	203611	203612	203701	203702	203703	203704	203705	203706	203707	203708	203709	203710	203711	203712	203801	203802	203803	203804	203805	203806	203807	203808	203809	203810	203811	203812	203901	203902	203903	203904	203905	203906	203907	203908	203909	203910	203911	203912	204001	204002	204003	204004	204005	204006	204007	204008	204009	204010	204011	204012	204101	204102	204103	204104	204105	204106	204107	204108	204109	204110	204111	204112	204201	204202	204203	204204	204205	204206	204207	204208	204209	204210	204211	204212	204301	204302	204303	204304	204305	204306	204307	204308	204309	204310	204311	204312	204401	204402	204403	204404	204405	204406	204407	204408	204409	204410	204411	204412	204501	204502	204503	204504	204505	204506	204507	204508	204509	204510	204511	204512	204601	204602	204603	204604	204605	204606	204607	204608	204609	204610	204611	204612	204701	204702	204703	204704	204705	204706	204707	204708	204709	204710	204711	204712	204801	204802	204803	204804	204805	204806	204807	204808	204809	204810	204811	204812	204901	204902	204903	204904	204905	204906	204907	204908	204909	204910	204911	204912	205001	205002	205003	205004	205005	205006	205007	205008	205009	205010	205011	205012	205101	205102	205103	205104	205105	205106	205107	205108	205109	205110	205111	205112	205201	205202	205203	205204	205205	205206	205207	205208	205209	205210	205211	205212	205301	205302	205303	205304	205305	205306	205307	205308	205309	205310	205311	205312	205401	205402	205403	205404	205405	205406	205407	205408	205409	205410	205411	205412	205501	205502	205503	205504	205505	205506	205507	205508	205509	205510	205511	205512	205601	205602	205603	205604	205605	205606	205607	205608	205609	205610	205611	205612	205701	205702	205703	205704	205705	205706	205707	205708	205709	205710	205711	205712	205801	205802	205803	205804	205805	205806	205807	205808	205809	205810	205811	205812	205901	205902	205903	205904	205905	205906	205907	205908	205909	205910	205911	205912	206001	206002	206003	206004	206005	206006	206007	206008	206009	206010	206011	206012	206101	206102	206103	206104	206105	206106	206107	206108	206109	206110	206111	206112	206201	206202	206203	206204	206205	206206	206207	206208	206209	206210	206211	206212	206301	206302	206303	206304	206305	206306	206307	206308	206309	206310	206311	206312	206401	206402	206403	206404	206405	206406	206407	206408	206409	206410	206411	206412	206501	206502	206503	206504	206505	206506	206507	206508	206509	206510	206511	206512	206601	206602	206603	206604	206605	206606	206607	206608	206609	206610	206611	206612	206701	206702	206703	206704	206705	206706	206707	206708	206709	206710	206711	206712	206801	206802	206803	206804	206805	206806	206807	206808	206809	206810	206811	206812	206901	206902	206903	206904	206905	206906	206907	206908	206909	206910	206911	206912	207001	207002	207003	207004	207005	207006	207007	207008	207009	207010	207011	207012	207101	207102	207103	207104	207105	207106	207107	207108	207109	207110	207111	207112	207201	207202	207203	207204	207205	207206	207207	207208	207209	207210	207211	207212	207301	207302	207303	207304	207305	207306	207307	207308	207309	207310	207311	207312	207401	207402	207403	207404	207405	207406	207407	207408	207409	207410	207411	207412	207501	207502	207503	207504	207505	207506	207507	207508	207509	207510	207511	207512	207601	207602	207603	207604	207605	207606	207607	207608	207609	207610	207611	207612	207701	207702	207703	207704	207705	207706	207707	207708	207709	207710	207711	207712	207801	207802	207803	207804	207805	207806	207807	207808	207809	207810	207811	207812	207901	207902	207903	207904	207905	207906	207907	207908	207909	207910	207911	207912	208001	208002	208003	208004	208005	208006	208007	208008	208009	208010	208011	208012	208101	208102	208103	208104	208105	208106	208107	208108	208109	208110	208111	208112	208201	208202	208203	208204	208205	208206	208207	208208	208209	208210	208211	208212	208301	208302	208303	208304	208305	208306	208307	208308	208309	208310	208311	208312	208401	208402	208403	208404	208405	208406	208407	208408	208409	208410	208411	208412	208501	208502	208503	208504	208505	208506	208507	208508	208509	208510	208511	208512	208601	208602	208603	208604	208605	208606	208607	208608	208609	208610	208611	208612	208701	208702	208703	208704	208705	208706	208707	208708	208709	208710	208711	208712	208801	208802	208803	208804	208805	208806	208807	208808	208809	208810	208811	208812	208901	208902	208903	208904	208905	208906	208907	208908	208909	208910	208911	208912	209001	209002	209003	209004	209005	209006	209007	209008	209009	209010	209011	209012	209101	209102	209103	209104	209105	209106	209107	209108	209109	209110	209111	209112	209201	209202	209203	209204	209205	209206	209207	209208	209209	209210	209211	209212	209301	209302	209303	209304	209305	209306	209307	209308	209309	209310	209311	209312	209401	209402	209403	209404	209405	209406	209407	209408	209409	209410	209411	209412	209501	209502	209503	209504	209505	209506	209507	209508	209509	209510	209511	209512	209601	209602	209603	209604	209605	209606	209607	209608	209609	209610	209611	209612	209701	209702	209703	209704	209705	209706	209707	209708	209709	209710	209711	209712	209801	209802	209803	209804	209805	209806	209807	209808	209809	209810	209811	209812	209901	209902	209903	209904	209905	209906	209907	209908	209909	209910	209911	209912	210001	210002	210003	210004	210005	210006	210007	210008	210009	210010	210011	210012	210101	210102	210103	210104	210105	210106	210107	210108	210109	210110	210111	210112	210201	210202	210203	210204	210205	210206	210207	210208	210209	210210	210211	210212	210301	210302	210303	210304	210305	210306	210307	210308	210309	210310	210311	210312	210401	210402	210403	210404	210405	210406	210407	210408	210409	210410	210411	210412	210501	210502	210503	210504	210505	210506	210507	210508	210509	210510	210511	210512	210601	210602	210603	210604	210605	210606	210607	210608	210609	210610	210611	210612	210701	210702	210703	210704	210705	210706	210707	210708	210709	210710	210711	210712	210801	210802	210803	210804	210805	210806	210807	210808	210809	210810	210811	210812	210901	210902	210903	210904	210905	210906	210907	210908	210909	210910	210911	210912	211001	211002	211003	211004	211005	211006	211007	211008	211009	211010	211011	211012	211101	211102	211103	211104	211105	211106	211107	211108	211109	211110	211111	211112
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**Duke Energy Ohio**  
**Rider Power Future Initiatives**  
**Accumulated Deferred Income Taxes - AMI Program**  
**December 31, 2021**

