

FILE

Derrick

Heat Treating · Blasting · Painting

11-3549-EL-SSO

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September 12, 2012

Todd A. Snitchler, Chairman
Public Utility Commission of Ohio
180 E. Broad St.
Columbus, Ohio 43215

Re: Complaint to Duke Energy Rates - File in Case No. 11-3549-EL-SSO

Dear Chairman Snitchler:

On behalf of The Derrick Company, located within the Duke-OH utility service territory, I am writing to express strong concern over the alarming increase in electric distribution rates our business is experiencing. I urge you to seriously consider the impact these new rates will have on our facility as well as others in our area.

Our facility, along with many other local businesses, has taken advantage of the deregulated market in Ohio, and we have been able to see a significant reduction in the cost associated with our electricity. However, in light of the utility's new distribution rate structure and in particular through the newly created Generation Rider, the "LFA", the cost associated with the distribution of our electric is eroding the cost saved regarding the actual commodity.

In order to fully gauge the impact of the recent Duke rate changes, an analysis was done to compare our electric distribution costs based upon our actual energy usage for the period of January to December 2011, using both the prior and new tariff rates. That analysis showed that the same usage in 2012 would incur a *distribution cost increase* of more than \$36,000. That represents an increase of 106%, and to a small business such as ours, can result in a significant negative impact on our operating budget.

Rate increases such as these are becoming evident with the new ESP and have the ability to be devastating to many local businesses and school districts.

We urge you to reconsider the original PUCO decision of approval.

Thank you for your consideration of this matter. We request that you have a copy of this letter filed in PUCO Case No. 11-3549-EL-SSO.

Sincerely,



Gary A. Schmid
President-Owner

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PUCO

The Derrick Company
Electric Delivery Costs - 2011 vs 2012

Location	Acct #	Annual kWh	Avg Demand (kw)	Annual Load Factor	2011 Avg Delivery Costs/kWh	2012 Avg Delivery Cost/kWh	2011 Total Delivery \$	2012 Total Delivery \$	\$ Increase	% Increase
		886,634	357.2	28.34%	\$ 0.03087	\$ 0.06008	\$ 27,366.12	\$ 53,272.46	\$ 25,906.34	95%
		84,213	173.3	5.55%	\$ 0.08094	\$ 0.20329	\$ 6,816.02	\$ 17,119.86	\$ 10,303.84	151%
		970,847					\$ 34,182.14	\$ 70,392.32	\$ 36,210.18	106%

Notes:

Annual kWh and Avg kw from 2011 used for both years

2012 Total Delivery \$ estimated using 1&2Q 2012 rates