



Duke Energy
139 E. Fourth Street
Cincinnati, OH 45202

July 11, 2016

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

Docketing Division:

Enclosed for filing is the Duke Energy Ohio ("Duke") gas cost recovery (GCR) report, as required by Section 4901:1-14, O.A.C., for the month commencing August 2016. This filing is based on supplier tariff rates expected to be in effect on August 1, 2016 and the NYMEX close of July 7, 2016 for the month of August 2016.

Duke's GCR rate effective August 2016 is \$4.584 per MCF, which represents an increase of \$0.572 per MCF from the current GCR rate in effect for July 2016.

Very truly yours,

A handwritten signature in cursive script that reads 'Dana Patten'.

Dana Patten

Enclosure

cc: Mr. Robert Clark
L. Schmidt

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

| PARTICULARS | UNIT | AMOUNT |
|--|--------|-----------------|
| EXPECTED GAS COST (EGC) | \$/MCF | 4.547000 |
| SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA) | \$/MCF | (0.001000) |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | 0.038000 |
| GAS COST RECOVERY RATE (GCR) = EGC + RA + AA | \$/MCF | <u>4.584000</u> |

GAS COST RECOVERY RATE EFFECTIVE DATES: August 1, 2016 THROUGH August 29, 2016

EXPECTED GAS COST CALCULATION

| DESCRIPTION | UNIT | AMOUNT |
|---|--------|----------|
| TOTAL EXPECTED GAS COST COMPONENT (EGC) | \$/MCF | 4.547000 |

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 | (0.001000) |
| SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA) | \$/MCF | <u>(0.001000)</u> |

ACTUAL ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|--|--------|-----------------|
| CURRENT QUARTERLY ACTUAL ADJUSTMENT | \$/MCF | 0.011000 |
| PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | 0.329000 |
| SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | 0.124000 |
| THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUSTMENT | \$/MCF | (0.426000) |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | <u>0.038000</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 July 11, 2016

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 August 1, 2016
PROJECTED VOLUME FOR THE TWELVE MONTH PERIOD ENDED May 31, 2017

| <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. | 17,802,304 | 0 | 17,802,304 |
| Duke Energy Kentucky | 522,072 | 0 | 522,072 |
| Columbia Gulf Transmission Co. | 2,389,275 | 0 | 2,389,275 |
| Texas Gas Transmission Corp. | 5,039,029 | 0 | 5,039,029 |
| K O Transmission Company | 786,048 | 0 | 786,048 |
| PRODUCER/MARKETER (SCH. I - A) | 169,450 | 0 | 169,450 |
| SYNTHETIC (SCH. I - A) | | | |
| OTHER GAS COMPANIES (SCH. I - B) | | | |
| OHIO PRODUCERS (SCH. I - B) | | | |
| SELF-HELP ARRANGEMENTS (SCH. I - B) | | (11,816,375) | (11,816,375) |
| SPECIAL PURCHASES (SCH. I - B) | | | |
| TOTAL DEMAND COSTS: | 26,708,178 | (11,816,375) | 14,891,803 |

PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES

23,533,518 MCF

DEMAND (FIXED) COMPONENT OF EGC RATE:

\$0.633 /MCF

COMMODITY COSTS:

| | |
|----------------------------------|---------------------|
| GAS MARKETERS | \$3.581 /MCF |
| GAS STORAGE | |
| COLUMBIA GAS TRANSMISSION | \$0.000 /MCF |
| TEXAS GAS TRANSMISSION | \$0.000 /MCF |
| PROPANE | \$0.000 /MCF |
| STORAGE CARRYING COSTS | \$0.333 /MCF |
| COMMODITY COMPONENT OF EGC RATE: | \$3.914 /MCF |

TOTAL EXPECTED GAS COST:

\$4.547 /MCF

PURCHASED GAS ADJUSTMENT
COMPANY NAME: DUKE ENERGY OHIO

SUPPLEMENTAL MONTHLY REPORT

PRIMARY GAS SUPPLIER / TRANSPORTER

DETAILS FOR THE EGC IN EFFECT AS OF August 1, 2016 AND THE PROJECTED
VOLUME FOR THE TWELVE MONTH PERIOD ENDED May 31, 2017

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 AUGUST 2016:

GAS MARKETERS :

| | | | | |
|---|----------|----------|----------------|---------------|
| WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1): | | | \$3.2726 | \$/Dth |
| DUKE ENERGY OHIO FUEL | 1.300% | \$0.0425 | \$3.3151 | \$/Dth |
| DTH TO MCF CONVERSION | 1.0801 | \$0.2655 | \$3.5806 | \$/Mcf |
| ESTIMATED WEIGHTING FACTOR | 100.000% | | \$3.5806 | \$/Mcf |
| GAS MARKETERS COMMODITY RATE | | | \$3.581 | \$/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 | 2.042% | \$0.0003 | \$0.0156 | \$/Dth |
| COLUMBIA GAS TRANS SST COMMODITY RATE | | \$0.0179 | \$0.0335 | \$/Dth |
| KO TRANS. COMMODITY RATE | | \$0.0014 | \$0.0349 | \$/Dth |
| DUKE ENERGY OHIO FUEL | 1.300% | \$0.0005 | \$0.0354 | \$/Dth |
| DTH TO MCF CONVERSION | 1.0801 | \$0.0028 | \$0.0382 | \$/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 | | \$0.0628 | \$0.0628 | \$/Dth |
| DUKE ENERGY OHIO FUEL | 1.300% | \$0.0008 | \$0.0636 | \$/Dth |
| DTH TO MCF CONVERSION | 1.0801 | \$0.0051 | \$0.0687 | \$/Mcf |
| ESTIMATED WEIGHTING FACTOR | 0.000% | | \$0.0000 | \$/Mcf |
| GAS STORAGE COMMODITY RATE - TEXAS GAS | | | \$0.000 | \$/Mcf |

PROPANE :

| | | | | |
|---|--------|-----------|----------------|---------------|
| WEIGHTED AVERAGE PROPANE INVENTORY RATE | | | \$0.74530 | \$/Gal |
| GALLON TO MCF CONVERSION | 15.38 | \$10.7175 | \$11.4628 | \$/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 7/7/2016 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

August 1, 2016

| <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> | |
| June 2016 | \$12,947,789 | \$3,437,094 | | \$0 | \$16,384,883 |
| July 2016 | \$16,384,883 | \$4,415,271 | | \$0 | \$20,800,154 |
| August 2016 | \$20,800,154 | \$1,680,399 | | \$0 | \$22,480,553 |

**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 August 1, 2016

| 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 | June 2016 | \$16,384,883 | | 0.8333% | | | |
| 2 | July 2016 | \$20,800,154 | \$18,592,519 | | | | |
| 3 | August 2016 | \$22,480,553 | \$21,640,354 | \$180,329 | 541,645 | \$0.333 | |

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

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

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in

Case No(s). 16-0218-GA-GCR, 89-8002-GA-TRF

Summary: Tariff Duke Energy Ohio August 2016 (2) electronically filed by Mrs. Julie A. Lee on behalf of Duke Energy Ohio and Patten, Dana and Lee, Julie Ann Mrs.