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April 26, 2007

Public Utilities Commission of Ohio
Attn: Docketing Division
13th Floor
180 East Broad Street
Columbus, OH 43215-3793

05-974-6A-AA7
05-733-EL-AA7

Re: Case No. 05-732-EL-MER, *et al.*

Docketing Division:

Pursuant to the Stipulation approved in the Commission's Order on December 21, 2005, in the above-captioned case, Duke Energy Ohio agreed to provide credits to its electric and gas customers as a means of sharing net savings expected from the merger of its parent Cinergy Corp. with Duke Energy. The credits were to be provided during 2006 with a true-up provision.

On January 29, 2007, the Company filed a letter with the Commission indicating that at the end of 2006, Duke Energy Ohio had not provided credits in the full amount agreed to in the Stipulation. In that letter filing, the Company recommended that the Commission allow the Company to provide additional credits during the March 2007 billing cycle to both electric and gas customers such that, based on projected sales, it would credit all of the remaining balance by the end of March 2007.

In its entry, dated February 28, 2007, the Commission approved the Company's proposal to provide the additional credits but added a provision that the Company *"file a report with the Commission detailing the actual amount credited to retail customers during the March billing cycle. Based on that report, the Commission may require [D]uke to make a subsequent filing for Commission consideration."*

Per the Commission's request, the Company submits the attached document detailing the amount of merger credits actually provided to customers during the March 2007 billing cycle. As indicated on the attachment, the credits provided to customers in March 2007, plus the credits provided for calendar year 2006, are slightly greater than the amounts agreed to in the Stipulation. For electric customers, Duke Energy Ohio has provided a total of \$31,669,671 in merger credits, approximately \$51,671 more than the \$31,618,000 agreed to in the Stipulation. Similarly, for gas customers, a total of \$4,327,610 in merger credits were actually provided to customers which was \$159,910 more than the \$4,167,700 agreed to in the Stipulation.

Although the Company actually provided more merger credits than were agreed to in the Stipulation, we request that the Commission allow the Company eliminate the merger credit riders (Rider RSS, MSR-E, and MSR-G) without any further true-up. The magnitude of the over-credited amount is *de minimis* for both gas and electric, and the Company will absorb the excess credits and will not seek additional true-ups for these amounts.

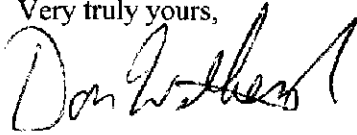
This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.

Technician Ann Date Processed 4/27/07 www.duke-energy.com

The Company will make all of the data used in the attached calculations available to the parties in the above-captioned case on request.

Please time-stamp the enclosed extra copies of this document and attachment and return for our file.
Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Don Wathen, Jr.", with a stylized flourish at the end.

Don Wathen, Jr.
Director, Revenue Requirements

Enclosure

DUKE ENERGY OHIO
CALCULATION OF ELECTRIC AND GAS MERGER TRUE-UP CREDITS

						March 2007 True-Up	
Customer Group	Rider MSR-E			Forecasted March 2007 kWh ⁽¹⁾	\$/kWh (e)=(c)*(f)	March 2007 Billed Credits (f)	Difference (g)=(c)-(f)
	Merger Savings Sharing (a)	Actual Billed Credits (b)	Difference (c)=(a)-(b)				
Residential - RS, CUR, ORH, TD	\$10,246,776	\$9,737,998	\$508,780	622,963,000	0.000817	\$ 544,832	\$ (35,852)
Non-Residential	\$6,129,724	\$5,885,119	\$244,605	1,113,928,000	0.000220	\$ 235,434	\$ 9,171
Total	<u>\$16,376,500</u>	<u>\$15,623,115</u>	<u>\$753,385</u>	<u>1,736,891,000</u>		<u>\$ 780,066</u>	<u>\$ (26,681)</u>
Customer Group	Rider RSS			Forecasted March 2007 kWh ⁽¹⁾	\$/kWh (e)=(c)*(f)	March 2007 Billed Credits (f)	Difference (g)=(c)-(f)
	Merger Savings Sharing (a)	Actual Billed Credits (b)	Difference (c)=(a)-(b)				
Residential - RS, CUR, ORH, TD	\$9,536,607	\$9,038,479	\$498,128	622,963,000	0.000800	\$ 533,338	\$ (35,210)
Non-Residential	\$5,704,893	\$5,439,906	\$264,987	1,113,928,000	0.000238	\$ 254,767	\$ 10,220
Total	<u>\$15,241,500</u>	<u>\$14,478,385</u>	<u>\$763,115</u>	<u>1,736,891,000</u>		<u>\$ 788,105</u>	<u>\$ (24,990)</u>
Customer Group	Total Electric Merger Credits			Forecasted March 2007 kWh ⁽¹⁾	\$/kWh (e)=(c)*(f)	March 2007 Billed Credits (f)	Difference (g)=(c)-(f)
	Merger Savings Sharing (a)	Actual Billed Credits (b)	Difference (c)=(a)-(b)				
Residential - RS, CUR, ORH, TD	\$19,783,383	\$18,776,475	\$1,006,908	622,963,000	0.000817	\$ 544,832	\$ (35,852)
Non-Residential	\$11,834,617	\$11,325,025	\$509,592	1,113,928,000	0.000220	\$ 235,434	\$ 9,171
Total	<u>\$31,618,000</u>	<u>\$30,101,500</u>	<u>\$1,516,500</u>	<u>1,736,891,000</u>		<u>\$ 1,568,171</u>	<u>\$ (51,671)</u>
Customer Group	Rider MSR-G			Forecasted March 2007 MCF ^(a)	\$/CCF	March 2007 Billed Credits	Difference
	Merger Savings Sharing	Actual Billed Credits	Difference				
Residential / Residential Transportation	\$3,220,798	\$2,769,963	\$450,835	4,461,118	0.0101	\$ 615,495	\$ (164,660)
General Service / Firm Transportation	\$788,529	\$666,659	\$121,870	3,228,554	0.0038	\$ 119,765	\$ 2,105
Interruptible Transportation	\$158,373	\$130,148	\$28,227	1,645,914	0.0017	\$ 25,582	\$ 2,645
Total	<u>\$4,167,700</u>	<u>\$3,566,768</u>	<u>\$600,932</u>	<u>9,335,586</u>		<u>\$ 760,842</u>	<u>\$ (159,910)</u>

Note: ⁽¹⁾ Projected kWh and MCF are based on projections of sales, at the meter, for March 2007 included in the 2007 Official Budget.