

January 10, 2014

Public Utilities Commission of Ohio
ATTN: Docketing Division
11th Floor
180 East Broad Street
Columbus, Ohio 43215-3793

RECEIVED-DOCKETING DIV
2014 JAN 10 AM 11:17
PUCO

Docketing Division:

Enclosed for filing are ten (10) copies of Duke Energy Ohio ("Duke") gas cost recovery (GCR) report, as required by Section 4901:1-14, O.A.C., for the month commencing February 2014. This filing is based on supplier tariff rates expected to be in effect on January 31, 2014 and the NYMEX close of January 7, 2014 for the month of February 2014.

Also included is a Supplemental Attachment that shows the calculation of a new Actual Adjustment (AA) rate. The AA rate used from September 2013 through January 2014 included a clerical error. The new rate for the "2nd Previous Quarterly Reported AA" will go in effect for the revenue month of February and continue through the revenue month of May.

Duke's GCR rate effective February 2014 is \$5.052 per MCF, which represents a decrease of \$0.352 per MCF from the current GCR rate in effect for January 2014.

Please time-stamp the extra copy that I have enclosed and return for our file. Thank you for your timely assistance in this regard.

Very truly yours,



Dana Patten

Enclosure

cc: Ms. Carolyn Tyson
Mr. R. J. Lehman
Mr. Robert Clark
L. Schmidt

r:\gcr/restored\Acge/Monthly OHGCRLTR.doc

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SMO Date Processed JAN 10 2014

COMPANY NAME: DUKE ENERGY OHIO
GAS COST RECOVERY RATE CALCULATIONS
SUPPLEMENTAL MONTHLY REPORT

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.339000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000000
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.287000)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	5.052000

GAS COST RECOVERY RATE EFFECTIVE DATES: January 31, 2014 THROUGH March 2, 2014

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	5.339000

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	0.000000

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.062000
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.412000)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT - (see supplemental attachment / page 5 of 6)	\$/MCF	(0.260000)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.323000
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.287000)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER NO. 76-515-GA-ORD
OF THE PUBLIC UTILITIES COMMISSION OF OHIO, DATED OCTOBER 18, 1979.

DATE FILED: January 10, 2014

BY: DON WATHEN

TITLE: DIRECTOR,
Rates & Regulatory Strategy - OH/KY

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO

SUPPLEMENTAL MONTHLY REPORT

EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF January 31, 2014
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED November 30, 2014

<u>DEMAND COSTS</u>	DEMAND EXPECTED GAS COST AMT (\$)	MISC EXPECTED GAS COST AMT (\$)	TOTAL DEMAND EXPECTED GAS COST AMT (\$)
INTERSTATE PIPELINE SUPPLIERS (SCH. I-A)			
Columbia Gas Transmission Corp.	15,799,817	0	15,799,817
Duke Energy Kentucky	522,072	0	522,072
Columbia Gulf Transmission Co.	7,010,772	0	7,010,772
Texas Gas Transmission Corp.	7,893,515	0	7,893,515
K O Transmission Company	786,048	0	786,048
PRODUCER/MARKETER (SCH. I - A)	51,315	0	51,315
SYNTHETIC (SCH. I - A)			
OTHER GAS COMPANIES (SCH. I - B)			
OHIO PRODUCERS (SCH. I - B)			
SELF-HELP ARRANGEMENTS (SCH. I - B)		(11,774,993)	(11,774,993)
SPECIAL PURCHASES (SCH. I - B)			
TOTAL DEMAND COSTS:	32,063,539	(11,774,993)	20,288,546

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:

27,586,324 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE:

\$0.735 /MCF

COMMODITY COSTS:

GAS MARKETERS	\$2.500 /MCF
GAS STORAGE	
COLUMBIA GAS TRANSMISSION	\$1.724 /MCF
TEXAS GAS TRANSMISSION	\$0.353 /MCF
PROPANE	\$0.007 /MCF
STORAGE CARRYING COSTS	\$0.020 /MCF
COMMODITY COMPONENT OF EGC RATE:	\$4.604 /MCF

TOTAL EXPECTED GAS COST:

\$5.339 /MCF

**PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO**

SUPPLEMENTAL MONTHLY REPORT

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF January 31, 2014 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED November 30, 2014

SUPPLIER OR TRANSPORTER NAME Commodity Costs
TARIFF SHEET REFERENCE _____
EFFECTIVE DATE OF TARIFF _____ RATE SCHEDULE NUMBER _____

