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January 12, 2012

Ms. Betty McCaughley
Public Utilities Commission of Ohio
180 East Broad St, 11th Floor
Columbus, OH. 43215

Re: Case No. 11-3226-GA-UEx

Dear Ms. McCaughley,

On May 31, 2011, Duke Energy Ohio, Inc. submitted an Application to Adjust its Gas Uncollectible Expense Rider Rate. The information included with that Application detailed actual bad debt expense for the twelve-month period ending March 31, 2011 and projected volumes for the twelve-month period ending March 31, 2012.

Enclosed with this letter are updated schedules that show actual numbers through December 2012 and projected volumes through June 2012. Please accept these updated schedules as an amendment to the Company's previously submitted Application.

Please contact me with any questions at the phone number above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth H. Watts', written over a horizontal line.

Elizabeth H. Watts
Associate General Counsel

Line	Description	Source	Amount	Projected Volume (CCF) Page 5	Unit Rate (\$/CCF)
1	Uncollectible Tracker Balance through January 31, 2012 (a)	Page 2	(\$7,688,137)		
2	Projected Bad Debt Write-offs February 1, 2012 - June 30, 2012	Page 4	<u>\$1,465,122</u>		
3	Unrecovered Uncollectible Expenses through June 30, 2012	Line 1 + Line 2	<u>(\$6,223,015)</u>	301,619,761	(\$0.020632)
4	Current Uncollectible Rider Rate	See Note (b)			<u>\$0.026073</u>
5	Increase/(Decrease) in Total Uncollectible Expense Rate	Line 3 - Line 4			<u>(\$0.046705)</u>
6	Percentage Difference in Recovery of Uncollectible Expenses				-179%

(a) Actual uncollectible expense less amounts recovered in base rates and Rider UE-G plus carrying charges
(b) Rate approved in Case No. 10-726-GA-UEX, effective July 1, 2010

Line	Source	2010 ACTUAL											
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	Unrecovered Balance - Beginning of Month	\$4,480,499	\$4,158,669	\$4,344,958	\$4,802,516	\$5,268,080	\$5,851,322	\$6,329,226	\$6,463,143	\$5,919,510			
2	Bad Debts Written Off - Net of Customer Recoveries	\$202,598	\$468,564	\$661,119	\$751,688	\$845,536	\$760,093	\$502,207	\$304,520	\$320,981			
3	Recovery - Base Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
4	Recovery - Uncollectible Rider	See Note (a)	See Note (a)	See Note (a)	See Note (a)	See Note (a)	See Note (a)	See Note (a)	See Note (a)	See Note (a)			
5	Recovery - Other Adjustments	See Note (b)	See Note (b)	See Note (b)	See Note (b)	See Note (b)	See Note (b)	See Note (b)	See Note (b)	See Note (b)			
6	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)	Lines (2)+(3)+(4)+(5)			
7	Balance Sub-Total	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)	Line (1) + Line (6)			
8	Carrying Charges	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)	Lines [(1)+(7)](2) * (Line 10)			
9	Unrecovered Balance - End of Month	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)	Line (7) + Line (8)			
10	Monthly Carrying Charge rate	See Note (c)	See Note (c)	See Note (c)	See Note (c)	See Note (c)	See Note (c)	See Note (c)	See Note (c)	See Note (c)			
(a) Rate approved in Case No. 10-726-GA-UEX, effective July 1, 2010		0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%			
(b) Not applicable at this time													
(c) Source: Treasury													
Rates for April 2010 - October 2011 are the same as August 2009 due to \$0 borrowing in those months.													
Per Merger Order Case No. 05-732-EL-MER, carrying charge rate should be short term debt rate authorized in last distribution rate case. Since no short term debt in authorized capital structure, used money pool rate.													

