



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FACT SHEET

Office of the Ohio Consumers' Counsel

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DUKE ENERGY OHIO: COMPARING YOUR NATURAL GAS CHOICES

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This publication is updated weekly.

Natural Gas Choice Program

Have you ever calculated your natural gas bill to make sure what you are charged is correct? Would you like to know what you may pay if you switch to a natural gas supplier? The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, has provided a worksheet on Page 3 of this publication as a way to verify your current monthly bill and to see what you could pay if you choose a new supplier. The chart on Page 2 lists weekly offers submitted by competitive suppliers.

Monthly GCR Rate

The Gas Cost Recovery (GCR) is the actual cost of natural gas that Duke pays to purchase the natural gas it supplies to you. Duke calculates this rate on a monthly basis based upon its expected cost to purchase and transport the natural gas to its customers and adjusts it based on the amount you actually use.

Because the GCR rate is only applicable for one month, and it can take between 30 and 45 days to switch from Duke Energy to another natural gas supplier, it may be difficult to compare potential savings.

Understanding your bill

The company uses several factors to calculate your bill. These include:

- ▶ **Gas Cost Recovery** – the cost of natural gas purchased by the company multiplied by the amount of natural gas you used during the billing period.
- ▶ **Customer Charge** – a flat rate, which includes the cost of

Duke Energy's Gas Cost Recovery (GCR) rate is: \$0.5201 (52.01 cents) per Ccf and will be effective for February 2012.

maintaining and reading gas meters, billing and record keeping.

- ▶ **Gas Delivery Charge** – The amount the company charges consumers to deliver natural gas to a residence including taxes and other surcharges.

Verifying your bill

It may be a good idea to double check the amount you are being charged for natural gas by performing your own calculation. To verify the amount you owe, you will need to know your monthly gas usage for the billing cycle. The best way to calculate this information is to know your billing cycle dates. Take a meter reading at the beginning and end of the cycle. The billing cycle information can be found on your natural gas bill.

The following example shows how to determine your usage:

- ▶ May 1 is the beginning of the billing cycle and the meter shows the number 8764 Ccf (hundred cubic feet).
- ▶ The end of the billing cycle is May 31 and the meter shows a reading of 8799 Ccf.
- ▶ Subtract the 8764 Ccf from 8799 Ccf and you get a usage of 35 Ccf for the month of May.

Add those amounts into the first column on the worksheet. Complete the calculations to find what you should owe. Then compare the amount from your calculation to the amount on

Continued on next page

your natural gas bill. Remember, all the numbers on the worksheet are rounded up to the nearest cent, so the amount you calculate may vary from the amount on your bill by a few cents.

Estimating supplier costs

Most residential customers of Duke Energy have the opportunity to shop for alternative suppliers through the Duke Energy choice program. The worksheet can be used to determine how much you may pay if you switch to a competitive natural gas supplier. You need to know the monthly average amount of natural gas you used during the year (this can be found on your natural gas bill), your county sales tax percentage (see Page 4) and the rate offered by the supplier (found in the adjacent chart). Perform the calculation to find out what you may pay if you choose to purchase natural gas from a competitive natural gas supplier.

Who can help

For more information on choosing a natural gas supplier, important questions to ask before you enroll, reading your natural gas meter or understanding the charges on your bill, visit www.pickocc.org for a free copy of our fact sheets [Gas Choice 101](#) and [Your Natural Gas Bill Made Easy](#). A list of Duke Energy's historical natural gas rates can be found at http://www.pickocc.org/publications/natural_gas/Historical_GCR_rates_Duke.pdf.

What do these offers mean?

Fixed Rate: This is a fixed price per unit of natural gas that will not change for the length of your agreement. Typically, agreement periods range anywhere from six months to three years.

