

ELIZABETH H WATTS Associate General Counsel

155 E. Broad St., 21st Floor Columbus, OH 43215

614-222-1330 614-222-1331 office 614-222-1337 fax 614-202-2509 cell elizabeth.watts@duke-energy.com

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, Myleth Halle

Elizabeth H. Watts Associate General Counsel

Duke Energy Ohio Gas Calculation of Uncollectible Expense Rider Rate

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

(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

Duke Energy Ohio Gas Uncollectibles Tracker Balance

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Î			-			20	2010 ACTUAL				
Line		Source	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Unrecovered Balance - Beginning of Month	Ending Batance Prior 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
N	Bad Debts Written Off - Net of Customer Recoveries	Gross/Net Write Off Report	\$202,598	\$468,364	\$661,119	\$751,688	\$845,536	\$760,093	\$502,207	\$304,520	\$320,981
ω	Recovery - Base Rates	Page 3	\$0	\$0	\$ 0	\$0	\$0	\$0	\$0	\$0	
4	Recovery - Uncollectible Rider	See Note (a)	(\$538,336)	(\$295,765)	(\$218,287)	(\$302,337)	(\$280,195)	(\$301.798)	(\$388,884)	(\$868,089)	(\$2,266,351)
5	Recovery - Other Adjustments	See Note (b)	so	\$0	\$0	0\$	50	0\$	\$0	\$0	50
6	Incremental Bad Debt	Lines (2)+(3)+(4)+(5)	(\$335,738)	\$172,599	\$442,832	\$449,351	\$565,341	\$458,295	\$113,323	(\$563,568)	(\$1,945,370)
7	Balance Sub-Total	Line (1) + Line (6)	\$4,144,761	\$4,331,268	\$4,787,790	\$5,251,868	\$5,833,421	\$6,309,617	\$6,442,549	\$5,899,575	\$3,974,140
80	Carrying Charges	Lines [((1)+(7))/(2)] * (Line 10)	\$13,908	\$13,690	\$14,727	\$16,213	\$17,901	\$19,610	\$20,594	\$19,935	\$15,954
Q	Unrecovered Balance - End of Month	Line (7) + Line (8)	\$4,158,669	\$4,344,958	\$4,802,516	\$5,268,080	\$5,851,322	\$6,329,226	\$6,463,143	\$5,919,510	\$3,990,093
10	Monthly Carrying Charge rate	See Note (c)	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 July 1, 2010 (b) Not applicable at this time (c) Source: Treasury (c) Source: Treasury (c) Source: Treasury 	uły 1, 2010.									

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.

