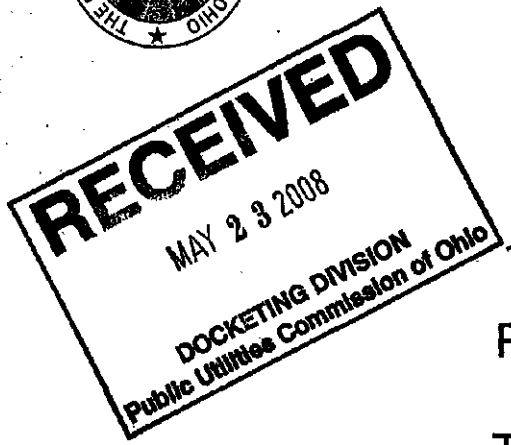




The Public Utilities
Commission of Ohio



A report by the Staff of the
Public Utilities Commission of Ohio

The East Ohio Gas Company d/b/a
Dominion East Ohio

Case No. 07-829-GA-AIR

Case No. 07-830-GA-ALT

Case No. 07-831-GA-AAM

Case No. 06-1453-GA-UNC



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STAFF'S REPORT
OF
INVESTIGATION

In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion East)	Case No. 07-829-GA-AIR
Ohio for Authority to Increase Rates for its)	
Gas Distribution Service.)	
In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion East)	Case No. 07-830-GA-ALT
Ohio for Approval of an Alternative Rate)	
Plan for its Gas Distribution Service.)	
In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion East)	Case No. 07-831-GA-AAM
Ohio for Approval to Change Accounting)	
Methods.)	
In the Matter of the Application of The East)	
Ohio Gas Company d/b/a Dominion East)	
Ohio for Approval of Tariffs to Recover)	Case No. 06-1453-GA-UNC
Certain Costs Associated with Automated)	
Meter Reading and for Certain Accounting)	
Treatment.)	

Submitted
to
The Public Utilities Commission

objections to any portion of the Staff Report must be filed within thirty (30) days of the date of the filing of said report after which time the Commission will promptly set this matter for public hearing. Written notice of the time, place, and date of such hearing will be served upon all parties to the proceeding.

The Staff Report is intended to present for the Commission's consideration the results of the Staff's investigation. It does not purport to reflect the views of the Commission nor should any party to said proceeding consider the Commission as bound in any manner by the representations or recommendations set forth therein. The Staff Report, however, is legally cognizable evidence upon which the Commission may rely in reaching its decision in this matter. (See *Lindsey v. Pub. Util. Comm.*, 111 Ohio St. 6 (1924))

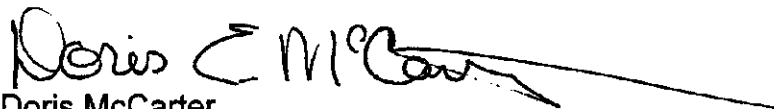
Respectfully submitted,

Utilities Department

A handwritten signature in black ink, appearing to read "Steven Brennen", written in a cursive style.

Steven Brennen
Director

Service Monitoring and Enforcement Department

A handwritten signature in black ink, appearing to read "Doris McCarter", written in a cursive style with a long horizontal flourish extending to the right.

Doris McCarter
Director

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East)
Ohio Gas Company d/b/a Dominion East) Case No. 07-829-GA-AIR
Ohio for Authority to Increase Rates for its)
Gas Distribution Service.)

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Certain Costs Associated with Automated)
Meter Reading and for Certain Accounting)
Treatment.)

Alan R. Schriber, Chairman
Paul A. Centolella, Commissioner
Ronda Hartman Fergus, Commissioner
Valerie A. Lemmie, Commissioner
Cheryl L. Roberto, Commissioner

To The Honorable Commission:

In accordance with the provisions of R.C. Section 4909.19, the Commission's Staff has conducted its investigation in the above matter and hereby submits its findings in the within Staff Report.

The Staff Report has been jointly prepared by the Commission's Utilities Department and Service Monitoring and Enforcement Department.

In accordance with R.C. Section 4909.19, copies of the Staff Report have been filed with the Docketing Division of the Commission and served by certified mail upon the mayors of all affected municipalities and other public officials deemed representative of the service area affected by the application. A copy of said report has also been served upon the utility or its authorized representative. Interested parties are advised that written

STAFF ACKNOWLEDGEMENTS

The Staff Report components reflect the results of investigations conducted by the Staff of the Applicant's rate application. The Staff person responsible for each component is shown below:

Utilities Department

Operating Income and Rate Base	Ibrahim Soliman
Rate of Return	Steve Chaney
Rates and Tariffs	Marchia Rutherford

Service Monitoring and Enforcement Department

Reliability and Service Analysis Division	Peter Baker
Investigations and Audits Division	Dianne Doss
Facilities and Operation Division	Ed Steele

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BACKGROUND

The Applicant, East Ohio Gas Company d/b/a Dominion East Ohio (DEO or Company) is an Ohio Corporation. In the 1940s, Consolidated Natural Gas (CNG) became the parent Company of DEO after DEO's divestiture from the Standard Oil Company. In 1994, DEO merged with River Gas Company, pursuant to an application approved by the Commission in Case No. 94-971-GA-UNC. In 1996, DEO merged with West Ohio Gas after Commission approval in Case No. 96-991-GA-UNC. In 2000, Dominion Resources, Inc. (DRI) purchased CNG. In June 2007, CNG merged into DRI, making DEO a first-tier subsidiary of DRI. DEO is a public utility engaged in the business of distribution and sale of natural gas to approximately 1,200,000 customers in approximately 400 eastern and western Ohio communities.

On July 20, 2007, in Case No. 07-829-GA-AIR, the Applicant filed a notice of intent to file an application for an increase in rates to be charged for gas service for its entire service area subject to the jurisdiction of the Commission. The Applicant's filing also included a notice of intent to file an application for approval of an alternative rate plan for its gas distribution service under Case No. 07-830-GA-ALT. In concert with this latter filing, the Applicant reserved Case No. 07-831-GA-AAM to serve as notice of its intent to file an application seeking Commission authority to change its accounting methods.

In the alternative rate application, the Applicant seeks the Commission approval of a Sales Reconciliation Rider (Rider SRR) and an Automated Meter Reader Rider (Rider AMR).

In its accounting application, the Applicant requested authority to change accounting methods to defer the calculated differences between actual base revenues and approved test year revenues for subsequent recovery via the Rider SRR. Regarding the notice for an increase in rates, the Applicant requested that the test year period be established as the twelve months ending December 31, 2007, and that the date certain be March 31, 2007. By its Entry of August 15, 2007, the Commission approved the requested date certain and test year period.

The application to increase rates was filed on August 30, 2007, together with the Standard Filing Requirements. On September 20, 2007, the Applicant filed a motion to consolidate the Rate Case Application with the application in Case No. 06-1453-GA-UNC, which pertains to the recovery of costs associated with the deployment of automated meter reading devices (AMR). On February 22, 2008, the Applicant filed an application to recover certain costs associated with a Pipeline Infrastructure Replacement Program (PIR Application) in Case No. 08-169-GA-UNC. The Applicant

has also requested Commission authority to consolidate its PIR Application with its application to increase rates. The Commission granted DEO's motion for consolidation on April 9, 2008.

The rates proposed by the Applicant when applied to test year sales volumes would generate approximately \$75,007,378 million of additional revenues. This is an increase of 7.12% over total adjusted current operating revenues.

OPERATING INCOME AND RATE BASE

SCOPE OF INVESTIGATION

On October 31, 2007 the Commission authorized the Staff to issue a request for proposal (RFP) to hire a consultant to attest to the accuracy of the financial data contained in the Applicant's Standard Filing Requirements Section B through Section E. The selected auditor was required to complete the guideline procedures contained in the RFP and was also charged with the responsibility of undertaking any additional procedures it deemed necessary to complete its financial review of the Applicant's filing.

On November 20, 2007 the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge or Consultant) to conduct the financial review of the Applicant's filing. At that same time, the Commission directed DEO to enter into a contract with Blue Ridge for the purpose of providing payment for its services. The cost of providing these services is included in the Staff's rate case expense recommendation.

Blue Ridge completed its investigation and its report has been docketed in this case.

REVENUE REQUIREMENTS

The Staff and the Applicant recommended revenue requirement is shown on Schedule A-1. The Staff's determination of its revenue requirement is based on the Staff's examination of the accounts and records of the Applicant for the twelve months ended December 31, 2007, the test year in this proceeding. The results of its examination are summarized in this report, and the schedules that incorporate the staff's recommended rate of return, rate base, and adjusted test year operating income.

ALLOCATION

The jurisdictional rate area affected by this application constitutes all of the Applicant's gas service area.

RATE BASE

The rate base represents the net value of Applicant's plant and other assets as of the date certain, March 31, 2007, which was used and useful in providing gas utility service to its customers and upon which its investors are entitled to the opportunity to receive a fair and reasonable rate-of-return.

The Staff's analysis of rate base is divided into Plant in Service, Depreciation, Construction Work In Progress, Working Capital, and Other Rate Base Items. A comparison of the Applicant's rate base and the rate base recommended by the Staff is shown on Schedule B-1. Schedules B-2 through B-6 provides additional support to the Staff's determination of rate base.

Plant in Service

As a result of Blue Ridge's investigation and the Staff review of the application, the Staff recommends certain adjustments be made to the Applicant's date certain plant investment for ratemaking purposes. These adjustments are identified below, summarized on Schedule B-2.2, and are reflected in the calculation of jurisdictional plant in service figures on Schedule B-2.1.

Elimination of Plant No Longer in Service

The Staff and the Applicant adjusted several plant-in-service accounts to remove the acquisition cost of assets no longer in service. The Staff's adjustment is shown on Schedule B-2.2a.

Elimination of Plant Retirement Obligation

The Staff and the Applicant adjusted several plant-in-service accounts to remove the cost associated with asset retirement obligations recorded in accordance with SFAS 143. The Staff's adjustment is shown on Schedule B-2.2b

Removal of Leasehold Improvements

The Staff and the Applicant adjusted plant-in-service accounts 375 and 390, Leasehold Improvements, to remove the capitalized leasehold improvements that were not retired at the expiration of the capital lease. The Staff's adjustment is shown on Schedule B-2.2c.

Contribution in Aid of Construction

The Staff and the Applicant adjusted plant-in-service account 303, Miscellaneous Intangible Plant to remove contribution in aid of construction that was not netted against plant-in-service. The Staff's adjustment is shown on Schedule B-2.2d.

Unspecified Lease cost

The Staff and the Applicant adjusted plant-in-service account 391.2, Office Furniture and Equipment to remove an asset cost and to add other costs associated with the extension of various leases. The Staff's adjustment is shown on Schedule B-2.2e.

Depreciation

Depreciation is the process which distributes the original cost of depreciable assets, adjusted for net salvage, over the normal life of the property in a systematic and rational manner. The Staff's investigation of depreciation is segregated into two areas: Depreciation Reserve, and Depreciation Accrual Rates and the corresponding Depreciation Expense. Each of these areas is discussed in detail in the following sections.

Depreciation Reserve

In order to determine if the Applicant's booked reserve for depreciation is proper and adequate, the Staff generally finds it useful to compare the book reserve with a calculated theoretical reserve as a guide to whether past accrual rate calculations have been appropriate. The Staff compared the Applicant's booked reserve level with a calculated theoretical reserve, based on the Staff's recommended accrual rates and plant and reserve balances as of March 31, 2007. The Staff determined that the overall book reserve is over-accrued by \$105,400,192 when compared to the theoretical calculation. The Staff recommends that the \$105,400,192 over-accrual be amortized over 10 years. The Staff also found that Account 391.2, Capital Leases Computer Hardware was also over-accrued by \$11,187 and recommends that it be amortized over 10 years.

Therefore, it is the Staff's opinion that the actual jurisdictional reserve for depreciation, as adjusted by the Staff on Schedule B-3 is proper and adequate and should be used for purposes of this proceeding. The Applicant maintains depreciation reserve by account on a total Company basis. The Staff adjusted the Applicant's depreciation reserve to exclude reserve associated with the adjustments as discussed in the Plant in Service section. These adjustments are summarized on Schedule B-3.1.

Depreciation Accrual Rates and Depreciation Expense

The Applicant's current accrual rates were prescribed by this Commission in Case No. 01-2592-GA-UNC, and for Account 303.3, Miscellaneous Intangible Plant, in Case No. 03-2204-GA-AAM. The Applicant filed a depreciation study for its gas plant performed by its consultant, Gannett Fleming Valuation and Rate Consultants, Inc. The Applicant's accrual rates for most gas plant accounts were developed using the straight-line average service life method of depreciation. For General Plant-Structures & Improvements-Main Office, Distribution Plant- Structures & Improvements, and Natural Gas Production & Gathering Plant- Other Structures, a life span analysis was used. For certain General Plant gas accounts, the annual depreciation amounts were based on amortization accounting.

The Staff conducted a review of the depreciation study provided by the Applicant. The Staff is in general agreement with the service life projected retirement dispersion and net salvage parameters proposed in Applicant's study. However, the Staff noted small differences in some accounts between the accrual rates proposed by the Applicant and those that the Staff calculated based on the parameters proposed.

The Staff's recommended accrual rates are shown on Schedule B-3.2a. The Staff recommends that the Applicant be ordered to use the accrual rates shown on Schedule B-3.2a for book depreciation purposes, effective concurrently with customer rates resulting from this proceeding.

The Staff has long maintained that accrual rates should be thoroughly reviewed at least every three to five years. The Staff therefore recommends that within five years Applicant submit a depreciation study for all gas plant accounts.

The Staff's calculation of depreciation expense based on the adjusted jurisdictional plant in service balances at date certain and the accrual rates discussed above, is shown on Schedule B-3.2.

Construction Work In Progress

The Applicant did not request any allowance for construction work in progress in its filing and the Staff, as shown on Schedule B-4, does not recommend an allowance.

Working Capital

Working capital has been generally defined as the average amount of capital provided by investors in the Company, over and above the investments in plant and other specifically identified rate base items, to bridge the gap between the time that expenditures are required to provide service and the time collections are received for the service.

The Staff's working capital calculation is based on a formula comprised of several components. The formula contains a revenue lag allowance and an expense lag allowance, determined using lead or lag days derived from a lead/lag study. Additional components include an allowance for the Percentage of Income Payment Plan under twelve months old; an allowance for materials and supplies; and an allowance for gas stored underground. These additional components are based on thirteen-month average balances for the period ending December 31, 2007. The Staff did not include a component for gas supplier billings allowance of approximately \$46 million as proposed by the Applicant. Additional discussion regarding the Staff's denial of this allowance can be found in the Rates and Tariffs Section of this report.

The Applicant conducted and submitted a new lead/lag study in the current proceeding. The new study was based on calendar year 2006 financial information.

The Staff performed a review of the Applicant's new lead/lag study. The review included not only testing the mathematical accuracy of calculations embodied in the study and tracing information to source documents, but also included a detailed review of the assumptions and methodologies used by the Applicant in its study. Based on its review, the Staff made certain adjustments to the Applicant's study to reflect the Staff's position and prior Commission decisions.

The Staff agrees with the Applicant's revenue lag of 52.90 days. The Staff also agrees with the Applicant's methodology of determining the collection lag, billing lag and the service period lag days.

The Staff made certain adjustments to the Applicant's expense lag days to reflect prior Commission decisions relative to vacation pay. For example, payroll lag days were adjusted to include vacation pay. Benefits, insurance, and other O&M expenses were adjusted to reflect the payment date or the due date. Federal income taxes and taxes other than income taxes were calculated based on the statutory payment dates.

The Staff's calculation of its recommended working capital allowance is shown on Schedule B-5.

Other Rate Base Items

The Staff reduced rate base by the date certain balances of accumulated unrestricted investment tax credits and deferred income taxes created by the timing differences of tax to book expense recognition. In addition, the Staff reflected a reduction for customers' deposits based on thirteen-month average balances for the period ending December 31, 2007. Finally, the Staff included the date certain balances for pension assets and their associated deferred income taxes. Further discussion of pension issue is included in the Operating Income Section of the Staff Report.

Other rate base items are detailed on Schedule B-6.

OPERATING INCOME

The Applicant's test year operating income consists of three months of actual data for the period January 1 through March 31, 2007, and nine months of forecasted data for the period April 1 through December 31, 2007. The Staff adjusted the Applicant's test year operating income as required to render it appropriate as a basis for setting rates.

The Staff's pro forma operating income is the Staff's adjusted test year operating income modified to reflect the Applicant's increase in revenues and the associated increases in Ohio excise tax, and federal income taxes.

Schedules C-1 and C-2 present the Staff's determination of operating income. The calculations, methodologies and rationale used to develop the Staff's adjusted and pro forma operating income are detailed on Schedules A-1.1, C-1.1, C-3.1 through C-3.28 and C-4.

Pro forma Adjustments

Schedule C-1.1 sets forth the Applicant's proposed increase in operating revenues based on the Applicant's proposed rates and associated increases in Ohio excise taxes and federal income taxes.

Current Adjustments

Base Revenue

The Staff and the Applicant annualized test year base revenues for both East Ohio Gas and West Ohio Gas to reflect the most current rates granted by the Commission with test year normalized sales volumes. Also included in the base revenues adjustment are adjustments to the Percentage of Income Payment Plan, MCF tax, Ohio excise tax, bad debts, volume banking, transportation migration A & B tariff riders, and the elimination of surcharge credit rider revenue. In addition, a revenue adjustment was made to remove the pilot program revenue of \$930,825 from Off System Transportation – Non Residential.

The Staff also adjusted test year base revenues for Daily Transportation Service – Non Residential, and Firm Storage Service to reflect a non-weather normalized basis. The Staff's adjustment is presented on Schedule C-3.1

The Staff also proposes to credit the pilot program revenue of \$930,825 toward the amounts that would otherwise be recovered through the Transportation Migration Rider - Part B. Further discussion of the pilot program revenue can be found below in the Gas Storage Revenue Adjustment C-3.6 in this report.

Gas Cost Revenue and Expense

The Staff and the Applicant synchronized test year gas cost revenue and gas cost expense by applying the test year sales volumes to the latest Standard Service Offer (SSO) rate. The Staff's adjustments are shown on Schedules C-3.2 and C-3.7.

Non-regulated Gas Storage Revenue

The Staff and the Applicant adjusted test year operating revenue to remove non-regulated gas sales. The Staff's adjustment is shown on Schedule C-3.3.

Revenue Sharing

The Applicant proposed to share test year commodity exchange and firm receipt point revenues with its customers under the tiered arrangement with approximately 81.5% of the revenues allocated to its customers and the remaining 18.5% going to the Applicant's shareholders. Commodity exchange revenue includes offerings such as off-system sales and other similar

transactions. The firm receipt point option enables transportation customers and marketers to designate specific receipt points and volumes for firm delivery into the Applicant's system. The Staff concurs with the sharing proposal outlined above.

Test year revenues associated with those two offerings totals \$13,695,727, which would result in \$11,021,795, or approximately 81.5% of the total, being shared with customers. The Applicant also proposes to credit the \$11,021,795 toward amounts that would otherwise be recovered through the PIPP rider mechanism. The Staff proposes to credit the \$11,021,795 toward the amounts that would otherwise be recovered through the Transportation Migration Rider - Part B since this rider recovers the Applicant's costs of retaining storage and capacity for operation balancing purposes. Any revenues generated from the off-system use of those assets would be more appropriately credited to offset those operational balancing costs. The Staff's adjustment is shown on Schedule C-3.4.

Reclassification of Firm Storage Service Revenue

The Staff has reclassified test year firm storage service revenue from other revenues to base revenues. The Staff's adjustment is presented on Schedule C-3.5.

Gas Storage Revenue

In 2006, the Applicant developed a pilot program to assess the impact of the migration of gas from its storage fields due to increasing capacity and sustaining higher base storage withdrawals throughout the winter season. The pilot program ended on March 31, 2007. The Applicant believes that because the pilot program ended and future long-term service of gas storage may require capital investments that are not included in date certain rate base, that the test year gas storage revenue of \$2,789,175 should be excluded.

The Staff finds that the exclusion of the pilot program revenue is appropriate as long as all expenses associated with this service offering are removed from base rates. The Staff also proposes to credit the \$2,789,175 toward the amounts that would otherwise be recovered through the Transportation Migration Rider - Part B. The Staff's adjustment is shown on Schedule C-3.6.

Labor Expense

The Applicant adjusted test year labor expenses to annualize wage increases expected to occur throughout the test year.

The Staff's labor expense adjustment reflects an annualization, which was based on the actual payroll data for the month of November 2007 and actual test year number of employees. For the Applicant's direct full time salaried labor, the Staff used an average monthly wage and test year actual number of salaried employees. For the Applicant's direct full time hourly labor, the Staff used an average hourly rate and test year actual number of hourly employees. For the Applicant's over-time, part-time, intern wages, supplemental pay, and restricted stock grant, the Staff used test year actual data.

The Staff's adjustment for labor expense is presented on Schedule C-3.8, with supporting calculations shown on Schedules C-3.8a through C-3.8b.

Other Benefits

The Staff and the Applicant adjusted test year employee benefits to reflect test year adjusted labor expense and the current employee benefits loading rate. The Staff's adjustment is shown on Schedule C-3.9.

Incentive Plan

The Staff and the Applicant adjusted test year incentive expense to include the actual payments made during the test year. The Staff's adjustment differs from that of the Applicant in that the Staff included only the O&M portion of the actual incentive payments in its adjusted incentive expense amount. The Staff's adjustment is shown on Schedule C-3.10.

Pension

The Applicant adjusted operating expenses to exclude test year pension expense credit along with the date certain balance of pension assets and pension-related accumulated deferred income taxes from the rate base calculation.

The Applicant outlined two accounting alternatives for the treatment of pension cost, the cash basis method and the Generally Accepted Accounting Principal (GAAP) accrued accounting method. Under the cash basis, the pension expense is set at zero and the pension assets and associated deferred income taxes are removed from rate base. If the Applicant makes cash contributions to

the pension plan, it would seek recovery of such an amount. Under the accrued accounting method, the pension expense is the net periodic pension cost as set by an independent actuarial in accordance with FASB 87 and FASB 158 and the pension assets and associated deferred income taxes are included in rate base.

Since the Applicant's employee pension plan is currently over funded and projected to remain over funded for the foreseeable future, the Applicant proposed the cash basis method rather than the accrued accounting method for setting the rates in this base rate case proceeding.

The Staff recommends that the accrued accounting method be used in setting the rates in this proceeding. The Staff recommends also that the Applicant continue accounting for pension cost in accordance with GAAP as set forth in FASB 87, Employers' Accounting for Pensions and FASB 158, Accounting for Defined Benefit Pension and Other Postretirement Plans.

The Staff's pension expense adjustment is based on the latest known information received from the actuarial study. The Staff's operating expense adjustment is shown on Schedule C-3.11. The Staff's rate base adjustment which includes the data certain balance of the pension assets and the associated deferred income taxes is shown on Schedule B-6.

The Staff's recommendation is consistent with GAAP and eliminates the cost of maintaining two accounting records, one for ratemaking and another for financial reporting purposes. Maintaining one set of accounting records will eliminate confusion for users of the Applicant's financial statements. The Staff believes its recommendation is consistent with Commission policy and practice and therefore represents the best course of action with regard to this issue.

Other Post Employee Benefits (OPEB)

The Staff and the Applicant adjusted test year OPEB expense to reflect the latest known information received from the actuarial study and an amortization of deferred FASB-106 costs.

The Staff's adjustment differs from that of the Applicant in that the Staff excluded the amortization of the curtailment loss incurred in connection with the Applicant's 1995 nonunion work force reduction program. The Staff believes that the savings from the work force reduction program should offset the curtailment loss which represents the acceleration of FASB-106 transition obligation. The Staff's adjustment is shown on Schedule C-3.12.

Rate Case Expense

The Applicant's estimated rate case expense of \$1,829,616 is based on a fully litigated case which would include the costs associated with a thorough and complete investigation of the Applicant's filing and financial records, hearings costs, and briefs. The Applicant proposed a three-year amortization period for rate case expense.

The Staff reviewed and compared the Applicant's current estimate of rate case expense with the up-to-date actual expense and rate case expense levels for similar size utilities. The Staff believes that the Applicant's current estimate is overstated. The Staff believes that an estimate of \$1,000,000 is reasonable and recommends a five-year amortization period. The Staff's adjustment is presented on Schedule C-3.13.

The Staff recommends that the Commission review the Applicant's revised estimate of this expense before making a final determination of an appropriate level. The Applicant should provide this final estimate as an exhibit.

Reclassification of Interest on Customers' Deposits

Consistent with the treatment of customers' deposits as an offset to the Applicant's rate base, the Staff reclassified the associated interest expense to operating expenses. The Staff's adjustment is shown on Schedule C-3.14.

Advertising Expense

The Staff and the Applicant adjusted test year operating expenses to remove advertising expenses incurred directly by the Applicant or allocated to the Applicant from the service Company. The Staff's adjustment is shown on Schedule C-3.15.

Uncollectible Accounts Expense

The Staff and the Applicant synchronized test year uncollectible accounts expense to include an offset or synchronization of revenue collected through the bad debt rider. The Staff's calculation also includes an offset or synchronization of revenue collected through the PIP rider annualized at the most current rate. The Staff's adjustments are shown on Schedule C-3.16.

Charitable Contributions

The Staff and the Applicant removed from test year operating expenses the amount of charitable contributions allocated to the Applicant by the service Company. The Staff's adjustment is shown on Schedule C-3.17.

Lobbying Expense

The Staff and the Applicant removed from test year operating expenses the amount of lobbying expense allocated to the Applicant by the service Company for political activities. The Staff's adjustment is shown on Schedule C-3.18.

Dues and Memberships Expense

The Staff and the Applicant excluded the expenses associated with the service Company certain civic and industry dues that do not benefit the customers. The Staff's exclusion is shown on Schedule C-3.19.

Public Relations Expense

The Staff and the Applicant excluded expenses associated with social and charitable activities and employee relation expenses that were incurred directly by the Applicant as well as allocated to the Applicant by the service Company. The Staff's exclusion is shown on Schedule C-3.20.

Demand Side Management (DSM) Programs Automated Meter Reader Deployment (AMR)

The Applicant proposed to fund the DSM programs and the Automated Meter Reader deployment (AMR) with the over-accrued depreciation reserve amount. The Applicant proposed to spend \$5,270,010 to fund DSM and another \$5,270,010 to fund the AMR program.

The Staff adjusted test year operating expenses to include an annual amount of \$4,270,000 to fund DSM programs. The test year operating expense for the AMR program is set at zero. The Staff's adjustment is presented on Schedule C-3.21.

The Staff's recommendation regarding the amortization of the over-accrued depreciation reserve can be found in the Rate Base Section of this report and is determined separately from the Staff's DSM and AMR recommendations.

Further discussion of the Staff's recommendation regarding DSM and AMR can be found in the Management and Operations Review Section and the Automated Meter Reading Section of this report.

Transportation Migration Rider Parts A and B

The Staff and the Applicant synchronized test year purchased gas cost expense associated with transportation migration operations to include an offset or synchronization of revenue collected through the Transportation Migration Rider Parts A and B. The calculation also includes an offset or synchronization of revenue collected through the Volume Banking Rider. The Staff's adjustment is shown on Schedule C-3.22.

Gas Technology Institute (GTI) Expense

The Staff and the Applicant adjusted test year operating expenses to include an annual funding of \$600,000 for the Gas Technology Institute. GTI was funded through a FERC authorized surcharge on gas transported over the interstate pipelines. FERC discontinued the charge in 2004 and has transferred the funding authority to State Commissions. The Staff's adjustment is shown on Schedule C-3.23.

Operating Expense Budget Adjustment

During the Applicant's preparation of its application, the Applicant converted test year operating expenses from its own natural accounts to FERC accounts. During this process, the Applicant added back to the budgeted nine-month operating expenses an amount that was removed by management from the final approved budget. The Staff believes that the final approved budget should be used in the determination of the revenue requirement. The Staff adjusted test year operating expenses to exclude the added back operating expenses. The Staff's adjustment is presented on Schedule C-3.24.

Order 636 Transition Costs

In Case No. 94-164-GA-UNC, the Commission approved a Stipulation and Recommendation that specified the manner in which gas supply restructuring (GSR) costs incurred as a result of FERC's Order 636 would be allocated between sales customers and transportation customers. The costs allocated to sales customers were trued-up through the GCR mechanism. Due to GSR refunds received from interstate pipelines after the Applicant ceased collecting

the costs from transportation customers, the Applicant over-recovered costs from its transportation class. The Applicant proposed to amortize the over-recovered credit and associated interest in base rates over three years.

The Staff finds the Applicant's proposed adjustment to be appropriate. The Staff's adjustment is shown on Schedule C-3.25.

Depreciation Expense

Depreciation expense is adjusted to reflect the Staff's recommended depreciable plant in service as of date certain. This adjustment is presented on Schedule C-3.26 with supporting calculations shown on Schedule B-3.2. In addition, the Staff included one year of the reserve over-accrual amortization. Further discussion of depreciation can be found in the Rate Base Section of this report.

Taxes Other Than Income Taxes

Taxes other than income taxes were adjusted to reflect the proper base and latest known tax rates. For example, property taxes were computed by applying the latest known average tax rate to the date certain property valuation. Ohio Excise taxes were calculated to reflect taxes based on adjusted test year revenues and MCF taxes were synchronized with revenue collected through the excise tax rider. FICA, FUTA and SUTA taxes were calculated based on test year adjusted payroll. Moreover, the Applicant currently recovers a portion of Ohio Excise tax through a tax rider. The Applicant proposed that the entire Ohio Excise tax be recovered through the tax rider.

Schedule C-3.27 provides a summary of the calculated taxes and the resultant adjustment of those taxes. The supporting calculations are detailed on Schedules C-3.27a through C-3.27f.

Federal Income Tax

The Staff computed test year federal income taxes to reflect the recommended adjustments to operating revenues and expenses.

The computation of Federal Income taxes reflects the inter-period interest allocation, the ratable flow-through of prior years investment tax credits, and the normalization of accelerated tax depreciation and certain other tax to book timing differences. The Staff recommends that the Commission authorize the Applicant full deferral tax treatment for all temporary book to tax timing differences.

Schedule C-3.28 provides the calculation of the Federal Income tax adjustment. Schedule C-4 sets forth the supporting calculations of Federal Income taxes.

The Consultant Blue Ridge Adjustments

In addition to the adjustments discussed above, the Consultant recommends several adjustments to the Applicant's filing which will increase the accuracy of the filing. A summary of the Consultant's conclusions and recommendations can be found in its final report. Some of the Consultant's adjustments are discussed below.

Mathematical Errors/Corrections

The Consultant identified several mathematical errors/corrections to the Applicant's filing and recommends that the Staff incorporate these corrections in the revenue requirement calculation. The Staff reviewed these corrections and has considered them in the revenue requirement calculation.

Post-in-Service AFUDC

The Consultant found that several projects in which AFUDC was applied after the in-service dates and recommended a total of \$157,514 be reversed from these projects along with the associated depreciation reserve amount. The Staff agrees that the AFUDC should cease when the project is placed in service. The Staff recommends that the Applicant review its AFUDC policy, investigate its procedures, and respond to the Consultant's discovery.

Account 923 – Service Company Charges

Per Staff's request, the Consultant initiated a review of the test year cost charged to FERC Account 923, Outside Services. It is primary costs charged by the service Company, Dominion Resources Service, Inc. (DRS). The Consultant performed a detailed analysis of the DRS charges and compared it to the costs incurred between 2002 and 2006. The Consultant identified four service categories that show noticeable increases. The four categories are (1) Executive/Administrative Compensation, (2) Customer Service, (3) Miscellaneous and (4) Information Technology. The Consultant's findings show that the DRS cost charged to the Applicant for the test year is significantly higher than the previous 5 years and recommends that the Staff consider a regulatory adjustment to reduce test year Account 923 amount. The Staff reviewed the Consultant's analysis, findings and

recommendations and recommends that the Applicant respond to the Consultant's concern about test year Account 923, outside services costs.

Other Adjustments

In addition to the adjustments discussed above, the Applicant proposed certain adjustments to test year expenses that are not recommended by the Staff. These adjustments are discussed below.

Forfeited Discount Revenue

The Applicant proposed to implement a late payment charge and credit all payments received against the amounts recovered through its bad debt rider. Accordingly, the Applicant adjusted test year other operating revenues to remove forfeited discount revenue of \$104,158. The Staff believes that forfeited discount revenue should remain included in the base rate. Therefore, the Staff recommends no adjustment be made for purposes of this proceeding.

Deferred Weatherization Expenses

In Case No. 90-742-GA-UNC dated November 29, 1990, the Commission adopted guidelines for weatherization programs sponsored by natural gas companies, and authorized the deferral of the weatherization expenses with subsequent recovery of the deferred expenses, including carrying charges in future base rate cases. In the Applicant's last rate case, 93-2006-GA-AIR, the Commission approved the recovery of deferred weatherization expenses and associated carrying charges. The deferred costs were amortized over a five-year period.

In the current rate case, the Applicant proposed an adjustment to reflect an amortization of deferred weatherization expenses and associated carrying charges in excess of the amount that was amortized in the last rate case. The breakdown of the deferred weatherization cost is made up of an unamortized weatherization cost of \$165,986, a post rate case carrying charge of \$2,406,777, and another carrying charge of \$258,206. The Applicant proposes to amortize the entire deferred weatherization costs of \$2,830,969 over a three-year period.

The Applicant has been collecting the deferred weatherization costs through its current rates for the past fourteen years. The Staff believes that a fourteen-year recovery is long enough to allow the recovery of any excess weatherization costs. Therefore, the Staff does not consider the Applicant's adjustment to be

appropriate and recommends no adjustment be made for the purposes of this proceeding.

Workforce Reduction Curtailment Loss

In 1995, a year after the rates resulting from the last rate case were implemented, the Applicant experienced a workforce reduction. As a result of the reduction, the Applicant incurred savings along with some losses. One of the losses experienced by the Applicant was a curtailment loss associated with FASB 106 in the amount of \$5,213,000. \$3,253,000 of this loss represents the acceleration of FASB 106 transition obligation which is being amortized and expensed over 17 years as authorized in the last rate case. The remaining balance of \$1,960,000 was deferred for the next base rate filing. The Applicant proposed an adjustment to reflect an amortization of the deferred \$1,960,000 over three years.