Line	2011 ACTUAL												2012 Projected	Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
1	Unrecovered Balance - Beginning of Month	\$3,990,093	\$1,335,940	(\$1,136,760)	(\$2,861,910)	(\$3,968,633)	(\$4,266,992)	(\$4,163,468)	(\$3,911,008)	(\$3,744,434)	(\$3,537,983)	(\$3,646,139)	(\$4,300,878)	(\$5,654,293)
2	Bad Debts Written Off - Net of Customer Recoveries	\$	397,768	\$264,591	\$55,500	\$115,694	\$374,026	\$519,634	\$572,316	\$457,582	\$533,489	\$363,100	\$301,683	\$317,012
3	Recovery - Base Rates	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Recovery - Uncollectible Rider	\$	(3,060,496)	(\$2,737,611)	(\$1,774,213)	(\$1,211,410)	(\$656,127)	(\$402,537)	(\$306,856)	(\$278,653)	(\$315,314)	(\$459,690)	(\$343,628)	(\$1,654,400)
5	Recovery - Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Incremental Bad Debt	\$	(2,662,728)	(\$2,473,020)	(\$1,718,713)	(\$1,095,728)	(\$286,101)	\$117,097	\$265,458	\$178,899	\$218,175	(\$96,590)	(\$641,945)	(\$1,337,388)
7	Balance Sub-Total	\$1,327,366	(\$1,137,080)	(\$2,855,473)	(\$3,957,638)	(\$4,253,734)	(\$4,149,885)	(\$3,898,009)	(\$3,732,109)	(\$3,526,259)	(\$3,634,573)	(\$4,288,084)	(\$5,638,286)	(\$7,666,657)
8	Carrying Charges	\$8,574	\$321	(\$6,437)	(\$10,997)	(\$13,259)	(\$13,572)	(\$12,325)	(\$11,724)	(\$11,566)	(\$12,794)	(\$16,027)	(\$21,480)	\$18,247
9	Unrecovered Balance - End of Month	\$1,335,940	(\$1,136,760)	(\$2,861,910)	(\$3,968,633)	(\$4,266,992)	(\$4,163,468)	(\$3,911,008)	(\$3,744,434)	(\$3,537,983)	(\$3,646,139)	(\$4,300,878)	(\$5,654,293)	(\$7,668,137)
10	Monthly Carrying Charge rate	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%	0.32250%

(a) Rate approved in Case No. 10-726-GA-UEX, effective Ju
(b) Not applicable at this time
(c) Source: Treasury
Rates for April 2010 - October 2011 are the same as Aug
due to \$0 borrowing in those months.

Per Merger Order Case No. 05-732-EL-MER, carrying
charge rate should be short term debt rate authorized in
last distribution rate case. Since no short term debt in
authorized capital structure, used money pool rate.

Line	Description	Source	Actual 2010											
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan		
1	CCF Sales													
2	Residential (RS)	Revenue Statistics	14,346,560	7,227,120	5,078,300	3,939,500	3,530,510	3,746,310	5,161,790	13,502,320	37,595,740	50,236,580		
3	General Service (GS)	Revenue Statistics	4,727,900	2,586,030	1,930,780	1,668,120	1,474,530	1,553,660	2,015,460	4,345,670	11,978,500	16,103,420		
3	Total Sales Service		19,074,460	9,813,150	7,009,080	5,607,620	5,004,940	5,299,970	7,177,250	17,848,190	49,414,240	66,340,000		
4	Residential Transportation (RFT)	Revenue Statistics	7,454,370	3,676,760	2,599,930	2,048,470	1,786,260	1,982,430	2,751,950	7,007,830	18,943,860	26,249,010		
5	Firm Transportation (FT)	Revenue Statistics	7,864,570	5,437,130	4,381,240	3,963,820	3,961,220	4,256,230	4,929,250	8,453,730	18,569,570	24,806,900		
6	Intermittent Transportation (IT)	Revenue Statistics	16,965,940	13,596,310	14,176,450	12,131,200	12,595,700	13,763,760	14,027,500	15,058,240	15,653,960	19,403,710		
7	Total Transportation Service		31,904,880	22,712,220	21,157,620	18,173,490	18,253,200	20,022,460	21,708,700	30,519,800	53,167,410	70,459,620		
8	Other													
8	Interdepartmental	Revenue Statistics	35,950	25,490	10,830	12,550	1,210	5,960	10,960	0	151,960	0		
9	Street Lighting	Revenue Statistics	35,950	25,490	10,830	12,550	1,210	5,960	10,960	-	151,960	-		
10	Total Other													
11	Total Throughput	Line 3 + Line 7 + Line 11	51,015,290	32,550,860	28,177,530	23,783,660	23,256,950	25,328,420	28,886,960	48,367,990	102,735,610	136,803,640		
12	Exclude Sales not eligible for Uncollectible													
12	Intermittent Transportation (IT)	Line 6	(16,565,940)	(13,596,310)	(14,176,450)	(12,131,200)	(12,595,700)	(13,763,760)	(14,027,500)	(15,058,240)	(15,653,960)	(19,403,710)		
13	Interdepartmental	Line 8	(35,950)	(25,490)	(10,830)	(12,550)	(1,210)	(5,960)	(10,960)	-	(151,960)	-		
14	Total Sales Excluded from Uncollectible		(16,601,890)	(13,623,800)	(14,187,280)	(12,143,750)	(12,596,910)	(13,769,770)	(14,038,460)	(15,058,240)	(15,805,920)	(19,403,710)		
15	Total Sales Recovering Uncollectible Expense	Line 11 + Line 14	34,413,400	18,927,060	13,990,250	11,640,910	10,662,040	11,538,650	14,858,470	33,309,750	86,927,690	117,399,930		
16	Recovery Rate (\$CCF)	See Note (a)	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000		
17	Revenue Recovered For Uncollectible Expense	Line 15 * Line 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
			To Page 2	To Page 2	To Page 2	To Page 2	To Page 2	To Page 2	To Page 2	To Page 2	To Page 2	To Page 2		