Project	Property, Plant and Equipment (Capital)			
	2018	2019	2020	2021
PF Capital Expenditure	\$0	\$0	\$0	\$34,436
Cumulative Gross Plant	-	-	-	34,436
Depreciation Expense	-	-	-	(541)
Accumulated Depreciation	\$0	-	-	541
Accumulated Deferred Income Tax	\$0	-	-	(385)

  

Book Life	Tax Life
15	20

  

	20 Yr MACRS	Cap Additions	Tax Depreciation on				Total Tax Depr	Book Depreciation	Gross Plant	Accumulated Depreciation	Deferred Tax	ADIT
			2018 Spend	2019 Spend	2020 Spend	2021 Spend						
2018	3.75%	\$0	\$0				-	\$0	-	\$0	-	\$0
2019	7.22%	-	-	\$0			-	-	-	-	-	-
2020	6.68%	-	-	-	\$0		-	-	-	-	-	-
2021	6.18%	34,436	-	-	-	\$1,291	1,291	(541)	34,436	(541)	385	385
Total		\$34,436	\$0	\$0	\$0	\$1,291					-	

**Duke Energy Ohio**  
**Rider Power Future Initiatives**  
**Accumulated Deferred Income Taxes - Phase V**  
**December 31, 2021**

Project	Property, Plant and Equipment (Capital)			
	2018	2019	2020	2021
PF Capital Expenditure	\$0	\$0	\$0	\$0
Cumulative Gross Plant	-	-	-	-
Depreciation Expense	-	-	-	-
Accumulated Depreciation	-	-	-	-
Accumulated Deferred Income Tax	-	-	-	-

  

Book Life	Tax Life
5.00	3.00

  

	3 Yr MACRS - Vintage 2021	3 Yr MACRS- Vintage 2020	Cap Additions	Tax Depreciation on				Total Tax Depr	Book Depreciation	Gross Plant	Accumulated Depreciation	Deferred Tax	ADIT
				2018 Spend	2019 Spend	2020 Spend	2021 Spend						
2018	0	0.00%	\$0	\$0				-	\$0	-	\$0	-	\$0
2019	0	0.00%	-	-	\$0			-	-	-	\$0	-	-
2020	0	2.78%	-	-	-	\$0		-	-	-	\$0	-	-
2021	25.00%	33.33%	-	-	-	\$0	\$0	-	-	-	-	-	-
Total			\$0	\$0	\$0	\$0	\$0					\$0	



Duke Energy Ohio  
Rider Power Future Initiatives  
Capitalized Earnings Based Incentives  
December 31, 2021

Project	Property, Plant and Equipment (Capital)			
	2018	2019	2020	2021
PF Capital Incentives	\$0	\$0	\$0	\$6,540
Cumulative Gross Plant	-	-	-	6,540
Depreciation Expense	-	-	-	218
Accumulated Depreciation	\$0	\$0	\$0	(\$218)
Accumulated Deferred Income Tax	\$0	\$0	\$0	(\$6)
Total Adjustment	-	-	-	6,316

  

Book Life	Tax Life
15	20

  