TYPE GAS PURCHASED ☒ NATURAL ☐ LIQUIFIED ☐ SYNTHETIC
UNIT OR VOLUME TYPE ☐ MCF ☐ CCF ☐ OTHER
PURCHASE SOURCE ☒ INTERSTATE ☐ INTRASTATE

GAS COMMODITY RATE FOR FEBRUARY 2014:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$4.3615	\$/Dth
DUKE ENERGY OHIO FUEL	1.300%	\$0.0567	\$4.4182	\$/Dth
DTH TO MCF CONVERSION	1.0176	\$0.0778	\$4.4960	\$/Mcf
ESTIMATED WEIGHTING FACTOR	55.600%		\$2.4998	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$2.500	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE (Not applicable during injection months)			\$4.5609	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$4.5762	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	1.957%	\$0.0896	\$4.6658	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0170	\$4.6828	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0012	\$4.6840	\$/Dth
DUKE ENERGY OHIO FUEL	1.300%	\$0.0609	\$4.7449	\$/Dth
DTH TO MCF CONVERSION	1.0176	\$0.0835	\$4.8284	\$/Mcf
ESTIMATED WEIGHTING FACTOR	35.700%		\$1.7237	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$1.724	\$/Mcf
TEXAS GAS TRANSMISSION - STORAGE INVENTORY RATE (Not applicable during payback months)			\$3.9142	\$/Dth
TEXAS GAS COMMODITY RATE		\$0.0626	\$3.9768	\$/Dth
DUKE ENERGY OHIO FUEL	1.300%	\$0.0517	\$4.0285	\$/Dth
DTH TO MCF CONVERSION	1.0176	\$0.0709	\$4.0994	\$/Mcf
ESTIMATED WEIGHTING FACTOR	8.600%		\$0.3525	\$/Mcf
GAS STORAGE COMMODITY RATE - TEXAS GAS			\$0.353	\$/Mcf

PROPANE :

WEIGHTED AVERAGE PROPANE INVENTORY RATE			\$0.45685	\$/Gal
GALLON TO MCF CONVERSION	15.38	\$6.5695	\$7.0264	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.100%		\$0.0070	\$/Mcf
PROPANE COMMODITY RATE			\$0.007	\$/Mcf

FOOTNOTE NO. (1) Weighted average cost of gas based on NYMEX prices on 1/07/2014 and contracted hedging prices.

**PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO**

SUPPLEMENTAL MONTHLY REPORT

ESTIMATED COST OF GAS INJECTED AND WITHDRAWN FROM STORAGE

Details for the EGC Rate in Effect as of January 31, 2014

<u>Month</u>	<u>Beginning Storage Inventory</u>	<u>Monthly Storage Activity</u>			<u>Ending Storage Inventory</u>
		<u>Injected</u>	<u>Withdrawn</u>	<u>Financial Hedges</u>	
December 2013	\$37,844,178	\$0	\$4,443,119	\$0	\$33,401,059
January 2013	\$33,401,059	\$0	\$11,400,480	\$0	\$22,000,579
February 2014	\$22,000,579	\$0	\$8,699,040	\$0	\$13,301,539

**PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO**

SUPPLEMENTAL MONTHLY REPORT

ESTIMATED CONTRACT STORAGE CARRYING COSTS

Details for the EGC Rate in Effect as of January 31, 2014

Line No.	Ending Storage Balance Month	Estimated	Avg. Storage		Estimated Monthly MCF	\$/MCF
		Ending Storage Inventory (Schedule I - C)	Average Monthly Storage Inventory Balance	Balance times Monthly Cost of Capital (1)		
1	December 2013	\$33,401,059		0.8333%		
2	January 2013	\$22,000,579	\$27,700,819			
3	February 2014	\$13,301,539	\$17,651,059	\$147,086	7,503,571	\$0.020