In the last rate case, the Commission authorized the recovery of the FASB 106 transition obligation costs over an eighteen and one-quarter year period. Accordingly, the Applicant has been collecting the amortization of the entire FASB 106 transition obligation costs through its current rates for the past fourteen years. The Staff believes that a fourteen-year recovery of these costs is long enough to offset any excess curtailment loss. The Staff also believes that the savings from the work force reduction program should also offset the curtailment loss. Therefore, the Staff does not consider the Applicant's adjustment to be appropriate and recommends no adjustment be made for the purposes of this proceeding.

Storage Migration Loss

The Applicant proposed an adjustment of \$437,045 to the test year operating expenses to synchronize test year gas storage revenue and gas storage cost associated with the test year gas storage migration credit. The Applicant believes that the credit is not properly reflected in test year operating income and recommended the credit amount as an addition to test year operating expenses.

The Staff believes that the Transportation Migration Rider Parts A and B adjustment described above already synchronized all test year gas cost revenues and expenses. Therefore, the Staff recommends no adjustment be made for the purposes of this proceeding.

RATE OF RETURN

The Staff recommends a rate of return in the range of 8.22% to 8.75%. The recommended rate of return was developed using a cost of capital approach, which reflects a market-derived cost of equity, the Applicant's embedded cost of long-term debt, and a capital structure reflective of companies engaged in gas distribution operations.¹

Capital Structure

The Applicant, DEO, is a wholly-owned subsidiary of DEO Resources, Inc., which is a publicly traded, public utility holding company. Given that the rates established in this case are for gas distribution services, the Staff is using a capital structure for rate of return determination that is commensurate with the risk associated with operating gas distribution services. A comparable group of publically traded companies primarily engaged in gas distribution was developed to provide an average capital structure, as well as a cost of equity to be used in the Staff's rate of return recommendation.² The capital structure arrived at in this manner is 48.66% long-term debt and 51.34% common equity.

Cost of Long Term Debt

The Staff employed the embedded cost of long term debt of DEO, as of March 31, 2007, from Applicant's Schedule D-3. In the calculation of the weighted cost of debt, the annual interest is divided by the carrying value. Staff utilized the embedded cost of long term debt of 6.50% on Schedule D-1.

Cost of Common Equity

The Staff considered a group of utilities which are representative of the industry for purposes of cost of equity estimation, and to determine capital structure. This group consists of companies publicly traded on the New York Stock Exchange, and are categorized as natural gas distribution companies (Standard Industrial Code = 4924) in Global Energy's Energy Velocity Suite. These companies have Operating revenues greater than \$500 million. These companies have not had dividend cuts in the past four

¹ See Schedule D-1

² See Schedule D-1.10

years, nor have dividends been flat over that period. These companies have Value Line betas of .85 or less, and Standard & Poor's bond ratings of A, A-, BBB+, or BBB. Based on these criteria, the Staff selected the following comparable group of five companies:

<u>Company Name</u>	<u>Ticker</u>
AGL Resources, Inc.	ATO
Atmos Energy Corporation	ATG
National Fuel Gas Company	NFG
Piedmont Natural Gas Company	PNY
South Jersey Industries, Inc.	SJI

The Staff employed a cost of equity estimate for the comparable group companies that is the average of their capital asset pricing model (CAPM) and discounted cash flow (DCF) derived estimates. In calculating its CAPM cost of common equity estimate, the Staff employed the average of the Value Line betas, being .85 and the Ibbotson³ derived spread of arithmetic mean total returns between large company stocks and long term government bonds (i.e., "risk free return"; 6.5%). These were used in the CAPM formulation with the weighted average of 10 year and 30 year daily closing Treasury yields for the period from February 22, 2007 through February 21, 2008. The weighting was done in a manner that emphasized later quarters to a greater degree. The averaged 10 year yield is 4.24%. The averaged 30 year yield is 4.64%. These average to 4.44%. This was added to the product of the beta and the 6.5% spread, and resulted in a CAPM cost of equity estimate of 9.96%.⁴

In calculating its DCF cost of common equity estimate, for each comparable company, the Staff employed the annual average stock price, the sum of the last four quarterly dividends, estimates of the expected rate of growth of earnings, and generic issuance costs related to the external equity financing. The stock price employed is the average daily closing price for the period from February 22, 2007 through February 21, 2008.

The DCF model assumes that earnings growth and dividends growth are the same. The Staff averaged earnings per share estimates from Reuters, Yahoo, MSN, and Value Line to get DCF growth estimates for each company.⁵ The Value Line average incorporates both the explicit long-range earnings estimate shown in the "box" and the implicit continuous growth rate calculated from the estimates of earnings per share.

For the Staff's determination of DCF cost of equity, a non-constant DCF growth rate was assumed. Dividends were assumed to grow at a rate derived from financial analysts' growth estimates for the first five years (i.e., long term growth rate). The Staff's DCF growth estimates were used for the first five years, as they are averages of

³ Ibbotson Associates 2007 Yearbook: Stocks, Bonds, Bills and Inflation; Valuation Edition

⁴ See Schedule D-1.2.

⁵ See Schedule D-1.3

estimates from various investor news services. From the twenty-fifth year on, the growth rate was assumed to equal the long-term growth rate in GNP. For the sixth through twenty-fourth years, dividends vary between the two rates in a linear fashion.⁶ The long-term growth rate in GNP was the average annual change in GNP from the U. S. Department of Commerce for 1929 through 2005.⁷

Based on long-term GNP growth, the respective company DCF growth estimate and dividend, a stream of annual dividends was calculated. The internal rate of return derived from the dividend stream and the stock price was used for Staff's non-constant growth DCF cost of equity estimate.

The comparable group non-constant DCF cost of equity estimates average 10.26%. When averaged with the 9.96% CAPM estimate, the result is 10.11%. Using a one-hundred basis point range of uncertainty, the cost of equity estimate becomes 9.61% to 10.61%.⁸ To provide for this return, allowance must be made for issuance and other costs, as shown on Schedule D-1.1, resulting in an adjustment factor of 1.02523. Applying this factor to the baseline cost of common equity range results in a recommendation of 9.85% to 10.88%.

In this rate proceeding, the Company has proposed a revenue decoupling mechanism which would reduce revenue volatility. In response to the Company's proposal, the Staff is advocating adoption of a straight-fixed variable rate design that would serve the same purpose. Additionally, in Case No. 08-169-GA-UNC, the Company has proposed approval of tariffs designed to recover certain costs associated with a pipeline infrastructure replacement program through an automatic adjustment clause, and for certain accounting treatment.

These measures, if adopted by the Commission, would reduce the risks that the Company faces with respect to revenues and cost recovery. Inasmuch as the costs of capital reflect risks, the reductions in business and regulatory risks should be considered.

⁶ See Schedules D-1.4 through D-1.8.

⁷ See Schedule D-1.9.

⁸ See Schedule D-1.1.

RATES AND TARIFFS

By its application in Case No. 07-829-GA-AIR, DEO requests authority to increase rates to be charged and collected for gas service within its service territory.

The Rates and Tariffs Division of the Utilities Department Commission Staff has investigated the rate and tariff matters proposed by the Applicant. The results of the Staff's investigation are reported in this section. It is Staff's intent to provide analysis with regard to the acceptability and reasonableness of the changes in revenue recovery mechanisms contained in the proposed tariffs. Proposals made by the Staff may require adjustments based on the revenue and rate structure authorized by the Commission.

Staff's Tariff Analysis addresses changes specific to individual rate schedules, changes which apply to more than one specific rate class, and tariff additions and deletions. Rate Design will analyze the Current, Applicant Proposed and Staff-Recommended mechanisms for rate recovery. Rate and Revenue Analysis is dedicated to the propriety and impact of the rate schedule proposal. Tables which portray the effects of Current, Proposed, and Staff-Recommended rates on typical bills are presented at the end of the report.

TARIFF ANALYSIS

The Applicant is proposing various textual changes to its tariffs. Unless noted, Staff recommends approval of these changes as proposed by the Applicant. The proposed changes are provided as follows:

Section 1

Second Revised Sheet No. K1- Security Deposit: Applicant added new language setting non-residential customer deposits at "an amount that shall not exceed the customer's estimated liability for two month's usage". This language should be removed because it is contrary to O.R.C. Sec. 4933.17, which applies to all customers and limits the deposit amount to 130 percent of the estimated average monthly bill. In addition, the word "residential" should be removed from the first sentence of the first paragraph of this section so it will apply to all customers.

Second Revised Sheet No. K2 - Access to Premises: Staff recommends that the Applicant add language which discloses the customer's right to request Company employees or agents to provide identification when access to the premise is required per Rule 4901:1-13-07, O.A.C. Staff recommends that language be added which

states, "Upon the customer's request, the employee or agent seeking access to the customer's premise shall identify himself/herself, and provide Company photo identification and state the reason for the visit."

First Revised Sheet No. K3 – Company's Right to Disconnect Service: In this section the Applicant currently has language which states, "In order to have service restored after being disconnected for (1) failing to provide access to its metering equipment to obtain an actual meter reading pursuant to service as set forth in rule 4901:1-13-09 of the Ohio Administrative Code or (2) tampering or theft of service a customer shall pay, in addition to all other charges owed to East Ohio, \$78.00 for the installation of automated meter reading equipment for each meter to be so equipped." This language allows the Company to install automated meter reading (AMR) equipment on meters where the customer failed to provide access to the Company meter after the Company followed its meter reading access plan, per Rule 4901:1-13-04, or if tampering of the meter occurred. This tariff language was appropriate to help alleviate repeated attempts by the Company to gain access to a meter of an uncooperative customer to meet the requirements of the Minimum Gas Service Standards (MGSS) or to help detect any further tampering. Staff recommends, however, that this language be removed from the tariff if the Commission approves DEO's application for an AMR Cost Recovery Charge (AMR Rider). The reason for this recommendation is that if the AMR Rider were approved and the \$78 fee were left in place, customers paying such fee would also pay the AMR Rider and would therefore be paying twice for the cost of the AMR installation. Under Staff's recommendation, however, the Company would still be allowed to impose its reconnection fee on a customer whose service had been disconnected for refusing the Company access to its meter.

Section II

First Revised Sheet No. K5- Collection fee: Applicant proposed to add new language to its tariff to collect fees or expenses incurred from outside collection agencies, including attorney's fees. Staff believes that recovery of any such fees or expenses should be determined by a court of law rather than a Company's tariff.

First Revised Sheet No. K5 – Meter Reading: In this section it discloses that the Company must obtain an actual meter reading at the initiation and/or the termination of service if the meter has not been read within the immediately preceding seventy days and access to the meter is provided. Staff recommends the following language be added to the last sentence, "or at the request of the customer if the meter has been read within the preceding seventy days.", as required per Rule 4901:1-13-04 (G) (6), O.A.C., which states that if the Company has read the meter within the immediately preceding seventy days, it shall inform the customer, when the customer contacts the Company to initiate or terminate service, of the right to have an actual meter read at no charge to the customer.

First Revised Sheet No. K8 – Installation and Inspection: Staff recommends the Applicant add a sentence to the end of the paragraph that reads, "East Ohio shall comply with Rule 4901:1-13-05 of the Ohio Administrative Code with respect to testing gas piping downstream of the meter." The recommended language would disclose the Company's obligation to test piping downstream of the meter prior to service connection.

Section III

Extension of Distribution Mains

The Applicant has proposed certain changes to this section including the following deletion of language:

Nothing contained herein shall be construed to prohibit East Ohio from making longer free extensions than herein prescribed, should the anticipated revenues exceed the anticipated costs over a period of twenty years, provided like free extensions are made to other applicants under similar conditions.

In the rationale for this change, the Applicant states that the deletion is because the twenty year threshold may not be economically justified. Staff does not take issue with this rationale but recommends retaining the language "...provided like free extensions are made to other applicants under similar conditions" to ensure undue discrimination does not take place. Otherwise Staff recommends the remaining deletion be accepted.

In order to provide customers with an alternative method of payment for line extensions in excess of 100 feet, Staff is recommending the following modification (in caps) be made to the initial paragraph of this section:

Upon application for a service extension of main in excess of an average of 100 feet for each applicant for such service, East Ohio may enter into an extension agreement with the applicant or applicants providing for a deposit with East Ohio of a sum deemed adequate by East Ohio to cover the cost to be incurred by it for the excess of the extension over the average of 100 feet for each applicant to be served. EACH APPLICANT SHALL HAVE THE OPTION OF MAKING SUCH PAYMENT IN THE FORM OF A ONE-TIME DEPOSIT OR A MONTHLY PAYMENT TO BE BILLED TO THE APPLICANT AND/OR SUBSEQUENT CUSTOMER(S) AT THE SAME PREMISES FOR A PERIOD OF SEVEN YEARS OR UNTIL THE COST OF THE MAINLINE EXTENSION IS INCLUDED IN EAST OHIO'S RATES AND CHARGES FOR SERVICE, WHICHEVER COMES FIRST. IF THE

APPLICANT CHOOSES TO MAKE THE PAYMENT IN THE FORM OF A ONE-TIME DEPOSIT, such deposit ~~to~~ SHALL be refunded within a period of 10 years from the date of the agreement at a rate per each additional ~~consumer~~ residential customer thereafter connected with said extension, equivalent to the rate per 100 feet deposited, the total amount refunded not to exceed the amount deposited.

Staff recommends adoption of all other changes to this section proposed by the Company.

OTHER TARIFF ISSUES

Purchase of Receivables

As part of Ohio's Customer Choice programs, the Commission has required LDCs to purchase the receivables of natural gas marketers serving choice customers when the LDC bills on their behalf. DEO's General Terms and Conditions of Energy Choice Pooling Service, incorporates this requirement and specifies that receivables will be paid at 100% of the value of the receivables and that payments shall be made approximately two weeks after the accounts have been billed. According to the testimony of Company witness Murphy, prior Commission approval of the approximately two week requirement imposes a substantial working capital requirement on the Company. As discussed in the Working Capital section of this Staff Report, Staff has estimated that it would reduce working capital requirements by approximately \$46 million if the Company were to extend the two week remittance period to 30 days. This would be consistent with the other three LDCs with choice programs. The Staff recommends the Commission require DEO to modify their choice pooling service agreements to incorporate a 30 day lag between accounts being billed and the remittance of the receivables.

Late Payment Charge

The Applicant proposes to implement a late payment charge of 1.5%. The proposed charge is an industry standard and is reasonable. Staff recommends approval.

Miscellaneous Charges

The Applicant is proposing a return check charge in the amount of \$12.00. The Applicant provided costs supporting the proposed charge in data request response 8. Staff recommends Commission approval.

The Applicant is proposing increasing the reconnection charge for General Sales Service and Energy Choice Transportation Service customers from \$20.00 to \$40.00. In data response 8 (subpart 1) and 8.2, the Applicant provided work papers showing how the fully loaded hourly labor rate was derived. In developing the straight-time labor rate of \$34.78, the Applicant used 1,638 productive hours instead of the total 2,080 pay hours per year. Staff does not agree with the use of the 1,638, therefore, the hourly rate was recalculated using the 2,080 pay hours. Staff is proposing a \$33.00 reconnection charge based on the adjusted hourly pay rate.

The current charge for meter removal and testing for large commercial and industrial customers is \$100.00. The Applicant is proposing raising the meter testing charge to \$270.00. The Applicant provided calculations supporting the proposed \$270.00 meter testing charge. Staff finds the proposed charge to be reasonable and recommends approval.

The Applicant is proposing a new Investigation Fee in the amount of \$117.00. The proposed language limits the Company's ability to charge the fee to those circumstances where there is reasonable proof, as defined in the proposed rule, of fraudulent or damaging activity by the customer. Staff needs additional information from the Company supporting the investigation cost per field visit. Staff's recommended rate will be contingent upon information provided by the Applicant in the pending data request response.

RATE DESIGN AND REVENUE ANALYSIS

Rate and Revenue Guidelines

General guidelines and objectives are followed in Staff's review of rate schedules and design. The applicable schedules should provide the utility the opportunity of recovering an authorized revenue. The various schedules should represent a reasonable distribution of revenue between and among the various customer groups. The particular schedules should be equitable and reasonable, should provide for customer understanding and continuity of rates, and should cause minimal customer impact.

Rate design criteria are to be viewed as a package, in that they are interrelated. Although each item can be separately identified and applied to rate schedule determinations, no single standard is overriding in determining proper rate design. The rate schedules which comprise a particular utility's tariffs should provide for recovery of expenses found proper in the course of a regulatory proceeding. Normally, and to the extent sufficient information is available, cost of service studies and related expense analyses are necessary to determine the appropriate level of revenue to be generated and the appropriate recovery of such revenue.

From a practicable rate design standpoint, absolute equality between costs and revenues may be difficult to achieve in the short term. While it may be viewed as equitable to set rates at cost, if there is a substantial divergence in the current rates, the resulting impact on individual customers may be viewed as unreasonable. While desiring cost supporting charges, Staff considers such items as resulting typical customer billings and resulting revenue increases which would necessarily occur. These tests help provide benchmarks with regard to reasonableness of charges in rate forms. While it is Staff's position that rate schedules reflect costs, it is also important to consider the continuity associated with current and proposed pricing structures. This may result in movement towards more closely aligning revenue with costs rather than an absolute match at a particular time period.

In summary, gas rates should:

- Be predicated on costs.
- Be fair, equitable and reasonable.
- Cause minimal impact (sometimes called "gradualism") when changed.
- Provide continuity in pricing structures.
- Provide the utility the opportunity to recover the authorized revenue by providing for the recovery of costs found proper in a regulatory proceeding.

The preceding standards are important and each has value. They are, however subjective, and it is generally impossible to fully accomplish them all. Sometimes one standard (the most obvious being that the rates must provide the utility with the opportunity to recover its authorized revenue requirement) supersedes, to a degree, the others. Sometimes the standards are in conflict and to accomplish one, another might be set aside (e.g. in this application, the need for rates to be predicated on costs may cause changes in pricing structures resulting in greater than minimal impacts on some customers).

Cost of Service Analysis

Generally, there are three capacity allocations that are commonly used – coincident demand, non-coincident demand, and average and excess demand. The standard filing requirements allow the selection of any of these approaches, or alternatives, when, in the utility's opinion, the procedure best represents the utility's system characteristics.

The Applicant filed a peak and average method allocating cost to the various classes. This method assumes the minimum capacity is necessary to deliver the total gas used

and is equal to average daily deliveries. The remainder of the capacity is allocated based upon the difference between the average daily capacity and between the peak day capacity. Staff finds the cost of service as a reasonable starting point for making its recommendation. Staff proposes the following class rate of returns.

		Current		Applicant		Staff	
		Proposed		Proposed		Proposed	
		ROR	Index	ROR	Index	ROR	Index
GSS/ECTS		2.44%	.57	8.28%	.97	7.76%	.91
LVGSS/LVECTS		5.67	1.31	8.25	.97	9.50	1.12
GTS/TSS		14.35	3.33	12.50	1.47	15.47	1.82
DTS/OFF SYSTEM		4.43	1.03	3.76	.44	3.76	.44
STORAGE		14.65	3.40	8.53	1.00	8.72	1.03
Total		4.31%		8.50%		8.50%	

REVENUE ANALYSIS

Rates and charges shown in the rate schedule tables may require adjustment based on the revenue requirement granted by the Commission, and/or changes in the rate areas, or changes in rate structure approved by the Commission.

Applicant's and Staff's Current and Proposed increases are shown in Tables 1 and 2, excluding and including gas cost.

TABLE 1

Total Revenue Excluding Gas Cost

	Current	Applicant Proposed	Increase	Percent Increase	Staff Proposed	Increase	Percent Increase
General Service Sales	\$ 169,672,873	\$ 196,179,075	\$ 26,506,202	15.62%	\$ 195,127,081	\$ 25,454,208	15.00%
Energy Choice Transportation Service	283,723,825	334,210,472	50,486,647	17.79	331,035,785	47,311,960	16.68
Total GSS/ECTS	453,396,698	530,389,547	76,992,849		526,162,866	72,766,168	
Large General Sales Service	4,870,836	5,233,429	362,593	7.44	5,378,877	508,041	10.43
Large Energy Choice Transportation	16,290,432	17,591,345	1,300,913	7.99	17,928,599	1,638,167	10.06
Total LVGSS/LVECTS	21,161,268	22,824,774	1,663,506		23,307,476	2,146,208	
General Transportation Service	46,951,669	42,937,358	(4,014,311)	-8.55	46,640,505	(311,164)	0.66
General Transportation - Negotiated	9,084,614	9,084,614	0	0.00	9,084,614	0	0.00
Transportation Service for Schools	2,782,742	2,898,153	115,411	4.15	2,898,155	115,413	4.15
Total GTS/TSS	58,819,025	54,920,125	(3,898,900)		58,623,273	(195,752)	
Daily Transportation Service	7,508,991	6,843,707	(665,284)	-8.86	6,843,709	(665,282)	-8.86
Daily Transportation - Negotiated	7,252,309	7,252,309	0	0.00	7,252,309	0	0.00
Off-System Transportation	1,739,907	1,739,907	0	0.00	1,740,086	179	.01
Total DTS/Off System	16,501,207	15,835,923	(665,284)		15,836,103	(665,104)	
Storage	10,127,566	11,042,775	915,209	9.04	11,083,426	955,860	9.44
Total Company	\$ 560,005,764	\$ 635,013,144	\$ 75,007,380	13.39%	\$ 635,013,144	\$ 75,007,380	13.39%

TABLE 2

Total Revenue Including Gas Costs and Miscellaneous Revenue

	Current	Applicant Proposed	Increase	Percent Increase	Staff Proposed	Increase	Percent Increase
General Service Sales	\$ 617,745,161	\$ 644,251,363	\$ 26,506,202	4.29%	\$ 643,199,368	\$ 25,454,207	4.12%
Energy Choice Transportation Service	283,723,825	334,210,472	50,486,647	17.79	331,035,785	47,311,960	16.68
Total GSS/ECTS	901,468,986	978,461,835	76,992,849		974,235,153	72,766,168	
Large General sales Service	21,532,248	21,894,841	362,593	1.68	22,040,289	508,041	2.36
Large Energy Choice Transportation	16,290,432	17,591,345	1,300,913	7.99	17,928,599	1,638,167	10.06
Total LVGSS/LVECTS	37,822,680	39,486,186	1,663,506		39,968,888	2,146,208	
General Transportation Service	46,951,669	42,937,358	(4,014,311)	-8.55	46,640,505	(311,164)	-0.66
General Transportation - Negotiated	9,084,614	9,084,614	0	0.00	9,084,614	0	0.00
Transportation Service for Schools	2,782,742	2,898,153	115,411	4.15	2,898,155	115,413	4.15
Total GTS/TSS	58,819,025	54,920,125	(3,898,900)		58,623,273	(195,752)	
Daily Transportation Service	7,508,991	6,843,707	(665,284)	-8.86	6,843,709	(665,282)	-8.86
Daily Transportation - Negotiated	7,252,309	7,252,309	0	0.00	7,252,309	0	0.00
Off-System Transportation	1,739,907	1,739,907	0	0.00	1,740,086	179	.01
Total DTS/Off System	16,501,207	15,835,923	(665,284)		15,836,103	(665,104)	
Storage	10,127,566	11,042,775	915,209	9.04	11,083,426	955,860	9.44
Subtotal	\$ 1,024,739,464	\$ 1,099,746,843	\$ 75,007,380	7.32%	\$ 1,099,746,843	\$ 75,007,379	7.32
Other Revenue	29,157,465	29,157,465	0	0.00	29,157,465	0	0.00
Migration Credit Rider	(1,744,523)	(4,286,150)	(2,541,627)	146.69	(4,286,150)	(2,541,627)	146.69
Total Company	\$ 1,052,152,406	\$ 1,124,618,159	\$ 72,465,753	6.89%	\$ 1,124,618,158	\$ 72,465,752	6.89%

Applicant's and Staff's Current and Proposed Revenue Distribution, is shown in Tables 3 and 4, excluding and including gas costs.

TABLE 3
Total Revenue Excluding Gas Cost

	Current	Applicant Proposed	Staff Proposed
General Service	30.30%	30.89%	30.73%
Energy Choice Transportation Service	<u>50.66</u>	<u>52.63</u>	<u>52.13</u>
Total GSS/ECTS	80.96	83.52	82.86
Large General sales Service	.87	.82	.85
Large Energy Choice Transportation	<u>2.91</u>	<u>2.77</u>	<u>2.82</u>
Total LVGSS/LVECTS	3.78	3.59	3.67
General Transportation Service	8.38	6.76	7.34
General Transportation - Negotiated	1.62	1.43	1.43
Transportation Service for Schools	<u>.50</u>	<u>.46</u>	<u>.46</u>
Total GTS/TSS	10.50	8.65	9.23
Daily Transportation Service	1.34	1.08	1.08
Daily Transportation - Negotiated	1.30	1.14	1.14
Off-System Transportation	<u>.31</u>	<u>.27</u>	<u>.27</u>
Total DTS/Off System	2.95	2.49	2.49
Storage	1.81	1.74	1.75
Total	100%	100%	100%

TABLE 4

Total Revenue Including Gas Costs and Miscellaneous Revenue

	Current	Applicant Proposed	Staff Proposed
General Service	58.71%	57.29%	57.19%
Energy Choice Transportation Service	<u>26.97</u>	<u>29.72</u>	<u>29.44</u>
Total GSS/ECTS	85.68	87.00	86.63
Large General sales Service	2.05	1.95	1.96
Large Energy Choice Transportation	<u>1.55</u>	<u>1.56</u>	<u>1.59</u>
Total LVGSS/LVECTS	3.59	3.51	3.55
General Transportation Service	4.46	3.82	4.15
General Transportation - Negotiated	86	81	81
Transportation Service for Schools	<u>26</u>	<u>26</u>	<u>26</u>
Total GTS/TSS	5.58	4.89	5.22
Daily Transportation Service	.71	.61	.61
Daily Transportation - Negotiated	.69	.64	.64
Off-System Transportation	<u>.17</u>	<u>.15</u>	<u>.15</u>
Total DTS/Off System	1.57		1.41
Storage	.96	.98	99
Subtotal	97.39%	97.79%	97.79%
Other Revenue	2.77	2.59	2.59
Migration Credit Rider	-0.17	-0.38	-0.38
Total Company	100%	100%	100%

Rate Design

The Applicant is proposing uniform rates for Dominion East Ohio customers that are currently served under separate tariffs for West Ohio and East Ohio. Staff has traditionally recommended and supported a rate design for the natural gas distribution component consisting of a minimal customer charge and a volumetric rate or blocks of rates. That structure, while not truly cost-reflective, sufficed to allow the utility the opportunity to recover the recommended revenue requirement as long as gas consumption remained level or increased. In recent years, due primarily to the volatile and relatively high cost of gas (to be recovered through the Gas Cost Recovery mechanism), the trend of gradually increasing gas consumption, per customer, has been reversed. Therefore, DEO, and other gas utilities, have seen the recovery of distribution costs deteriorate as the volume of gas used decreased.

In this case, Staff recommends a rather significant change in its rate structure policy. Rather than recovery via a minimal customer charge and relatively high volumetric rates, Staff recommends that the Commission approve a rate structure primarily based on a fixed distribution service charge. In reality, most distribution-related costs are fixed. The distribution facilities required to serve a small residence are most likely the same as those required to serve a larger residence. The distribution facilities required to serve a minimum number of gas appliances in a residential unit are most likely the same as those required to serve a residence with multiple gas appliances. The costs to the utility vary only slightly, if at all, by the volume of gas used.

In addition to a better reflection of cost causation, the primarily fixed-charge-based rate structure accomplishes other rate objectives. It levelizes the distribution component of a customers' bill, providing additional rate certainty. It reduces the revenue deterioration of a utility in a time of reduced consumption; thus, reducing the need for frequent rate cases. It alleviates the need for a decoupling mechanism which requires frequent controversial reconciliations and weather adjustments. From the companies' point of view, it eliminates its natural disincentive to promote energy conservation which, when rates are volume-based, causes revenue erosion.

Staff is keenly aware, however, of the pitfalls of this significant change in the design of rates. The biggest negative impact being that the change from a primarily volume-based rate to a primarily fixed charge rate often results in larger price increases to low use customers (or, if the fixed charge is "blocked," to the lower use customers in the block). A secondary disadvantage is that the fixed charge structure reduces the incentive on the part of the customer to reduce its usage. Staff, however, finds that this argument is much less relative in the case of distribution rates. The distribution portion of a customer's bill is relatively small compared to the total bill. The cost of gas to be recovered through the Gas Cost Recovery mechanism will continue to serve as the incentive to a customer to keep its usage to a minimum. Finally, the current rate schedules are designed as "general sales service" (primarily residential) and "large volume general sales service". Large volume general service customers are much less homogeneous than residential customers and a simple fixed charge may not be the appropriate cost recovery mechanism.

With all of these things in mind, Staff proposes and recommends a change in rate design that phases in the change from a primarily volumetric rate to a primarily fixed charge rate. The following table illustrates the proposed rate structures.

GSS/ECTS Schedules

Rate GSS/ECTS	East Ohio Current	West Ohio Current	Applicant Proposed	Staff Proposed
Customer Charge	\$ 5.70	\$ 4.38	\$ 5.70	
Fixed Distribution Service Charge				\$ 17.50
Volumetric Charge	1.2355	1.1201	1.6200	
< = 50 Mcf				.36495
> 50 Mcf				.62000

LVGSS/LVECTS Schedules

Rate LVGSS/LVECTS	East Ohio Current	West Ohio Current	Applicant Proposed	Staff Proposed
Customer Charge	\$ 40.00	\$ 32.24	\$ 40.00	
Fixed Distribution Service Charge				
<= 4800 Mcf annually				\$ 75.00
> 4800 Mcf annually				\$ 150.00
Volumetric Charge				
First 100 Mcf	1.2527		1.6200	1.1000
Next 400 Mcf	.9927		.9927	.97575
Over 500 Mcf	.8187		.8187	.82435
First 200 Mcf		1.1201		
Next 4,800 Mcf		.7391		
Next 20,000 Mcf		.4221		
Next 25,000 Mcf		.3731		

Staff Discussion of Recommendation

The table represents a Staff "concept" of a primarily fixed charge rate. While Staff recommends the adjustments to the rate design, this table should in no way be taken as a recommendation by the Staff of the Rates and Tariffs Division as to the overall revenue requirement recommended by the appropriate Staff in other sections to this report. The table is meant to reflect the revenue requested by the Applicant for

comparative purposes only. It is intended to reflect changes to the rate design that the Applicant has proposed.

Staff is aware that such a significant change in rate design may require modifications to the current billing system. Due to these, and perhaps other unknown limitations, Staff prefers to characterize its recommendation as a "concept" which may require modifications based on the availability of data and the limitations of the billing system.

There are other "twists" to the Staff's recommendation which should be noted. Staff is recommending the fixed charge approach as a replacement for the Applicant's proposed decoupling mechanism.

Next, it is apparent that there are a significant number of residential and general service accounts that use such small volumes of gas that it is likely that the usage is for something other than space or water heating. From a cost causation viewpoint, these customers are no different than other customers. Staff recommends that the Applicant work with these customers to notify them that, they may see significant increases simply by taking limited service.

General Transportation Service

In an attempt to maintain current revenue recovery for this class and taking into account the current customer charges of \$102.50 (East Ohio) and the current \$132.99 (West Ohio), Staff is recommending a \$120.00 customer charge moving close to the midway point between the two customer charges. The remaining revenue was assigned to the volumetric charges for this customer class.

GTS Schedule

		East Ohio Current	West Ohio Current	Applicant Proposed	Staff Proposed
Rate GTS					
	Customer Charge	\$ 102.50	\$ 132.99	\$ 102.50	\$ 120.00
	Volumetric Charge				
	First 100 Mcf			1.2527	1.31280
	Next 400 Mcf			.9927	1.05280
	Next 1500 Mcf			.8187	.89250
	Over 2000 Mcf			.5000	.63890
	First 100 Mcf	1.3128			
	Next 400 Mcf	1.0528			
	Next 1500 Mcf	.8788			
	First 200 Mcf		1.4163		
	Next 4,800 Mcf		1.0353		
	Next 20,000 Mcf		.7183		
	Over 25,000 Mcf		.6683		

Staff proposes maintaining the current rates for transportation school service customers and daily transportation customer as proposed by the Applicant.

TYPICAL BILLS

Monthly typical bills are shown in E-5 Schedules of the end of this report. Calculation of the typical bills uses a gas cost of \$9.1191 per Mcf.

GAS PIPELINE SAFETY REVIEW

Staff conducted gas pipeline safety inspections at The Dominion East Ohio Gas Company (DEO) in 2005, 2006, and 2007. Specifically, Staff assessed the compliance of DEO with the state and federal gas pipeline safety regulations (GPS) outlined in Ohio Administrative Code 4901:1-16. Under 4901:1-16-03 Staff also adopts and enforces federal regulations 49 C.F.R. (Code of Federal Regulations) Parts 191, 192, 199, and 40.

The GPS inspections involved the following:

- Review of records for compliance with gas pipeline safety regulations.
- Physical site visits to verify compliance with safety inspection standards.
- Review of operations plans, emergency plans and associated standards and procedures for compliance with emergency response, construction, operations and maintenance requirements.
- Review of drug and alcohol programs for employees and contractors.
- Review of the Public Awareness Program and associated records.
- Review of Operator Qualification Program and records.
- Inspection of gas pipeline construction projects in the field for code compliance with safety regulations and operator construction procedures.
- Review of the Ohio Utilities Protection Service, Call Before You Dig Program.