Variable Rate: This type of agreement offers a price per unit of natural gas that can change over a period of time, based on various conditions. Consumers considering a variable rate agreement should ask

Supplier:	Offer (per Ccf)	Type of Rate	Contract Term
Direct Energy PMB #51 7385 N. State Rt. 3 Westerville, OH 43082 1-888-566-9988 (toll free) www.directenergy.com	\$0.549	Fixed rate offer	1 year
IGS Energy P.O. Box 9060 Dublin, OH 43017 1-877-444-7427 (toll free) www.igsenergy.com	\$0.549 \$0.699 (max rate)	Fixed rate offer Variable rate offer	Through December 2012 Through December 2012
Integrus Energy Services P.O. Box 1020 Worthington, OH 43085 1-888-367-4493 (toll free) www.integrusenergy.com	\$0.533 \$0.525	Quarterly rate offer \$75 ETF Fixed rate (\$75 ETF)	Jan. 2012-Mar. 2012 Through January 2013
JustEnergy (was Commerce Energy) P.O. Box 2210 Buffalo, N.Y. 14240-2210 1-866-587-8674 (toll free) www.JustEnergy.com	\$0.5149	Variable rate-(up to 5% below utility rate for first 3 months-\$125 rebate if customer pays more over term than utility rate. Just Green carbon credits available)	5 years
Vectren Source P.O. Box 3037 Evansville, IN 47730 1-800-516-6753 (toll free) www.vectrensource.com	\$0.519	Fixed rate offer (\$100 ETF)	1 year
Volunteer Energy Services 790 Windmill Dr. Pickerington, OH 43147 1-800-977-8374 www.veenergy.com	\$0.563	Variable rate offer	Month to month

This information has been obtained by the Office of the Ohio Consumers' Counsel and should be used only as a guide. The OCC is not responsible for selections you make based on the information contained herein. Contact the supplier before enrolling to verify its rate, contract terms and availability in your county. For more information about the natural gas choice programs and participating suppliers visit www.pickocc.org or contact the OCC toll free at 1-877-PICKOCC (1-877-742-5622).

the supplier how often the rate is subject to change and what factors will cause the rate to change.

Percentage off the Gas Cost

Recovery (GCR): This agreement offers a discount off the natural gas company's regulated rate. The GCR charge makes up the largest portion of your monthly natural gas bill. The GCR includes the natural gas company's estimated cost of the gas and the estimated cost associated with moving that gas through interstate pipelines. The GCR rate changes on a monthly basis. Percentage off the GCR offers will, therefore, also fluctuate on a monthly basis.

Percentage off the Estimated Gas Cost (EGC)

This agreement offers a discount off the natural gas company's Estimated Gas Costs (EGC). The EGC is the natural gas company's estimate of what gas will cost for the next month. It also includes the estimated costs to ship the gas through the pipelines. Typically, the EGC is the largest component of the Gas Cost Recovery (GCR) rate. Like the GCR rate, the EGC also changes monthly.

Hybrid Programs: These offers often have different rates associated with seasonal changes. Most offers charge one rate for the winter months (November - April) and another rate

during the summer months (May-October). Other hybrid offers may have a variable rate for a period of time and a fixed rate for the remainder of the agreement period.

Incentive Offers: In addition to the rate, some supplier offers may include incentives or discounts. You may see a fixed or variable rate offer that includes a certain month of the year for free or a rebate at the end of the agreement period. Other offers may include gift certificates or promotional coupons. The added incentives should be accounted for when you are trying to estimate how much, if any, money you would save by choosing a certain supplier.

Calculating your choices

(see chart below)

Line 1 - The currently effective GCR rate per Ccf.

Line 2 - Gas purchased from Duke Energy at the GCR rate is subject to an excise tax because that gas purchase is regulated by the Public Utilities Commission of Ohio.

Line 5 - Gas purchased from a supplier is subject to sales tax that varies by county (see Page 4 for your county sales tax rate). The sample calculation uses 6.5 percent.

Line 7 - The Gas Transportation Charge is made up of:

- ▶ Delivery Charges per Ccf for costs such as pipeline maintenance, employee wages, investments in property and equipment and taxes. Residential customers are charged this amount regardless of whether they choose a gas supplier other than Duke Energy.

Line 12 - The Accelerated Main Replacement Program (AMRP) Rider charge enables the company to complete its bare steel/cast iron main and riser replacement program.