Duke Energy Ohio Gas Uncollectibles Tracker Balance

ATTACHMENT-1 PAGE 2

	10		9	80	7	თ	თ	4	ω	2			Line
 (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. 	Monthly Carrying Charge rate		Unrecovered Balance - End of Month	Carrying Charges	Balance Sub-Total	Incremental Bad Debt	Recovery - Other Adjustments	Recovery - Uncollectible Rider	Recovery - Base Rates	Bad Debts Written Off - Net of Customer Recoveries	Unrecovered Balance - Beginning of Month		
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	0.32250%		\$1,335,940	\$8,574	\$1,327,366	2,662,728)	\$0	(3,060,496)	\$0	397,768	\$3,990,093		Jan
	0.32250%		(\$1,136,760)	\$321	(\$1,137,080)	(2,662,728) (\$2,473,020) (\$1,718,713) (\$1,095,726)	\$0	(\$2,737,611)	0\$	\$264,591	\$1,335,940		Feb
	0.32250%		(\$2,861,910)	(\$6,437)	(\$2,855,473)	(\$1,718,713)	0\$	(\$1,774,213)	\$0	\$55,500	(\$1,136,760)		Mar
	0.32250%		(\$3,968,633)	(\$10,997)	(\$3,957,636)	(\$1,095,726)	\$0	(\$1,211,410)	\$0	\$115,684	(\$2,861,910)		Apr
	0.32250%		(\$4,266,992)	(\$13,259)	(\$4,253,734)	(\$285,101)	0\$	(\$659,127)	\$0	\$374,026	(\$3,968,633)		2011 ACTUAL May
	0.32250%		(\$4,163,468)	(\$13,572)	(\$4,149,895)	\$117,097	\$0	(\$402,537)	\$0	\$519,634	(\$4,266,992)		Jun
	0.32250%		(\$3,911,008)	(\$12,999)	(\$3,898,009)	\$265,458	0\$	(\$306,858)	\$0	\$572,316	(\$4,163,468)		501
	0.32250%		(\$3,744,434)	(\$12,325)	(\$3,732,109)	\$178,899	so	(\$278,683)	\$0	\$457,582	(\$3,911,008)	Ā	Aua
	0.32250%		(\$3,537,983)	(\$11,724)	(\$3,526,259)	\$218,175	\$0	(\$315,314)	\$0	\$533,489	(\$3,744,434)		Sep
	0.32250%		(\$3,646,139)	(\$11,566)	(\$3,634,573)	(\$96,590)	\$0	(\$459,690)	\$0	\$363,100	(\$3,537,983)		Oct
	0.32250%		(\$4,300,878)	(\$12,794)	(\$4,288,084)	(\$641,945)	\$0	(\$943,628)	\$ 0	\$301,683	(\$3,646,139)		Nov
	0.32250%		(\$5,654,293)	(\$16,027)	(\$5,638,266)	(\$641,945) (\$1,337,388)	\$0	(\$1,654,400)	\$0	\$317,012	(\$4,300,878)	L	Dec
	0.32250%	To Page 1	(\$7,688,137)	(\$21,480)	(\$7,666,657)	(\$2,012,364)	0\$	(\$2,663,428)	\$0	\$651,064	(\$5,654,293)		2012 Projected
				\$18,247			\$0	(\$2,663,428) (\$21,927,437)	\$0	\$9,740,554			Total

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.

Duke Energy Ohio Gas Revenue Collected for Uncollectible Expense

ATTACHMENT-1 PAGE 3

	17	16	15	14	: 13 f2		11	10	9	8	~	1 O	• 0	4 :	6	I N)		
	Revenue Recovered For Uncollectible Expense Line 15 * Line 16	Recovery Rate (\$/CCF)	Total Sales Recovering Uncollectible Expense	Total Sales Excluded from Uncollectible	Interruptible Transportation (IT) Interdepartmental	Exclude Sales not eligible for Uncollectible	Total Throughput	Total Other	Street Lighting	Other Interdepartmental	total transportation Service	Interruptible Transportation (IT)	Firm Transportation (FT)	Residential Transportation (RFT)	Total Sales Service	General Service (GS)	Residential (RS)	Description	Baardatia
-	Line 15 * Line 16	See Note (a)	Line 11 + Line 14		Line 6 Line 8		Line 3 + Line 7 + Line 1C		Revenue Statistics	Revenue Statistics		Revenue Statistics	Revenue Statistics	Revenue Statistics		Revenue Statistics	Revenue Statistics	Source	
To Page 2	\$0	\$0.00000	34,413,400	(16,601,890)	(16,565,940) (35,950)		51,015,290	35,950	*	35,950	31,904,880	16,565,940	7,884,570	7,454,370	19,074,460	4,727,900	14,346,560	Apr	
To Page 2	0\$	\$0.00000	18,927,060	(13,623,800)	(13,598,310) (25,490)		32,550,860	25,490		25,490	22,712,220	13,598,310	5,437,130	3,676,780	9,813,150	2,586,030	7,227,120	May	
To Page 2	0\$	\$0.00000	13,990,250	(14,187,280)	(14,176,450) (10,830)		28,177,530	10,830		10,830	21,157,620	14,176,450	4,381,240	2,599,930	7,009,080	1,930,780	5,078,300	Jun	
To Page 2	0\$	\$0,00000	11,649,910	(12,143,750)	(12,131,200) (12,550)		23,793,660	12,550		12,550	18,173,490	12,131,200	3,993,820	2,048,470	5,607,620	1,668,120	3,939,500	Jul	
To Page 2	\$0	\$0.00000	10,662,040	(12,596,910)	(12,595,700) (1,210)		23,258,950	1,210	1	1,210	18,253,200	12,595,700	3,861,220	1.796,280	5,004,540	1,474,030	3,530,510	Aug	ACTUAL 2010
To Page 2	\$0	\$0.00000	11,538,650	(13,789,770)	(13,783,780) (5,990)		25,328,420	5,990		066'5	20,022,460	13,783,780	4,256,250	1,982,430	5,299,970	1.553.660	3,746,310	Sep	·····
To Page 2	0\$	\$0.00000	14,858,470	(14,038,490)	(14,027,500) (10,990)		28,896,960	10,990		10,990	21,708,700	14,027,500	4,929,250	2,751,950	7,177,270	2,015,480	5,161,790	Oct	
To Page 2	8	\$0.00000	33,309,750	(15,058,240)	(15,058,240) -		48,367,990			O	30,519,800	15,058,240	8,453,730	7,007,830	17,848,190	4,345,870	13,502,320	Nov	
To Page 2	\$0	\$0.0000	86,927,690	(15,805,920)	(15,653,960) (151,960)		102,733,610	151,960	2	151 960	53,167,410	15,653,960	18,569,570	18,943,880	49,414,240	11,878,500	37,535,740	Dec	
To Page 2	\$0	\$0.00000	117,399,930	(19,403,710)	(19,403,710)		136,803,640	-	4		70,459,620	19,403,710	24,806,900	26,249,010	66,344,020	16,105,440	50,238,580	Jan	