Records and field inspections were performed of the Company's following locations on yearly basis:

1. District 1 – Lakeshore, Northeast, Randall and Western offices
2. District 2 – Akron and Youngstown offices
3. District 3 – Canton, Lima, Marietta, New Philadelphia, and Wooster offices
4. North Canton Transmission (GSO)

Operations and Maintenance manuals and Drug and Alcohol records and plans are reviewed for compliance every other year at the following location:

- Headquarters Cleveland, Ohio

The field portions of the inspections were conducted at several different pipeline sites. These inspections consisted of pressure regulator stations, pressure telemeter, critical valves, corrosion test point stations, rectifiers, leakage survey areas, odorant testing, checking material specifications, and exposed pipe locations in the DEO pipeline system. GPS inspections are conducted on an annual basis to confirm that DEO is complying with federal and state gas pipeline safety regulations.

Findings: Scheduled Annual Audit Inspections

During the records and field inspection portion of the inspections, a number of areas are reviewed such as valve maintenance, pressure regulation, pressure telemetering, corrosion control, leakage survey, pipeline patrolling, material and pipeline specifications, drug and alcohol test records, operator qualification, public awareness, damage prevention, pressure testing, odorization, and emergency response. All records were reviewed for the appropriate timeline of inspection and maintenance on the gas pipeline system.

Staff has completed 32 inspections of DEO's facilities in the calendar years 2005, 2006 and 2007. As a result of these inspections, the Company was sent six Notices of Probable Non-Compliance (NPNC). The NPNC procedure provides the operator with a 30 day period in which to provide Commission Staff with an action plan to correct any cited condition. DEO promptly responded to the enforcement actions with an acceptable corrective action plan in each case.

Pipeline Safety Incidents and Outages

In the calendar years 2005 through 2007, there were three incidents that occurred in the DEO system. The first incident involved third party damage due to an incorrectly located facility located by a third party contractor for DEO. There were no injuries as a result of this incident. The remaining incidents involved compressor stations. The first compressor station incident caused a small fire and explosion due to a leaking compressor unit. No injuries were involved. The second compressor station incident was caused by an improperly located vent line. This resulted in a small explosion in a regulator facility. No injuries were involved. NPNCs were sent to the Company relating to these incidents. DEO promptly responded to each enforcement letter with an acceptable corrective action plan.

In calendar years 2005 through 2007, DEO had 7 service failures that affected service to customers. The number of customers affected in these outages ranged from 123 to 420 in each instance. The causes of the service failures were third party damages, water main breaks, and automobile accidents. DEO promptly restored service to the affected customers. No enforcement actions were taken by the Commission on DEO related to these incidents.

Riser Replacement Program

Staff has recommended in its report to the Commission in the riser Investigation case,¹ that operators complete a riser identification survey. In its report, Staff recommended that distribution operators be put on notice that certain plastic risers assembled in the

¹ A Report by the Staff of the Public Utilities Commission of Ohio, In the Matter of the Investigation of the installation, Use, and Performance of Natural Gas Service Risers Throughout the State of Ohio-and Related Matters, pgs 14,15, Case No. 05-463-GA-COI.

field when subjected to particular conditions, are more prone to failure.² Staff believes a riser replacement program is necessary to address a valid safety concern and has recently testified in support of another Ohio LDC's application to systematically replace, over approximately a three year period, all risers identified as prone to fail.³ Staff therefore supports DEO's application proposal to replace any prone to fail risers they have in their system.

Staff also recommends that DEO do a complete riser inventory of their system to create a record of what risers are in their system and where they are located. Staff understands that DEO did a survey of prone to fail risers of the installations that occurred while such risers were on DEO's approved list. Therefore, in order to ensure that no unauthorized risers were installed in DEO's territory, Staff recommends that DEO document all risers on its system over the course of its five year inspection cycle. Should it find any prone to fail risers, Staff recommends that DEO replace those risers immediately upon discovery.

Deferred Riser Costs

On February 5, 2007, DEO filed an application in Case No. 07-125-GA-AAM to request Commission authority to permit DEO to defer the expenses it incurred in connection with the Commission's investigation of natural gas service risers in Case No. 05-463-GA-COI.

On March 26, 2008, the Commission approved DEO's application for deferral authority and directed that the ultimate recoverability of those deferrals would be addressed in this base rate proceeding. The Company's application did not provide for any recovery of natural gas service risers costs in base rates. The only riser related costs the Company is requesting is the recovery of the deferred expense amounts.

In response to Staff data request # 32, DEO provided a breakdown of the costs it has deferred which showed a total of \$789,285.47 including \$383,494.38 for straight time labor expense. In response to a follow-up data request, DEO provided a justification for inclusion of straight time labor costs in those deferrals. Staff is not persuaded that the straight time labor costs identified were incremental costs incurred as a result of compliance with the Commission's directives. Staff recommends DEO be authorized to recover \$405,791.09 of the deferrals which is the total amount deferred less the straight time labor costs identified above. Finally, because these are non-recurring expenses, Staff recommends they not be incorporated into base rates but instead be recovered through the Transportation Migration Rider Part B. Staff will verify the accuracy of that recovery through a subsequent audit of that migration rider.

² Ibid

³ Case No. 07-478-GA-UNC, *In the Matter of the Application of Columbia Gas of Ohio, Inc., for Approval of Tariffs to recover, through an Automatic Adjustment Clause, Cost Associated with the Establishment of an Infrastructure Replacement Program for approval of Certain Accounting treatment*, Prepared Testimony of Edward M. Steele, submitted: November 19, 2007, pgs. 3 and 4.

AUTOMATED METER READING PROPOSAL

On December 13, 2006, DEO filed an application, in Case No. 06-1453-GA-UNC (AMR Application), to use an automatic adjustment clause to recover costs associated with the deployment of automatic meter reading (AMR) technology. On September 20, 2007, DEO filed a motion to consolidate its AMR Application with the rate case and other related cases. On April 9, 2008 the Commission approved the motion to consolidate.

According to the AMR Application, DEO would install AMR devices on all its customer meters over a 5-year period, and would record as a regulatory asset the depreciation, incremental property taxes, and post in-service carrying charges associated with its AMR program costs. DEO would accumulate these costs during each year of the deployment period and file an application in February the following year with schedules supporting a fixed AMR Cost Recovery Charge. In each succeeding year, this charge would increase by the amount of accumulated AMR costs until DEO files another rate case and new base rates are approved and go into effect.

That regulatory asset, however, would exclude the cost of installing AMR devices (AMRs) to replace about 40,000 remaining American and Badger remote index devices, which have demonstrated significant failure rates. In addition, the asset would be reduced by the amount of meter reading savings resulting from the installation of AMRs. Staff also notes that as of the date certain in this case, DEO had already installed over 18,000 AMRs, and that costs relating to those AMRs would also be excluded from the regulatory asset. DEO estimates that over the five-year deployment period, the remaining cost basis for the regulated asset would total about \$110 million. DEO further estimates that, before adjustment for the reduced meter-reading expense, the resulting fixed, monthly AMR Cost Recovery Charge for each of the first five years (assuming no new base rate cases) would be as follows.

Year	Estimated AMR Cost Recovery Charge ⁴
2008	\$ 0.35
2009	\$ 0.53
2010	\$ 0.83
2011	\$ 1.19
2012	\$ 1.15

⁴ These estimated AMR Cost Recovery Charges are based on certain DEO assumptions which Staff takes issue with in this case. If the Commission adopts Staff's recommendations, these amounts are expected to be reduced.

DEO lists the following benefits from installing AMR devices on all of its customer meters.

- AMR provides the most cost-effective way for DEO to comply with the new meter reading requirements.⁵
- AMR would enable DEO to read its meters monthly (instead of every other month) and thereby match each month's usage against its corresponding monthly commodity rate changes.
- Monthly meter readings would provide more accurate information for use in transferring service at a given premise from one customer to another.
- Because AMR reads are obtained by employees who drive along a route with data collectors installed in their vehicles, customers would no longer have to cope with inconvenient intrusions into their home or business to read the meter.

DEO also states that under its normal capital budgeting process, it would take from 15 to 20 years to fund the cost of installing AMRs on all its customer meters, and is therefore proposing to accelerate AMR deployment with the AMR cost recovery charge.

Recommendations

Staff believes it is important for DEO to obtain more frequent actual meter readings on all of its customer meters to provide accurate bills in its volatile pricing environment. Because about half a million of DEO's customers have gas meters located inside the customer premises, Staff agrees that AMR technology is a cost effective way to achieve more frequent actual meter readings and avoid inconveniencing these customers. AMR technology would virtually eliminate the very labor intensive process to gain access and read meters located inside a customer's premise. When such access cannot be obtained, usage must be estimated until an actual meter reading occurs, and long-term estimates can result in large back-billings, which may cause an unexpected strain to the customer's budget. AMR technology would also enable the Company to easily obtain actual meter readings at the initiation and termination of service. Obtaining actual meter readings in these situations avoids questions about how to allocate usage between the new and old customer at the same premise. Finally, Staff believes a five-year AMR deployment period is preferable to spreading deployment over a 15 to 20 year time span, and therefore

⁵ In Case No. 05-602-GA-ORD, the Commission adopted new Minimum Gas Service Standards (MGSS), which became effective on January 1, 2007. The MGSS included Rule 4901:1-13-04 (G)(1), which required natural gas companies to obtain an actual meter reading of each customer's meter at least once every 12 months, and make reasonable attempts to obtain actual meter readings every other month. This rule also specified that while automated meter readings fulfilled the actual meter-reading requirement, the readings of remote meter index equipment did not. On May 24, 2007, the Commission granted DEO's application, in Case No. 06-1452-GA-WVR, to allow remote meter index readings to qualify as actual readings until DEO completes the installation of AMRs on all its customer meters.

recommends that the Commission approve DEO's request for an AMR Cost Recovery Charge, subject to certain restrictions and modifications as discussed in the following paragraphs.

DEO has 82,000 tin-cased meters that are incompatible with AMRs and therefore need to be replaced with AMR-compatible meters. Tin-cased meters have not been manufactured since the 1950s, and DEO hasn't refurbished them since the 1970s. Staff believes the cost of replacing these obsolete meters should be recovered through the normal rate-case cost-recovery mechanism, and therefore recommends that they be excluded from the calculation of the AMR Cost Recovery Charge.

Staff assumes that while DEO's personnel or contractors are on the customer's premise to install AMR devices on gas meters, DEO may find it necessary or economical to perform other activities on the same visit. They may find, for example, that the customer's meter needs to be replaced because it is old or inoperative. They may also be instructed to perform routine maintenance or inspections while on site. While Staff has no issues with DEO performing such activities on the same visit or in conjunction with the installation of AMR devices, Staff believes these routine maintenance and replacement activities should be recovered through normal rate-case cost-recovery mechanisms. Staff therefore recommends these costs be excluded from the calculation of the AMR Cost Recovery Charge.

DEO plans to reduce the regulatory asset through a non-access tariff charge that would require individual customers to pay directly for an AMR installation if DEO has to disconnect their service because they refused to allow DEO access to the meter. In effect, the non-access tariff charge would require these customers to pay for AMR installation twice – once through the one-time tariff charge for non-access and again through the monthly AMR Cost Recovery Charge. To avoid such duplication, Staff is recommending (in the Rates and Tariffs section of this report) deletion of the one-time AMR installation charge for non-access.

Finally, DEO has proposed to reduce the regulatory asset by the amount of meter-reading savings that would result from installing the AMRs, and to calculate that savings by comparing future annual meter-reading Operation and Maintenance (O&M) expense against a 2006 baseline year. Staff believes 2007 (the test year for the current rate case) is a more appropriate baseline. DEO has not yet begun to realize the savings resulting from the AMR installations, and its total Meter Reading O&M expense was higher in 2007 than it was in 2006. Staff therefore recommends that for the purposes of adjusting the regulatory asset each year, meter-reading O&M savings should be calculated using a 2007 baseline year.⁶

⁶If DEO files a future rate case during the AMR deployment period, the test-year for that case should become the new baseline year for purposes of calculating future meter-reading O&M savings.

SALES RECONCILIATION RIDER

As part of its Alternative Regulation plan, DEO has proposed implementation of a sales decoupling rider. Sales decoupling has become a significant regulatory issue in recent years as gas utilities attempt to address the revenue erosion that has resulted from a steady decline in average customer usage. Historically, the PUCO has designed rates such that the vast majority of a gas utility's cost recovery is through the volumetric component of its distribution rates. The cost of operating and maintaining a utility's pipeline system, however, is largely independent of the volume of gas flowing through that system. As use per customer has fallen, particularly in response to rising prices, utilities are under-recovering their fixed costs, resulting in a need to file more frequent base rate cases to reset those rates.

DEO has proposed to address this issue through implementation of a new Sales Reconciliation Rider (SRR). The rider, as proposed, would true-up any future differences between actual, weather normalized, revenue per customer and the revenue per customer implicitly approved as part of this rate case. The SRR would apply to all DEO's residential sales and transportation customers.

Staff supports the concept of decoupling. We believe that tying a utility's earnings to the volumes of gas consumed and then adjusting the rate of return to reflect the risk of that recovery may well be an outmoded and inefficient regulatory concept. This has become problematic as we have seen steadily declining residential use per customer as shown below.

Dominion East Ohio
Residential Normalization
Annual Summary 1990 - 2007

Year	Normalized Throughput (Mcf)	Average Customers	Normalized UPC (Mcf)
1990	135,144,654	1,028,542	130.86
1991	135,413,991	1,037,475	129.91
1992	136,657,875	1,047,635	129.94
1993	135,535,006	1,057,112	127.72
1994	133,735,081	1,066,553	124.86
1995	138,753,295	1,079,472	128.11
1996	140,923,713	1,090,218	128.90
1997	140,077,970	1,100,483	126.96
1998	134,500,870	1,109,762	120.95
1999	133,146,485	1,116,180	118.89
2000	137,610,383	1,117,852	123.54
2001	126,740,922	1,130,558	111.85
2002	126,687,416	1,129,648	111.66
2003	128,775,086	1,131,530	113.34
2004	125,030,959	1,132,756	109.83
2005	119,992,148	1,133,992	105.29
2006	112,841,627	1,131,632	99.32
2007	112,619,249	1,125,180	99.55

As the data shows, the declines in use per customer more than offsets the increase in customers since 1990 resulting in a steadily declining throughput on a weather adjusted basis. Making a company's actual earnings a function of future sales volumes rather than what was authorized, increases the likelihood of subsequent base rate cases. Decoupling seeks to break the volumetric underpinnings of that traditional regulatory construct and more directly allows the utility to earn what the Commission determined was a fair return.

Decoupling will also eliminate the disincentive a utility otherwise would have to promote energy efficiency and conservation. Under the existing construct, a utility is incented to increase sales in order to protect its earnings. Once sales volumes and revenues are decoupled, utilities are in position to more aggressively assist customers in their efforts to consume less natural gas. On a national scale, environmental concerns associated with coal fired generating facilities, uncertainty about the future role of nuclear power, and the resulting increased use of natural gas to fuel electric generation, have all combined to put upward pressure on energy prices. In this environment, conservation and energy efficiency have an important role to play in mitigating rising energy costs.

Decoupling of sales and revenues can be a key component in encouraging natural gas utilities to promote of that role.

DEO's application proposed a decoupling mechanism that would calculate the difference between actual revenues per customer for each month, and the implicit revenues per customer for the like month in the rate case test year. Actual revenue per customer would be weather normalized, such that DEO would not be compensated for revenues lost due to warmer than normal weather. Monthly revenue per customer is also adjusted to reflect any changes in the number of customers. DEO would defer these calculated monthly differences and recover the accumulated amounts through an annual adjustment to the SRR. The amount of the rider would be calculated by dividing the accumulated monthly differences by projected sales volumes over the next twelve months. Any under-or over-recovery due to differences between actual and projected sales volumes would be reconciled through future adjustments to the SRR.

As discussed above, Staff supports the concept of decoupling. However this Staff Report will address the issue within a broader context. That is, whether the reliance on volumetric base rates is appropriate at all, given the largely fixed-cost nature of a gas utility's distribution system. Staff is rejecting the Company's proposed SRR in favor of adoption of a Straight Fixed-Variable (SFV) rate design. Under this rate design, all fixed costs are allocated to the customer charge and only the remaining, non-gas costs, are recovered through the volumetric rate. Staff is recommending that, for the residential sector only, base rates be established that recover the preponderance of base rates through a fixed customer charge with a relatively low variable rate. The Rates and Tariffs section of this staff report will address the specifics of those rates.

In addition to more accurately reflecting the fixed cost nature of a gas utility's distribution system, movement to a fixed rate eliminates the need for a separate decoupling mechanism and in so doing greatly simplifies the rate setting process. It accomplishes decoupling without the need for an annual audit of the decoupling mechanism and subsequent true-ups upon true-ups. Since Commission approval of the SFV rate design would obviate the need for the SRR, Staff is recommending the SRR not be approved should the Commission adopt the proposed SFV rate design.

CUSTOMER SERVICE AUDIT

Staff completed a customer service audit in August 2007 regarding the customer service performance, practices, and procedures of the Company. Staff found that overall, the Company was in compliance with the rules and regulations set forth by the Public Utilities Commission of Ohio.

For the year of 2006, the Company's average speed of answer was 87.5 seconds. As of May 2007, that number had fallen to 23.8 seconds. The Company should be commended regarding this significant decrease and improved customer service.

Customer Service Assessment

Staff reviewed the contacts made by the Company's customers to the Commission's call center for the period of January 1, 2005 through December 31, 2007. This review includes the entire test year. The Company's customers made 19,439 contacts to the call center during this time period with 7,079 during 2005, 7471 during 2006, and 4,889 during 2007. Two thousand three hundred eighteen customers called the call center before calling the Company. Most of these customers were seeking account information and were directed back to the Company to give the Company the first opportunity to respond to their customers. The highest number of contacts regarded disconnection issues (2,549). These customers had received a disconnect notice, already had service disconnected, or had issues concerning the emergency winter reconnect order or the Company's turn off procedures. Two thousand seventy-four customers called the call center with billing disputes, which would include contacts regarding an alleged incorrect bill or high bill concerns. One thousand three hundred ninety-eight customers called regarding meter reading issues. These include contacts regarding if, how and when a meter is read; remote meters; access to meters; and estimated bills. One thousand two hundred fifty-four customers requested the Apples to Apples comparison matrix to help them in their choice of a natural gas supplier and 1,464 customers contacted the call center to discuss issues regarding competition.

In the billing category, 677 customers called about back-billing, 31 contacted the call center about bill format, 954 inquired about the content of their bills, 252 asked about deposits, 1,021 made contacts regarding final or initial bills. The rates and tariffs issues account for 824 inquiries where customers called about rates or to docket comments about pending rate cases.

Of significance is the comparison number by year for the issue "Can't Contact Company." In 2006, 402 customers called to make this complaint. For the test year period, only 55 called to make this complaint.

The remainder of the complaints regards service and payment issues, including assistance programs. Under service related issues, the highest number of complaints regarded new service with 904 contacts. The next highest number of complaints, 483, arose from leakage or pressure issues. The significant comparison in the service category is the "Quality of Customer Service" issue. In 2005, there were 115 complaints, in 2006, 43, and in 2007 stabilizes at 42. The highest number of complaints under payment issues regarded assistance programs with 686. The next two were payment arrangement with 479 and Percentage of Income Payment Plan issues with 422. One hundred fifty-four customers inquired about medical certifications.

MANAGEMENT AND OPERATIONS REVIEW

Section 4909.154 of the Ohio Revised Code states that the Public Utilities Commission shall consider the management policies, practices, and organization of public utilities in fixing the just, reasonable, and compensatory rates, joint rates, tolls, classification, charges or rentals to be observed and charged for service of any public utility.

In 1985, the Commission approved an amendment to the Standard Filing Requirements. This amendment (4901-7-01) requires medium and large utilities to include in their rate filings a concisely written summary of their management policies, practices, and organization. Among other things, the summary is to include a discussion of policy and goal setting, strategic and long range planning, organization structure, decision making and controlling, and communications for the company's executive management process (Schedule S-4.1) as well as for numerous functional areas common to most large utility companies (Schedule S-4.2).

Staff routinely reviews the S-4.1 and S-4.2 schedules, applicant performance, and various events relating to the applicant's management. -- As a result of these review activities, Staff selects certain management topics for rate case reporting. In the current rate case, Staff reports on DEO's programs for Energy Conservation and Demand-Side Management (DSM).

ENERGY CONSERVATION & DEMAND-SIDE MANAGEMENT (DSM)

Energy conservation and DSM, as a tool of utility company strategy and as a public policy direction has had an inconsistent history in Ohio over the last twenty years. Commission Staff has traditionally viewed DSM programs as organized electric utility activities that are intended to affect the amount and timing of customer *electricity* usage. DSM programs include peak clipping, strategic conservation, load shifting, valley filling, and strategic load growth options. A DSM program is a series of measures intended to encourage specific groups of customers to modify their energy usage patterns in a manner consistent with the utility's objectives while maintaining customer satisfaction.

DSM for natural gas utilities has not enjoyed comparable support as that for electric utility industry DSM. Natural gas as a commodity cost is directly passed to the consumer via the utility company's gas cost recovery mechanism. Thus, the consumer is directly rewarded for any conservation measures they can implement on their own. Socializing the costs of implementing individual conservation measures has been viewed as a controversial policy as only those receiving the conservation measure benefit, while all the utility company's ratepayers pick up the costs for the programs.

In the past, Staff has expressed the opinion that natural gas DSM programs do not provide benefits to customers other than those who participate in the programs – i.e. there are no system-wide benefits. Consequently natural gas DSM has rarely been endorsed by the Commission while natural gas conservation programs have been limited to only those targeted to low income customers who would lack the resources to make efficiency improvements absent the DSM program. Nevertheless, in the last few years, the Commission has approved some conservation measures for natural gas.

To review DEO's current conservation and DSM programs, Staff developed an encompassing data request to gather the significant information related to each energy conservation and DSM program. In response, DEO supplied information relating to their energy conservation programs. Staff also interviewed DEO personnel relating to the Company's natural gas DSM program proposal which is put forward to the Commission as part of this rate case.

DEO'S WEATHERIZATION PROGRAM

DEO sponsors a ("Housewarming") weatherization program to customers with incomes at or below 150% of the federal poverty level. The program, managed by DEO's Customer Relations Department, is administered by the Cleveland Housing Network and contracted to 34 nonprofit neighborhood providers throughout DEO's service territory.

The Housewarming Program began in 1987 and has been administered by the Cleveland Housing Network since 1989. Company representatives, social service agencies and other third parties refer eligible customers to the program. Since 1994, DEO has spent \$41 million in total on weatherization. The annual budget for Housewarming is currently \$3.5 million, of which \$2.5 million is funded through existing rates and \$1.0 million is funded by DEO shareholders. Under the existing budget, approximately 1,500 households receive weatherization services each year, which include the following conservation measures: Safety inspections; Heating unit repair/retrofits or replacements (replacements for owner-occupied homes and low-income tenants); Sidewall and/or attic insulation measures; and a Carbon monoxide alarm.

Energy savings range from an average of 20-30% depending upon the housing unit, insulation, and furnace modifications. Weatherization services are inspected by the Cleveland Housing Network and random inspections are conducted by DEO retirees. DEO participates in program evaluations in conjunction with the State Weatherization Program. A customer feedback survey is also conducted and is used as an evaluative tool.

NATURAL GAS DEMAND-SIDE MANAGEMENT PROGRAM

As part of this rate case, DEO is proposing to implement an expanded DSM Program - a program inclusive of the Weatherization Program described above and DSM measures to be developed in cooperation with a DSM stakeholder group. However, DEO's DSM program proposal is contingent upon Commission acceptance of a decoupling mechanism as discussed in the Sales Reconciliation Rider section of this Staff Report and Commission acceptance of DEO using their over-accrued depreciation expense to fund their DSM Program as discussed in the Current Adjustments section of this Staff Report.

As part of DEO's DSM Program proposal, the Company would replace the \$2.5 million for weatherization programs already in rates, and the additional \$1 million for weatherization programs the Company contributes to low-income weatherization efforts, with a new DSM Program funding level of \$5.27 million. The Company derived this level of funding by proposing to use half of the annual amount of their over-accrued depreciation reserve.

Recommendation:

It is not yet apparent what new state laws, policy initiatives, or regulations might impact energy conservation and demand-side management efforts, both in the electric utility industry and in the natural gas utility industry. Nevertheless, on a national scale, environmental concerns associated with coal fired generating facilities, uncertainty about the future role of nuclear power, and the resulting increased use of natural gas to fuel electric generation, have all combined to put upward pressure on energy prices. Given this environment, conservation and energy efficiency have a positive role to play in controlling energy costs.

As Staff recognizes that conservation and energy efficiency do have a positive role in controlling energy costs, Staff recommends that DEO develop a DSM Program as envisioned in its initial proposal, inclusive of its weatherization program. Staff also recommends that DEO's DSM Program include coordination with a DSM stakeholder group, to provide customers energy conservation measures in an effort to help restrain ratepayer energy costs.

Therefore, the Staff agrees with the overall funding level proposed by the Company. The Staff, however, opposes the use of the over-accrued depreciation expenses as a funding source. Staff recommends a funding level consistent with the Company's originally proposed level of \$5.27 million, of which \$4.27 million should be included in base rates and \$1 million should continue to be funded by the Company.¹ Staff also recommends that the DSM measures implemented by DEO be periodically reviewed for cost effectiveness in concert with monitoring efforts from DEO's DSM stakeholder group.

¹ See alternative rate plan discussion in Commitments section of this Staff Report.

SCHEDULE A-1

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Revenue Requirements

		Staff		
		Applicant	Lower Bound	Upper Bound
		(a)		
(1)	Rate Base (b)	\$ 1,071,769,127	\$ 1,396,833,486	\$ 1,396,833,486
(2)	Adjusted Operating Income (c)	46,392,944	94,012,528	94,012,528
(3)	Rate of Return Earned (2) / (1)	4.33%	6.73%	6.73%
(4)	Rate of Return Recommended (d)	8.72%	8.22%	8.75%
(5)	Required Operating Income (1) x (4)	\$ 93,458,268	114,819,713	122,222,930
(6)	Income Deficiency (5) - (2)	47,065,324	20,807,185	28,210,402
(7)	Gross Revenue Conversion Factor (e)	1.615183	1.615183	1.615183
(8)	Revenue Increase Required (6) x (7)	76,019,111	33,607,411	45,564,961
(9)	Revenue Increase Recommended	75,007,378	33,607,411	45,564,961
(10)	Adjusted Operating Revenue (c)	1,053,896,931	1,025,835,884	1,025,835,884
(11)	Revenue Requirements (9) + (10)	\$ 1,128,904,309	\$ 1,059,443,295	\$ 1,071,400,845
(12)	Increase Over Current Revenue (9) / (10)	7.12%	3.28%	4.44%

- (a) Applicant's Revised Schedule A-1
- (b) Staff's Schedule B-1
- (c) Staff's Schedule C-1
- (d) Refer to Rate of Return Section
- (e) Staff's Schedule A-1.1

SCHEDULE A-1.1

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Gross Revenue Conversion Factor**

(1)	Gross Revenue	100.000000
(2)	Uncollectibles (1) x 0.000000% (a)	<u>0.000000</u>
(3)	Net Revenue (1) - (2)	100.000000
(4)	Ohio Gross Receipts Tax (3) x 4.7500% (b)	<u>4.750000</u>
(5)	Income Before Federal Income Taxes (3) - (4)	95.250000
(6)	Federal Income Taxes (5) x 35%	<u>33.337500</u>
(7)	Operating Income Percentage (5) - (6)	61.912500
(8)	Gross Revenue Conversion Factor (1) / (7)	<u>1.615183</u>

(a) Staff's Schedule C-1.1

(b) Derived From Staff's Schedule C-1.1 as Follows:

SCHEDULE B-1

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Rate Base Summary
As of Date Certain, March 31, 2007**

	<u>Applicant</u> (a)	<u>Staff</u>
(1) Plant in Service	\$ 1,939,317,268	\$ 1,916,133,980 (b)
(2) Depreciation Reserve	<u>(852,185,473)</u>	<u>(849,347,745) (c)</u>
(3) Net Plant in Service	1,087,131,795	1,066,786,235
(4) Construction Work in Progress	0	(d)
(5) Working Capital Allowance	157,331,875	123,987,352 (e)
(6) Other Rate Base Items	<u>(172,694,543)</u>	<u>206,059,899 (f)</u>
(7) Rate Base (3) Thru (6)	<u>\$ 1,071,769,127</u>	<u>\$ 1,396,833,486</u>

- (a) Applicant's Revised Schedule B-1
- (b) Staff's Schedule B-2
- (c) Staff's Schedule B-3
- (d) Staff's Schedule B-4
- (e) Staff's Schedule B-5
- (f) Staff's Schedule B-6

SCHEDULE B-2

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Adjusted Jurisdictional Plant in Service Summary**

<u>Major Property Groupings</u>		<u>Applicant</u> (a)	<u>Staff</u> (b)
(1)	Intangible Plant	\$ 44,963,636	\$ 44,963,636
(2)	Production and Gathering Plant	90,787,405	90,787,404
(3)	Storage Plant	114,485,195	114,485,195
(4)	Gas Stored Underground (c)	23,183,289	
(5)	Transmission Plant	208,990,671	208,990,672
(6)	Distribution Plant	1,330,545,152	1,330,545,150
(7)	General Plant	<u>126,361,920</u>	<u>126,361,923</u>
(8)	Total Plant in Service (1) Thru (7)	\$ <u>1,939,317,268</u>	\$ <u>1,916,133,980</u>

- (a) Applicant's Schedule B-2
- (b) Staff's Schedule B-2.1
- (c) Included in Staff's Schedule B-5

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR

Calculation of Jurisdictional Plant in Service

FERC Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)
<u>Intangible Plant:</u>				
303	Misc Intangible Plant - Cont. in Aid of Const.	\$ 28,517	\$ (28,517)	\$ 0
303	Misc Intangible Plant - Computer Software	29,453,593	0	29,453,593
303	Misc Intangible Plant - Computer Software	15,510,043	0	15,510,043
Total Miscellaneous Intangible Plant		44,992,153	(28,517)	44,963,636
<u>Production and Gathering Plant:</u>				
325.4	Rights of Way	2,624,287	0	2,624,287
325.5	Other Land & Land Rights - Land	309,723	0	309,723
325.5	Other Land & Land Rights - Land Rights	67,616	0	67,616
325.5	Other Land & Land Rights - Land Rights Leased	31,183	0	31,183
327	Field Compressor Station Structures	1,151,139	0	1,151,139
328	Field M&R Station Structures	377,500	0	377,500
329	other Structures	260,088	0	260,088
332	Filed Lines	61,317,042	(1,003)	61,316,039
333	Field Compressor Station Equipment	13,334,595	0	13,334,595
334	Field M&R Station Equip Purchase Gas - Meters	1,173	0	1,173
334	Field M&R Station Equip Other	10,835,142	0	10,835,142
335	Drilling & Cleaning Equipment	478,919	0	478,919
339	Production Equipment Held Under ARO	657,841	(657,841)	0
Total Production and Gathering Plant		91,446,248	(658,844)	90,787,404
<u>Storage Plant:</u>				
350.1	Land	22,946	0	22,946
350.1	Land Other	271,803	0	271,803
350.1	Land & Land Rights	20,971	0	20,971
350.2	Rights of Way	172,666	0	172,666
351	Structures and Improvements - M&R Station	401,823	0	401,823
351	Structures and Improvements - Compressor Station	1,854,705	0	1,854,705
351	Structures and Improvements - Other	2,721,048	0	2,721,048
352	Wells - Well Equipment	14,692,508	0	14,692,508
352	Wells - Well Construction	32,673,958	0	32,673,958
352.1	Land & Land Rights - Storage Rights	338,911	0	338,911
352.1	Land & Land Rights - Leaseholds	6,610,364	0	6,610,364
352.3	Non-Recoverable Natural Gas	5,356,616	0	5,356,616
353	Lines	20,744,704	0	20,744,704
354	Compressor Station Equipment	20,758,692	0	20,758,692
355	M&R Equipment - Meters & Gauges	947	0	947
355	M&R Equipment - Other	7,491,943	0	7,491,943
357	Other Equipment	350,590	0	350,590
358	Underground Storage Equipment Held Under ARO	186,844	(186,844)	0
Total Storage Plant		114,672,039	(186,844)	114,485,195
<u>Transmission Plant:</u>				
365.1	Land & Land Rights - Land	438,726	(2,198)	436,528
365.1	Land & Land Rights - Land Rights	15,507	0	15,507
365.2	Rights of Way	4,159,610	0	4,159,610
366	Structures and Improvements - M&R Station	211,204	0	211,204
366	Structures and Improvements - Compressor Station	2,641,934	0	2,641,934
366	Structures and Improvements - Other	1,119,654	0	1,119,654
367	Mains	164,544,434	(424,735)	164,119,699
368	Compressor Station Equipment	1,917,480	0	1,917,480
369	M&R Station Equipment - Meters & Gauges	1,882	0	1,882
369	M&R Station Equipment - Other	33,732,696	(4,788)	33,727,908
371	Other Equipment - Odorization	157,778	0	157,778
371	Other Equipment - Other	481,488	0	481,488
372	Transmission Equipments Held Under ARO	833,604	(833,604)	0
Total Transmission Plant		210,255,997	(1,265,325)	208,990,672

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Jurisdictional Plant in Service

