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Duke Energy Corporation  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, Ohio 45201-0960

FILE

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PUCO

December 14, 2010

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

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 January 2011. This filing is based on supplier tariff rates expected to be in effect on January 4, 2011 and the NYMEX close of December 9, 2010 for the month of January 2011.

Duke's GCR rate effective January 2011 is \$5.996 per MCF, which represents a increase of \$0.502 per MCF from the current GCR rate in effect for December 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

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

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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 \_\_\_\_\_ Date Processed **DEC 16 2010**

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	6.596000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	(0.010000)
ACTUAL ADJUSTMENT (AA)	\$/MCF	(0.590000)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	<u>5.996000</u>

GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 4, 2011 THROUGH February 1, 2011

**EXPECTED GAS COST CALCULATION**

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.596000

**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	(0.002000)
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	(0.006000)
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	0.000000
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	<u>(0.010000)</u>

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.024000
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.694000)
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.218000)
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.298000
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>(0.590000)</u>

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: DECEMBER 14, 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 JANUARY 4, 2011  
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED NOVEMBER 30, 2011

<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.	15,375,408	0	15,375,408
Duke Energy Kentucky	600,696	0	600,696
Columbia Gulf Transmission Co.	5,866,198	0	5,866,198
Texas Gas Transmission Corp.	8,138,890	0	8,138,890
K O Transmission Company	786,048	0	786,048
PRODUCER/MARKETER (SCH. I-A)	217,780	0	217,780
SYNTHETIC (SCH. I-A)			
OTHER GAS COMPANIES (SCH. I-B)			
OHIO PRODUCERS (SCH. I-B)			
SELF-HELP ARRANGEMENTS (SCH. I-B)		(5,979,691)	(5,979,691)
SPECIAL PURCHASES (SCH. I-B)			
<b>TOTAL DEMAND COSTS:</b>	<b>30,985,018</b>	<b>(5,979,691)</b>	<b>25,005,327</b>

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:

32,424,436 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE:

**\$0.771 /MCF**

**COMMODITY COSTS:**

GAS MARKETERS	\$2.850 /MCF
GAS STORAGE	
COLUMBIA GAS TRANSMISSION	\$2.717 /MCF
TEXAS GAS TRANSMISSION	\$0.386 /MCF
PROPANE	\$0.020 /MCF
STORAGE CARRYING COSTS	\$0.052 /MCF
COMMODITY COMPONENT OF EGC RATE:	<b>\$5.825 /MCF</b>

TOTAL EXPECTED GAS COST:

**\$6.596 /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 4, 2011 AND THE PROJECTED  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED NOVEMBER 30, 2011

SUPPLIER OR TRANSPORTER NAME Commodity Costs  
TARIFF SHEET REFERENCE \_\_\_\_\_  
EFFECTIVE DATE OF TARIFF \_\_\_\_\_ RATE SCHEDULE NUMBER \_\_\_\_\_  
  
TYPE GAS PURCHASED X NATURAL \_\_\_\_\_ LIQUIFIED \_\_\_\_\_ SYNTHETIC  
UNIT OR VOLUME TYPE \_\_\_\_\_ MCF \_\_\_\_\_ CCF \_\_\_\_\_ OTHER  
PURCHASE SOURCE X INTERSTATE \_\_\_\_\_ INTRASTATE \_\_\_\_\_

**GAS COMMODITY RATE FOR JANUARY 2011:**

**GAS MARKETERS :**

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (†):			\$5.0627	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0456	\$5.1083	\$/Dth
DTH TO MCF CONVERSION	1.0131	\$0.0669	\$5.1752	\$/Mcf
ESTIMATED WEIGHTING FACTOR	51.200%		\$2.6497	\$/Mcf
<b>GAS MARKETERS COMMODITY RATE</b>			<b>\$2.650</b>	<b>\$/Mcf</b>

**GAS STORAGE :**

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE (Not applicable during injection months)			\$6.4392	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$6.4545	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.062%	\$0.1331	\$6.5876	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0224	\$6.6100	\$/Dth
KO TRANS. COMMODITY RATE		\$0.0019	\$6.6119	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0595	\$6.6714	\$/Dth
DTH TO MCF CONVERSION	1.0131	\$0.0874	\$6.7588	\$/Mcf
ESTIMATED WEIGHTING FACTOR	40.200%		\$2.7170	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - COLUMBIA GAS</b>			<b>\$2.717</b>	<b>\$/Mcf</b>
TEXAS GAS TRANSMISSION - STORAGE INVENTORY RATE (Not applicable during payback months)			\$4.4847	\$/Dth
TEXAS GAS COMMODITY RATE		\$0.0633	\$4.5480	\$/Dth
DUKE ENERGY OHIO FUEL	0.900%	\$0.0409	\$4.5889	\$/Dth
DTH TO MCF CONVERSION	1.0131	\$0.0601	\$4.6490	\$/Mcf
ESTIMATED WEIGHTING FACTOR	8.300%		\$0.3859	\$/Mcf
<b>GAS STORAGE COMMODITY RATE - TEXAS GAS</b>			<b>\$0.386</b>	<b>\$/Mcf</b>

**PROPANE :**

WEIGHTED AVERAGE PROPANE INVENTORY RATE			\$0.44377	\$/Gal
GALLON TO MCF CONVERSION	14.84	\$6.1417	\$6.5855	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.300%		\$0.0198	\$/Mcf
<b>PROPANE COMMODITY RATE</b>			<b>\$0.020</b>	<b>\$/Mcf</b>

FOOTNOTE NO. (1) Weighted average cost of gas based on NYMEX prices on 12/09/2010 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 JANUARY 4, 2011

<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>	
November 2010	\$58,152,448	\$0	\$3,478,903	\$0	\$54,673,545
December 2010	\$54,673,545	\$0	\$8,925,620	\$0	\$45,747,925
January 2011	\$45,747,925	\$0	\$15,184,400	\$0	\$30,563,525

**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 4, 2011

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)	Balance times Monthly Cost of Capital (1)		
1	November 2010	\$54,673,545		0.8333%			
2	December 2010	\$45,747,925	\$50,210,735				
3	January 2011	\$30,563,525	\$38,155,725	\$317,952	6,086,658		\$0.052

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