Calculating your choices - Duke Energy				
* Rates are in \$'s per Ccf and are rounded to the nearest cent. Sample calculation is based on a usage of 100 Ccf.	SAMPLE		WORKSHEET	
	If you stay with Duke Energy:	If you choose a new supplier:	If you stay with Duke Energy:	If you choose a new supplier:
1. Gas Cost Recovery (GCR) Rate	\$ 0.52		\$ 0.52	
2. Excise Tax at 4.89%	+ \$ 0.03		+ \$ 0.03	
3. Gas Rate with Excise Tax You Pay Duke Energy	= \$ 0.55		= \$ 0.55	
4. Supplier Gas Price (choose an offer from page 2)		\$ 0.52		<input type="text"/>
5. County Sales Tax - see page 4 for your county sales tax (Sample uses 6.50%)		+ \$ 0.03		+ <input type="text"/>
6. Gas Rate with Sales Tax You Pay Supplier		= \$ 0.55		= <input type="text"/>
7. Gas Transportation Charge (includes Excise Tax of 4.89%)	+ \$ 0.10	+ \$ 0.10	+ \$ 0.10	+ \$ 0.10
8. Total Usage Based Charges (#3 + #7)	= \$ 0.65	= \$ 0.65	= \$ 0.65	= <input type="text"/>
9. Your Monthly Gas Usage in Ccf	x 100	x 100	x <input type="text"/>	x <input type="text"/>
10. Total Cost Related to Gas Usage	= \$ 65.00	= \$ 65.00	= <input type="text"/>	= <input type="text"/>
11. Monthly Customer Charge (includes Excise Tax of 4.89%)	+ \$ 26.57	+ \$ 26.57	+ \$ 26.57	+ \$ 26.57
12. Accelerated Main Replacement Program (AMRP) Rider (includes Excise Tax of 4.89%)	+ \$ 5.05	+ \$ 5.05	+ \$ 5.05	+ \$ 5.05
13. TOTAL BILL	= \$ 96.62	= \$ 96.62	= <input type="text"/>	= <input type="text"/>

PLEASE NOTE: This worksheet does not represent all possible offers and should be used only as a guide. The OCC is not responsible for selections you make based on your calculations.

COMPARING YOUR ENERGY CHOICES

DUKE ENERGY NATURAL GAS CHOICE PROGRAM

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The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

For more information, please visit the OCC website at www.pickocc.org.