FERC Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)
<u>Distribution Plant:</u>				
374	Land & Land Rights - Land	1,890,307	(429,175)	1,461,132
374	Land & Land Rights - Land Rights	28,806	(17,436)	11,370
374	Land & Land Rights - Leased Sites	61,529	0	61,529
374	Land & Land Rights - Rights of Way	3,433,871	0	3,433,871
375	Structures and Improvements - M&R Station - General	6,551,635	(42,943)	6,508,692
375	Structures and Improvements - M&R Station - Industrial	152,326	0	152,326
375	Structures and Improvements - Other	50,716,149	(133,227)	50,582,922
375	Structures and Improvements - Leasehold Improvements	143,613	(143,613)	0
378	Low Pressure Mains	337,077,295	0	337,077,295
378	Regulated Pressure Mains	459,351,754	(5,321,765)	454,029,989
378	M&R Station Equipment General - Meters & Gauges	6,901	0	6,901
378	M&R Station Equipment General - Other	36,723,021	(49,145)	36,673,876
380	Services - All Pressures	13,734,541	0	13,734,541
380	Services - Low Pressures	134,429,088	0	134,429,088
380	Services - Regulated Pressures	153,014,652	0	153,014,652
380	Special Services	479,181	(37)	479,144
381	Meters	69,359,224	(132,466)	69,226,758
381	Meters - Recording Gauges	3,037,403	0	3,037,403
381	Meters - Hexagram	12,142,200	0	12,142,200
382	Meters Installations - Residential	20,602,074	0	20,602,074
382	Meters Installations - Commercial	10,247,655	0	10,247,655
383	House Regulators - Small	8,359,907	0	8,359,907
383	House Regulators - Large	5,097,607	0	5,097,607
384	House Regulators Installation	1,033,133	0	1,033,133
385	Industrial M&R Station Equip - Meters & Gauges	1,317,476	0	1,317,476
385	Industrial M&R Station Equip - Other	5,257,225	0	5,257,225
387	Other Equipment	2,566,384	0	2,566,384
388	Distribution Equipment Held Under ARO	9,028,871	(9,028,871)	0
Total Distribution Plant		1,345,843,828	(15,298,678)	1,330,545,150
<u>General Plant:</u>				
389	Land & Land Rights - Land	55,714	0	55,714
390	Structures and Improvements - Leasehold Improvements	127,822	(20,022)	107,800
390	Structures and Improvements - Other	1,043,683	0	1,043,683
391	Office Furniture & Equipment - Equipment	264,467	0	264,467
391	Office Furniture & Equipment - Furniture	5,621,937	(873)	5,621,064
391.2	Office Furniture & Equipment - Computer Hardware	4,134,106	140,877	4,274,983
392	Transportation Equipment - Autos/Light Trucks	462,400	0	462,400
392	Transportation Equipment - Trailers (WV, OH, VA)	1,008,857	0	1,008,857
392	Transportation Equipment - Heavy Trucks >13k	5,448,491	0	5,448,491
392	Transportation Equipment - NGV KIts NonLux Autos	31,193	0	31,193
392	Transportation Equipment - NGV KIts Trucks	59,009	0	59,009
393	Stores Equipment	226,697	0	226,697
394	Tools, Shop & Garage Equip - Shop Equipment	462,501	0	462,501
394	Tools, Shop & Garage Equip - Garage Equipment	5,237,906	0	5,237,906
394	Tools, Shop & Garage Equip - NGV Compression/Station	5,066,856	0	5,066,856
394	Tools, Shop & Garage Equip - Tools & Equipment	4,988,123	(89)	4,988,034
395	Laboratory Equipment	110,382	0	110,382
396	Power Operated Equip - Distribution/Compression	6,021,153	0	6,021,153
397	Communication Equipment - Communication Equip	3,585,050	0	3,585,050
397	Communication Equipment - Telephone System	2,802,012	0	2,802,012
397	Communication Equipment - Microwave System	4,642,345	0	4,642,345
397	Communication Equipment - Radio	2,020,883	0	2,020,883
398	Miscellaneous Equipment - Misc Equipment	1,201,456	(1,402)	1,200,054
399	Other Computer Software	71,620,369	0	71,620,369
Total General Plant		126,243,432	118,491	126,361,923
Total Plant in Service		\$ 1,933,453,697	\$ (17,319,717)	\$ 1,916,133,980

- (a) Applicant's Schedule B-2.1
(b) Staff's Schedule B-2.2
(c) Columns (a) + (b)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Plant In Service

FERC Acct. No.	Description	Elimination of Plant No Longer In Service (a)	Elimination of Plant Retirement Obligation (b)	Leasehold Improvement No Longer In Service (c)	Contribution In Aid of Construction (d)	Unspecified Leased Plant (e)
<u>Intangible Plant:</u>						
303	Misc Intangible Plant - Cont. In Aid of Const.	\$	\$	\$	\$ (28,517)	\$
303	Misc Intangible Plant - Computer Software					
303	Misc Intangible Plant - Computer Software					
	Total Miscellaneous Intangible Plant	0	0	0	(28,517)	0
<u>Production and Gathering Plant:</u>						
325.4	Rights of Way					
325.5	Other Land & Land Rights - Land					
325.5	Other Land & Land Rights - Land Rights					
325.5	Other Land & Land Rights - Land Rights Leased					
327	Field Compressor Station Structures					
328	Field M&R Station Structures					
329	other Structures					
332	Filed Lines	(1,003)				
333	Field Compressor Station Equipment					
334	Field M&R Station Equip Purchase Gas - Meters					
334	Field M&R Station Equip Other					
335	Drilling & Cleaning Equipment					
339	Production Equipment Held Under ARO		(657,841)			
	Total Production and Gathering Plant	(1,003)	(657,841)	0	0	0
<u>Storage Plant:</u>						
350.1	Land					
350.1	Land Other					
350.1	Land & Land Rights					
350.2	Rights of Way					
351	Structures and Improvements - M&R Station					
351	Structures and Improvements - Compressor Station					
351	Structures and Improvements - Other					
352	Wells - Well Equipment					
352	Wells - Well Construction					
352.1	Land & Land Rights - Storage Rights					
352.1	Land & Land Rights - Leaseholds					
352.3	Non-Recoverable Natural Gas					
353	Lines					
354	Compressor Station Equipment					
355	M&R Equipment - Meters & Gauges					
355	M&R Equipment - Other					
357	Other Equipment					
358	Underground Storage Equipment Held Under ARO		(186,844)			
	Total Storage Plant	0	(186,844)	0	0	0
<u>Transmission Plant:</u>						
365.1	Land & Land Rights - Land	(2,198)				
365.1	Land & Land Rights - Land Rights					
365.2	Rights of Way					
366	Structures and Improvements - M&R Station					
366	Structures and Improvements - Compressor Station					
366	Structures and Improvements - Other					
367	Mainline	(424,735)				
368	Compressor Station Equipment					
369	M&R Station Equipment - Meters & Gauges					
369	M&R Station Equipment - Other	(4,788)				
371	Other Equipment - Odorization					
371	Other Equipment - Other					
372	Transmission Equipments Held Under ARO		(833,604)			
	Total Transmission Plant	(431,721)	(833,604)	0	0	0

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Plant in Service

FERC Acct. No.	Description	Elimination of Plant No Longer in Service (a)	Elimination of Plant Retirement Obligation (b)	Leasehold Improvement No Longer in Service (c)	Contribution In Aid of Construction (d)	Unspecified Leased Plant (e)
<u>Distribution Plant:</u>						
374	Land & Land Rights - Land	\$ (429,175)	\$	\$	\$	\$
374	Land & Land Rights - Land Rights	(17,436)				
374	Land & Land Rights - Leased Sites					
374	Land & Land Rights - Rights of Way					
375	Structures and Improvements - M&R Station - Gene	(42,943)				
375	Structures and Improvements - M&R Station - Industrial					
375	Structures and Improvements - Other	(133,227)				
375	Structures and Improvements - Leasehold Improvements			(143,613)		
376	Low Pressure Mains					
376	Regulated Pressure Mains	(5,321,765)				
378	M&R Station Equipment General - Meters & Gauges					
378	M&R Station Equipment General - Other	(48,146)				
380	Services - All Pressures					
380	Services - Low Pressures					
380	Services - Regulated Pressures					
380	Special Services	(37)				
381	Meters	(132,466)				
381	Meters - Recording Gauges					
381	Meters - Hexagram					
382	Meters Installations - Residential					
382	Meters Installations - Commercial					
383	House Regulators - Small					
383	House Regulators - Large					
384	House Regulators Installation					
385	Industrial M&R Station Equip - Meters & Gauges					
385	Industrial M&R Station Equip - Other					
387	Other Equipment					
388	Distribution Equipment Held Under ARO		(9,028,871)			
Total Distribution Plant		(6,126,194)	(9,028,871)	(143,613)	0	0
<u>General Plant:</u>						
389	Land & Land Rights - Land					
390	Structures and Improvements - Leasehold Improvements			(20,022)		
390	Structures and Improvements - Other					
391	Office Furniture & Equipment - Equipment					
391	Office Furniture & Equipment - Furniture	(873)				
391.2	Office Furniture & Equipment - Computer Hardware					140,877
392	Transportation Equipment - Autos/Light Trucks					
392	Transportation Equipment - Trailers (WV, OH, VA)					
392	Transportation Equipment - Heavy Trucks >13k					
392	Transportation Equipment - NGV Kits NonLux Autos					
392	Transportation Equipment - NGV Kits Trucks					
393	Stores Equipment					
394	Tools, Shop & Garage Equip - Shop Equipment					
394	Tools, Shop & Garage Equip - Garage Equipment					
394	Tools, Shop & Garage Equip - NGV Compression/Station					
394	Tools, Shop & Garage Equip - Tools & Equipment	(89)				
395	Laboratory Equipment					
396	Power Operated Equip - Distribution/Compression					
397	Communication Equipment - Communication Equip					
397	Communication Equipment - Telephone System					
397	Communication Equipment - Microwave System					
397	Communication Equipment - Radio					
398	Miscellaneous Equipment - Misc Equipment	(1,402)				
399	Other Computer Software					
Total General Plant		(2,364)	0	(20,022)	0	140,877
Total Plant in Service		\$ (6,561,282)	\$ (10,707,160)	\$ (163,635)	\$ (28,517)	\$ 140,877

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-329-GA-AIR
Summary of Staff's Adjustments to Plant in Service

FERC Acct. No.	Description	(f)	(g)	(h)	(i)	Total Adjustment (j)
<u>Intangible Plant:</u>						
303	Misc Intangible Plant - Cont. in Aid of Const.	\$	\$	\$	\$	(28,517)
303	Misc Intangible Plant - Computer Software					0
303	Misc Intangible Plant - Computer Software					0
	Total Miscellaneous Intangible Plant	0	0	0	0	(28,517)
<u>Production and Gathering Plant:</u>						
325.4	Rights of Way					0
325.5	Other Land & Land Rights - Land					0
325.5	Other Land & Land Rights - Land Rights					0
325.5	Other Land & Land Rights - Land Rights Leased					0
327	Field Compressor Station Structures					0
328	Field M&R Station Structures					0
329	other Structures					0
332	Filed Lines					(1,003)
333	Field Compressor Station Equipment					0
334	Field M&R Station Equip Purchase Gas - Meters					0
334	Field M&R Station Equip Other					0
335	Drilling & Cleaning Equipment					0
339	Production Equipment Held Under ARO					(657,841)
	Total Production and Gathering Plant	0	0	0	0	(658,844)
<u>Storage Plant:</u>						
350.1	Land					0
350.1	Land Other					0
350.1	Land & Land Rights					0
350.2	Rights of Way					0
351	Structures and Improvements - M&R Station					0
351	Structures and Improvements - Compressor Station					0
351	Structures and Improvements - Other					0
352	Wells - Well Equipment					0
352	Wells - Well Construction					0
352.1	Land & Land Rights - Storage Rights					0
352.1	Land & Land Rights - Leaseholds					0
352.3	Non-Recoverable Natural Gas					0
353	Lines					0
354	Compressor Station Equipment					0
355	M&R Equipment - Meters & Gauges					0
355	M&R Equipment - Other					0
357	Other Equipment					0
358	Underground Storage Equipment Held Under ARO					(186,844)
	Total Storage Plant	0	0	0	0	(186,844)
<u>Transmission Plant:</u>						
365.1	Land & Land Rights - Land					(2,198)
365.1	Land & Land Rights - Land Rights					0
365.2	Rights of Way					0
366	Structures and Improvements - M&R Station					0
366	Structures and Improvements - Compressor Station					0
366	Structures and Improvements - Other					0
367	Mains					(424,735)
368	Compressor Station Equipment					0
369	M&R Station Equipment - Meters & Gauges					0
369	M&R Station Equipment - Other					(4,786)
371	Other Equipment - Odorization					0
371	Other Equipment - Other					0
372	Transmission Equipments Held Under ARO					(833,604)
	Total Transmission Plant	0	0	0	0	(1,265,325)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Plant in Service

FERC Acct. No.	Description	(f)	(g)	(h)	(i)	Total Adjustment (j)
<u>Distribution Plant:</u>						
374	Land & Land Rights - Land	\$	\$	\$	\$	\$ (429,175)
374	Land & Land Rights - Land Rights					(17,436)
374	Land & Land Rights - Leased Sites					0
374	Land & Land Rights - Rights of Way					0
375	Structures and Improvements - M&R Station - General					(42,943)
375	Structures and Improvements - M&R Station - Industrial					0
375	Structures and Improvements - Other					(133,227)
375	Structures and Improvements - Leasehold Improvements					(143,613)
376	Low Pressure Mains					0
376	Regulated Pressure Mains					(5,321,765)
378	M&R Station Equipment General - Meters & Gauges					0
378	M&R Station Equipment General - Other					(49,145)
380	Services - All Pressures					0
380	Services - Low Pressures					0
380	Services - Regulated Pressures					0
380	Special Services					(37)
381	Meters					(132,466)
381	Meters - Recording Gauges					0
381	Meters - Hexagram					0
382	Meters Installations - Residential					0
382	Meters Installations - Commercial					0
383	House Regulators - Small					0
383	House Regulators - Large					0
384	House Regulators Installation					0
385	Industrial M&R Station Equip - Meters & Gauges					0
385	Industrial M&R Station Equip - Other					0
387	Other Equipment					0
388	Distribution Equipment Held Under ARO					(9,028,871)
Total Distribution Plant		0	0	0	0	(15,298,678)
<u>General Plant:</u>						
389	Land & Land Rights - Land					0
390	Structures and Improvements - Leasehold Improvements					(20,022)
390	Structures and Improvements - Other					0
391	Office Furniture & Equipment - Equipment					0
391	Office Furniture & Equipment - Furniture					(873)
391.2	Office Furniture & Equipment - Computer Hardware					140,877
392	Transportation Equipment - Autos/Light Trucks					0
392	Transportation Equipment - Trailers (WV, OH, VA)					0
392	Transportation Equipment - Heavy Trucks > 13k					0
392	Transportation Equipment - NGV Kite NonLux Autos					0
392	Transportation Equipment - NGV Kite Trucks					0
393	Stores Equipment					0
394	Tools, Shop & Garage Equip - Shop Equipment					0
394	Tools, Shop & Garage Equip - Garage Equipment					0
394	Tools, Shop & Garage Equip - NGV Compression/Station					0
394	Tools, Shop & Garage Equip - Tools & Equipment					(89)
395	Laboratory Equipment					0
396	Power Operated Equip - Distribution/Compression					0
397	Communication Equipment - Communication Equip					0
397	Communication Equipment - Telephone System					0
397	Communication Equipment - Microwave System					0
397	Communication Equipment - Radio					0
398	Miscellaneous Equipment - Misc Equipment					(1,402)
399	Other Computer Software					0
Total General Plant		0	0	0	0	118,491
Total Plant in Service		\$ 0	\$ 0	\$ 0	\$ 0	(17,318,717)
(a)	Staff's Schedule B-2.2a					
(b)	Staff's Schedule B-2.2b					
(c)	Staff's Schedule B-2.2c					
(d)	Staff's Schedule B-2.2d					
(e)	Staff's Schedule B-2.2e					
(f)	None					
(g)	None					
(h)	None					
(i)	None					
(j)	Columns (a) thru (i)					

SCHEDULE B-2.2a

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Plant No Longer in Service Adjustment**

(1)	Field Lines - Account 332 (a)	\$	(1,003)
(2)	Land - Account 365.1 (a)		(2,198)
(3)	Mains - Account 367 (a)		(424,735)
(4)	M&R Station Equipment - Account 369 (a)		(4,788)
(5)	Land - Account 374 (a)		(429,175)
(6)	Rights of Way - Account 374 (a)		(17,436)
(7)	M&R Structures - General - Account 375 (a)		(42,943)
(8)	Other Structures - Account 375 (a)		(133,227)
(9)	Mains - Account 376 (a)		(5,321,765)
(10)	M&R Station Equipment - General - Account 378 (a)		(49,145)
(11)	Special Services - Account 380 (a)		(37)
(12)	Meters - Account 381 (a)		(132,466)
(13)	Office Furniture - Account 391 (a)		(873)
(14)	Tools & Work Equipment - Other - Account 394 (a)		(89)
(15)	Miscellaneous Equipment - Account 398 (a)		<u>(1,402)</u>
(16)	Total Plant Adjustment (1) Thru (15)	\$	<u>(6,561,282)</u>

(a) Applicant's Schedule B-2.2, Page 1 of 6

SCHEDULE B-2.2b

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Plant Retirement Obligations Adjustment**

(1)	Production Equipment Held Under ARO - Account 339 (a)	\$ (657,841)
(2)	Underground Storage Equipment Held Under ARO - Account 358 (a)	(186,844)
(3)	Transmission Equipment Held Under ARO - Account 372 (a)	(833,604)
(4)	Distribution Equipment Held Under ARO - Account 388 (a)	<u>(9,028,871)</u>
(5)	Total Plant Adjustment (1) Thru (4)	\$ <u>(10,707,160)</u>

(a) Applicant's Schedule B-2.2, Page 2 of 6

SCHEDULE B-2.2c

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Leasehold Improvements No Longer In Service Adjustment**

(1)	Leasehold Improvements - Account 375 (a)	\$	(143,613)
(2)	Leasehold Improvements - Account 390 (a)		<u>(20,022)</u>
(3)	Total Plant Adjustments (1) + (2)	\$	<u><u>(163,635)</u></u>

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Removal of Contribution In Aid of Construction Adjustment

(1) Removal of Contribution in Aid of Construction - Account 303 (a) \$ (28,517)

SCHEDULE B-2.2e

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Unspecified Leased Plant Adjustment**

(1)	Office Furniture & Equipment - Computer Hardware - Account 391.2 (a)	\$ <u>140,877</u>
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(a) Applicant's Schedule B-2.2, Page 5 of 6

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-828-GA-AIR
Calculation of Jurisdictional Depreciation Reserve

FERC Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)
<u>Intangible Plant:</u>				
303	Misc Intangible Plant - Cont. in Aid of Const.	\$ 1,306	\$ (1,306)	\$ 0
303	Misc Intangible Plant - Computer Software	28,100,470	0	28,100,470
303	Misc Intangible Plant - Computer Software	0	0	0
	Total Miscellaneous Intangible Plant	28,101,776	(1,306)	28,100,470
<u>Production and Gathering Plant:</u>				
325.4	Rights of Way	1,219,159	0	1,219,159
325.5	Other Land & Land Rights - Land	0	0	0
325.5	Other Land & Land Rights - Land Rights	0	0	0
325.6	Other Land & Land Rights - Land Rights Leased	0	0	0
327	Field Compressor Station Structures	912,907	0	912,907
328	Field M&R Station Structures	254,946	0	254,946
329	Other Structures	130,062	0	130,062
332	Filed Lines	24,182,481	(1,003)	24,181,478
333	Field Compressor Station Equipment	4,946,048	0	4,946,048
334	Field M&R Station Equip Purchase Gas - Meters	22,106	0	22,106
334	Field M&R Station Equip Other	4,165,682	0	4,165,682
335	Drilling & Cleaning Equipment	453,500	0	453,500
339	Production Equipment Held Under ARO	7,693	(7,693)	0
	Total Production and Gathering Plant	36,294,584	(8,696)	36,285,888
<u>Storage Plant:</u>				
350.1	Land	0	0	0
350.1	Land Other	0	0	0
350.1	Land & Land Rights	0	0	0
350.2	Rights of Way	(189,616)	0	(189,616)
351	Structures and Improvements - M&R Station	1,285,937	0	1,285,937
351	Structures and Improvements - Compressor Station	160,148	0	160,148
351	Structures and Improvements - Other	1,639,353	0	1,639,353
352	Wells - Well Equipment	13,811,599	0	13,811,599
352	Wells - Well Construction	8,578,851	0	8,578,851
352.1	Land & Land Rights - Storage Rights	3,588,977	0	3,588,977
352.1	Land & Land Rights - Leaseholds	191,849	0	191,849
352.3	Non-Recoverable Natural Gas	4,908,801	0	4,908,801
353	Lines	9,978,702	0	9,978,702
354	Compressor Station Equipment	8,823,209	0	8,823,209
355	M&R Equipment - Meters & Gauges	1,959	0	1,959
355	M&R Equipment - Other	3,446,309	0	3,446,309
357	Other Equipment	(114,567)	0	(114,567)
358	Underground Storage Equipment Held Under ARO	59,887	(59,887)	0
	Total Storage Plant	56,172,398	(59,887)	56,112,511
<u>Transmission Plant:</u>				
365.1	Land & Land Rights - Land	0	0	0
365.1	Land & Land Rights - Land Rights	0	0	0
365.2	Rights of Way	1,790,932	0	1,790,932
366	Structures and Improvements - M&R Station	42,523	0	42,523
366	Structures and Improvements - Compressor Station	1,687,553	0	1,687,553
366	Structures and Improvements - Other	515,153	0	515,153
367	Mains	85,892,590	(424,735)	85,267,855
368	Compressor Station Equipment	191,461	0	191,461
369	M&R Station Equipment - Meters & Gauges	13	0	13
369	M&R Station Equipment - Other	12,073,286	(4,788)	12,068,498
371	Other Equipment - Odorization	33,033	0	33,033
371	Other Equipment - Other	150,907	0	150,907
372	Transmission Equipments Held Under ARO	0	0	0
	Total Transmission Plant	102,177,451	(429,523)	101,747,928

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Jurisdictional Depreciation Reserve

FERC Acct. No.	Description	Applicant's Unadjusted (a)	Adjustments (b)	Staff's Adjusted Jurisdictional (c)
Distribution Plant:				
374	Land & Land Rights - Land	0	0	0
374	Land & Land Rights - Land Rights	0	0	0
374	Land & Land Rights - Leased Sites	0	0	0
374	Land & Land Rights - Rights of Way	414,542	(17,436)	397,106
375	Structures and Improvements - M&R Station - General	3,091,067	(42,943)	3,048,124
375	Structures and Improvements - M&R Station - Industrial	65,000	0	65,000
375	Structures and Improvements - Other	22,414,175	0	22,414,175
375	Structures and Improvements - Leasehold Improvements	143,613	(276,840)	(133,227)
376	Low Pressure Mains	149,174,722	0	149,174,722
376	Regulated Pressure Mains	120,730,671	(5,321,765)	115,408,906
378	M&R Station Equipment General - Meters & Gauges	98,418	0	98,418
378	M&R Station Equipment General - Other	7,076,894	(49,145)	7,027,749
380	Services - All Pressures	10,884,667	(37)	10,884,630
380	Services - Low Pressures	82,370,541	0	82,370,541
380	Services - Regulated Pressures	60,198,835	0	60,198,835
380	Special Services	405,078	0	405,078
381	Meters	12,037,147	(132,466)	11,904,681
381	Meters - Recording Gauges	(1,703,929)	0	(1,703,929)
381	Meters - Hexagram	7,212,718	0	7,212,718
382	Meters Installations - Residential	1,866,302	0	1,866,302
382	Meters Installations - Commercial	1,112,408	0	1,112,408
383	House Regulators - Small	2,610,258	0	2,610,258
383	House Regulators - Large	1,955,334	0	1,955,334
384	House Regulators Installation	343,644	0	343,644
385	Industrial M&R Station Equip - Meters & Gauges	485,630	0	485,630
385	Industrial M&R Station Equip - Other	2,566,477	0	2,566,477
387	Other Equipment	719,491	0	719,491
388	Distribution Equipment Held Under ARO	106,867	(106,867)	0
Total Distribution Plant		486,380,570	(5,947,499)	480,433,071
General Plant:				
389	Land & Land Rights - Land	0	0	0
390	Structures and Improvements - Leasehold Improvements	37,843	(20,022)	17,821
390	Structures and Improvements - Other	43,047	0	43,047
391	Office Furniture & Equipment - Equipment	247,409	0	247,409
391	Office Furniture & Equipment - Furniture	3,440,844	(873)	3,439,971
391.2	Office Furniture & Equipment - Computer Hardware	1,361,099	0	1,361,099
392	Transportation Equipment - Autos/Light Trucks	445,216	0	445,216
392	Transportation Equipment - Trailers (WV, OH, VA)	1,751,456	0	1,751,456
392	Transportation Equipment - Heavy Trucks > 13k	282,255	0	282,255
392	Transportation Equipment - NGV Kits NonLux Autos	31,193	0	31,193
392	Transportation Equipment - NGV Kits Trucks	52,507	0	52,507
393	Stores Equipment	182,426	0	182,426
394	Tools, Shop & Garage Equip - Shop Equipment	264,862	(89)	264,773
394	Tools, Shop & Garage Equip - Garage Equipment	3,055,417	0	3,055,417
394	Tools, Shop & Garage Equip - NGV Compression/Station	3,847,582	0	3,847,582
394	Tools, Shop & Garage Equip - Tools & Equipment	3,433,383	0	3,433,383
395	Laboratory Equipment	90,140	0	90,140
396	Power Operated Equip - Distribution/Compression	1,858,084	0	1,858,084
397	Communication Equipment - Communication Equip	2,194,159	0	2,194,159
397	Communication Equipment - Telephone System	1,184,777	0	1,184,777
397	Communication Equipment - Microwave System	1,981,847	0	1,981,847
397	Communication Equipment - Radio	532,353	0	532,353
398	Miscellaneous Equipment - Misc Equipment	765,861	(1,402)	764,459
399	Other Computer Software	42,994,110	0	42,994,110
Total General Plant		70,077,869	(22,386)	70,055,483
Other Reserve:				
108	Salvage	3,575,032	0	3,575,032
108	Cost of Removal	-	(21,797,890)	(21,797,890)
108	Cost of Removal-Pipelines	(249,887)	0	(249,887)
108	Reserve for Depreciation Study	95,085,139	0	95,085,139
108	Accum Depreciation-Plant History-Conversion	(160,657,161)	160,657,161	0
108	Regulatory Liability-Cost of Removal	78,567,921	(78,567,921)	0
Total Other Reserve		16,321,044	60,291,350	76,612,394
Total Depreciation Reserve		\$ 795,525,692	\$ 53,822,053	\$ 849,347,745

(a) Applicant's Schedule B-3
(b) Staff's Schedule B-3.1
(c) Columns (a) + (b)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Reserve

FERC Acct. No.	Description	Elimination of Plan No Longer in Serv	Elimination of Plan Retirement Obligat	Elimination of Plan Leasehold Improv No Longer in Serv	Contribution In Aid of Constructio	Unspecified Leased Plant
		(a)	(b)	(c)	(d)	(e)
<u>Intangible Plant:</u>						
303	Misc Intangible Plant - Cont. In Aid of Const.	\$	\$	\$	\$	\$
303	Misc Intangible Plant - Computer Software				(1,306)	
303	Misc Intangible Plant - Computer Software					
	Total Miscellaneous Intangible Plant	0	0	0	(1,306)	0
<u>Production and Gathering Plant:</u>						
325.4	Rights of Way					
325.5	Other Land & Land Rights - Land					
325.5	Other Land & Land Rights - Land Rights					
325.5	Other Land & Land Rights - Land Rights Leased					
327	Field Compressor Station Structures					
328	Field M&R Station Structures					
329	Other Structures					
332	Filed Lines	(1,003)				
333	Field Compressor Station Equipment					
334	Field M&R Station Equip Purchase Gas - Meters					
334	Field M&R Station Equip Other					
335	Drilling & Cleaning Equipment					
339	Production Equipment Held Under ARO		(7,693)			
	Total Production and Gathering Plant	(1,003)	(7,693)	0	0	0
<u>Storage Plant:</u>						
350.1	Land					
350.1	Land Other					
350.1	Land & Land Rights					
350.2	Rights of Way					
351	Structures and Improvements - M&R Station					
351	Structures and Improvements - Compressor Station					
351	Structures and Improvements - Other					
352	Wells - Well Equipment					
352	Wells - Well Construction					
352.1	Land & Land Rights - Storage Rights					
352.1	Land & Land Rights - Leaseholds					
352.3	Non-Recoverable Natural Gas					
353	Lines					
354	Compressor Station Equipment					
355	M&R Equipment - Meters & Gauges					
355	M&R Equipment - Other					
357	Other Equipment					
358	Underground Storage Equipment Held Under ARO		(59,887)			
	Total Storage Plant	0	(59,887)	0	0	0
<u>Transmission Plant:</u>						
365.1	Land & Land Rights - Land					
365.1	Land & Land Rights - Land Rights					
365.2	Rights of Way					
366	Structures and Improvements - M&R Station					
366	Structures and Improvements - Compressor Station					
366	Structures and Improvements - Other					
367	Mains	(424,735)				
368	Compressor Station Equipment					
369	M&R Station Equipment - Meters & Gauges	0				
369	M&R Station Equipment - Other	(4,788)				
371	Other Equipment - Odorization					
371	Other Equipment - Other					
372	Transmission Equipments Held Under ARO		0			
	Total Transmission Plant	(429,523)	0	0	0	0

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Reserve

FERC Acct. No.	Description	Elimination of Plant No Longer in Service	Elimination of Plant Retirement Obligations	Leasehold Improvements No Longer in Service	Contribution In Aid of Construction	Unspecified Leased Plant
		(a)	(b)	(c)	(d)	(e)
Distribution Plant:						
374	Land & Land Rights - Land	\$	\$	\$	\$	\$
374	Land & Land Rights - Land Rights					
374	Land & Land Rights - Leased Sites					
374	Land & Land Rights - Rights of Way	(17,438)				
375	Structures and Improvements - M&R Station - General	(42,943)				
375	Structures and Improvements - M&R Station - Industrial					
375	Structures and Improvements - Other					
375	Structures and Improvements - Leasehold Improvements	(133,227)		(143,613)		
376	Low Pressure Mains					
376	Regulated Pressure Mains	(5,321,765)				
378	M&R Station Equipment General - Meters & Gauges					
378	M&R Station Equipment General - Other	(49,145)				
380	Services - All Pressures	(37)				
380	Services - Low Pressures					
380	Services - Regulated Pressures					
380	Special Services					
381	Meters	(132,466)				
381	Meters - Recording Gauges					
381	Meters - Hexagram					
382	Meters Installations - Residential					
382	Meters Installations - Commercial					
383	House Regulators - Small					
383	House Regulators - Large					
384	House Regulators Installation					
385	Industrial M&R Station Equip - Meters & Gauges					
385	Industrial M&R Station Equip - Other					
387	Other Equipment					
388	Distribution Equipment Held Under ARO		(106,867)			
Total Distribution Plant		(5,697,019)	(106,867)	(143,613)	0	0
General Plant:						
389	Land & Land Rights - Land					
390	Structures and Improvements - Leasehold Improvements			(20,022)		
390	Structures and Improvements - Other					
391	Office Furniture & Equipment - Equipment					
391	Office Furniture & Equipment - Furniture	(873)				
391.2	Office Furniture & Equipment - Computer Hardware					
392	Transportation Equipment - Autos/Light Trucks					
392	Transportation Equipment - Trailers (WV, OH, VA)					
392	Transportation Equipment - Heavy Trucks>13k					
392	Transportation Equipment - NGV Kits NonLux Autos					
392	Transportation Equipment - NGV Kits Trucks					
393	Stores Equipment					
394	Tools, Shop & Garage Equip - Shop Equipment	(89)				
394	Tools, Shop & Garage Equip - Garage Equipment					
394	Tools, Shop & Garage Equip - NGV Compression/Station					
394	Tools, Shop & Garage Equip - Tools & Equipment					
395	Laboratory Equipment					
396	Power Operated Equip - Distribution/Compression					
397	Communication Equipment - Communication Equip					
397	Communication Equipment - Telephone System					
397	Communication Equipment - Microwave System					
397	Communication Equipment - Radio					
398	Miscellaneous Equipment - Misc Equipment	(1,402)				
399	Other Computer Software					
Total General Plant		(2,364)	0	(20,022)	0	0
Other Reserve:						
108	Salvage		0			
108	Cost of Removal		(21,797,880)			
108	Cost of Removal - Pipelines					
108	Reserve for Depreciation Study		0			
108	Accum. Depreciation - Plant History - Conversion		160,525,654			131,507
108	Regulatory Liability - Cost of Removal		(78,567,921)			
Total Other Reserve		0	60,159,843	0	0	131,507
Total Depreciation Reserve		\$ (6,129,909)	\$ 59,985,396	\$ (163,635)	\$ (1,306)	\$ 131,507

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Reserve

FERC Aect. No.	Description	(f)	(g)	(h)	(i)	Total Adjustment (j)
<u>Intangible Plant:</u>						
303	Misc Intangible Plant - Cont. In Aid of Const.	\$	\$	\$	\$	(1,306)
303	Misc Intangible Plant - Computer Software					0
303	Misc Intangible Plant - Computer Software					0
	Total Miscellaneous Intangible Plant	0	0	0	0	(1,306)
<u>Production and Gathering Plant:</u>						
325.4	Rights of Way					0
325.5	Other Land & Land Rights - Land					0
325.5	Other Land & Land Rights - Land Rights					0
325.5	Other Land & Land Rights - Land Rights Leased					0
327	Field Compressor Station Structures					0
328	Field M&R Station Structures					0
329	Other Structures					0
332	Filled Lines					(1,003)
333	Field Compressor Station Equipment					0
334	Field M&R Station Equip Purchase Gas - Meters					0
334	Field M&R Station Equip Other					0
336	Drilling & Cleaning Equipment					0
339	Production Equipment Held Under ARO					(7,683)
	Total Production and Gathering Plant	0	0	0	0	(8,686)
<u>Storage Plant:</u>						
350.1	Land					0
350.1	Land Other					0
350.1	Land & Land Rights					0
350.2	Rights of Way					0
351	Structures and Improvements - M&R Station					0
351	Structures and Improvements - Compressor Station					0
351	Structures and Improvements - Other					0
352	Wells - Well Equipment					0
352	Wells - Well Construction					0
352.1	Land & Land Rights - Storage Rights					0
352.1	Land & Land Rights - Leaseholds					0
352.3	Non-Recoverable Natural Gas					0
353	Lines					0
354	Compressor Station Equipment					0
355	M&R Equipment - Meters & Gauges					0
355	M&R Equipment - Other					0
357	Other Equipment					0
358	Underground Storage Equipment Held Under ARO					(59,387)
	Total Storage Plant	0	0	0	0	(59,387)
<u>Transmission Plant:</u>						
365.1	Land & Land Rights - Land					0
365.1	Land & Land Rights - Land Rights					0
365.2	Rights of Way					0
366	Structures and Improvements - M&R Station					0
366	Structures and Improvements - Compressor Station					0
366	Structures and Improvements - Other					0
367	Mains					(424,735)
368	Compressor Station Equipment					0
369	M&R Station Equipment - Meters & Gauges					0
369	M&R Station Equipment - Other					(4,788)
371	Other Equipment - Odorization					0
371	Other Equipment - Other					0
372	Transmission Equipments Held Under ARO					0
	Total Transmission Plant	0	0	0	0	(429,523)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Staff's Adjustments to Reserve

