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Duke Energy Corporation
139 East Fourth Street
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Cincinnati, Ohio 45201-0980

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September 10, 2010

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

Docketing Division:

10-218-GA-GCR

Enclosed for filing are four (4) 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 October 2010. This filing is based on supplier tariff rates expected to be in effect on September 30, 2010 and the NYMEX close of September 7, 2010 for the month of October 2010.

Duke's GCR rate effective October 2010 is \$5.581 per MCF, which represents a decrease of \$0.717 per MCF from the current GCR rate in effect for September 2010.

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

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

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www.duke-energy.com

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

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.264000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.010000)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.673000)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	5.581000

GAS COST RECOVERY RATE EFFECTIVE DATES: SEPTEMBER 30, 2010 THROUGH OCTOBER 28, 2010

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.264000

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.002000)
PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.006000)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.002000)
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.010000)

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	(0.694000)
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.218000)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.298000
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.059000)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.673000)

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: SEPTEMBER 10, 2010

BY: DON WATHEN

TITLE: VICE-PRESIDENT, RATES

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 SEPTEMBER 30, 2010
 PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2011

<u>DEMAND COSTS</u>	<u>DEMAND EXPECTED GAS COST AMT (\$)</u>	<u>MISC EXPECTED GAS COST AMT (\$)</u>	<u>TOTAL DEMAND EXPECTED GAS COST AMT (\$)</u>
INTERSTATE PIPELINE SUPPLIERS (SCH. I-A)			
Columbia Gas Transmission Corp.	15,019,197	0	15,019,197
Duke Energy Kentucky	600,896	0	600,896
Columbia Gulf Transmission Co.	5,866,198	0	5,866,198
Texas Gas Transmission Corp.	7,393,560	0	7,393,560
K O Transmission Company	786,048	0	786,048
PRODUCER/MARKETER (SCH. I - A)	79,049	0	79,049
SYNTHETIC (SCH. I - A)			
OTHER GAS COMPANIES (SCH. I - B)			
OHIO PRODUCERS (SCH. I - B)			
SELF-HELP ARRANGEMENTS (SCH. I - B)		(5,753,987)	(5,753,987)
SPECIAL PURCHASES (SCH. I - B)			
TOTAL DEMAND COSTS:	29,744,748	(5,753,987)	23,990,761

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:

32,842,647 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE:

\$0.735 /MCF

COMMODITY COSTS:

GAS MARKETERS	\$5.095 /MCF
GAS STORAGE	
COLUMBIA GAS TRANSMISSION	\$0.000 /MCF
TEXAS GAS TRANSMISSION	\$0.000 /MCF
PROPANE	\$0.000 /MCF
STORAGE CARRYING COSTS	\$0.434 /MCF
COMMODITY COMPONENT OF EGC RATE:	\$5.529 /MCF

TOTAL EXPECTED GAS COST:

\$6.264 /MCF

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO

SUPPLEMENTAL MONTHLY REPORT

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF SEPTEMBER 30, 2010 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2011

SUPPLIER OR TRANSPORTER NAME	Commodity Costs		
TARIFF SHEET REFERENCE			
EFFECTIVE DATE OF TARIFF		RATE SCHEDULE NUMBER	
TYPE GAS PURCHASED	<input checked="" type="checkbox"/> NATURAL	<input type="checkbox"/> LIQUIFIED	<input type="checkbox"/> SYNTHETIC
UNIT OR VOLUME TYPE	<input type="checkbox"/> MCF	<input type="checkbox"/> CCF	<input type="checkbox"/> OTHER
PURCHASE SOURCE	<input checked="" type="checkbox"/> INTERSTATE	<input type="checkbox"/> INTRASTATE	

GAS COMMODITY RATE FOR OCTOBER 2010:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$4.9568	\$/Dth
DUKE ENERGY OHIO FUEL	1.400%	\$0.0694	\$5.0262	\$/Dth
DTH TO MCF CONVERSION	1.0137	\$0.0689	\$5.0951	\$/Mcf
ESTIMATED WEIGHTING FACTOR	100.000%		\$5.0951	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$8.096	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE (Not applicable during injection months)			\$0.0000	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$0.0153	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.062%	\$0.0003	\$0.0156	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0224	\$0.0380	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0019	\$0.0399	\$/Dth
DUKE ENERGY OHIO FUEL	1.400%	\$0.0006	\$0.0405	\$/Dth
DTH TO MCF CONVERSION	1.0137	\$0.0006	\$0.0411	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf
TEXAS GAS TRANSMISSION - STORAGE INVENTORY RATE (Not applicable during payback months)			\$0.0000	\$/Dth
TEXAS GAS COMMODITY RATE		\$0.0633	\$0.0633	\$/Dth
DUKE ENERGY OHIO FUEL	1.400%	\$0.0009	\$0.0642	\$/Dth
DTH TO MCF CONVERSION	1.0137	\$0.0009	\$0.0651	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - TEXAS GAS			\$0.000	\$/Mcf

PROPANE :

WEIGHTED AVERAGE PROPANE INVENTORY RATE			\$0.44377	\$/Gal
GALLON TO MCF CONVERSION	14.84	\$6.1417	\$6.5855	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.000%		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

FOOTNOTE NO. (1) Weighted average cost of gas based on NYMEX prices on 09/07/2010 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

SEPTEMBER 30, 2010

<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>	
August 2010	\$44,059,826	\$8,272,416	\$0	\$0	\$52,332,242
September 2010	\$52,332,242	\$5,733,378	\$0	\$0	\$58,065,620
October 2010	\$58,065,620	\$1,742,765	\$0	\$0	\$59,808,385

**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 SEPTEMBER 30, 2010

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	August 2010	\$52,332,242		0.8333%		
2	September 2010	\$58,065,620	\$55,198,931			
3	October 2010	\$59,808,385	\$58,937,003	\$491,122	1,132,695	\$0.434

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