Note (1): 10% divided by 12 months = 0.8333%

ORIGINALLY FILED IN CASE 13-218-GA-GCR on 5/10/2013

SCHEDULE III

PURCHASE GAS ADJUSTMENT
DUKE ENERGY OHIO
ACTUAL ADJUSTMENT

DETAILS FOR THE THREE MONTH PERIOD ENDED

February 28, 2013

PARTICULARS	UNIT	DECEMBER	JANUARY	FEBRUARY
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	2,847,693	3,726,604	3,481,277
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	1,794	22,642	11,868
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	74,843	(6,136)	55,074
TOTAL SUPPLY VOLUMES	MCF	2,924,330	3,743,110	3,548,219
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	15,758,477	19,425,788	18,869,969
TRANSITION COSTS	\$	0	0	0
GAS STORAGE CARRYING COSTS	\$	350,774	286,706	192,486
INCLUDABLE PROPANE	\$	11,704	157,494	82,977
OTHER COSTS (SPECIFY):				
MANAGEMENT FEE	\$	(62,350)	(62,350)	(62,350)
CONTRACT COMMITMENT COSTS RIDER	\$	(13,744)	(22,582)	(22,536)
TRANSPORTATION GAS COST CREDIT	\$	0	0	0
RATE "IT" CREDIT	\$	0	0	0
FIRM TRANSPORTATION SUPPLIER COST	\$	(8,513)	12,967	(49,273)
CUSTOMER POOL USAGE COST	\$	(660,153)	(815,092)	(1,049,322)
LOSSES - DAMAGED LINES	\$	(15)	(728)	(1,202)
SALES TO REMARKETERS	\$	0	0	0
WEIGHTED AVERAGE PIPELINE COST REFUNDED/(BILLED) TO SUPPLIERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	15,376,180	18,982,203	17,960,749
SALES VOLUMES				
JURISDICTIONAL	MCF	2,676,139.2	3,939,908.8	3,992,048.6
NON-JURISDICTIONAL	MCF	0.0	0.0	0.0
OTHER VOLUMES (SPECIFY):	MCF	0.0	0.0	0.0
TOTAL SALES VOLUMES	MCF	2,676,139.2	3,939,908.8	3,992,048.6
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.746	4.818	4.499
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	5.262	5.510	5.390
DIFFERENCE	\$/MCF	0.484	(0.692)	(0.891)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	2,676,139.2	3,939,908.8	3,992,048.6
EQUALS MONTHLY COST DIFFERENCE	\$	1,295,251.37	(2,726,418.89)	(3,556,915.30)
RECONCILIATION				
PARTICULARS	UNIT			AMOUNT
TOTAL COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			(4,988,080.82)
BALANCE ADJUSTMENT FROM SCHEDULE IV	\$			2,597,207.28
TOTAL COST DIFFERENCE FOR USE IN THE CURRENT AA CALCULATION	\$		(A)	(2,390,873.54)
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED	May 31, 2014	MCF		26,230,072
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			(0.091)
REVISED RATE				
COLLECTED FROM/ (REFUNDED TO) RATEPAYER JUNE 2013 - JANUARY 2014				
JUNE 2013 - AUGUST 2013 ACTUAL USAGE	MCF			1,258,756.7
JUNE 2013 - AUGUST 2013 ACTUAL RATE BILLED TO RATEPAYER	\$/MCF			(0.091) *
JUNE 2013 - AUGUST 2013 (REFUNDED TO) RATEPAYER	\$		(B)	(114,546.86)
SEPTEMBER 2013 - DECEMBER 2013 ACTUAL USAGE	MCF			5,419,088.2
SEPTEMBER 2013 - DECEMBER 2013 ACTUAL RATE BILLED TO RATEPAYER	\$/MCF			0.091 *
SEPTEMBER 2013 - DECEMBER 2013 COLLECTED FROM RATEPAYER	\$		(C)	493,137.03
JANUARY 2014 ESTIMATE USAGE	MCF			4,998,939
JANUARY 2014 ACTUAL RATE BILLED TO RATEPAYER	\$/MCF			0.091 *
JANUARY 2014 - ESTIMATE COLLECTED FROM RATEPAYER	\$		(D)	454,903.45
TOTAL COLLECTED FROM / (REFUNDED TO) RATEPAYER	\$		(B)+(C)+(D)=(E)	833,493.62
ADJUSTED COST DIFFERENCE FOR USE IN 2ND PREVIOUS QUARTERLY REPORTED AA CALCULATION	\$		(A)-(E)	(3,224,367.16)
DIVIDED BY: 4 MONTH PROJECTED SALES ENDED	May 31, 2014	MCF		12,420,787.0
ADJUSTED SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF			(0.260)

* The correct AA rate for the reconciliation of December through February was (\$0.091) which was included in the GCR rate for June 2013 through August 2013. However in the next quarterly filing the rate inadvertently was changed to \$0.091.