FERC Acct. No.	Description	(f)	(g)	(h)	(i)	Total Adjustment (j)
<u>Distribution Plant:</u>						
374	Land & Land Rights - Land	\$	\$	\$	\$	0
374	Land & Land Rights - Land Rights					0
374	Land & Land Rights - Leased Sites					0
374	Land & Land Rights - Rights of Way					(17,436)
375	Structures and Improvements - M&R Station - General					(42,943)
375	Structures and Improvements - M&R Station - Industrial					0
375	Structures and Improvements - Other					0
375	Structures and Improvements - Leasehold Improvements					(276,840)
376	Low Pressure Mains					0
376	Regulated Pressure Mains					(5,321,765)
378	M&R Station Equipment General - Meters & Gauges					0
378	M&R Station Equipment General - Other					(49,145)
380	Services - All Pressures					(37)
380	Services - Low Pressures					0
380	Services - Regulated Pressures					0
380	Special Services					0
381	Meters					(132,466)
381	Meters - Recording Gauges					0
381	Meters - Hexagram					0
382	Meters Installations - Residential					0
382	Meters Installations - Commercial					0
383	House Regulators - Small					0
383	House Regulators - Large					0
384	House Regulators Installation					0
385	Industrial M&R Station Equip - Meters & Gauges					0
385	Industrial M&R Station Equip - Other					0
387	Other Equipment					0
388	Distribution Equipment Held Under ARO					(106,867)
	Total Distribution Plant	0	0	0	0	(5,947,489)
<u>General Plant:</u>						
389	Land & Land Rights - Land					0
390	Structures and Improvements - Leasehold Improvements					(20,022)
390	Structures and Improvements - Other					0
391	Office Furniture & Equipment - Equipment					0
391	Office Furniture & Equipment - Furniture					(873)
391.2	Office Furniture & Equipment - Computer Hardware					0
392	Transportation Equipment - Autos/Light Trucks					0
392	Transportation Equipment - Trailers (WV, OH, VA)					0
392	Transportation Equipment - Heavy Trucks >13k					0
392	Transportation Equipment - NGV Kits NonLux Autos					0
392	Transportation Equipment - NGV Kits Trucks					0
393	Stores Equipment					0
394	Tools, Shop & Garage Equip - Shop Equipment					(89)
394	Tools, Shop & Garage Equip - Garage Equipment					0
394	Tools, Shop & Garage Equip - NGV Compression/Station					0
394	Tools, Shop & Garage Equip - Tools & Equipment					0
395	Laboratory Equipment					0
396	Power Operated Equip - Distribution/Compression					0
397	Communication Equipment - Communication Equip					0
397	Communication Equipment - Telephone System					0
397	Communication Equipment - Microwave System					0
397	Communication Equipment - Radio					0
398	Miscellaneous Equipment - Misc Equipment					(1,402)
399	Other Computer Software					0
	Total General Plant	0	0	0	0	(22,386)
<u>Other Reserve:</u>						
108	Salvage					0
108	Cost of Removal					(21,787,890)
108	Cost of Removal - Pipelines					0
108	Reserve for Depreciation Study					0
108	Accum. Depreciation - Plant History - Conversion					160,657,161
108	Regulatory Liability - Cost of Removal					(78,567,921)
	Total Other Reserve	0	0	0	0	60,291,350
	Total Depreciation Reserve	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,822,053
(a)	Staff's Schedule B-3.1a					
(b)	Staff's Schedule B-3.1b					
(c)	Staff's Schedule B-3.1c					
(d)	Staff's Schedule B-3.1d					
(e)	Staff's Schedule B-3.1e					
(f)	None					
(g)	None					
(h)	None					
(i)	None					
(j)	Columns (a) thru (i)					

SCHEDULE B-3.1a

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Plant No Longer In Service Reserve Adjustment**

(1)	Field Lines - Account 332 (a)	\$	(1,003)
(2)	Land - Account 365.1 (a)		0
(3)	Mains - Account 367 (a)		(424,735)
(4)	M&R Station Equipment - Account 369 (a)		(4,788)
(5)	Land - Account 374 (a)		0
(6)	Rights of Way - Account 374 (a)		(17,436)
(7)	M&R Structures - General - Account 375 (a)		(42,943)
(8)	Other Structures - Account 375 (a)		(133,227)
(9)	Mains - Account 376 (a)		(5,321,765)
(10)	M&R Station Equipment - General - Account 378 (a)		(49,145)
(11)	Special Services - Account 380 (a)		(37)
(12)	Meters - Account 381 (a)		(132,466)
(13)	Office Furniture - Account 391 (a)		(873)
(14)	Tools & Work Equipment - Other - Account 394 (a)	\$	(89)
(15)	Miscellaneous Equipment - Account 398 (a)		<u>(1,402)</u>
(16)	Total Reserve Adjustment (1) Thru (15)		<u>(6,129,909)</u>

(a) Applicant's Schedule B-3.1 Page 1 of 5

SCHEDULE B-3.1b

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Reserve Retirement Obligations Adjustment**

(1)	Production Equipment Held Under ARO - Account 339 (a)	\$ (7,693)
(2)	Underground Storage Equipment Held Under ARO - Account 358 (a)	(59,887)
(3)	Transmission Equipment Held Under ARO - Account 372 (a)	0
(4)	Distribution Equipment Held Under ARO - Account 388 (a)	(106,867)
(5)	Accum. Depreciation - Plant History - Conversion - Account 108 (a)	(2,577,516)
(6)	Accum Depreciation - Plant History - Conversion - Account 108 (a)	163,103,170
(7)	Regulatory Liability - Cost of Removal - Account 108 (a)	(78,567,921)
(8)	Cost of Removal - Account 108 (b)	<u>(21,797,890)</u>
(9)	Total Reserve Adjustment (1) Thru (8)	<u>\$ 59,985,396</u>

- (a) Applicant's Schedule B-3.1 page 2 of 5
(b) Staff's Data Request No. 12

SCHEDULE B-3.1c

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Elimination of Leasehold Improvements No Longer in Service Reserve Adjustment**

(1)	Leasehold Improvements - Account 375 (a)	\$	(143,613)
(2)	Leasehold Improvements - Account 390 (a)		<u>(20,022)</u>
(3)	Total Plant Adjustments (1) + (2)	\$	<u>(163,635)</u>

(a) Applicant's Schedule B-3.1 page 3 of 5

SCHEDULE B-3.1d

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Removal of Contribution in Aid of Construction Reserve Adjustment**

(1) Removal of Contribution in Aid of Construction - Account 303 (a) \$ (1,306)

(a) Applicant's Schedule B-3.1 page 4 of 5

SCHEDULE B-3.1e

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Eliminate Unspecified Lease Cost Reserve Adjustment**

(1) Accum. Depreciation - Plant History - Conversion - Account 108 (a)	\$ <u>131,507</u>
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(a) Applicant's Schedule B-3.1 page 5 of 5

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Jurisdictional Depreciation Expense

FERC Acct. No.	Description	Jurisdictional Plant In Service (a)	Accrual Rate (b)	Jurisdictional Depreciation Expense (c)
<u>Intangible Plant:</u>				
303	Misc Intangible Plant - Cont. in Aid of Const.	\$ 0	\$ 0	0
303	Misc Intangible Plant - Computer Software	29,453,593	11.11	3,272,294
303	Misc Intangible Plant - Computer Software	15,510,043	11.11	1,723,166
	Total Miscellaneous Intangible Plant	44,963,636		4,995,460
<u>Production and Gathering Plant:</u>				
325.4	Rights of Way	2,624,287	1.67	43,826
325.5	Other Land & Land Rights - Land	309,723	0.00	0
325.5	Other Land & Land Rights - Land Rights	67,616	0.00	0
325.5	Other Land & Land Rights - Land Rights Leased	31,183	0.00	0
327	Field Compressor Station Structures	1,151,139	4.20	48,348
328	Field M&R Station Structures	377,500	3.62	13,666
329	Other Structures	260,088	4.08	10,612
332	Filled Lines	61,316,039	2.00	1,226,321
333	Field Compressor Station Equipment	13,334,595	4.57	609,391
334	Field M&R Station Equip Purchase Gas - Meters	1,173	3.89	46
334	Field M&R Station Equip Other	10,835,142	4.79	519,003
335	Drilling & Cleaning Equipment	478,919	5.56	26,628
339	Production Equipment Held Under ARO	0	0.00	0
	Total Production and Gathering Plant	90,787,404		2,497,841
<u>Storage Plant:</u>				
350.1	Land	22,946	0.00	0
350.1	Land Other	271,803	0.00	0
350.1	Land & Land Rights	20,971	0.00	0
350.2	Rights of Way	172,666	1.82	3,143
351	Structures and Improvements - M&R Station	401,823	2.38	9,563
351	Structures and Improvements - Compressor Station	1,854,705	2.00	37,094
351	Structures and Improvements - Other	2,721,048	2.20	59,863
352	Wells - Well Equipment	14,692,508	2.62	384,944
352	Wells - Well Construction	32,673,958	1.67	545,655
352.1	Land & Land Rights - Storage Rights	338,911	1.67	5,660
352.1	Land & Land Rights - Leaseholds	6,610,364	1.67	110,393
352.3	Non-Recoverable Natural Gas	5,356,616	2.56	137,129
353	Lines	20,744,704	2.15	446,011
354	Compressor Station Equipment	20,758,692	2.40	498,209
355	M&R Equipment - Meters & Gauges	947	3.70	35
355	M&R Equipment - Other	7,491,943	2.78	208,276
357	Other Equipment	350,590	6.67	23,384
358	Underground Storage Equipment Held Under ARO	0	0.00	0
	Total Storage Plant	114,485,195		2,469,359
<u>Transmission Plant:</u>				
365.1	Land & Land Rights - Land	436,528	0.00	0
365.1	Land & Land Rights - Land Rights	15,507	0.00	0
365.2	Rights of Way	4,159,610	1.33	55,323
366	Structures and Improvements - M&R Station	211,204	2.22	4,689
366	Structures and Improvements - Compressor Station	2,641,934	2.20	58,123
366	Structures and Improvements - Other	1,119,654	2.20	24,632
367	Mains	164,119,699	2.00	3,282,394
368	Compressor Station Equipment	1,917,480	2.86	54,840
369	M&R Station Equipment - Meters & Gauges	1,882	4.07	77
369	M&R Station Equipment - Other	33,727,908	2.40	809,470
371	Other Equipment - Odorization	157,778	2.84	4,481
371	Other Equipment - Other	481,488	2.84	13,674
372	Transmission Equipments Held Under ARO	0	0.00	0
	Total Transmission Plant	208,990,672		4,307,703

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-828-GA-A/R
Calculation of Jurisdictional Depreciation Expense

Company Acct. No.	Description	Jurisdictional Plant In Service (a)	Accrual Rate (b)	Jurisdictional Depreciation Expense (c)
<u>Distribution Plant:</u>				
374	Land & Land Rights - Land	1,461,132	0.00	0
374	Land & Land Rights - Land Rights	11,370	0.00	0
374	Land & Land Rights - Leased Sites	61,529	0.00	0
374	Land & Land Rights - Rights of Way	3,433,871	1.33	45,870
375	Structures and Improvements - M&R Station - General	6,508,692	2.10	136,683
375	Structures and Improvements - M&R Station - Industrial	152,326	2.22	3,382
375	Structures and Improvements - Other	50,582,922	(d)	1,920,692
375	Structures and Improvements - Leasehold Improvements	0	0.00	0
376	Low Pressure Mains	337,077,295	1.79	6,033,684
376	Regulated Pressure Mains	454,029,989	1.79	8,127,137
378	M&R Station Equipment General - Meters & Gauges	6,901	2.40	166
378	M&R Station Equipment General - Other	36,673,676	2.40	880,173
380	Services - All Pressures	13,734,541	4.00	549,382
380	Services - Low Pressures	134,429,088	5.71	7,675,901
380	Services - Regulated Pressures	153,014,652	4.00	6,120,586
380	Special Services	479,144	5.41	25,922
381	Meters	69,226,758	2.70	1,869,122
381	Meters - Recording Gauges	3,037,403	3.70	112,384
381	Meters - Hexagram	12,142,200	6.67	809,885
382	Meters Installations - Residential	20,602,074	2.22	457,366
382	Meters Installations - Commercial	10,247,655	2.22	227,498
383	House Regulators - Small	8,359,907	3.83	320,184
383	House Regulators - Large	5,087,607	3.83	195,238
384	House Regulators Installation	1,033,133	2.44	25,208
385	Industrial M&R Station Equip - Meters & Gauges	1,317,476	2.39	31,488
385	Industrial M&R Station Equip - Other	5,257,225	2.39	125,648
387	Other Equipment	2,566,384	4.77	122,417
388	Distribution Equipment Held Under ARO	0	0.00	0
Total Distribution Plant		1,330,545,150		35,815,816
<u>General Plant:</u>				
389	Land & Land Rights - Land	55,714	0.00	0
390	Structures and Improvements - Leasehold Improvements	107,800	10.15	10,942
390	Structures and Improvements - Other	1,043,683	2.22	23,170
391	Office Furniture & Equipment - Equipment	264,487	10.00	26,449
391	Office Furniture & Equipment - Furniture	5,621,064	5.00	281,053
391.2	Office Furniture & Equipment - Computer Hardware	998,169	20.00	199,634
391.2	Office Furniture & Equipment - Computer Hardware	3,276,814	(e)	813,144
392	Transportation Equipment - Autos/Light Trucks	462,400	9.38	43,373
392	Transportation Equipment - Trailers (WV, OH, VA)	1,008,857	5.91	59,623
392	Transportation Equipment - Heavy Trucks >13k	5,448,491	9.38	511,088
392	Transportation Equipment - NGV KIts NonLux Autos	31,193	16.67	5,200
392	Transportation Equipment - NGV KIts Trucks	59,009	16.67	9,837
393	Stores Equipment	226,697	5.00	11,335
394	Tools, Shop & Garage Equip - Shop Equipment	462,501	5.00	23,125
394	Tools, Shop & Garage Equip - Garage Equipment	5,237,906	5.00	261,895
394	Tools, Shop & Garage Equip - NGV Compression/Station	5,066,856	6.67	337,959
394	Tools, Shop & Garage Equip - Tools & Equipment	4,988,034	5.00	249,402
395	Laboratory Equipment	110,382	5.00	5,519
396	Power Operated Equip - Distribution/Compression	6,021,153	5.45	328,153
397	Communication Equipment - Communication Equip	3,585,050	10.00	358,505
397	Communication Equipment - Telephone System	2,802,012	10.00	280,201
397	Communication Equipment - Microwave System	4,642,345	10.00	464,235
397	Communication Equipment - Radio	2,020,883	10.00	202,088
398	Miscellaneous Equipment - Misc Equipment	1,200,054	6.67	80,044
399	Other Computer Software	71,620,369	6.67	4,777,079
Total General Plant		126,361,923		9,363,033
Total Depreciation Expense		\$ 1,916,133,980		\$ 59,448,212

- (a) Staff's Schedule B-2.1
(b) Staff's Schedule B-3.2a
(c) Columns (a) x (b)
(d) Applicant's WFB-3.2 Proposed
(e) Applicant's Schedule B-3.4

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Accrual Rate Comparison

FERC Acct. No.	Description	Current			Staff Proposed		
		Avg. Svc. Life	Net Salv. %	Accrual Rate % (a)	Avg. Svc. Life	Net Salv. %	Accrual Rate % (c)
<u>Intangible Plant:</u>							
303	Misc Intangible Plant - Cont. in Aid of Const.	0.0	0.0	0.00	0.0	0.0	0.00
303	Misc Intangible Plant - Computer Software	10.0	0.0	10.00	9.0	0.0	11.11
303	Misc Intangible Plant - Computer Software	10.0	0.0	10.00	9.0	0.0	11.11
Total Miscellaneous Intangible Plant							
<u>Production and Gathering Plant:</u>							
325.4	Rights of Way	55.0	0.0	1.82	60.0	0.0	1.67
325.5	Other Land & Land Rights - Land	0.0	0.0	0.00	0.0	0.0	0.00
325.5	Other Land & Land Rights - Land Rights	0.0	0.0	0.00	0.0	0.0	0.00
325.5	Other Land & Land Rights - Land Rights Leased	0.0	0.0	0.00	0.0	0.0	0.00
327	Field Compressor Station Structures	25.0	(10.0)	4.40	25.0	(5.0)	4.20
328	Field M&R Station Structures	36.0	(35.0)	3.75	29.0	(5.0)	3.62
329	Other Structures	25.0	0.0	4.00			4.08 (c)
332	Field Lines	53.0	(10.0)	2.08	60.0	(20.0)	2.00
333	Field Compressor Station Equipment	22.0	(15.0)	5.23	23.0	(5.0)	4.57
334	Field M&R Station Equip Purchase Gas - Meters	37.0	(5.0)	2.84	27.0	(5.0)	3.89
334	Field M&R Station Equip Other	28.0	(15.0)	4.11	24.0	(15.0)	4.79
335	Drilling & Cleaning Equipment	16.0	0.0	6.25	18.0	0.0	5.56
339	Production Equipment Held Under ARO	0.0	0.0	0.00	0.0	0.0	0.00
<u>Total Production and Gathering Plant:</u>							
<u>Storage Plant:</u>							
350.1	Land	0.0	0.0	0.00	0.0	0.0	0.00
350.1	Land Other	0.0	0.0	0.00	0.0	0.0	0.00
350.1	Land & Land Rights	0.0	0.0	0.00	0.0	0.0	0.00
350.2	Rights of Way	55.0	0.0	1.82	55.0	0.0	1.82
351	Structures and Improvements - M&R Station	36.0	0.0	2.86	42.0	0.0	2.38
351	Structures and Improvements - Compressor Station	40.0	(10.0)	2.75	55.0	(10.0)	2.00
351	Structures and Improvements - Other	48.0	(50.0)	3.13	50.0	(10.0)	2.20
352	Wells - Well Equipment	65.0	(75.0)	2.69	65.0	(70.0)	2.62
352	Wells - Well Construction	55.0	0.0	1.82	60.0	0.0	1.67
352.1	Land & Land Rights - Storage Rights	60.0	0.0	1.67	60.0	0.0	1.67
352.1	Land & Land Rights - Leaseholds	60.0	0.0	1.67	60.0	0.0	1.67
352.3	Non-Recoverable Natural Gas	39.0	0.0	2.56	39.0	0.0	2.56
353	Lines	60.0	(45.0)	2.42	65.0	(40.0)	2.15
354	Compressor Station Equipment	40.0	(30.0)	3.25	48.0	(15.0)	2.40
355	M&R Equipment - Meters & Gauges	37.0	(5.0)	2.84	27.0	0.0	3.70
355	M&R Equipment - Other	40.0	(25.0)	3.13	46.0	(25.0)	2.78
357	Other Equipment	20.0	0.0	5.00	16.0	0.0	6.67
358	Underground Storage Equipment Held Under ARO	0.0	0.0	0.00	0.0	0.0	0.00
Total Storage Plant							
<u>Transmission Plant:</u>							
365.1	Land & Land Rights - Land	0.0	0.0	0.00	0.0	0.0	0.00
365.1	Land & Land Rights - Land Rights	0.0	0.0	0.00	0.0	0.0	0.00
365.2	Rights of Way	75.0	0.0	1.33	75.0	0.0	1.33
366	Structures and Improvements - M&R Station	50.0	(15.0)	2.90	45.0	0.0	2.22
366	Structures and Improvements - Compressor Station	40.0	0.0	2.50	50.0	(10.0)	2.20
366	Structures and Improvements - Other	45.0	(15.0)	2.56	50.0	(10.0)	2.20
367	Mains	65.0	(30.0)	2.00	60.0	(20.0)	2.00
368	Compressor Station Equipment	40.0	0.0	2.50	36.0	0.0	2.86
369	M&R Station Equipment - Meters & Gauges	37.0	(5.0)	2.84	27.0	(10.0)	4.07
369	M&R Station Equipment - Other	50.0	(20.0)	2.40	50.0	(20.0)	2.40
371	Other Equipment - Odorization	37.0	(5.0)	2.84	37.0	(5.0)	2.84
371	Other Equipment - Other	37.0	(5.0)	2.84	37.0	(5.0)	2.84
372	Transmission Equipments Held Under ARO	0.0	0.0	0.00	0.0	0.0	0.00
Total Transmission Plant							

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Accrual Rate Comparison

FERC Acct. No.	Description	Current			Staff Proposed		
		Avg. Svc. Life	Net Salv. %	Accrual Rate % (a)	Avg. Svc. Life	Net Salv. %	Accrual Rate % (c)
	Distribution Plant:						
374	Land & Land Rights - Land	0.0	0.0	0.00	0.0	0.0	0.00
374	Land & Land Rights - Land Rights	0.0	0.0	0.00	0.0	0.0	0.00
374	Land & Land Rights - Leased Sites	0.0	0.0	0.00	0.0	0.0	0.00
374	Land & Land Rights - Rights of Way	75.0	0.0	1.33	75.0	0.0	1.33
375	Structures and Improvements - M&R Station - General	60.0	(35.0)	2.25	62.0	(30.0)	2.10
375	Structures and Improvements - M&R Station - Industrial	40.0	0.0	2.50	45.0	0.0	2.22
375	Structures and Improvements - Other						
	Cleveland #2 Works - Office and Shop			4.01			2.54 (c)
	Cleveland #2 Works - Garage			3.67			2.81 (c)
	Cleveland #2 Works - Shop			2.95			0.00 (c)
	Cleveland #2 Works - Power House			9.49			3.33 (c)
	Eastwood Service Center			5.51			4.43 (c)
	Youngstown Office, Shop and Garages			2.71			3.79 (c)
	Randall Shop			5.10			10.63 (c)
	West Park Shop			3.96			7.39 (c)
	Northeast Office, Shop and Garage			2.97			5.81 (c)
	Wilbeth Road Shop			3.79			5.59 (c)
	Ashtabula Office, Shop and Garage			2.00			2.14 (c)
	Wooster Service Center			3.51			5.65 (c)
	New Philadelphia Shop			7.66			7.39 (c)
	Perry Yard Warehouse			2.11			0.00 (c)
	Perry Yard Office			2.11			2.45 (c)
	Youngstown Annex Shop			3.07			3.60 (c)
	Jackson Street			4.52			6.72 (c)
	Small Structures	35.0	0.0	2.86	45.0	(5.0)	2.33
	Composite			3.82			3.80 (c)
375	Structures and Improvements - Leasehold Improvements	0.0	0.0	0.00	0.0	0.0	0.00 (d)
376	Low Pressure Mains	70.0	(20.0)	1.71	70.0	(25.0)	1.79
376	Regulated Pressure Mains	70.0	(20.0)	1.71	70.0	(25.0)	1.79
378	M&R Station Equipment General - Meters & Gauges	50.0	(15.0)	2.30	50.0	(20.0)	2.40
378	M&R Station Equipment General - Other	50.0	(15.0)	2.30	50.0	(20.0)	2.40
380	Services - All Pressures	45.0	(110.0)	4.67	50.0	(100.0)	4.00
380	Services - Low Pressures	35.0	(75.0)	5.00	35.0	(100.0)	5.71
380	Services - Regulated Pressures	50.0	(45.0)	2.30	50.0	(100.0)	4.00
380	Special Services	40.0	(10.0)	2.75	37.0	(100.0)	5.41
381	Meters	44.0	0.0	2.27	37.0	0.0	2.70
381	Meters - Recording Gauges	37.0	(5.0)	2.84	27.0	0.0	3.70
381	Meters - Hexagram	15.0	0.0	6.67	15.0	0.0	6.67
382	Meters Installations - Residential	42.0	0.0	2.38	45.0	0.0	2.22
382	Meters Installations - Commercial	42.0	0.0	2.38	45.0	0.0	2.22
383	House Regulators - Small	39.0	(25.0)	3.21	30.0	(15.0)	3.83
383	House Regulators - Large	39.0	(25.0)	3.21	30.0	(15.0)	3.83
384	House Regulators Installation	37.0	(5.0)	2.84	43.0	(5.0)	2.44
385	Industrial M&R Station Equip - Meters & Gauges	43.0	(10.0)	2.56	44.0	(5.0)	2.39
385	Industrial M&R Station Equip - Other	43.0	(10.0)	2.56	44.0	(5.0)	2.39
387	Other Equipment	15.0	0.0	6.67	22.0	(5.0)	4.77
388	Distribution Equipment Held Under ARO	0.0	0.0	0.00	0.0	0.0	0.00
	Total Distribution Plant						
	General Plant:						
389	Land & Land Rights - Land	0.0	0.0	0.00	0.0	0.0	0.00
390	Structures and Improvements - Leasehold Improvements	0.0	0.0	7.19			10.15 (c)
390	Structures and Improvements - Other	19.1	0.0	5.24	45.0	0.0	2.22
391	Office Furniture & Equipment - Equipment	5.0	0.0	20.00	10.0	0.0	10.00
391	Office Furniture & Equipment - Furniture	20.0	0.0	5.00	20.0	0.0	5.00
391.2	Office Furniture & Equipment - Computer Hardware	5.0	0.0	20.00	5.0	0.0	20.00
392	Transportation Equipment - Autos/Light Trucks	8.5	25.0	8.82	8.0	25.0	9.38
392	Transportation Equipment - Trailers (WV, OH, VA)	10.0	30.0	7.00	11.0	35.0	5.91
392	Transportation Equipment - Heavy Trucks >13k	8.5	25.0	8.82	8.0	25.0	9.38
392	Transportation Equipment - NGV Kits NonLux Autos	6.0	(5.0)	17.50	6.0	0.0	16.67
392	Transportation Equipment - NGV Kits Trucks	6.0	(5.0)	17.50	6.0	0.0	16.67
393	Stores Equipment	20.0	0.0	5.00	20.0	0.0	5.00
394	Tools, Shop & Garage Equip - Shop Equipment	20.0	0.0	5.00	20.0	0.0	5.00
394	Tools, Shop & Garage Equip - Garage Equipment	20.0	0.0	5.00	20.0	0.0	5.00
394	Tools, Shop & Garage Equip - NGV Compression/Station	15.0	0.0	6.67	15.0	0.0	6.67
394	Tools, Shop & Garage Equip - Tools & Equipment	20.0	0.0	5.00	20.0	0.0	5.00
395	Laboratory Equipment	20.0	0.0	5.00	20.0	0.0	5.00
396	Power Operated Equip - Distribution/Compression	11.0	28.0	6.55	11.0	40.0	5.45
397	Communication Equipment - Communication Equip	10.0	0.0	10.00	10.0	0.0	10.00
397	Communication Equipment - Telephone System	10.0	0.0	10.00	10.0	0.0	10.00
397	Communication Equipment - Microwave System	10.0	0.0	10.00	10.0	0.0	10.00
397	Communication Equipment - Radio	10.0	0.0	10.00	10.0	0.0	10.00
398	Miscellaneous Equipment - Misc Equipment	15.0	0.0	6.67	15.0	0.0	6.67
399	Other Computer Software	15.0	0.0	6.67	15.0	0.0	6.67
	Total General Plant						

- (a) Current Rates prescribed in Case No. 01-2592-GA-UNC
(b) Staff Proposed Accrual Rates
(c) Applicant's Depreciation Study
(d) Fully Depreciated

SCHEDULE B-4

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Construction Work In Progress Summary**

None

(a) Refer to Text

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Working Capital Allowance

	Adjusted Revenues & Expenses	Days Lag	Weighted Dollar Days	Working Capital Requirements
	(a)	(b)	(c)	(d)
(1) Revenue Lag Allowance	\$ 932,937,732	52.90	\$ 49,352,406,023	\$ 135,212,071
(2) PIPP Revenue	82,898,152	0	0	0
(3) Total Revenue Lag Allowance	1,025,835,884		49,352,406,023	135,212,071
Operation & Maintenance Expenses:				
(4) Gas Purchases	438,892,865	39.70	17,424,046,741	47,737,114
(5) Payroll	71,407,053	37.70	2,692,045,895	7,375,468
(6) Uncollectibles - PIPP	92,898,152	0.00	0	0
(7) Uncollectibles - Non-PIPP	47,754,796	52.90	2,526,228,708	6,921,175
(8) Pension	(50,542,225)	0.00	0	0
(9) Benefits	12,141,268	11.30	137,196,327	375,880
(10) Benefits - OPEB	4,829,743	172.64	833,806,843	2,284,402
(11) Insurance	148,000	(180.90)	(23,481,400)	(64,360)
(12) Claims	3,635,941	26.80	97,443,219	266,968
(13) Other Operation & Maintenance	138,720,254	41.80	5,788,506,610	15,886,319
(14) Total Operation & Maintenance (4) Thru (13)	759,883,847		29,485,782,943	80,782,966
(15) Depreciation	48,908,074	0.00	0	0
Federal Income Tax:				
(16) Current Income Tax	40,639,227	37.50	1,523,971,013	4,175,263
(17) Deferred Income Taxes	(14,630,629)	0.00	0	0
(18) Net ITC	0	52.90	0	0
(19) Total Federal Income Tax (16) Thru (18)	26,008,598		1,523,971,013	4,175,263
Taxes Other Than Federal Income Tax:				
(20) Property Tax	18,783,259	302.50	5,681,935,848	15,566,948
(21) Gross Receipts Tax	43,464,101	80.60	3,939,659,551	10,793,588
(22) MCF Tax	26,812,058	95.90	2,571,276,458	7,044,593
(23) Payroll Taxes	5,469,686	38.10	208,395,031	570,945
(24) PUCO & OCC Maintenance	2,005,780	210.58	422,377,162	1,157,198
(25) Sales and Use Taxes	467,952	38.21	17,880,446	48,988
(26) Total Taxes Other Than Income (20) Thru (25)	97,022,837		12,841,524,486	35,182,280
(27) Interest Expense	44,139,938	91.25	4,027,769,343	11,034,985
(28) Preferred Stock	0	0.00	0	0
(29) Return on Common Equity	49,872,590	0.00	0	0
(30) Expense Lag Allowance (14) + (15) + (19) + (26) + (27) + (28) + (29)	\$ 1,025,835,884		\$ 47,879,047,785	131,175,474
(31) Supplier Billings (e)				0
(32) Percentage of Income Payment Plan (PIPP) (f)				95,619,803
(33) Materials and Supplies (f)				1,147,663
(34) Gas Stored Underground (g)				23,183,289
(35) Calculated Working Capital Allowance (3) - (30) + (31) Thru (34)				\$ 123,987,352

- (a) Staff's Schedules C-2 Thru C-4
(b) Applicant's Lead Lag Study as Adjusted by Staff, See Text
(c) Columns (a) x (b)
(d) Column (c) / 365
(e) See Text
(f) Applicant's Revised Schedule B-5 and Staff's Workpaper
(g) Applicant's Schedule B-2.1 and Staff's Workpaper

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Other Rate Base Items

	<u>Total Jurisdiction</u>	<u>Adjustments</u>	<u>Adjusted Jurisdiction</u>
(1) A/C 235 - Customers' Deposits (a)	\$ (22,751,197)	\$ 0	\$ (22,751,197)
(2) A/C 252 - Customer Advances for Construction (b)	0	0	0
(3) A/C 255 - Investment Tax Credits (b)	(2,553,434)	2,536,085	(17,349)
(4) Deferred Income Taxes: (b)			
A/C 283 - Alternative Minimum Tax	6,725,694	(6,725,694)	0
A/C 283 - Bad Debts	(3,150,347)	0	(3,150,347)
A/C 283 - Bad Debts - PIPP	(44,293,192)	44,293,192	0
A/C 283 - Bad Debts - Tracker	(6,158,474)	6,158,474	0
A/C 283 - Benefits	15,250,994	0	15,250,994
A/C 282/283 - Depreciation	(190,692,828)	(953,079)	(191,645,907)
A/C 283 - FIN 48 Bad Debts	2,576,592	(2,576,592)	0
A/C 283 - FIN 48 Bad Debts - PIPP	20,277,702	(20,277,702)	0
A/C 283 - Fin 48 Bad Debts - Tracker	10,372,892	(10,372,892)	0
A/C 283 - Inventory	5,610,092	(5,610,092)	0
A/C 282 - ITC	893,966	(893,966)	0
A/C 282-283 - Other	45,506	(45,506)	0
A/C 283 - Pension	(220,235,229)	0	(220,235,229)
A/C 283 - Taxes	(634,577)	0	(634,577)
A/C 190 - UPGA	(14,834,002)	14,834,002	0
(5) Total Deferred Income Taxes	(418,245,211)	17,830,145	(400,415,066)
(6) Pension (c)	629,243,511	0	629,243,511
(7) Total Other Rate Base Items (1) + (2) + (3) + (5) + (6)		\$	<u>206,059,899</u>

- (a) Applicant's Revised Schedule B-5
(b) Applicant's Schedule B-6
(c) Applicant's Trial Balance as of March 31, 2007

SCHEDULE C-1

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Proforma Operating Income Statement
For The Twelve Months Ending December 31, 2007