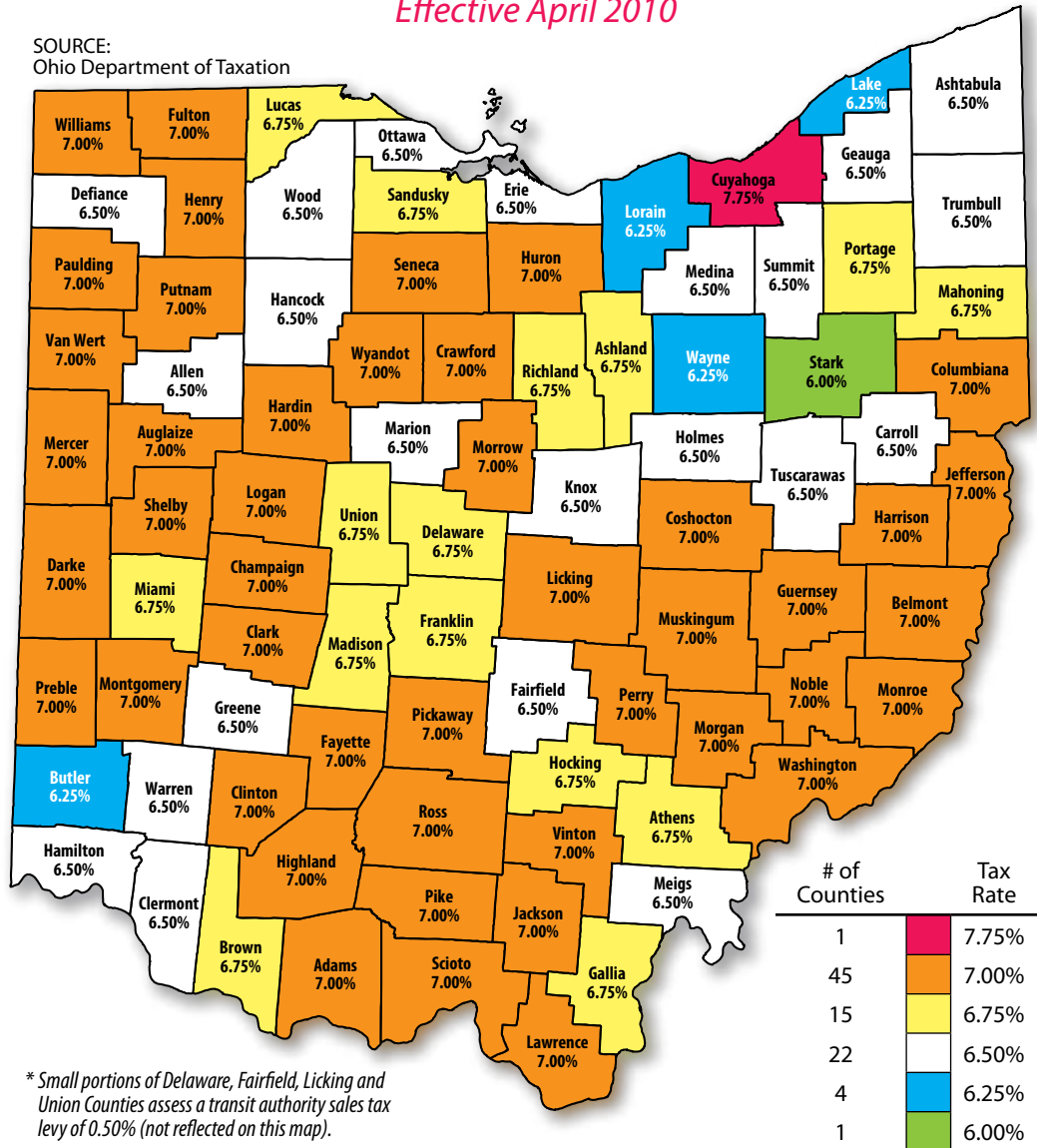


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Total state and local sales tax rates by county.

Effective April 2010

SOURCE: Ohio Department of Taxation



* Small portions of Delaware, Fairfield, Licking and Union Counties assess a transit authority sales tax levy of 0.50% (not reflected on this map).

County	Tax Rate	County	Tax Rate	County	Tax Rate	County	Tax Rate
Adams	7.00%	Fairfield	6.50%	Licking	7.00%	Portage	6.75%
Allan	6.50%	Fayette	7.00%	Logan	7.00%	Preble	7.00%
Ashland	6.75%	Franklin	6.75%	Lorain	6.25%	Putnam	7.00%
Ashtabula	6.50%	Fulton	7.00%	Lucas	6.75%	Richland	6.75%
Athens	6.75%	Gallia	6.75%	Madison	6.75%	Ross	7.00%
Auglaize	7.00%	Geauga	6.50%	Mahoning	6.75%	Sandusky	6.75%
Belmont	7.00%	Greene	6.50%	Marion	6.50%	Scioto	7.00%
Brown	6.75%	Guernsey	7.00%	Medina	6.50%	Seneca	7.00%
Butler	6.25%	Hamilton	6.50%	Meigs	6.50%	Shelby	7.00%
Carroll	6.50%	Hancock	6.50%	Mercer	7.00%	Stark	6.00%
Champaign	7.00%	Hardin	7.00%	Miami	6.75%	Summit	6.50%
Clark	7.00%	Harrison	7.00%	Monroe	7.00%	Trumbull	6.50%
Clermont	6.50%	Henry	7.00%	Montgomery	7.00%	Tuscarawas	6.50%
Columbiana	7.00%	Highland	7.00%	Morgan	7.00%	Union	6.75%
Coshocton	7.00%	Hocking	6.75%	Morrow	7.00%	Van Wert	7.00%
Crawford	7.00%	Holmes	6.50%	Muskingum	7.00%	Vinton	7.00%
Darke	7.00%	Huron	7.00%	Noble	7.00%	Warren	6.50%
Cuyahoga	7.75%	Jackson	7.00%	Ottawa	6.50%	Washington	7.00%
Defiance	6.50%	Jefferson	7.00%	Paulding	7.00%	Wayne	6.25%
Delaware	6.75%	Knox	6.50%	Perry	7.00%	Williams	7.00%
Erie	6.50%	Lake	6.25%	Pickaway	7.00%	Wood	6.50%
		Lawrence	7.00%	Pike	7.00%	Wyandot	7.00%