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

Duke Energy Ohio Gas Revenue Collected for Uncollectible Expense

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	Revenue Recovered For Uncollectible Expense	Recovery Rate (\$/CCF)	Total Sales Recovering Uncollectible Expense	Total Sales Excluded from Uncollectible	Exclude Sales not eligible for Uncollectible Interruptible Transportation (IT) Interdepartmental	Total Throughput		Tatal Other	Interdepartmental	Other	Fotal Fransportation Service	Therupade ransportation (11)	Firm Fransponation (FT)	Residential Transportation (RFT)	I utal Sales Service	General Service (GS)	Residential (RS)	CCF Sales	Description	
To Page 2	0\$	\$0.00000	99,973,250	(20,070,360)	(20,070,360)	120,043,610	*		0		64,585,490	20,070,360	21,357,670	23,157,460	55,458,120	13,699,220	41,758,900		Feb	
To Page 2	0\$	\$0.00000	73,124,640	(15,817,170)	(15,817,170)	88,941,810		T	0		49,137,890	15,817,170	15,941,360	17,379,360	39,803,920	9,492,390	30,311,530		Mar	
To Page 2	0\$	\$0.00000	46,471,610	(16,694,110)	(16,694,110)	63,165,720			0		38,819,730	16,694,110	11,110,740	11,014,880	24,345,990	5,584,320	18,761,670		Apr	
To Page 2	\$0	\$0.00000	25,306,610	(14,665,840)	(14,665,840)	39,972,450			o		27,522,070	14,665,840	6,947,110	5,909,120	12,450,380	2,986,480	9,463,900		May	
To Page 2	50	\$0.00000	15,405,400	(14,537,580)	(14,537,580)	29,942,980		-	0		22,955,680	14,537,580	5,112,890	3,305,210	6,987,300	1,816,160	5,171,140		Jun	Actual 2011
To Page 2	0\$	\$0.00000	11,910,420	(13,111,010)	(13,111,010) -	25,021,430			0		19,784,070	13,111,010	4,339,150	2,333,910	5,237,360	1,381,530	3,855,830		Inf	
To Page 2	\$0	\$0.00000	10,721,950	(13,221,140)	(13,221,140)	23,943,090		×	0		19,304,970	13,221,140	4,071,350	2,012,480	4,638,120	1,301.530	3,336,590		Aug	
To Page 2	\$0	\$0.00000	12,116,290	(13,442,050)	(13,442,050)	25,558,340		-	0		20,354,540	13,442,050	4,623,500	2,288,990	5,203,800	1,471,030	3,732,770		Sep	
To Page 2	\$0	\$0.00000	17,627,940	(12,885,270)	(12,885,270)	30,513,210		5	0		22,566,450	12.885.270	5,832,520	3,848,660	7,946,760	2,072,640	5,874,120		Oct	
To Page 2	0 \$ 0	\$0.00000	36,201,660	(15,921,580)	(15,921,580)	52,123,240		•	0		34,514,600	15,921,580	9,891,750	8,701,270	17,608,640	3,896,420	13,712,220		Nov	
To Page 2	SO	\$0.00000	749,210,840	(183,137,290)	(182,882,320)	932,348,130	254,970		254,970		627,624,890	297,360,900	175.801.720	154,462,270	304,468,270	88,091,110	216.377.160		TOTAL	