	Staff		Applicant	
	Adjusted Revenues & Expenses	Proforma Adjustments	Proforma Revenues & Expenses	Proforma Revenues & Expenses
	(a)	(b)	(c)	(d)
<u>Operating Revenues</u>				
Base Revenue	\$ 560,355,328	\$ 75,007,378	\$ 635,362,706	\$ 635,013,144
Gas Costs Revenue	438,892,865		438,892,865	464,733,700
Other Revenue	26,587,691	0	26,587,691	29,157,465
Total Operating Revenues	1,025,835,884	75,007,378	1,100,843,262	1,128,904,309
<u>Operating Expenses</u>				
Operation and Maintenance	759,883,847	0	759,883,847	856,896,966
Depreciation	48,908,074		48,908,074	48,661,472
Taxes Other Than Income	97,022,837	3,179,570	100,202,407	103,164,543
Federal Income Tax	26,008,598	25,139,733	51,148,331	28,882,115
Total Operating Expenses	931,823,356	28,319,303	960,142,659	1,037,625,096
Net Operating Income	\$ 94,012,528	\$ 46,688,075	\$ 140,700,603	\$ 91,279,213
Rate Base (e)	\$ 1,396,833,486		\$ 1,396,833,486	\$ 1,071,769,127
Rate of Return (f)	6.73%		10.07%	8.52%

- (a) Staff's Schedule C-2
- (b) Staff's Schedule C-1.1
- (c) Columns (a) + (b)
- (d) Applicant's Revised Schedule C-1
- (e) Staff's Schedule B-1
- (f) Net Operating Income / Rate Base

SCHEDULE C-1.1

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Proforma Adjustments**

(1)	Proposed Base Revenue Increase (a)	\$ 74,092,170
(2)	Firm Storage Revenue Increase (a)	<u>915,208</u>
(3)	Total Proposed Revenue Increase (1) + (2)	\$ <u>75,007,378</u>
(4)	Uncollectible Accounts Expense (4) x 0.000000% (b)	\$ <u>0</u>
(5)	Ohio Gross Receipts Tax (c)	\$ <u>3,179,570</u>
(6)	Federal Income Tax (d)	\$ <u>25,139,733</u>

- (a) Applicant's Schedule E-4
- (b) Staff's Schedule C-3.16
- (c) Staff's Schedule C-3.27b
- (d) Staff's Schedule C-4

SCHEDULE C-2

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Adjusted Test Year Operating Income

	Unadjusted Test Year Revenues & Expenses (a)	Adjustments (b)	Adjusted Test Year Revenues & Expenses (c)
<u>Operating Revenues</u>			
Base Revenue	\$ 547,667,650	\$ 12,687,678	\$ 560,355,328
Gas Costs Revenue	521,728,732	(82,835,867)	438,892,865
Other Revenue	75,958,881	(49,371,190)	26,587,691
Total Operating Revenues	1,145,355,263	(119,519,379)	1,025,835,884
<u>Operating Expenses</u>			
Gas Costs Expense	509,175,362	(70,282,497)	438,892,865
Other Operation & Maintenance	330,980,843	(9,989,861)	320,990,982
Total Operation & Maintenance	840,156,205	(80,272,358)	759,883,847
Depreciation & Amortization	57,844,882	(8,936,808)	48,908,074
Taxes Other Than Income	104,550,956	(7,528,119)	97,022,837
Federal Income Tax	36,806,777	(10,798,179)	26,008,598
Total Operating Expenses	1,039,358,820	(107,535,464)	931,823,356
Net Operating Income	\$ 105,996,443	\$ (11,983,915)	\$ 94,012,528

- (a) Applicant's Revised Schedule C-2
(b) Staff's Schedule C-3
(c) Columns (a) + (b)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-828-GA-AIR
Summary of Staff's Adjustments

	Staff's Adjustments (a)	Applicant's Adjustments (b)	Variance (c)
<u>Operating Revenues</u>			
C-3.1 Base Revenue	\$ 12,687,678	\$ 2,210,550	\$ 10,477,128
C-3.2 Gas Costs Revenue	(82,835,867)	(56,895,032)	(25,840,835)
C-3.3 Other Revenue - Non-regulated Gas Storage Revenue	(22,758,722)	(22,758,722)	0
C-3.4 Other Revenue - Revenue Sharing	(13,695,727)	(11,021,795)	(2,673,932)
C-3.5 Reclassification of Firm Storage Service Revenue	(10,127,566)	0	(10,127,566)
C-3.6 Other Revenue - Gas Storage Revenue	(2,789,175)	(2,789,175)	0
Other Revenue - Forfeited Discounts	0	(104,158)	104,158
Total Revenue Adjustments	(119,519,379)	(91,458,332)	(28,061,047)
<u>Operating Expenses</u>			
C-3.7 Gas Costs Expense	(70,282,497)	(44,441,862)	(25,840,835)
C-3.8 Labor	(1,105,827)	915,272	(2,021,099)
C-3.9 Other Benefits	(395,886)	261,459	(657,345)
C-3.10 Incentive Plan Expense	378,670	1,102,593	(723,923)
C-3.11 Pension	(2,833,396)	47,708,829	(50,542,225)
C-3.12 OPEB	(1,891,039)	(1,732,789)	(158,250)
C-3.13 Rate Case Expense	164,121	609,872	(445,751)
C-3.14 Interest on Customer Deposits	682,536	721,791	(39,255)
C-3.15 Advertising	(538,564)	(538,564)	0
C-3.16 Uncollectible Accounts	(7,068,240)	(6,917,885)	(150,355)
C-3.17 Charitable Contributions	(123,962)	(123,962)	0
C-3.18 Lobbying Expense	(45,850)	(45,850)	0
C-3.19 Dues and Memberships Expense	(47,918)	(47,918)	0
C-3.20 Public Relations Expense	(620,910)	(557,661)	(63,249)
C-3.21 DSM Program, AMR Deployment, & Weatherization	1,270,000	8,040,020	(6,770,020)
C-3.22 Migration Riders A & B and Volume Banking	7,294,561	7,294,563	(2)
C-3.23 GTI Program Funding	600,000	600,000	0
C-3.24 Operating Expense Budget Adjustment	(5,025,182)	0	(5,025,182)
C-3.25 Amortization of Order 536 Transition Costs	(682,975)	(682,975)	0
Storage Migration Loss	0	437,045	(437,045)
Amortization of FASB 106 Curtailment Loss	0	653,333	(653,333)
Amortization of Deferred Weatherization Cost	0	943,623	(943,623)
Total O & M Expenses	(80,272,358)	14,189,134	(94,471,492)
C-3.26 Depreciation Expense	(8,936,808)	(9,183,410)	246,602
C-3.27 Taxes Other Than Income Taxes	(7,528,119)	(4,776,367)	(2,751,752)
C-3.28 Federal Income Tax	(10,798,179)	(32,084,191)	21,286,012
Total Expense Adjustments	\$ (107,535,464)	\$ (31,854,834)	\$ (75,680,630)

(a) Staff's Schedules C-3.1 Through C-3.28
(b) Applicant's Schedule C-3
(c) Columns (a) - (b)

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-525-GA-AIR
Combined Base and Riders Revenues Adjustment

	Riders										Total
	Base Revenue	PIPP Revenue	Excise Tax Revenue	MCF Tax Revenue	Migration - A Revenue	Migration - B Revenue	Uncollectible Revenue	Surcharge Credit	Volume Banking Revenue		
(1) General Sales Service - Residential (a)	\$ 72,696,217	\$ 21,502,735	\$ 16,979,571	\$ 6,046,114	\$ 0	\$ 7,812,088	\$ 11,053,453	\$ 0	\$ 0	\$ 136,190,188	
(2) General Sales Service - Non Residential (a)	15,335,381	6,277,011	4,921,968	1,433,505	0	2,288,136	3,226,663	0	0	33,482,666	
(3) Energy Choice Transportation Service - Residential (a)	140,959,890	41,664,725	0	11,648,394	0	15,163,414	21,418,129	(389,742)	0	230,464,810	
(4) Energy Choice Transportation Service - Non Residential (a)	28,825,878	11,567,999	0	2,816,516	0	4,216,006	5,946,588	(107,972)	0	53,259,815	
(5) Large Volume General Sales Service - Residential (a)	122,807	61,234	48,507	11,339	0	23,193	31,478	0	0	298,558	
(6) Large Volume General Sales Service - Non Residential (a)	1,875,675	968,370	694,801	169,063	0	366,573	497,796	0	0	4,572,278	
(7) Large Volume Energy Choice Transportation Service - Residential (a)	1,679,707	865,481	0	156,438	0	328,742	444,912	(6,114)	0	3,467,166	
(8) Large Volume Energy Choice Transportation Service - Non Residential (a)	6,246,266	3,189,584	0	570,576	0	1,207,017	1,639,626	(29,793)	0	12,823,266	
(9) General Transportation Service - Residential (a)	418,762	172,382	0	32,247	35,296	0	88,615	0	12,959	760,261	
(10) General Transportation Service - Non Residential (a)	31,365,028	6,007,402	0	2,241,227	2,573,412	0	3,088,185	0	916,153	46,191,407	
(11) General Transportation Service Negotiated - Non Residential (a)	8,337,614	0	0	392,226	13,711	0	0	0	341,062	9,084,613	
(12) Transportation Service for Schools - Non Residential (a)	1,573,720	621,229	0	120,609	110,530	0	319,351	0	37,303	2,782,742	
(13) Daily Transportation Service - Non Residential (a)	6,747,995	0	0	548,722	396,857	0	0	0	0	7,694,574	
(14) Daily Transportation Service Negotiated - Non Residential (a)	6,593,936	0	0	624,083	34,290	0	0	0	0	7,252,309	
(15) Off System Transportation - Non Residential (a)	1,739,907	0	0	0	0	0	0	0	0	1,739,907	
(16) Firm Storage Service (a)	10,291,548	0	0	0	0	0	0	0	0	10,291,548	
(17) Total Base and Riders Revenues (1) + (16)	334,810,321	92,898,152	22,644,867	26,812,059	3,164,096	31,499,181	47,754,796	(536,621)	1,307,477	560,365,328	
(18) Test Year Base and Riders Revenues (b)										547,667,650	
(19) Adjustment (17) - (18)										\$ 12,687,678	

(a) Staff's Schedule C-3.1a and C-3.1b

(b) Applicant's Schedule C-2

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
East Ohio Base and Riders Revenues Adjustment

	Riders								Total
	Base Revenue	PIPP Revenue	Excise Tax Revenue	MCF Tax Revenue	Migration - A Revenue	Migration - B Revenue	Uncollectible Revenue	Surcharge Credit	
(1) General Sales Service - Residential (a)	\$ 67,172,588	\$ 19,724,047	\$ 15,565,882	\$ 5,545,273	\$ 0	\$ 7,269,944	\$ 10,139,409	\$ 0	\$ 125,437,143
(2) General Sales Service - Non Residential (a)	13,834,040	5,606,644	4,397,633	1,274,098	0	2,042,901	2,882,170	0	30,037,496
(3) Energy Choice Transportation Service - Residential (a)	137,945,088	40,680,503	0	11,365,532	0	14,802,811	20,902,073	(381,215)	225,194,792
(4) Energy Choice Transportation Service - Non Residential (a)	27,595,425	11,020,508	0	2,682,237	0	4,009,815	5,865,239	(103,323)	50,869,901
(5) Large Volume General Sales Service - Residential (a)	122,807	61,234	48,587	11,339	0	23,193	\$1,478	0	298,558
(6) Large Volume General Sales Service - Non Residential (a)	1,799,375	927,750	662,459	161,117	0	350,192	476,922	0	4,377,815
(7) Large Volume Energy Choice Transportation Service - Residential (a)	1,579,707	865,481	0	158,438	0	328,742	444,912	(8,114)	3,467,166
(8) Large Volume Energy Choice Transportation Service - Non Residential (a)	6,032,880	3,065,046	0	549,445	0	1,156,111	1,575,628	(28,738)	12,350,174
(9) General Transportation Service - Residential (a)	418,762	172,382	0	32,247	35,256	0	88,615	0	760,261
(10) General Transportation Service - Non Residential (a)	28,307,041	6,007,402	0	2,047,120	2,573,412	0	3,088,185	0	42,876,560
(11) General Transportation Service Negotiated - Non Residential (a)	6,740,789	0	0	267,317	13,711	0	0	0	7,322,532
(12) Transportation Service for Schools - Non Residential (a)	1,573,720	621,229	0	120,609	110,530	0	319,351	0	2,782,742
(13) Daily Transportation Service - Non Residential (a)	6,747,995	0	0	548,722	396,857	0	0	0	7,694,574
(14) Daily Transportation Service Negotiated - Non Residential (a)	6,593,936	0	0	624,083	34,290	0	0	0	7,252,309
(15) Off System Transportation - Non Residential (a)	1,739,907	0	0	0	0	0	0	0	1,739,907
(16) Firm Storage Service (a)	10,291,548	0	0	0	0	0	0	0	10,291,548
(17) Total Base and Riders Revenues (1) + (16)	318,495,408	88,732,226	20,694,481	25,380,577	3,164,096	29,983,708	45,813,982	(521,388)	532,763,488

(a) Applicant's Schedule E-4.1 and Staff's Workpaper

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
West Ohio Base and Riders Revenues Adjustment

	Riders								Total
	Base Revenue	PIPP Revenue	Excise Tax Revenue	MCF Tax Revenue	Migration - A Revenue	Migration - B Revenue	Uncollectible Revenue	Surcharge Credit	
(1) General Sales Service - Residential (a)	\$ 5,523,829	\$ 1,778,688	\$ 1,383,688	\$ 500,841	\$ 0	\$ 642,154	\$ 914,044	\$ 0	\$ 10,753,045
(2) General Sales Service - Non Residential (a)	1,501,341	870,387	524,355	159,407	0	245,237	344,493	0	3,445,200
(3) Energy Choice Transportation Service - Residential (a)	3,114,802	1,004,222	0	282,862	0	380,603	518,056	(8,527)	5,270,018
(4) Energy Choice Transportation Service - Non Residential (a)	1,230,453	547,491	0	134,279	0	200,191	281,349	(4,649)	2,389,114
(5) Large Volume General Sales Service - Residential (a)	0	0	0	0	0	0	0	0	0
(6) Large Volume General Sales Service - Non Residential (a)	76,300	40,620	32,342	7,946	0	16,381	20,874	0	194,453
(7) Large Volume Energy Choice Transportation Service - Residential (a)	0	0	0	0	0	0	0	0	0
(8) Large Volume Energy Choice Transportation Service - Non Residential (a)	213,576	124,538	0	21,131	0	50,966	63,998	(1,057)	473,092
(9) General Transportation Service - Residential (a)	0	0	0	0	0	0	0	0	0
(10) General Transportation Service - Non Residential (a)	3,057,987	0	0	194,107	0	0	0	0	3,314,847
(11) General Transportation Service Negotiated - Non Residential (a)	1,596,825	0	0	130,909	0	0	0	0	1,762,061
(12) Transportation Service for Schools - Non Residential (a)	0	0	0	0	0	0	0	0	0
(13) Daily Transportation Service - Non Residential (a)	0	0	0	0	0	0	0	0	0
(14) Daily Transportation Service Negotiated - Non Residential (a)	0	0	0	0	0	0	0	0	0
(15) Off System Transportation - Non Residential (a)	0	0	0	0	0	0	0	0	0
(16) Firm Storage Service (a)	0	0	0	0	0	0	0	0	0
(17) Total Base and Riders Revenues (1) + (16)	16,314,913	4,165,926	1,950,386	1,431,482	0	1,515,472	2,140,814	(14,233)	27,601,840

(a) Applicant's Schedule E-4.1 and Staff's Workpaper

SCHEDULE C-3.2

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Gas Cost Revenue Adjustment**

(1) Test Year MCF Subject to GCR (a)	50,962,943
(2) Standard Service Offer Gas Cost Rate (b)	\$ <u>8.61200</u>
(3) Annualized Gas Cost Revenue (1) x (2)	438,892,865
(4) Test Year Gas Cost Revenue (c)	<u>521,728,732</u>
(5) Adjustment (3) - (4)	\$ <u>(82,835,867)</u>

- (a) Applicant's Schedule E-4 (44,809,290 + 1,749,487 + 4,332,311 + 71,855)
(b) Latest Standard Service Offer Gas Rate Effective January 17, 2008
(c) Applicant's Schedule C-2

SCHEDULE C-3.3

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Removal of Non-regulated Gas Storage Revenue Adjustment**

(1) Removal of Test year Nonregulated Gas Storage Revenue - A/C 422 (a) \$ (22,758,722)

(a) Applicant's Schedule C-3.2 and C-2.1

SCHEDULE C-3.4

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Commodity Exchange and Firm Receipt Point Revenue Adjustment**

(1) Commodity Exchange and Firm Receipt Point Revenue - A/C 495 (a)	\$ (13,695,727)
(2) Sharing Percentage (a)	<u>19.52%</u>
(3) Company Sharing Adjustment (1) x (2)	\$ <u>(2,673,406)</u>
(4) Transportation Migration Part B Adjustment (1) + (3)	\$ <u>(11,022,321)</u>

(a) Applicant's Schedule WPC-3.15

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Reclassification of Firm Storage Service Revenue Adjustment

(1) Test Year Firm Storage Service Revenue - A/C 489 (a)

\$ (10,127,566)

(a) Applicant's Schedule E-4.1 and C-2.1

SCHEDULE C-3.6

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Gas Storage Revenue Adjustment**

(1) Test Year Gas Storage Revenue(a)	\$ <u>(2,789,175)</u>
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(a) Applicant's Schedule C-3.29

SCHEDULE C-3.7

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Gas Cost Expense Adjustment**

(1) Test Year CCF Subject to SSO (a)	50,962,943
(2) Expected Gas Cost Rate (b)	\$ <u>8.61200</u>
(3) Annualized Gas Cost Expense (1) x (2)	438,892,865
(4) Test Year Gas Cost Expense (c)	<u>509,175,362</u>
(5) Adjustment (3) - (4)	\$ <u><u>(70,282,497)</u></u>

- (a) Applicant's Schedule E-4 (44,809,290 + 1,749,487 + 4,332,311 + 71,855)
 (b) Latest Standard Service Offer Gas Rate Effective January 17, 2008
 (c) Applicants Schedule C-2

SCHEDULE C-3.8

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Labor Expense Adjustment**

(1) Annualized Salaries Labor Expense (a)	\$ 19,378,328
(2) Annualized Hourly Labor Expense (b)	<u>52,028,725</u>
(3) Total Annualized Test Year O&M Labor Expense (1) + (2)	71,407,053
(4) Test Year O&M Labor Expense (c)	<u>72,512,880</u>
(5) Labor Expense Adjustment (3) - (4)	\$ <u>(1,105,827)</u>

- (a) Staff's Schedule C-3.8a
- (b) Staff's Schedule C-3.8b
- (c) Applicant's Schedule C-9

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Salaries Labor Expense Adjustment

(1) Test Year Number of Full Time Employees (a)	270
(2) Average Monthly Straight Time Wages (a)	\$ <u>6,489</u>
(3) Monthly Straight Time Wages (1) x (2)	1,752,030
(4) Annulized Straight Time Wages (3) x 12	21,024,360
(5) Test Year Actual Overtime Wages (a)	169,607
(6) Test Year Actual Parttime Wages (a)	129,810
(7) Test Year Actual Intern Wages (a)	52,966
(8) Test Year Actual Restricted Stock Grant (a)	<u>279,860</u>
(9) Total Test Year Wages (4) + (5) + (6) + (7) + (8)	21,656,603
(10) O&M Ratio (b)	<u>89.48%</u>
(11) Adjusted O&M Labor Expense (8) x (9)	\$ <u>19,378,328</u>

(a) Staff's Workpaper

(b) Applicant's Schedule C-9.1

SCHEDULE C-3.8b

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-828-GA-AIR
Hourly Labor Expense Adjustment

(1)	Test Year Number of Full Time Employees (a)	
(2)	Average Straight Time Hourly rate (a)	1,182
(3)	Hourly Straight Time Wages (1) x (2)	
		\$ 25.21
(4)	Annulized Straight Time Wages (3) x 2080	
		29,798
(5)	Test Year Actual Overtime Wages (a)	
		61,980,298
(6)	Test Year Actual Parttime Wages (a)	
		6,120,782
(7)	Test Year Actual Supplemental Pay (a)	
		550,832
(8)	Total Test Year Wages (4) + (5) + (6) + (7)	
		498,440
(9)	O&M Ratio (b)	
		69,150,352
(10)	Adjusted O&M Labor Expense (8) x (9)	
		75.24%
		\$ 52,028,725

- (a) Staff's Workpaper
(b) Applicant's Schedule C-9.1

SCHEDULE C-3.9

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Other Fringe Benefits Expense Adjustment**

(1) Annualized O&M Labor Expense Adjustment (a)	\$ (1,105,827)
(2) Employee Benefits Load Factor (b)	<u>35.80%</u>
(3) Adjustment (1) x (2)	\$ <u>(395,886)</u>

(a) Staff's Schedule C-3.8

(b) Drived From Applicant's Schedule C-9.1 (\$25,960.211 / \$72,512,880)

SCHEDULE C-3.10

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Incentive Plan Expense Adjustment**

(1) Hourly Incentive Plan Expense (a)	\$ 2,043,510
(2) Salary Incentive Plant Expense (a)	<u>2,829,736</u>
(3) Total (1) + (2)	4,873,246
(4) Test Year Expense (b)	<u>4,393,005</u>
(5) Adjustment (3) - (4)	480,241
(6) O&M Ratio (c)	<u>78.85%</u>
(7) O&M Expense Adjustment (5) x (6)	\$ <u><u>378,670</u></u>

(a) Applicant's Schedule WPC-3.25

(b) Applicant's Schedules WPC-3.25 and WPC-2.1 (\$63,485 + \$2,462,163 + \$1,525,328 + \$342,029)

(c) Applicant's Schedule C-9.1

SCHEDULE C-3.11

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Pension Expense Adjustment**

(1) Test Year Pension Expense (a)	\$ (57,279,969)
(2) Test Year Pension Expense Capitalized (a)	<u>6,737,744</u>
(3) Test Year O&M Pension Expense (1) + (2)	(50,542,225)
(4) Test Year O&M Expense (b)	<u>(47,708,829)</u>
(5) Adjustment (5) - (4)	\$ <u>(2,833,396)</u>

- (a) Applicant's Schedule WPC-3.26 and Staff's Workpaper
(b) Applicant's Schedules WPC 2.1 and WPC-9 [(\$55,268,498) + \$6,192,561 + \$1,367,108]

SCHEDULE C-3.12

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
OPEB Expense Adjustment**

(1) Test Year OPEB Expense (a)	\$ 3,940,855
(2) Amortization of Deferred OPEB Costs (a)	<u>2,184,374</u>
(3) Total Test Year OPEB Expense (1) + (2)	6,125,229
(4) Test Year Expense (b)	<u>8,523,503</u>
(5) Adjustment (3) - (4)	(2,398,274)
(6) O&M Ratio (c)	<u>78.85%</u>
(7) O&M Expense Adjustment (5) x (6)	\$ <u>(1,891,039)</u>

- (a) Applicant's Schedule WPC-3.30 and Staff's Workpaper
- (b) Applicant's Schedules WPC-2.1 and WPC-9
- (c) Applicant's Schedule C-9.1

SCHEDULE C-3.13

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Rate Case Expense Adjustment**

(1)	Estimated Rate Case Expense (a)	\$ 1,000,000
(2)	Amortization Period (b)	<u>5</u>
(3)	Annual Amortization (1) / (2)	200,000
(4)	Test Year Expense (c)	<u>35,879</u>
(5)	Adjustment (3) - (4)	\$ <u><u>164,121</u></u>

- (a)** Applicant's Schedule C-3.8
- (b)** Refer to Text
- (c)** Applicant's Breakdown of Account 928

SCHEDULE C-3.14

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Interest on Customers' Deposits Expense Adjustment**

(1)	Customers' Deposits (a)	\$	22,751,197
(2)	Customers' Deposits Interest Rate (b)		<u>3.00%</u>
(3)	Adjustment (1) x (2)	\$	<u>682,536</u>

- (a) Staff's Schedule B-6**
(b) Applicant's Schedule C-3.14

SCHEDULE C-3.15

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Advertising Expense Adjustment**

(1)	Elimination of Advertising Expense (a)	\$ <u>(538,564)</u>
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(a) Applicant's Schedule C-3.21

SCHEDULE C-3.16

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Uncollectible Expense Adjustment**

(1) Annualized Regular Uncollectible Expense (a)	\$ 47,754,796
(2) Annualized PIPP Uncollectible Expense (a)	<u>92,898,152</u>
(3) Total Uncollectible Expenses (1) + (2)	140,652,948
(4) Test Year Uncollectible Expenses (b)	<u>147,721,188</u>
(5) Adjustment (3) - (4)	\$ <u>(7,068,240)</u>

(a) Staff's Schedule C-3.1

(b) Applicant's Schedule C-2.1

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Charitable Contribution Expense Adjustment

(1) Elimination of Charitable Contribution Expense (a) \$ (123,962)

(a) Applicant's Schedule C-3.6

SCHEDULE C-3.18

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Lobbying Expense Adjustment**

(1) Elimination of Lobbying Expense (a) \$ (45,850)

(a) Applicant's Schedule C-3.19

SCHEDULE C-3.19

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Dues and Memberships Expense Adjustment**

(1) Elimination of Dues and Membership Expenses (a) **\$ (47,918)**

(a) Applicant's Schedule C-3.22

SCHEDULE C-3.20

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-828-GA-AIR
Public Relations Expense Adjustment**

(1) Elimination of Public Relation Expenses (a)	\$ <u>(620,910)</u>
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(a) Applicant's Schedule C-3.23 and Staff's Workpapers

SCHEDULE C-3.21

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
DSM Program and Weatherization Funding Adjustment**

(1) Annualized Test Year DSM Expense (a)	\$ 4,270,000
(2) Test Year Expense - A/C 908(b)	<u>3,000,000</u>
(3) Adjustment (1) - (2)	\$ <u>1,270,000</u>

(a) See Text

(b) Applicant's Schedules C-7 and WPC-2.1

SCHEDULE C-3.22

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Transportation Migration Rider - Part A & B and Volume Banking Expense Adjustment**

(1) Adjusted Test Year Migration Riders - Part A & B and Volume Banking Expense (a)	\$ 35,970,754
(2) Test Year Expense (b)	<u>28,676,193</u>
(3) Adjustment (1) - (2)	\$ <u>7,294,561</u>

- (a) Applicant's Schedule WPC-3.4 and Staff's Schedule C-3.1 (\$3,164,096 + \$31,499,181 + \$1,307,477)
(b) Applicant's Schedule C-2

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
GTI Program Funding Expense Adjustment

(1)	GTI Program Expense (a)	\$ <u>600,000</u>
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(a) Applicant's Schedule C-3.7

SCHEDULE C-3.24

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Operating Expense Budget Adjustment**

(1) Removal of Add Back Challenge 9 Months Budget Operating Expense (a)	\$ <u>(5,025,182)</u>
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(a) Staff's Workpaper

SCHEDULE C-3.25

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Amortization of Order 636 Transition Costs Adjustment**

(1) Total Over-recovered Transition Costs (a)	\$	(2,048,925)
(2) Amortization Period (a)		<u>3</u>
(3) Adjustment (1) / (2)	\$	<u>(682,975)</u>

(a) Applicant Schedule C-3.11

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Depreciation and Amortization Expense**

(1) Staff's Adjusted Depreciation Expense (a)	\$ 59,449,212
(2) Staff's Amortization of Depreciation Reserve Overaccrual (b)	<u>(10,541,138)</u>
(3) Adjusted Test Year Depreciation and Amortization (1) + (2)	48,908,074
(4) Test Year Depreciation Expense (c)	<u>57,844,882</u>
(5) Adjustment (3) - (4)	\$ <u><u>(8,936,808)</u></u>

- (a) Staff's Schedule B-3.2
(b) See Text (\$105,400,192 + \$11,187) / 10 Years
(c) Applicant's Schedule C-2

SCHEDULE C-3.27

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Summary of Taxes Other Than Income Adjustment**

	<u>Schedule Reference</u>	
(1) Property Taxes	C-3.27a	\$ 18,783,259
(2) Ohio Gross Receipts Tax	C-3.27b	43,484,101
(3) Payroll Taxes	C-3.27c	5,469,686
(4) PUCO and OCC Assessments	C-3.27d	2,005,780
(5) MCF Tax	C-3.27e	26,812,059
(6) Other	C-3.27f	<u>467,952</u>
(7) Total Taxes Other Than Income Taxes (1) Thru (6)		97,022,837
(8) Test Year Taxes Other Than Income Taxes (a)		<u>104,550,956</u>
(9) Adjustment (7) - (8)		\$ <u>(7,528,119)</u>

(a) Staff's Schedule C-2

SCHEDULE C-3.27a

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Property Taxes**

(1) Plant in Service at March 31, 2007 (a)	\$ 1,916,133,980
(2) Materials & Supplies (b)	1,147,663
(3) LP and Stored Gas (b)	<u>23,183,289</u>
(4) Total Plant (1) Thru (3)	1,940,464,932
(5) Percentage of Assessed Value to Total Plant (c)	<u>11.763%</u>
(6) Assessed Value (4) x (5)	228,256,890
(7) Tax Rate per \$1000 (c)	<u>82.29</u>
(8) Total Property Tax (6) x (7)	\$ <u>18,783,259</u>

- (a) Staff's Schedule B-2**
- (b) Staff's Schedule B-5**
- (c) Staff's Workpapers**

SCHEDULE C-3.27b

Case No. 07-829-GA-AIR
Ohio Gross Receipts Taxes

	Adjusted Operating Income	Proforma Operating Income
(1) Operating Revenues (a)	\$ 1,025,835,884	\$ 1,100,843,262
(2) Non-Taxable Receipts (1) x 10.7576792%(b)	110,356,134	118,425,187
(3) Statutory Exemption	<u>25,000</u>	<u>25,000</u>
(5) Net Taxable Receipts (1) - (2) - (3)	915,454,750	982,393,075
(6) Tax Rate	<u>0.0475</u>	<u>0.0475</u>
(7) Ohio Excise Taxes (5) x (6)	<u>\$ 43,484,101</u>	<u>\$ 46,663,671</u>

(a) Staff's Schedule C-1

(b) Applicant's upated Schedule WPC-3.5 and Staff's Workpaper

SCHEDULE C-3.27c

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Payroll Taxes**

	<u>FUTA</u>	<u>SUTA</u>	<u>FICA</u>
(1) Annualized O&M Labor Expense (a)			\$ 71,407,053
(2) Payroll Not Subject to Social Security (1) x 2.22% (b)			<u>1,585,237</u>
(3) Taxable Payroll (1) - (2)			69,821,816
(4) Medicare Tax (1) x 1.45%			1,035,402
(5) Social Security Tax (3) x 6.20%			4,328,953
(6) Number of Employees (c)	1,452	1,452	
(7) Taxable Wages	\$ <u>7,000</u>	\$ <u>9,000</u>	
(8) Taxable Wages (6) x (7)	10,164,000	13,068,000	
(9) Tax Rate	<u>0.80%</u>	<u>0.40%</u>	
(10) FUTA And SUTA Taxes (8) x (9)	81,312	52,272	
(11) O&M Ratio (d)	<u>78.85%</u>	<u>78.85%</u>	
(12) O&M FUTA And SUTA Taxes (10) x (11)	64,115	41,216	<u>105,331</u>
(13) Total Payroll Taxes (4) + (5) + (12)			\$ <u>5,469,686</u>

- (a) Staff's Schedule C-3.8
- (b) Applicant's Schedule WPC-3.17
- (c) Staff's Schedules C-3.8a and C-3.8b (270 + 1,182)
- (d) Applicant's Schedule C-9.1

SCHEDULE C-3.27d

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of PUCO & OCC Assessments**

(1) PUCO Maintenance Assessment (a)	\$ 1,593,371
(2) OCC Fund Assessment (a)	<u>412,409</u>
(3) Total Assessments (1) + (2)	<u>\$ 2,005,780</u>

(a) Latest Known Assessments

SCHEDULE C-3.27e

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of MCF Tax**

(1) Test Year MCF Tax (a)	\$ <u>26,812,059</u>
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(a) Staff's Schedule C-3.1

SCHEDULE C-3.27f

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Other Taxes**

(1) Other Taxes (a)	\$ <u>467,952</u>
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(a) Applicant's Schedule C-2.1

SCHEDULE C-3.28

**East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Federal Income Tax Expense Adjustment**

(1) Adjusted Federal Income Tax (a)	\$ 26,008,598
(2) Test Year Federal Income Tax (b)	<u>36,806,777</u>
(3) Adjustment (1) - (2)	\$ <u>(10,798,179)</u>

- (a) Staff's Schedule C-4**
(b) Applicant's Schedule C-2

East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-829-GA-AIR
Calculation of Federal Income Tax

	Adjusted Operating Income	Proforma Operating Income
(1) Operating Income Before FIT (a)	\$ 120,021,126	\$ 191,848,934
<u>Reconciling Items:</u>		
(2) Interest Charges (b)	(44,139,938)	(44,139,938)
(3) Book Depreciation (c)	48,908,074	48,908,074
(4) Tax Accelerated Depreciation (d)	56,986,180	56,986,180
(5) Excess of Tax Over Book Depreciation (3) - (4)	(8,078,106)	(8,078,106)
(6) Other Reconciling Items (e)	48,308,993	48,308,993
(7) Total Reconciling Items (2) + (5) + (6)	(3,909,051)	(3,909,051)
(8) Federal Taxable Income (1) + (7)	116,112,075	187,939,883
<u>Federal Income Tax</u>		
(9) First \$50,000 x 15%	7,500	7,500
(10) Next \$25,000 x 25%	6,250	6,250
(11) Next \$25,000 x 34%	8,500	8,500
(12) Next \$235,000 x 39%	91,650	91,650
(13) Next \$9,665,000 x 34%	3,286,100	3,286,100
(14) Next \$5,000,000 x 35%	1,750,000	1,750,000
(15) Next \$3,333,333 x 38%	1,266,667	1,266,667
(16) Excess of Taxable Income Over \$18,333,333 x 35%	34,222,560	59,362,293
(17) Federal Income Tax Liability (9) Through (16)	40,639,227	65,778,960
(18) Investment Tax Credit	0	0
(19) Federal Income Tax - Current (17) - (18)	40,639,227	65,778,960
<u>Deferred Income Tax:</u>		
(20) Tax Accelerated Depreciation (d)	56,986,180	56,986,180
(21) Tax Straight Line Depreciation (c)	48,908,074	48,908,074
(22) Excess of Tax Accelerated over Tax S/L Deprec. (18) - (19)	8,078,106	8,078,106
(23) Deferred Tax Depreciation @35%	2,827,337	2,827,337
<u>Other Deferred Taxes:</u>		
(24) Amortization of Prior Years ITC (f)	(549,818)	(549,818)
(25) Other Deferred Taxes (6) x 35%	(16,908,148)	(16,908,148)
(26) Total Deferred Taxes (21) + (22) + (23)	\$ (14,630,629)	\$ (14,630,629)
(27) Total Federal Income Tax (17) + (24)	\$ 26,008,598	\$ 51,148,331
(a) Staff's Schedule C-1		
(b) Staff's Schedule B-1, \$1,396,833,486 x 0.0316, Weighted Cost of Debt		
(c) Staff's Schedule C-2		
(d) Applicant's Revised Schedule C-4 and Supplemental Information No. 16		
(e) Applicant's Schedule WPC-4.1 and Staff's Workpaper		
(f) Applicant's Revised Schedule C-4		