	20 Yr MACRS	Cap Additions	Tax Depreciation on			2021 Spend	Total Tax Depr	Book Depreciation	Gross Plant	Accumulated Depreciation	Deferred Tax	ADIT
			2018 Spend	2019 Spend	2020 Spend							
2018	3.75%	\$0	\$0				-	\$0	-	\$0	-	-
2019	7.22%	-	-	\$0			-	-	-	-	-	-
2020	6.68%	-	-	-	\$0		-	-	-	-	-	-
2021	6.18%	6,540	-	-	-	\$245	245	218	6,540	218	6	6
		\$6,540	\$0	\$0	\$0	\$245	\$245	\$218		\$218	6	6

Duke Energy Ohio  
Rider Power Future Initiatives  
Capitalized Earnings Based Incentives  
December 31, 2021

Project	Property, Plant and Equipment (Capital)			
	2018	2019	2020	2021
PF Capital Incentives	\$0	\$0	\$0	\$0
Cumulative Gross Plant	-	-	-	-
Depreciation Expense	-	-	-	-
Accumulated Depreciation	\$0	\$0	\$0	\$0
Accumulated Deferred Income Tax	\$0	\$0	-	-
Total Adjustment	-	-	-	-

  

Book Life	Tax Life
5	3

  

	3 Yr MACRS - Vintage 2021	3 Yr MACRS- Vintage 2020	Cap Additions	Tax Depreciation on			2021 Spend	Total Tax Depr	Book Depreciation	Gross Plant	Accumulated Depreciation	Deferred Tax	ADIT
				2018 Spend	2019 Spend	2020 Spend							
2018	0%	0.00%	\$0	\$0				-	\$0	-	\$0	-	-
2019	0%	0.00%	-	-	\$0			-	-	-	\$0	-	-
2020	0%	2.78%	-	-	-	\$0		-	-	-	\$0	-	-
2021	25.00%	33.33%	-	-	-	\$0	\$0	-	-	-	\$0	-	-
			\$0	\$0	\$0	\$0	\$0	-	\$0			-	

**Duke Energy Ohio**  
**Rider Power Future Initiatives**  
**Operation and Maintenance Expenses**  
**December 31, 2021**

Line No.	Project	Operation and Maintenance Expenses
1	OHIO CUSTOMER ENERGY USAGE DATA - Phase I	-
2	OHIO CUSTOMER ENERGY USAGE DATA - Phase II	-
3	OHIO CUSTOMER ENERGY USAGE DATA - Phase III	71,722
4	OHIO CUSTOMER ENERGY USAGE DATA - Phase IV	-
5	PJM SETTLEMENT SYSTEMS - Phase V	-
6	AMI - Cost of Removal	5,030,549
7	PWG and DWG Consultant Costs	34,305
8	Total Operation and Maintenance Expenses	\$5,136,576
9	Less Incentives related to earnings	(5,725)
10	Total Operation and Maintenance Expenses	<u>\$5,130,851</u>

Duke Energy Ohio  
Rider Power Future Initiatives  
Personal Property Tax  
December 31, 2021

Line	Description	Total Company	Reference
1	Plant in Service (General Plant) - Vintage 2021	\$ 34,436	Schedule 2a, Footnote(1)
2	Plant in Service (General Plant) - Vintage 2020	\$ -	Schedule 2a
3	Plant in Service (General Plant) - Vintage 2019	\$ -	Schedule 2a
4	Plant in Service (General Plant) - Vintage 2018	\$ -	Schedule 2a
5	Real Property	\$ -	Schedule 2a
6	Net Cost of Taxable Personal Property	<u>\$ 34,436</u>	Line (1) through Line (5)
7	True Value Percentage - Vintage 2021	96.7%	
8	True Value Percentage - Vintage 2020	90.0%	
9	True Value Percentage - Vintage 2019	83.3%	
10	True Value Percentage - Vintage 2018	76.7%	
11	True Value of Taxable Personal Property - Vintage 2021	\$ 33,300	Line (1) x Line (7)
12	True Value of Taxable Personal Property - Vintage 2020	\$ -	Line (2) x Line (8)
13	True Value of Taxable Personal Property - Vintage 2019	\$ -	Line (3) x Line (9)
14	True Value of Taxable Personal Property - Vintage 2018	<u>\$ -</u>	Line (4) x Line (10)
15	Total True Value of Taxable Personal Property]	\$33,300	Line (11) + Line (12) + Line (13) + Line (14)
16	Assessment Percentage	24.0%	
17	Assessment Value	<u>\$7,992</u>	Line (15) x Line (16)
18	Personal Property Tax Rate	9.9166%	
	Personal Property Tax	<u><u>\$793</u></u>	Line (17) x Line (18)

(1) PJM Phase V asset location is Charlotte, NC. Property tax is not paid on custom software assets in North Carolina.

**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**5/3/2023 11:51:57 AM**

**in**

**Case No(s). 22-0163-EL-RDR**

Summary: Testimony Amended Direct Testimony of Jefferson "Jay" P. Brown electronically filed by Mrs. Minna Sunderman on behalf of D'Ascenzo, Rocco and Vaysman, Larisa and Duke Energy Ohio, Inc..