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

					2012 PRO.	ROJECTED		
Line		Source	Feb	Mar	Apr	May	Jun	Total
	Unrecovered Balance - Beginning of Month	Ending Balance Prjor Month	(\$7,688,137)	(\$7,688,137) (\$7,348,870) (\$7,164,814)	(\$7,164,814)	(\$7,021,507)	(\$6,690,481)	
2	Bad Debts Written Off - Net of Customer Recoveries	Projection	\$ 339,267 \$	184,056	\$ 143,307	\$ 331,026 \$		467,466 \$ 1,465,122
ω	Recovery - Base Rates	See Note (a)	\$0	\$0	\$0	\$0	0\$	To Page 1
4	Recovery - Uncollectible Rider	See Note (b)	\$0	\$0	\$0	0\$	\$0	
თ	Recovery - Other Adjustments	See Note (c)	0\$	0\$	\$0	\$0	0\$	
6	incremental Bad Debt	Lines (2)+(3)+(4)+(5)	\$339,267	\$184,056	\$143,307	\$331,026	\$467,466	
7	Balance Sub-Total	Line (1) + Line (6)	(\$7,348,870)	(\$7,164,814)	(\$7,021,507)	(\$6,690,481)	(\$6,223,015)	
œ	Carrying Charges	Lines [(((1)+(7))/(2)] * (Line 10)	\$0	\$0	\$0	\$0	\$0	
9	Unrecovered Balance - End of Month	Line (7) + Line (8)	(\$7,348,870)	(\$7,348,870) (\$7,164,814) (\$7,021,507	(\$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-UEX
(b) Uncollectible rider is currently \$0.026073 per CCF
(c) Not applicable at this time

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Duke Energy Ohio Gas Revenue Collected for Uncollectible Expense

15	13 14	11	10 8	4 70 70 17	ω Ν	Line
Total CCF Sales Recovering Uncollectible Expense Line 11 + Line 14	Exclude CCF Sales not eligible for Uncollectible Interruptible Transportation (IT) Interdepartmental Total Sales Excluded from Uncollectible	Total Throughput	Other Interdepartmental Street Lighting Total Other	Residential Transportation (RFT) Firm Transportation (FT) Interruptible Transportation (IT) Total Transportation Service	CCF Sales Residential (RS) General Service (GS) Total Sales Service	Description
Line 11 + Line 14	Line 6	Line 3 + Line 7 + Line 10	Load Forecasting Load Forecasting	Load Forecasting Load Forecasting Load Forecasting	Load Forecasting Load Forecasting	Source
95,463,597	(18,838,753) (114,230) (18,952,983)	114,416,580	114,230 25,410 139,640	18,381,490 24,457,096 18,838,753 61,677,339	36,731,470 15,868,131 52,599,601	Feb-12
78,297,213	(17,782,527) (79,870) (17,862,397)	96,159,610	79,870 <u>26,210</u> 106,080	15,010,740 19,068,093 17,782,527 51,861,360	29,997,990 14,194,180 44,192,170	Pr Mar-12
43,747,953	(16,819,167) (57,840) (16,877,007)	60,624,960	57,840 25,870 83,710	8,557,210 10,775,661 16,819,167 36,152,038	17,094,300 7,294,912 24,389,212	Projected 5 Months Ended June 2013 Apr-12 May-12
23,262,084	(14,521,526) (41,300) (14,562,826)	37,824,910	41,300 25,730 67,030	4,481,970 5,813,575 14,521,526 24,817,071	8,952,540 3,988,269 12,940,809	Ended June 2013 May-12
15,209,115	(14,179,706) (20,260) (14,199,966)	29,409,081	20,260 26,150 46,410	2,692,690 4,176,315 14,179,706 21,048,711	5,378,780 2,935,180 8,313,960	Jun-12
301,619,761 Page 1	(36,621,280) (194,100) (36,815,380)	338,435,141	313,500 129,370 442,870	49,124,100 64,290,740 82,141,679 195,556,519	98,155,080 44,280,672 142,435,752	Total

This foregoing document was electronically filed with the Public Utilities

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in

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

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