Rate of Return Summary
The East Ohio Gas Company

	% of Total	% Cost	Weighted Cost %
Long Term Debt	48.66%	6.50%	3.16%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	<u>51.34%</u>	9.85% -10.88%	<u>5.06% -5.59%</u>
Total Capital	100.00%		8.22% -8.75%

Equity Issuance Cost Adjustment
The East Ohio Gas Company
March 31, 2007

(1) Retained Earnings ¹	\$267,427,353
(2) Total Common Equity ²	\$878,726,386
(3) Ratio of (1) to (2)	0.68833
(4) Generic Issuance Cost, f	3.50%
(5) External Equity Ratio, w $[1.0 - (3)]$	0.69566
(6) Net Adjustment Factor, $(w/(1 - f)) + (1 - w)$	1.02523
(7) Low End Equity Cost $[9.61\% \times (6)]$	9.85%
(8) High End Equity Cost $[10.61\% \times (6)]$	10.88%

Sources:

1 East Ohio Gas Company's Balance Sheet, March 31, 2007

2 Applicant's Schedule D-1

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
22-Feb-07	4.73	4.83
23-Feb-07	4.68	4.78
26-Feb-07	4.63	4.73
27-Feb-07	4.51	4.63
28-Feb-07	4.55	4.67
1-Mar-07	4.56	4.68
2-Mar-07	4.51	4.65
5-Mar-07	4.52	4.65
6-Mar-07	4.53	4.66
7-Mar-07	4.50	4.64
8-Mar-07	4.51	4.65
9-Mar-07	4.59	4.72
12-Mar-07	4.55	4.69
13-Mar-07	4.49	4.66
14-Mar-07	4.52	4.69
15-Mar-07	4.54	4.69
16-Mar-07	4.55	4.70
19-Mar-07	4.57	4.72
20-Mar-07	4.55	4.71
21-Mar-07	4.52	4.70
22-Mar-07	4.59	4.78
23-Mar-07	4.61	4.80
26-Mar-07	4.59	4.78
27-Mar-07	4.61	4.81
28-Mar-07	4.62	4.83
29-Mar-07	4.63	4.83
30-Mar-07	4.65	4.85
2-Apr-07	4.64	4.84
3-Apr-07	4.66	4.85
4-Apr-07	4.65	4.84
5-Apr-07	4.67	4.87
9-Apr-07	4.74	4.92
10-Apr-07	4.72	4.91
11-Apr-07	4.74	4.91

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
12-Apr-07	4.74	4.91
13-Apr-07	4.76	4.93
16-Apr-07	4.74	4.89
17-Apr-07	4.69	4.85
18-Apr-07	4.65	4.82
19-Apr-07	4.67	4.84
20-Apr-07	4.67	4.84
23-Apr-07	4.65	4.83
24-Apr-07	4.62	4.80
25-Apr-07	4.65	4.83
26-Apr-07	4.68	4.87
27-Apr-07	4.70	4.89
30-Apr-07	4.63	4.82
1-May-07	4.64	4.82
2-May-07	4.65	4.82
3-May-07	4.67	4.84
4-May-07	4.64	4.80
7-May-07	4.64	4.79
8-May-07	4.63	4.80
9-May-07	4.67	4.84
10-May-07	4.65	4.83
11-May-07	4.67	4.85
14-May-07	4.69	4.86
15-May-07	4.71	4.88
16-May-07	4.71	4.87
17-May-07	4.76	4.91
18-May-07	4.80	4.96
21-May-07	4.79	4.94
22-May-07	4.83	4.98
23-May-07	4.86	5.01
24-May-07	4.86	5.01
25-May-07	4.86	5.01
29-May-07	4.88	5.01
30-May-07	4.88	5.01
31-May-07	4.89	5.01
1-Jun-07	4.96	5.06
4-Jun-07	4.93	5.02

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
5-Jun-07	4.98	5.07
6-Jun-07	4.97	5.08
7-Jun-07	5.10	5.20
8-Jun-07	5.12	5.22
11-Jun-07	5.14	5.24
12-Jun-07	5.25	5.36
13-Jun-07	5.20	5.28
14-Jun-07	5.22	5.29
15-Jun-07	5.17	5.26
18-Jun-07	5.14	5.25
19-Jun-07	5.09	5.20
20-Jun-07	5.12	5.23
21-Jun-07	5.16	5.28
22-Jun-07	5.14	5.26
25-Jun-07	5.08	5.20
26-Jun-07	5.10	5.22
27-Jun-07	5.07	5.19
28-Jun-07	5.12	5.22
29-Jun-07	5.03	5.13
2-Jul-07	5.00	5.10
3-Jul-07	5.05	5.15
5-Jul-07	5.14	5.24
6-Jul-07	5.20	5.28
9-Jul-07	5.16	5.25
10-Jul-07	5.04	5.13
11-Jul-07	5.08	5.18
12-Jul-07	5.12	5.21
13-Jul-07	5.11	5.19
16-Jul-07	5.04	5.13
17-Jul-07	5.08	5.16
18-Jul-07	5.01	5.10
19-Jul-07	5.03	5.12
20-Jul-07	4.96	5.06
23-Jul-07	4.96	5.07
24-Jul-07	4.94	5.06
25-Jul-07	4.90	5.03
26-Jul-07	4.78	4.95

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
27-Jul-07	4.79	4.95
30-Jul-07	4.80	4.96
31-Jul-07	4.77	4.92
1-Aug-07	4.76	4.91
2-Aug-07	4.75	4.90
3-Aug-07	4.70	4.87
6-Aug-07	4.73	4.91
7-Aug-07	4.74	4.90
8-Aug-07	4.86	5.02
9-Aug-07	4.79	5.03
10-Aug-07	4.78	5.01
13-Aug-07	4.78	5.01
14-Aug-07	4.73	4.99
15-Aug-07	4.71	5.01
16-Aug-07	4.60	4.93
17-Aug-07	4.67	5.00
20-Aug-07	4.63	4.97
21-Aug-07	4.59	4.94
22-Aug-07	4.62	4.95
23-Aug-07	4.62	4.92
24-Aug-07	4.63	4.90
27-Aug-07	4.60	4.86
28-Aug-07	4.53	4.86
29-Aug-07	4.55	4.88
30-Aug-07	4.50	4.82
31-Aug-07	4.54	4.83
4-Sep-07	4.56	4.84
5-Sep-07	4.47	4.78
6-Sep-07	4.50	4.79
7-Sep-07	4.37	4.69
10-Sep-07	4.32	4.64
11-Sep-07	4.36	4.65
12-Sep-07	4.41	4.69
13-Sep-07	4.48	4.74
14-Sep-07	4.46	4.72
17-Sep-07	4.47	4.71
18-Sep-07	4.48	4.76

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
19-Sep-07	4.52	4.82
20-Sep-07	4.67	4.94
21-Sep-07	4.63	4.89
24-Sep-07	4.62	4.88
25-Sep-07	4.61	4.89
26-Sep-07	4.62	4.89
27-Sep-07	4.57	4.84
28-Sep-07	4.58	4.83
1-Oct-07	4.56	4.80
2-Oct-07	4.53	4.78
3-Oct-07	4.54	4.79
4-Oct-07	4.52	4.77
5-Oct-07	4.64	4.87
8-Oct-07	4.64	4.86
9-Oct-07	4.65	4.86
10-Oct-07	4.65	4.86
11-Oct-07	4.66	4.88
12-Oct-07	4.69	4.91
15-Oct-07	4.67	4.91
16-Oct-07	4.66	4.91
17-Oct-07	4.55	4.81
18-Oct-07	4.50	4.78
19-Oct-07	4.40	4.69
22-Oct-07	4.39	4.67
23-Oct-07	4.41	4.69
24-Oct-07	4.33	4.64
25-Oct-07	4.35	4.66
26-Oct-07	4.39	4.68
29-Oct-07	4.38	4.66
30-Oct-07	4.38	4.67
31-Oct-07	4.47	4.75
1-Nov-07	4.36	4.65
2-Nov-07	4.29	4.59
5-Nov-07	4.32	4.62
6-Nov-07	4.36	4.65
7-Nov-07	4.33	4.67
8-Nov-07	4.27	4.66

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
9-Nov-07	4.22	4.60
12-Nov-07	4.21	4.59
13-Nov-07	4.26	4.61
14-Nov-07	4.27	4.60
15-Nov-07	4.16	4.53
16-Nov-07	4.15	4.52
19-Nov-07	4.08	4.48
20-Nov-07	4.05	4.48
21-Nov-07	4.02	4.47
23-Nov-07	4.01	4.44
26-Nov-07	3.85	4.28
27-Nov-07	3.94	4.36
28-Nov-07	4.03	4.41
29-Nov-07	3.94	4.35
30-Nov-07	3.97	4.40
3-Dec-07	3.89	4.35
4-Dec-07	3.89	4.35
5-Dec-07	3.91	4.39
6-Dec-07	4.00	4.48
7-Dec-07	4.12	4.59
10-Dec-07	4.15	4.61
11-Dec-07	3.99	4.48
12-Dec-07	4.08	4.53
13-Dec-07	4.17	4.61
14-Dec-07	4.23	4.66
17-Dec-07	4.19	4.62
18-Dec-07	4.12	4.54
19-Dec-07	4.07	4.49
20-Dec-07	4.03	4.45
21-Dec-07	4.17	4.57
24-Dec-07	4.21	4.62
26-Dec-07	4.28	4.69
27-Dec-07	4.20	4.61
28-Dec-07	4.10	4.51
31-Dec-07	4.03	4.46
2-Jan-08	3.90	4.35
3-Jan-08	3.90	4.37

CAPM Cost of Equity Estimate

Date:	<u>Closing 10Yr Yld (%)</u>	<u>Closing 30Yr Yld (%)</u>
4-Jan-08	3.85	4.36
7-Jan-08	3.84	4.34
8-Jan-08	3.84	4.36
9-Jan-08	3.79	4.32
10-Jan-08	3.89	4.44
11-Jan-08	3.81	4.39
14-Jan-08	3.79	4.37
15-Jan-08	3.70	4.29
16-Jan-08	3.71	4.32
17-Jan-08	3.64	4.25
18-Jan-08	3.65	4.30
22-Jan-08	3.48	4.23
23-Jan-08	3.43	4.18
24-Jan-08	3.64	4.35
25-Jan-08	3.58	4.28
28-Jan-08	3.59	4.28
29-Jan-08	3.66	4.34
30-Jan-08	3.73	4.43
31-Jan-08	3.64	4.35
1-Feb-08	3.60	4.32
4-Feb-08	3.64	4.37
5-Feb-08	3.59	4.34
6-Feb-08	3.61	4.37
7-Feb-08	3.74	4.50
8-Feb-08	3.65	4.44
11-Feb-08	3.62	4.41
12-Feb-08	3.68	4.46
13-Feb-08	3.69	4.51
14-Feb-08	3.82	4.65
15-Feb-08	3.78	4.59
19-Feb-08	3.88	4.66
20-Feb-08	3.92	4.64
21-Feb-08	3.78	4.55

CAPM Cost of Equity Estimate

Averages:		
Last 63days	3.8683	4.4367
Last 126 days	4.1685	4.5967
Last 188 days	4.4303	4.7627
Last 251 days	4.4824	4.7727
Average	4.2374	4.6422
Average of 10 and 30 Year Yields	4.4398	
CAPM Cost of Equity Estimate	9.9648	

Source: Yahoo.com

$$\begin{aligned}\text{CAPM} &= \text{risk free return} + \beta(\text{large company total return} - \text{risk free return}) \\ &= 4.4398\% + .85(6.5\%)\end{aligned}$$

Value Line Betas:

0.85 ATG
0.85 ATO
0.85 NFG
0.85 PNY
0.85 SJI

0.85 ave

DCF Cost of Equity Estimate

Stock Prices¹ (\$):

	<u>ATC</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
02/22/07	42.2200	32.5300	42.0900	26.5000	26.5000
02/23/07	42.2300	32.3600	42.1800	26.2300	26.2300
02/26/07	42.2400	32.3200	42.7600	26.4500	26.4500
02/27/07	41.4400	31.7100	42.1600	25.4500	25.4500
02/28/07	40.7300	31.5200	41.7600	25.1300	25.1300
03/01/07	41.0900	31.4000	41.9800	25.4700	25.4700
03/02/07	40.6000	31.2800	41.4100	25.2000	25.2000
03/05/07	39.6900	30.6300	40.9000	24.4000	24.4000
03/06/07	40.0300	31.2300	41.3400	25.1400	25.1400
03/07/07	39.8800	31.2900	41.1600	25.1000	25.1000
03/08/07	39.9700	31.3600	41.2200	25.3000	25.3000
03/09/07	40.0000	31.1800	41.2300	25.6100	25.6100
03/12/07	40.3000	31.4700	41.2300	25.9600	25.9600
03/13/07	39.9000	31.0000	40.9400	25.5100	25.5100
03/14/07	40.0600	31.3600	41.1000	26.0600	26.0600
03/15/07	40.4100	31.7500	41.5300	26.8600	26.8600
03/16/07	40.3400	31.7400	41.1700	26.3200	26.3200
03/19/07	40.8800	32.0000	41.6000	26.5600	26.5600
03/20/07	41.4800	31.9000	42.1900	26.7400	26.7400
03/21/07	41.8100	32.2900	42.6600	27.1100	27.1100
03/22/07	42.0800	32.2500	43.3800	27.2800	27.2800
03/23/07	42.2000	31.1500	43.2100	26.8000	26.8000
03/26/07	42.5500	31.1500	43.5400	26.7800	26.7800
03/27/07	42.6800	31.1500	43.1300	26.6700	26.6700
03/28/07	42.7900	31.3000	42.9700	26.5000	26.5000
03/29/07	42.7800	31.3900	43.1500	26.5900	26.5900
03/30/07	42.7200	31.2800	43.2600	26.3800	26.3800
04/02/07	43.2900	31.3000	44.1400	26.7100	26.7100
04/03/07	43.4100	31.5000	44.1600	26.8200	26.8200
04/04/07	43.4100	31.7900	45.0600	26.5200	26.5200
04/05/07	43.3500	31.6200	45.6000	26.6100	26.6100
04/09/07	43.6300	32.1000	46.6100	26.7800	26.7800
04/10/07	43.9500	32.5800	46.6800	27.1500	27.1500
04/11/07	44.0000	32.4200	46.3700	26.8000	26.8000
04/12/07	43.8300	32.4500	46.2700	26.9800	26.9800
04/13/07	44.0500	32.4500	46.0700	27.0900	27.0900
04/16/07	43.6500	32.5600	46.0900	27.3500	27.3500
04/17/07	43.7500	32.5500	46.1500	27.2500	27.2500
04/18/07	43.5700	32.3200	46.0100	26.9900	26.9900
04/19/07	43.4000	32.1900	45.7300	26.6000	26.6000
04/20/07	43.3400	32.2000	46.1900	27.1400	27.1400
04/23/07	43.4100	32.1400	46.4300	27.1300	27.1300
04/24/07	43.3300	32.1400	46.5000	27.1400	27.1400
04/25/07	43.8200	32.2700	47.3600	27.2400	27.2400
04/26/07	43.7700	32.1700	47.5600	27.1600	27.1600
04/27/07	44.1200	32.0100	47.7600	27.1500	27.1500
04/30/07	43.5400	31.7200	47.0100	26.3900	26.3900
05/01/07	43.8500	32.0900	46.9900	26.5700	26.5700
05/02/07	43.5000	31.9900	47.4600	27.1100	27.1100
05/03/07	42.9700	32.0700	47.3800	26.8000	26.8000
05/04/07	43.6200	32.0600	47.4900	26.8900	26.8900
05/07/07	43.7500	32.1000	47.4400	26.9700	26.9700

DCF Cost of Equity Estimate

Stock Prices¹ (\$):

	<u>ATG</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
05/08/07	43.2800	32.2200	47.1600	26.8600	26.8600
05/09/07	43.4800	32.3300	47.0500	26.8300	26.8300
05/10/07	43.3100	31.8300	46.1300	26.0900	26.0900
05/11/07	43.4600	32.0700	46.2900	26.5800	26.5800
05/14/07	42.9900	32.1300	46.3300	26.7600	26.7600
05/15/07	42.8400	32.1300	46.3300	26.7500	26.7500
05/16/07	42.5300	32.4900	46.2400	26.9600	26.9600
05/17/07	42.8800	32.8500	46.2600	26.6500	26.6500
05/18/07	43.4500	32.8200	46.2500	26.7800	26.7800
05/21/07	43.6200	33.0600	46.8000	27.0300	27.0300
05/22/07	43.4400	33.1100	46.8200	27.0400	27.0400
05/23/07	42.9300	32.5100	46.2300	26.7100	26.7100
05/24/07	41.8800	32.0100	45.2100	26.0700	26.0700
05/25/07	41.8000	31.8700	45.2200	25.9200	25.9200
05/29/07	42.1900	32.1600	45.4500	26.3800	26.3800
05/30/07	42.7000	32.4400	45.9800	26.4200	26.4200
05/31/07	42.6600	32.3900	45.5600	26.5400	26.5400
06/01/07	42.5400	32.4800	45.6400	26.5900	26.5900
06/04/07	42.7300	32.4300	46.2800	26.6100	26.6100
06/05/07	42.3400	32.1200	46.5100	26.1000	26.1000
06/06/07	41.4300	31.6800	45.6800	26.3200	26.3200
06/07/07	40.4000	30.7600	44.1200	25.8100	25.8100
06/08/07	40.5300	30.6600	43.9500	25.9100	25.9100
06/11/07	40.5100	30.7200	44.2600	25.8700	25.8700
06/12/07	39.9100	30.1000	43.7500	25.4600	25.4600
06/13/07	40.0800	30.0400	44.1800	25.1300	26.1300
06/14/07	40.2000	30.2700	45.0100	26.4200	26.4200
06/15/07	40.5800	30.5600	45.6000	26.9000	26.9000
06/18/07	40.4400	30.3800	45.3000	26.2800	26.2800
06/19/07	40.4400	30.4400	44.9600	26.2600	26.2600
06/20/07	39.9500	30.1300	44.1400	25.2300	25.2300
06/21/07	39.8800	30.0700	44.7000	25.1400	25.1400
06/22/07	39.8400	29.8300	44.5600	24.9000	24.9000
06/25/07	39.9500	29.8100	44.0300	24.7300	24.7300
06/26/07	39.7600	29.3800	43.6000	24.7200	24.7200
06/27/07	40.3500	29.9100	43.2000	25.0000	25.0000
06/28/07	40.1700	29.9500	42.9100	24.9300	24.9300
06/29/07	40.4800	30.0600	43.3100	24.6500	24.6500
07/02/07	40.9000	30.3300	43.9600	24.8700	24.8700
07/03/07	41.0400	30.5200	43.5400	24.8100	24.8100
07/05/07	40.7800	30.3400	43.5700	24.9400	24.9400
07/06/07	40.8300	30.2900	43.6600	24.7600	24.7600
07/09/07	40.9500	30.3900	44.0300	24.9000	24.9000
07/10/07	40.1400	30.2400	43.6600	24.7200	24.7200
07/11/07	40.4200	30.1700	44.0800	24.8300	24.8300
07/12/07	41.1800	30.6600	44.5500	25.2500	25.2500
07/13/07	41.3000	30.6400	44.7500	25.2500	25.2500
07/16/07	41.0000	30.2000	44.2000	24.9200	24.9200
07/17/07	40.8300	30.0500	44.0300	24.6800	24.6800
07/18/07	40.7700	30.1100	44.7000	24.6600	24.6600
07/19/07	40.9300	30.2400	45.9600	25.1200	25.1200
07/20/07	40.3800	29.8500	46.0000	24.6600	24.6600
07/23/07	40.6800	30.1700	46.0000	25.4500	25.4500

DCF Cost of Equity Estimate

Stock Prices¹ (\$):

	<u>ATG</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
07/24/07	39.3600	29.4100	44.6300	24.4300	24.4300
07/25/07	39.7500	29.5800	45.1300	24.7000	24.7000
07/26/07	38.6800	29.2100	44.5000	23.9900	23.9900
07/27/07	37.9000	28.4500	43.5900	23.4900	23.4900
07/30/07	38.0900	28.4400	44.2000	23.4800	23.4800
07/31/07	37.7000	28.0700	43.3500	23.1900	23.1900
08/01/07	38.3700	28.4500	43.8700	23.9800	23.9800
08/02/07	39.0500	28.3700	44.3600	24.2800	24.2800
08/03/07	37.7900	27.3100	43.9000	23.3400	23.3400
08/06/07	38.0100	27.6900	43.7100	24.1300	24.1300
08/07/07	38.2200	27.8800	44.4900	24.5400	24.5400
08/08/07	37.0700	26.7300	45.2400	26.0800	26.0800
08/09/07	36.2700	26.4700	43.9800	26.2400	26.2400
08/10/07	38.3500	27.8000	44.2300	26.5400	26.5400
08/13/07	38.3500	27.4200	43.6500	25.5000	25.5000
08/14/07	37.5500	27.0100	42.9800	24.7500	24.7500
08/15/07	36.5100	26.6900	42.4400	24.5200	24.5200
08/16/07	37.9500	26.8500	42.6200	26.3300	26.3300
08/17/07	37.7900	27.2300	43.2500	27.0100	27.0100
08/20/07	37.7900	27.3500	43.0200	26.9700	26.9700
08/21/07	38.1000	27.4800	43.1300	26.6700	26.6700
08/22/07	38.8100	27.5700	44.0100	26.6700	26.6700
08/23/07	39.0400	27.3500	44.5600	26.5100	26.5100
08/24/07	39.5800	27.8400	45.0000	26.9100	26.9100
08/27/07	39.0500	27.8500	44.2400	26.2800	26.2800
08/28/07	38.3000	27.5300	43.1100	25.6200	25.6200
08/29/07	39.4500	27.9800	44.3500	26.5300	26.5300
08/30/07	39.5100	27.9100	44.1600	26.3700	26.3700
08/31/07	39.7100	28.1100	44.3400	26.4000	26.4000
09/04/07	40.1100	28.1600	44.5600	26.4600	26.4600
09/05/07	39.2500	27.9200	44.2800	26.0800	26.0800
09/06/07	39.3800	27.8300	44.4700	26.2800	26.2800
09/07/07	39.0100	27.5400	43.7300	25.8900	25.8900
09/10/07	38.9700	27.6800	43.4200	24.7400	24.7400
09/11/07	39.3200	28.2000	43.5000	25.4400	25.4400
09/12/07	39.6900	28.1200	44.2400	25.2800	25.2800
09/13/07	39.7300	27.7600	44.1900	24.8900	24.8900
09/14/07	39.9500	27.5900	44.1000	24.9800	24.9800
09/17/07	39.4400	27.4200	44.2500	24.6900	24.6900
09/18/07	39.8700	27.8700	45.4000	25.5300	25.5300
09/19/07	39.8800	28.1800	45.4500	26.2400	26.2400
09/20/07	39.7300	28.2300	45.3500	25.6500	25.6500
09/21/07	40.0400	28.3000	45.4200	25.4400	25.4400
09/24/07	39.9500	28.3200	45.4200	25.4000	25.4000
09/25/07	39.8400	28.2500	45.4600	25.2900	25.2900
09/26/07	39.7700	28.5000	45.8500	25.8300	25.8300
09/27/07	39.8000	28.4400	46.5200	25.7500	25.7500
09/28/07	39.6200	28.3200	46.8100	25.0900	25.0900
10/01/07	40.0300	28.9200	47.3800	25.7300	25.7300
10/02/07	39.9900	28.8300	47.4600	25.8000	25.8000
10/03/07	40.1000	28.9200	47.6800	25.8300	25.8300
10/04/07	40.4300	29.0000	47.6400	25.8600	25.8600
10/05/07	40.6800	29.2800	47.5800	26.5700	26.5700
10/08/07	40.6500	29.1700	47.2000	26.2600	26.2600

DCF Cost of Equity Estimate

Stock Prices¹ (\$):

	<u>ATG</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
10/09/07	41.0000	29.4400	48.4800	26.5700	26.5700
10/10/07	40.4100	29.3200	48.5900	26.3400	26.3400
10/11/07	40.3800	29.4600	48.9000	26.2000	26.2000
10/12/07	40.0600	29.3800	46.8200	26.2300	26.2300
10/15/07	39.8100	28.8500	46.8200	25.3900	25.3900
10/16/07	39.2000	28.6300	46.8600	25.0700	25.0700
10/17/07	38.8900	28.2700	46.8500	25.0200	25.0200
04/30/04	38.8500	28.2900	47.0100	24.7700	24.7700
10/19/07	38.2500	27.7800	46.0200	24.3900	24.3900
10/22/07	37.2300	27.9200	45.7300	24.8300	24.8300
10/23/07	37.4100	28.0600	45.8500	24.9900	24.9900
10/24/07	37.6400	28.1200	46.1500	24.8800	24.8800
10/25/07	38.0400	28.0800	46.6000	25.0600	25.0600
10/26/07	38.7200	28.1200	46.9200	25.6600	25.6600
10/29/07	38.7700	27.9600	47.2500	25.2100	25.2100
10/30/07	38.7300	27.7700	47.2100	25.0900	25.0900
10/31/07	39.5300	28.0500	48.4900	25.5300	25.5300
11/01/07	38.7700	27.7600	47.9400	24.7000	24.7000
11/02/07	38.2600	28.0800	48.7300	25.1100	25.1100
11/05/07	37.7800	27.8300	48.3200	25.0000	25.0000
11/06/07	38.1900	27.8400	48.9800	25.3000	25.3000
11/07/07	37.1600	26.9500	47.3000	24.5200	24.5200
11/08/07	38.3300	26.9600	48.2200	25.4500	25.4500
11/09/07	38.0100	26.8000	46.8500	25.4500	25.4500
11/12/07	37.6400	26.7700	45.7500	25.5100	25.5100
11/13/07	37.7500	27.1200	46.8700	25.6500	25.6500
11/14/07	36.6300	27.0200	46.3300	25.4800	25.4800
11/15/07	36.8100	27.2100	46.8200	25.6700	25.6700
11/16/07	36.9300	26.9000	46.7400	25.5600	25.5600
11/19/07	36.6700	26.9000	46.6600	25.5100	25.5100
11/20/07	36.7200	26.9200	46.5600	25.5000	25.5000
11/21/07	36.4000	26.4700	46.8000	25.4100	25.4100
11/23/07	36.1400	26.5800	47.0200	25.8300	25.8300
11/26/07	36.1200	26.2100	46.5500	25.4200	25.4200
11/27/07	36.6700	26.1300	47.0500	25.7800	25.7800
11/28/07	37.5400	26.2000	47.8100	26.5200	26.5200
11/29/07	36.9400	26.1100	48.0500	26.0800	26.0800
11/30/07	37.0800	26.1900	47.6500	26.0400	26.0400
12/03/07	37.1500	26.1800	47.9800	26.2500	26.2500
12/04/07	37.5400	26.4900	48.1200	26.2100	26.2100
12/05/07	38.1100	26.8200	48.3100	26.5300	26.5300
12/06/07	38.5100	27.3900	48.9400	27.4200	27.4200
12/07/07	38.3200	27.0700	49.0000	26.8200	26.8200
12/10/07	38.2200	27.1900	49.7500	26.6200	26.6200
12/11/07	37.6400	27.0300	48.7800	26.1900	26.1900
12/12/07	37.3100	26.9400	48.7400	26.5200	26.5200
12/13/07	37.1300	27.2800	48.8600	26.7200	26.7200
12/14/07	36.2500	26.8800	48.0600	26.1800	26.1800
12/17/07	35.8100	26.7400	47.5400	25.8800	25.8800
12/18/07	36.1500	27.1500	47.6200	26.5300	26.5300
12/19/07	36.2400	27.4300	47.8400	26.5900	26.5900
12/20/07	36.2900	28.0000	47.7000	26.9000	26.9000
12/21/07	37.1700	28.6500	47.6800	27.5800	27.5800
12/24/07	37.2600	28.7600	48.3100	27.7600	27.7600

DCF Cost of Equity Estimate

Stock Prices¹ (\$):

	<u>ATG</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
12/26/07	37.2700	28.3900	47.7100	27.6900	27.6900
12/27/07	37.3800	28.2100	46.9300	26.9700	26.9700
12/28/07	37.4200	28.1000	47.0600	26.6400	26.6400
12/31/07	37.6400	28.0400	46.6800	26.1600	26.1600
01/02/08	37.3000	27.9500	46.5600	25.5000	25.5000
01/03/08	36.9300	27.7900	46.3300	25.4600	25.4600
01/04/08	36.8000	27.6700	45.9100	25.5100	25.5100
01/07/08	37.2700	27.9400	45.9300	25.8400	25.8400
01/08/08	37.3700	28.0000	45.5200	25.9400	25.9400
01/09/08	38.0000	28.1700	45.7800	26.3300	26.3300
01/10/08	38.0800	28.0200	45.9400	26.6800	26.6800
01/11/08	38.3900	27.8500	45.5700	26.2800	26.2800
01/14/08	37.9600	27.8700	45.6300	26.6800	26.6800
01/15/08	37.3900	27.5600	45.0200	26.5300	26.5300
01/16/08	37.7200	27.6000	43.2600	26.5500	26.5500
01/17/08	37.1300	27.3600	41.6700	25.9300	25.9300
01/18/08	36.6900	26.9200	40.7200	25.1600	25.1600
01/22/08	36.3800	26.9100	39.5500	25.1100	25.1100
01/23/08	37.6700	27.8500	41.1400	26.3100	26.3100
01/24/08	36.8200	27.5600	41.3500	24.7200	24.7200
01/25/08	36.8800	27.4700	41.4300	24.5400	24.5400
01/28/08	37.2200	27.8000	42.0400	24.9200	24.9200
01/29/08	37.4900	28.3200	42.2000	24.9300	24.9300
01/30/08	36.9800	28.2500	42.4200	24.3200	24.3200
01/31/08	37.8500	28.7200	43.1100	25.0700	25.0700
02/01/08	38.4600	28.9600	43.5400	25.5200	25.5200
02/04/08	39.0300	28.9100	43.9100	25.6600	25.6600
02/05/08	37.8400	28.3300	42.3500	25.0500	25.0500
02/06/08	37.6300	27.6300	42.0600	24.9400	24.9400
02/07/08	36.7600	27.4600	42.5000	25.1600	25.1600
02/08/08	36.9200	27.5100	46.0000	24.9800	24.9800
02/11/08	36.8800	27.9600	46.0200	24.8600	24.8600
02/12/08	37.1000	27.6300	45.4600	25.0500	25.0500
02/13/08	36.4400	27.5100	46.8600	25.7100	25.7100
02/14/08	36.4300	27.2400	46.2600	25.1300	25.1300
02/15/08	36.3800	27.0400	46.0000	25.1100	25.1100
02/19/08	36.2700	27.2300	47.1300	25.2200	25.2200
02/20/08	36.5000	27.6500	47.6000	25.5100	25.5100
02/21/08	35.7700	26.8500	47.2800	24.5500	24.5500
AVERAGE (\$)	39.6739	29.2962	45.2383	25.8400	25.8400
QUARTERLY DIV. ² (\$)	0.4100	0.3200	0.3000	0.2500	0.2450
	0.4100	0.3200	0.3100	0.2500	0.2450
	0.4100	0.3250	0.3100	0.2500	0.2450
	0.4200	0.3250	0.3100	0.2500	0.2700

DCF Cost of Equity Estimate

	<u>ATG</u>	<u>ATO</u>	<u>NFG</u>	<u>PNY</u>	<u>SJI</u>
ANNUAL DIVIDEND (\$)	1.6500	1.2900	1.2300	1.0000	1.0050
YIELD	4.16%	4.40%	2.72%	3.87%	3.89%
EARNINGS GROWTH ESTIMATES:					
REUTERS ³	5.18%	4.73%	5.08%	5.16%	6.17%
MSN ⁴	4.80%	4.60%	7.50%	5.50%	7.50%
YAHOO ⁵	4.97%	4.62%	4.77%	5.23%	6.63%
VALUE LINE ⁶ :					
'07 EARNINGS (\$)	2.65	2.00	2.55	1.45	2.00
'11 EARNINGS (\$)	3.10	2.35	2.70	1.60	2.90
VALUE LINE CALCULATED	3.92%	5.38%	1.91%	2.46%	9.29%
VALUE LINE, "BOXED"	3.50%	5.00%	1.50%	4.00%	NA
VALUE LINE (AVERAGE)	3.71%	5.19%	1.70%	3.23%	9.29%
DCF GROWTH ESTIMATE	4.67%	4.78%	4.76%	4.78%	7.40%
DCF COST OF EQUITY ESTIMATE	10.32%	10.59%	9.07%	10.11%	11.19%
DCF AVERAGE				10.26%	
CAPM COST OF EQUITY ESTIMATE				9.96%	
COST OF EQUITY ESTIMATE				10.11%	

Sources:

- 1 MSN Investor
- 2 MSN Investor & Value Line Investment Guide
- 3 investor.reuters.com
- 4 moneycentral.msn.com
- 5 finance.yahoo.com
- 6 Value Line Investment Guide