(a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-UEX

[illegible]

Duke Energy Ohio Gas
Projected Bad Debt Expense for Upcoming Five Months

Line	Source	2012 PROJECTED					
		Feb	Mar	Apr	May	Jun	Total
1	Unrecovered Balance - Beginning of Month						
2	Bad Debts Written Off - Net of Customer Recoveries						
3	Recovery - Base Rates						
4	Recovery - Uncollectible Rider						
5	Recovery - Other Adjustments						
6	Incremental Bad Debt						
7	Balance Sub-Total						
8	Carrying Charges						
9	Unrecovered Balance - End of Month						
	Ending Balance Prior Month	(\$7,688,137)	(\$7,348,870)	(\$7,164,814)	(\$7,021,507)	(\$6,690,481)	
	Projection	\$ 339,267	\$ 184,056	\$ 143,307	\$ 331,026	\$ 467,466	\$ 1,465,122
	See Note (a)	\$0	\$0	\$0	\$0	\$0	To Page 1
	See Note (b)	\$0	\$0	\$0	\$0	\$0	
	See Note (c)	\$0	\$0	\$0	\$0	\$0	
	Lines (2)+(3)+(4)+(5)	\$339,267	\$184,056	\$143,307	\$331,026	\$467,466	
	Line (1) + Line (6)	(\$7,348,870)	(\$7,164,814)	(\$7,021,507)	(\$6,690,481)	(\$6,223,015)	
	Lines [((1)+(7))/(2)] * (Line 10)	\$0	\$0	\$0	\$0	\$0	
	Line (7) + Line (8)	(\$7,348,870)	(\$7,164,814)	(\$7,021,507)	(\$6,690,481)	(\$6,223,015)	

- (a) Uncollectible expense was removed from base rates effective December 1, 2009 per Order in Case No. 09-773-GA-JEX
(b) Uncollectible rider is currently \$0.026073 per CCF
(c) Not applicable at this time

Line	Description	Source	Projected 5 Months Ended June 2013					Total
			Feb-12	Mar-12	Apr-12	May-12	Jun-12	
1	CCF Sales							
2	Residential (RS)	Load Forecasting	36,731,470	29,997,990	17,094,300	8,952,540	5,378,780	98,155,080
3	General Service (GS)	Load Forecasting	15,868,131	14,194,180	7,294,912	3,988,269	2,935,180	44,280,672
	Total Sales Service		52,599,601	44,192,170	24,389,212	12,940,809	8,313,960	142,435,752
4	Residential Transportation (RFT)							
5	Firm Transportation (FT)	Load Forecasting	18,381,490	15,010,740	8,557,210	4,481,970	2,692,690	49,124,100
6	Interruptible Transportation (IT)	Load Forecasting	24,457,096	19,068,093	10,775,661	5,813,575	4,176,315	64,290,740
7	Total Transportation Service	Load Forecasting	18,838,753	17,782,527	16,819,167	14,521,526	14,179,706	82,141,679
			61,677,339	51,861,360	36,152,038	24,817,071	21,048,711	195,556,519
8	Other							
9	Interdepartmental	Load Forecasting	114,230	79,870	57,840	41,300	20,260	313,500
10	Street Lighting	Load Forecasting	25,410	26,210	25,870	25,730	26,150	129,370
	Total Other		139,640	106,080	83,710	67,030	46,410	442,870
11	Total Throughput	Line 3 + Line 7 + Line 10	114,416,580	96,159,610	60,624,960	37,824,910	29,409,081	338,435,141
12	Exclude CCF Sales not eligible for Uncollectible							
13	Interruptible Transportation (IT)	Line 6	(18,838,753)	(17,782,527)	(16,819,167)	(14,521,526)	(14,179,706)	(36,621,280)
14	Interdepartmental	Line 8	(114,230)	(79,870)	(57,840)	(41,300)	(20,260)	(194,100)
	Total Sales Excluded from Uncollectible		(18,952,983)	(17,862,387)	(16,877,007)	(14,562,826)	(14,199,966)	(36,815,380)
15	Total CCF Sales Recovering Uncollectible Expense	Line 11 + Line 14	95,463,597	78,297,213	43,747,953	23,262,084	15,209,115	301,619,761
								Page 1

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Case No(s). 11-3226-GA-UEx

Summary: Correspondence Updated schedules electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.