ATG Non-Constant DCF Calculation

g=	4.67%	non const dcf=	10.32%	const dcf=	9.02%
D=	\$1.65	P=	\$39.67	g(e)=	6.77%

<u>YEAR</u>	<u>GROWTH RATE</u>	<u>DIVIDEND</u>
1	4.67%	\$1.73
2	4.67%	\$1.81
3	4.67%	\$1.89
4	4.67%	\$1.98
5	4.67%	\$2.07
6	4.77%	\$2.17
7	4.88%	\$2.28
8	4.98%	\$2.39
9	5.09%	\$2.51
10	5.19%	\$2.64
11	5.30%	\$2.78
12	5.40%	\$2.93
13	5.51%	\$3.09
14	5.61%	\$3.27
15	5.72%	\$3.45
16	5.82%	\$3.66
17	5.93%	\$3.87
18	6.03%	\$4.11
19	6.14%	\$4.36
20	6.24%	\$4.63
21	6.35%	\$4.92
22	6.45%	\$5.24
23	6.56%	\$5.59
24	6.66%	\$5.96
25	6.77%	\$6.36
26	6.77%	\$6.79
27	6.77%	\$7.25
28	6.77%	\$7.74
29	6.77%	\$8.27
30	6.77%	\$8.83

This schedule is truncated; the calculation extends to 400 years to ensure the stability of the calculation.

g, D, P are from Schedule D-1.3
g(e) is from Schedule D-1.9

Schedule D-1.5

ATO Non-Constant DCF Calculation

g=	4.78%	non const dcf=	10.59%	const dcf=	9.40%
D=	\$1.29		P= \$29.30	g(e)=	6.77%

<u>YEAR</u>	<u>GROWTH RATE</u>	<u>DIVIDEND</u>
1	4.78%	\$1.35
2	4.78%	\$1.42
3	4.78%	\$1.48
4	4.78%	\$1.56
5	4.78%	\$1.63
6	4.88%	\$1.71
7	4.98%	\$1.79
8	5.08%	\$1.89
9	5.18%	\$1.98
10	5.28%	\$2.09
11	5.38%	\$2.20
12	5.48%	\$2.32
13	5.58%	\$2.45
14	5.68%	\$2.59
15	5.78%	\$2.74
16	5.88%	\$2.90
17	5.97%	\$3.07
18	6.07%	\$3.26
19	6.17%	\$3.46
20	6.27%	\$3.68
21	6.37%	\$3.91
22	6.47%	\$4.17
23	6.57%	\$4.44
24	6.67%	\$4.74
25	6.77%	\$5.06
26	6.77%	\$5.40
27	6.77%	\$5.76
28	6.77%	\$6.15
29	6.77%	\$6.57
30	6.77%	\$7.01

This schedule is truncated; the calculation extends to 400 years to ensure the stability of the calculation.

g, D, P are from Schedule D-1.3

g(e) is from Schedule D-1.9

NFG Non-Constant DCF Calculation

g=	4.76%	non const dcf=	9.07%	const dcf=	7.61%
D=	\$1.23			g(e)=	6.77%
		P=	\$45.24		

<u>YEAR</u>	<u>GROWTH RATE</u>	<u>DIVIDEND</u>
1	4.76%	\$1.29
2	4.76%	\$1.35
3	4.76%	\$1.41
4	4.76%	\$1.48
5	4.76%	\$1.55
6	4.86%	\$1.63
7	4.96%	\$1.71
8	5.06%	\$1.80
9	5.16%	\$1.89
10	5.26%	\$1.99
11	5.36%	\$2.09
12	5.46%	\$2.21
13	5.57%	\$2.33
14	5.67%	\$2.46
15	5.77%	\$2.61
16	5.87%	\$2.76
17	5.97%	\$2.92
18	6.07%	\$3.10
19	6.17%	\$3.29
20	6.27%	\$3.50
21	6.37%	\$3.72
22	6.47%	\$3.96
23	6.57%	\$4.22
24	6.67%	\$4.50
25	6.77%	\$4.81
26	6.77%	\$5.13
27	6.77%	\$5.48
28	6.77%	\$5.85
29	6.77%	\$6.25
30	6.77%	\$6.67

This schedule is truncated; the calculation extends to 400 years to ensure the stability of the calculation.

g, D, P are from Schedule D-1.3
g(e) is from Schedule D-1.9

PNY Non-Constant DCF Calculation

g=	4.78%	non const dcf=	10.11%	const dcf=	8.84%
D=	\$1.00			g(e)=	6.77%
		P=	\$25.84		

<u>YEAR</u>	<u>GROWTH RATE</u>	<u>DIVIDEND</u>
1	4.78%	1.05
2	4.78%	1.10
3	4.78%	1.15
4	4.78%	1.21
5	4.78%	1.26
6	4.88%	1.32
7	4.98%	1.39
8	5.08%	1.46
9	5.18%	1.54
10	5.28%	1.62
11	5.38%	1.70
12	5.48%	1.80
13	5.58%	1.90
14	5.67%	2.01
15	5.77%	2.12
16	5.87%	2.25
17	5.97%	2.38
18	6.07%	2.53
19	6.17%	2.68
20	6.27%	2.85
21	6.37%	3.03
22	6.47%	3.23
23	6.57%	3.44
24	6.67%	3.67
25	6.77%	3.92
26	6.77%	4.18
27	6.77%	4.47
28	6.77%	4.77
29	6.77%	5.09
30	6.77%	5.43

This schedule is truncated; the calculation extends to 400 years to ensure the stability of the calculation.

g, D, P are from Schedule D-1.3
g(e) is from Schedule D-1.9

SJI Non-Constant DCF Calculation

		non const		const	
g=	7.40%	dcf=	11.19%	dcf=	11.57%
D=	\$1.01			g(e)=	6.77%
		P=	\$25.84		

<u>YEAR</u>	<u>GROWTH RATE</u>	<u>DIVIDEND</u>
1	7.40%	\$1.08
2	7.40%	\$1.16
3	7.40%	\$1.24
4	7.40%	\$1.34
5	7.40%	\$1.44
6	7.37%	\$1.54
7	7.33%	\$1.65
8	7.30%	\$1.78
9	7.27%	\$1.90
10	7.24%	\$2.04
11	7.21%	\$2.19
12	7.18%	\$2.35
13	7.15%	\$2.51
14	7.11%	\$2.69
15	7.08%	\$2.88
16	7.05%	\$3.09
17	7.02%	\$3.30
18	6.99%	\$3.54
19	6.96%	\$3.78
20	6.93%	\$4.04
21	6.89%	\$4.32
22	6.86%	\$4.62
23	6.83%	\$4.93
24	6.80%	\$5.27
25	6.77%	\$5.63
26	6.77%	\$6.01
27	6.77%	\$6.41
28	6.77%	\$6.85
29	6.77%	\$7.31
30	6.77%	\$7.81

This schedule is truncated; the calculation extends to 400 years to ensure the stability of the calculation.

g, D, P are from Schedule D-1.3
g(e) is from Schedule D-1.9

Growth in U.S. Gross National Product, 1929 to 2005

Year	GNP (\$billion)	Change (\$billion)	Growth%
1929	104.40		
1930	91.90	-12.70	-12.32%
1931	77.00	-14.60	-16.15%
1932	59.10	-17.80	-23.48%
1933	56.70	-2.40	-4.14%
1934	66.30	9.50	17.09%
1935	73.60	7.10	10.91%
1936	84.00	10.30	14.27%
1937	92.20	7.90	9.58%
1938	86.50	-5.70	-6.31%
1939	92.50	6.60	7.79%
1940	101.70	9.10	9.97%
1941	127.20	25.10	25.00%
1942	162.30	33.50	26.69%
1943	198.90	33.70	21.19%
1944	220.10	18.70	9.70%
1945	223.40	2.00	0.95%
1946	222.90	-1.00	-0.47%
1947	245.30	22.80	10.73%
1948	270.60	26.40	11.22%
1949	268.60	-1.20	-0.46%
1950	295.20	27.90	10.71%
1951	341.20	45.10	15.64%
1952	360.30	18.20	5.46%
1953	381.30	20.00	5.69%
1954	382.50	0.90	0.24%
1955	417.20	33.40	8.97%
1956	440.30	22.30	5.49%
1957	464.10	22.80	5.32%
1958	469.80	5.80	1.29%
1959	509.30	53.50	11.71%
1960	529.50	20.30	3.98%
1961	548.20	18.70	3.52%
1962	589.70	41.40	7.54%
1963	622.20	32.50	5.50%
1964	668.50	46.20	7.41%
1965	724.40	56.10	8.38%
1966	792.90	69.00	9.51%
1967	838.00	45.00	5.66%
1968	916.10	78.10	9.30%
1969	990.70	73.90	8.05%
1970	1,044.90	54.60	5.51%
1971	1,134.70	90.10	8.61%
1972	1,246.80	112.90	9.94%
1973	1,395.30	149.10	11.94%

Growth in U.S. Gross National Product, 1929 to 2005

Year	GNP (\$billion)	Change (\$billion)	Growth%
1974	1,515.50	118.50	8.48%
1975	1,651.30	131.70	8.68%
1976	1,842.10	192.60	11.68%
1977	2,051.20	211.10	11.47%
1978	2,316.30	265.90	12.96%
1979	2,595.30	281.30	12.14%
1980	2,823.70	231.50	8.91%
1981	3,161.40	335.30	11.84%
1982	3,291.50	129.60	4.09%
1983	3,573.80	276.10	8.38%
1984	3,969.50	396.30	11.10%
1985	4,246.80	270.30	6.81%
1986	4,480.60	229.90	5.42%
1987	4,757.40	287.90	6.44%
1988	5,127.40	370.60	7.79%
1989	5,510.60	382.60	7.46%
1990	5,837.90	322.80	5.86%
1991	6,026.30	178.70	3.06%
1992	6,367.40	331.40	5.51%
1993	6,689.30	324.40	5.11%
1994	7,098.40	404.40	6.07%
1995	7,433.40	349.80	4.95%
1996	7,851.90	410.30	5.53%
1997	8,337.30	473.80	6.05%
1998	8,768.30	445.00	5.36%
1999	9,302.20	486.20	5.56%
2000	9,855.90	553.70	5.95%
2001	10,171.60	315.70	3.20%
2002	10,514.10	342.50	3.37%
2003	11,059.20	545.10	5.18%
2004	11,778.90	719.70	6.51%
2005	12,520.80	741.90	6.30%

Average 6.77%

Sources: (1) National Income and Product Accounts (NIPA) from the U. S. Bureau of Economic Analysis and Econostats; BEA Data; NIPA Index; Section 1. Domestic Product and Income Table 1.7.5 Relation of Gross Domestic Product, Gross National Product, Ne

**Average Capital Structure For The Comparable Group
2006 Balances**

Holding Company Name	Stock Ticker	Long Term Debt \$	Total Equity \$	Total Capitalization \$	Debt Ratio	Equity Ratio
South Jersey Industries I	SJI	358,022,000	443,036,000	801,058,000	44.69%	55.31%
Piedmont Natural Gas Co	PNY	825,000,000	882,925,000	1,707,925,000	48.30%	51.70%
National Fuel Gas Co	NFG	1,095,675,000	1,443,562,000	2,539,237,000	43.15%	56.85%
AGL Resources Inc	ATG	1,622,000,000	1,609,000,000	3,231,000,000	50.20%	49.80%
Atmos Energy Corp	ATO	2,180,362,000	1,648,098,000	3,828,460,000	56.95%	43.05%
					48.66%	51.34%

Source: Global Energy's Energy Velocity Suite, Fuels Dataset, SEC 10K

Rate GSS
Typical Bill Comparison- East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	5.70	5.96	0.26	4.56	18.31	12.61	221.23
1	17.86	18.62	0.76	4.26	29.66	11.80	66.07
5	66.51	69.24	2.73	4.10	75.03	8.52	12.81
10	127.31	132.51	5.20	4.08	131.74	4.43	3.48
15	188.11	195.80	7.69	4.09	188.45	0.34	0.18
20	248.91	259.07	10.16	4.08	245.16	(3.75)	-1.51
25	309.72	322.35	12.63	4.08	301.88	(7.84)	-2.53
30	370.52	385.62	15.10	4.08	358.59	(11.93)	-3.22
35	431.32	448.90	17.58	4.08	415.30	(16.02)	-3.71
40	492.12	512.18	20.06	4.08	472.01	(20.11)	-4.09
45	552.93	575.46	22.53	4.07	528.73	(24.20)	-4.38
50	613.74	638.74	25.00	4.07	585.45	(28.29)	-4.61
60	735.34	765.29	29.95	4.07	701.54	(33.80)	-4.60
70	856.95	891.85	34.90	4.07	817.63	(39.32)	-4.59
80	978.55	1,018.40	39.85	4.07	933.73	(44.82)	-4.58
90	1,100.16	1,144.96	44.80	4.07	1,049.82	(50.34)	-4.58
100	1,221.76	1,271.51	49.75	4.07	1,165.91	(55.85)	-4.57
125	1,523.99	1,586.03	62.04	4.07	1,454.28	(69.71)	-4.57
150	1,826.22	1,900.55	74.33	4.07	1,742.64	(83.58)	-4.58
175	2,128.43	2,215.05	86.62	4.07	2,031.00	(97.43)	-4.58
200	2,430.66	2,529.57	98.91	4.07	2,319.36	(111.30)	-4.58
250	3,035.12	3,158.61	123.49	4.07	2,896.09	(139.03)	-4.58

Rate ECTS
Typical Bill Comparison- East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	5.70	5.96	0.26	4.56	18.31	12.61	221.23
1	8.29	9.06	0.77	9.29	20.10	11.81	142.46
5	18.65	21.45	2.80	15.01	27.24	8.59	46.06
10	31.60	36.94	5.34	16.90	36.17	4.57	14.46
15	44.54	52.44	7.90	17.74	45.09	0.55	1.23
20	57.49	67.93	10.44	18.16	54.02	(3.47)	-6.04
25	70.44	83.42	12.98	18.43	62.95	(7.49)	-10.63
30	83.39	98.91	15.52	18.61	71.88	(11.51)	-13.80
35	96.33	114.40	18.07	18.76	80.80	(15.53)	-16.12
40	109.28	129.90	20.62	18.87	89.73	(19.55)	-17.89
45	122.23	145.39	23.16	18.95	98.66	(23.57)	-19.28
50	135.18	160.88	25.70	19.01	107.59	(27.59)	-20.41
60	161.07	191.86	30.79	19.12	128.11	(32.96)	-20.46
70	186.97	222.85	35.88	19.19	148.63	(38.34)	-20.51
80	212.86	253.83	40.97	19.25	169.16	(43.70)	-20.53
90	238.76	284.82	46.06	19.29	189.68	(49.08)	-20.56
100	264.65	315.80	51.15	19.33	210.20	(54.45)	-20.57
125	327.60	391.39	63.79	19.47	259.64	(67.96)	-20.74
150	390.55	466.98	76.43	19.57	309.07	(81.48)	-20.86
175	453.49	542.56	89.07	19.64	358.51	(94.98)	-20.94
200	516.44	618.15	101.71	19.69	407.94	(108.50)	-21.01
250	642.34	769.33	126.99	19.77	506.81	(135.53)	-21.10

Rate GSS
Typical Bill Comparison- West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	4.38	5.96	1.58	36.07	18.31	13.93	318.04
1	16.42	18.62	2.20	13.40	29.66	13.24	80.63
5	64.59	69.24	4.65	7.20	75.03	10.44	16.16
10	124.81	132.51	7.70	6.17	131.74	6.93	5.55
15	185.02	195.79	10.77	5.82	188.45	3.43	1.85
20	245.23	259.07	13.84	5.64	245.16	(0.07)	-0.03
25	305.44	322.35	16.91	5.54	301.88	(3.56)	-1.17
30	365.65	385.62	19.97	5.46	358.59	(7.06)	-1.93
35	425.86	448.90	23.04	5.41	415.30	(10.56)	-2.48
40	486.07	512.17	26.10	5.37	472.01	(14.06)	-2.89
45	546.28	575.45	29.17	5.34	528.73	(17.55)	-3.21
50	606.50	638.74	32.24	5.32	585.45	(21.05)	-3.47
60	726.92	765.29	38.37	5.28	701.54	(25.38)	-3.49
70	847.35	891.84	44.49	5.25	817.63	(29.72)	-3.51
80	967.76	1,018.39	50.63	5.23	933.73	(34.03)	-3.52
90	1,088.19	1,144.95	56.76	5.22	1,049.82	(38.37)	-3.53
100	1,208.61	1,271.50	62.89	5.20	1,165.91	(42.70)	-3.53
125	1,507.88	1,586.02	78.14	5.18	1,454.28	(53.60)	-3.55
150	1,807.15	1,900.53	93.38	5.17	1,742.64	(64.51)	-3.57
175	2,106.42	2,215.04	108.62	5.16	2,031.00	(75.42)	-3.58
200	2,405.68	2,529.55	123.87	5.15	2,319.36	(86.32)	-3.59
250	3,004.22	3,158.58	154.36	5.14	2,896.09	(108.13)	-3.60

Rate ECTS
Typical Bill Comparison- West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	4.38	5.96	1.58	36.07	18.31	13.93	318.04
1	6.85	9.06	2.21	32.26	20.10	13.25	193.43
5	16.75	21.45	4.70	28.06	27.24	10.49	62.63
10	29.13	36.94	7.81	26.81	36.17	7.04	24.17
15	41.50	52.43	10.93	26.34	45.09	3.59	8.65
20	53.87	67.93	14.06	26.10	54.02	0.15	0.28
25	66.24	83.42	17.18	25.94	62.95	(3.29)	-4.97
30	78.62	98.91	20.29	25.81	71.88	(6.74)	-8.57
35	90.99	114.40	23.41	25.73	80.80	(10.19)	-11.20
40	103.36	129.89	26.53	25.67	89.73	(13.63)	-13.19
45	115.73	145.38	29.65	25.62	98.66	(17.07)	-14.75
50	128.11	160.88	32.77	25.58	107.59	(20.52)	-16.02
60	152.85	191.86	39.01	25.52	128.11	(24.74)	-16.19
70	177.60	222.84	45.24	25.47	148.63	(28.97)	-16.31
80	202.34	253.82	51.48	25.44	169.16	(33.18)	-16.40
90	227.09	284.81	57.72	25.42	189.68	(37.41)	-16.47
100	251.83	315.79	63.96	25.40	210.20	(41.63)	-16.53
125	311.90	391.38	79.48	25.48	259.64	(52.26)	-16.76
150	371.98	466.96	94.98	25.53	309.07	(62.91)	-16.91
175	432.05	542.55	110.50	25.58	358.51	(73.54)	-17.02
200	492.12	618.13	126.01	25.61	407.94	(84.18)	-17.11
250	612.27	769.30	157.03	25.65	506.81	(105.46)	-17.22

Rate LVGSS
Typical Bill Comparison - East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	40.00	41.84	1.84	4.60	78.45	38.45	96.13
25	344.45	358.23	13.78	4.00	381.24	36.79	10.68
50	648.90	674.62	25.72	3.96	684.03	35.13	5.41
75	953.33	991.00	37.67	3.95	986.80	33.47	3.51
100	1,257.78	1,307.39	49.61	3.94	1,289.59	31.81	2.53
200	2,442.40	2,499.83	57.43	2.35	2,480.25	37.85	1.55
300	3,627.02	3,692.27	65.25	1.80	3,670.90	43.88	1.21
400	4,811.64	4,884.71	73.07	1.52	4,861.56	49.92	1.04
500	5,996.26	6,077.15	80.89	1.35	6,130.67	134.41	2.24
750	8,914.32	9,012.76	98.44	1.10	9,067.71	153.39	1.72
1,000	11,832.36	11,948.35	115.99	0.98	12,004.75	172.39	1.46
1,250	14,750.42	14,883.96	133.54	0.91	14,941.79	191.37	1.30
1,500	17,668.46	17,819.55	151.09	0.86	17,878.82	210.36	1.19
2,000	23,504.56	23,690.75	186.19	0.79	23,752.90	248.34	1.06
5,000	58,381.36	58,771.55	390.19	0.67	58,851.25	469.89	0.80
10,000	116,509.36	117,239.55	730.19	0.63	117,348.50	839.14	0.72
15,000	174,637.36	175,707.55	1,070.19	0.61	175,845.75	1,208.39	0.69
20,000	232,765.36	234,175.55	1,410.19	0.61	234,343.00	1,577.64	0.68
25,000	290,893.36	292,643.55	1,750.19	0.60	292,840.25	1,946.89	0.67
50,000	581,533.36	584,983.55	3,450.19	0.59	585,326.50	3,793.14	0.65
75,000	872,173.36	877,323.55	5,150.19	0.59	877,812.75	5,639.39	0.65
100,000	1,162,813.36	1,169,663.55	6,850.19	0.59	1,170,299.00	7,485.64	0.64

Rate LVECTS
Typical Bill Comparison - East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	40.00	41.84	1.84	4.60	78.45	38.45	96.13
25	105.17	119.30	14.13	13.44	142.31	37.14	35.31
50	170.34	196.76	26.42	15.51	206.17	35.83	21.03
75	235.50	274.22	38.72	16.44	270.02	34.52	14.66
100	300.67	351.68	51.01	16.97	333.88	33.21	11.05
200	528.18	588.41	60.23	11.40	568.83	40.65	7.70
300	755.69	825.14	69.45	9.19	803.77	48.08	6.36
400	983.20	1,061.87	78.67	8.00	1,038.72	55.52	5.65
500	1,210.71	1,298.60	87.89	7.26	1,352.12	141.41	11.68
750	1,735.99	1,844.93	108.94	6.28	1,899.88	163.89	9.44
1,000	2,261.26	2,391.25	129.99	5.75	2,447.65	186.39	8.24
1,250	2,786.54	2,937.58	151.04	5.42	2,995.41	208.87	7.50
1,500	3,311.81	3,483.90	172.09	5.20	3,543.17	231.36	6.99
2,000	4,362.36	4,576.55	214.19	4.91	4,638.70	276.34	6.33
5,000	10,525.86	10,986.05	460.19	4.37	11,065.75	539.89	5.13
10,000	20,798.36	21,668.55	870.19	4.18	21,777.50	979.14	4.71
15,000	31,070.86	32,351.05	1,280.19	4.12	32,489.25	1,418.39	4.57
20,000	41,343.36	43,033.55	1,690.19	4.09	43,201.00	1,857.64	4.49
25,000	51,615.86	53,716.05	2,100.19	4.07	53,912.75	2,296.89	4.45
50,000	102,978.36	107,128.55	4,150.19	4.03	107,471.50	4,493.14	4.36
75,000	154,340.86	160,541.05	6,200.19	4.02	161,030.25	6,689.39	4.33
100,000	\$ 205,703.36	213,953.55	8,250.19	4.01	214,589.00	8,885.64	4.32

Rate LVGSS
Typical Bill Comparison - West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	32.24	41.84	9.60	29.78	78.45	46.21	143.33
25	333.30	358.23	24.93	7.48	381.24	47.94	14.38
50	634.36	674.62	40.26	6.35	684.03	49.67	7.83
100	1,236.47	1,307.38	70.91	5.73	1,289.59	53.12	4.30
125	1,535.74	1,605.49	69.75	4.54	1,587.26	51.52	3.35
150	1,835.01	1,903.60	68.59	3.74	1,884.92	49.91	2.72
200	2,433.54	2,499.81	66.27	2.72	2,480.25	46.71	1.92
300	3,592.51	3,692.24	99.73	2.78	3,670.90	78.39	2.18
400	4,751.48	4,884.67	133.19	2.80	4,861.56	110.08	2.32
500	5,910.45	6,077.10	166.65	2.82	6,130.67	220.22	3.73
750	8,807.88	9,012.68	204.80	2.33	9,067.71	259.83	2.95
1,500	17,500.15	17,819.40	319.25	1.82	17,878.82	378.67	2.16
2,000	23,295.00	23,690.55	395.55	1.70	23,752.90	457.90	1.97
3,000	34,838.10	35,384.05	545.95	1.57	35,452.35	614.25	1.76
4,000	46,381.20	47,077.55	696.35	1.50	47,151.80	770.60	1.66
5,000	57,924.30	58,771.05	846.75	1.46	58,851.25	926.95	1.60
10,000	114,054.80	117,238.55	3,183.75	2.79	117,348.50	3,293.70	2.89
17,500	198,250.55	204,939.80	6,689.25	3.37	205,094.37	6,843.82	3.45
25,000	282,446.30	292,641.05	10,194.75	3.61	292,840.25	10,393.95	3.68
50,000	561,873.80	584,978.55	23,104.75	4.11	585,326.50	23,452.70	4.17
75,000	841,301.30	877,316.05	36,014.75	4.28	877,812.75	36,511.45	4.34
100,000	1,120,728.80	1,169,653.55	48,924.75	4.37	1,170,299.00	49,570.20	4.42

Rate LVECTS
Typical Bill Comparison - West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	32.24	41.84	9.60	29.78	78.45	46.21	143.33
25	94.10	119.30	25.20	26.78	142.31	48.21	51.23
50	155.97	196.76	40.79	26.15	206.17	50.20	32.19
100	279.69	351.67	71.98	25.74	333.88	54.19	19.38
125	339.76	410.85	71.09	20.92	392.62	52.86	15.56
150	399.84	470.03	70.19	17.55	451.35	51.51	12.88
200	519.98	588.39	68.41	13.16	568.83	48.85	9.39
300	722.17	825.11	102.94	14.25	803.77	81.60	11.30
400	924.36	1,061.83	137.47	14.87	1,038.72	114.36	12.37
500	1,126.55	1,298.55	172.00	15.27	1,352.12	225.57	20.02
750	1,632.03	1,844.85	212.82	13.04	1,899.88	267.85	16.41
1,500	3,148.45	3,483.75	335.30	10.65	3,543.17	394.72	12.54
2,000	4,159.40	4,576.35	416.95	10.02	4,638.70	479.30	11.52
3,000	6,134.70	6,712.75	578.05	9.42	6,781.05	646.35	10.54
4,000	8,110.00	8,849.15	739.15	9.11	8,923.40	813.40	10.03
5,000	10,085.30	10,985.55	900.25	8.93	11,065.75	980.45	9.72
10,000	18,376.80	21,667.55	3,290.75	17.91	21,777.50	3,400.70	18.51
17,500	30,814.05	37,690.55	6,876.50	22.32	37,845.12	7,031.07	22.82
25,000	43,251.30	53,713.55	10,462.25	24.19	53,912.75	10,661.45	24.65
50,000	83,483.80	107,123.55	23,639.75	28.32	107,471.50	23,987.70	28.73
75,000	123,716.30	160,533.55	36,817.25	29.76	161,030.25	37,313.95	30.16
100,000	163,948.80	213,943.55	49,994.75	30.49	214,589.00	50,640.20	30.89

Rate TSS

Typical Bill Comparison- East

Usage	Applicant		Applicant		Increase		Percent		Staff		Increase		Percent	
	Current	Proposed	Current	Proposed	\$	%	Increase	%	Proposed	\$	Increase	%	Increase	%
0	\$ 50.00	\$ 52.30			\$	2.30		4.60		52.30	\$	2.30		4.60
25	113.32	118.40				5.08		4.48		118.40		5.08		4.48
50	176.65	184.50				7.85		4.44		184.50		7.85		4.44
75	239.97	250.59				10.62		4.43		250.59		10.62		4.43
100	303.29	316.69				13.40		4.42		316.69		13.40		4.42
200	523.42	546.39				22.97		4.39		546.39		22.97		4.39
300	743.55	776.09				32.54		4.38		776.09		32.54		4.38
400	963.68	1,005.79				42.11		4.37		1,005.79		42.11		4.37
500	1,183.81	1,235.49				51.68		4.37		1,235.49		51.68		4.37
750	1,690.64	1,764.24				73.60		4.35		1,764.24		73.60		4.35
1,000	2,197.46	2,292.99				95.53		4.35		2,292.99		95.53		4.35
1,250	2,704.29	2,821.74				117.45		4.34		2,821.74		117.45		4.34
1,500	3,211.11	3,350.49				139.38		4.34		3,350.49		139.38		4.34
2,000	4,224.76	4,407.99				183.23		4.34		4,407.99		183.23		4.34
3,000	6,205.46	6,140.89				(64.57)		-1.04		6,140.89		(64.57)		-1.04
4,000	8,186.16	7,873.79				(312.37)		-3.82		7,873.79		(312.37)		-3.82
5,000	10,166.86	9,606.69				(560.17)		-5.51		9,606.69		(560.17)		-5.51
10,000	20,070.36	18,271.19				(1,799.17)		-8.96		18,271.19		(1,799.17)		-8.96
15,000	29,973.86	26,935.69				(3,038.17)		-10.14		26,935.69		(3,038.17)		-10.14
20,000	39,877.36	35,600.19				(4,277.17)		-10.73		35,600.19		(4,277.17)		-10.73
25,000	49,780.86	44,264.69				(5,516.17)		-11.08		44,264.69		(5,516.17)		-11.08
50,000	99,298.36	87,587.19				(11,711.17)		-11.79		87,587.19		(11,711.17)		-11.79
75,000	148,815.86	130,909.69				(17,906.17)		-12.03		130,909.69		(17,906.17)		-12.03
100,000	\$ 198,333.36	\$ 174,232.19			\$	(24,101.17)		-12.15		\$ 174,232.19		(24,101.17)		-12.15

Rate GTS
Typical Bill Comparison- East

Usage	Applicant Current	Applicant Proposed	Increase	Percent Increase	Staff Proposed	Increase	Percent Increase
0	\$ 102.50	\$ 107.22	\$ 4.72	4.60 %	125.53	\$ 23.03	22.47 %
25	162.22	169.55	7.33	4.52	189.43	27.21	16.77
50	221.95	231.88	9.93	4.47	253.33	31.38	14.14
75	281.67	294.21	12.54	4.45	317.23	35.56	12.62
100	341.39	356.54	15.15	4.44	381.13	39.74	11.64
200	547.12	571.18	24.06	4.40	602.04	54.92	10.04
300	752.85	785.82	32.97	4.38	822.95	70.10	9.31
400	958.58	1,000.46	41.88	4.37	1,043.86	85.28	8.90
500	1,164.31	1,215.10	50.79	4.36	1,264.77	100.46	8.63
750	1,635.14	1,706.20	71.06	4.35	1,775.15	140.01	8.56
1,000	2,105.96	2,197.30	91.34	4.34	2,285.52	179.56	8.53
1,250	2,576.79	2,688.40	111.61	4.33	2,795.90	219.11	8.50
1,500	3,047.61	3,179.50	131.89	4.33	3,306.27	258.66	8.49
2,000	3,989.26	4,161.70	172.44	4.32	4,327.02	337.76	8.47
3,000	5,825.96	5,743.90	(82.06)	-1.41	6,054.42	228.46	3.92
4,000	7,662.66	7,326.10	(336.56)	-4.39	7,781.82	119.16	1.56
5,000	9,499.36	8,908.30	(591.06)	-6.22	9,509.22	9.86	0.10
10,000	18,682.86	16,819.30	(1,863.56)	-9.97	18,146.22	(536.64)	-2.87
15,000	27,866.36	24,730.30	(3,136.06)	-11.25	26,783.22	(1,083.14)	-3.89
20,000	37,049.86	32,641.30	(4,408.56)	-11.90	35,420.22	(1,629.64)	-4.40
25,000	46,233.36	40,552.30	(5,681.06)	-12.29	44,057.22	(2,176.14)	-4.71
50,000	92,150.86	80,107.30	(12,043.56)	-13.07	87,242.22	(4,908.64)	-5.33
75,000	138,068.36	119,662.30	(18,406.06)	-13.33	130,427.22	(7,641.14)	-5.53
100,000	\$ 183,985.86	\$ 159,217.30	(24,768.56)	-13.46 %	173,612.22	\$ (10,373.64)	-5.64 %

Rate DTS									
Typical Bill Comparison- East									
Usage	Applicant Current	Applicant Proposed	Increase	Percent Increase	Staff Proposed	Increase	Percent Increase	Increase	Percent Increase
0	\$ 377.00	\$ 394.36	\$ 17.36	4.60%	\$ 394.36	\$ 17.36	4.60 %	\$ 17.36	4.60 %
25	410.47	429.37	18.90	4.60%	429.37	18.90	4.60	18.90	4.60
50	443.93	464.37	20.44	4.60%	464.37	20.44	4.60	20.44	4.60
100	510.86	534.38	23.52	4.60%	534.38	23.52	4.60	23.52	4.60
250	700.91	733.18	32.27	4.60%	733.18	32.27	4.60	32.27	4.60
375	859.29	898.84	39.55	4.60%	898.84	39.55	4.60	39.55	4.60
500	1,017.66	1,064.50	46.84	4.60%	1,064.50	46.84	4.60	46.84	4.60
750	1,292.16	1,351.65	59.49	4.60%	1,351.65	59.49	4.60	59.49	4.60
1,250	1,841.16	1,925.95	84.79	4.61%	1,925.95	84.79	4.61	84.79	4.61
2,000	2,664.66	2,787.40	122.74	4.61%	2,787.40	122.74	4.61	122.74	4.61
3,000	3,716.06	3,887.20	171.14	4.61%	3,887.20	171.14	4.61	171.14	4.61
4,000	4,767.46	4,987.00	219.54	4.60%	4,987.00	219.54	4.60	219.54	4.60
5,000	5,818.86	6,086.80	267.94	4.60%	6,086.80	267.94	4.60	267.94	4.60
10,000	11,075.86	9,957.80	(1,118.06)	-10.09%	9,957.80	(1,118.06)	-10.09	(1,118.06)	-10.09
17,500	18,961.36	15,764.30	(3,197.06)	-16.86%	15,764.30	(3,197.06)	-16.86	(3,197.06)	-16.86
25,000	26,846.86	21,570.80	(5,276.06)	-19.65%	21,570.80	(5,276.06)	-19.65	(5,276.06)	-19.65
30,000	30,348.86	25,441.80	(4,907.06)	-16.17%	25,441.80	(4,907.06)	-16.17	(4,907.06)	-16.17
42,500	39,103.86	35,119.30	(3,984.56)	-10.19%	35,119.30	(3,984.56)	-10.19	(3,984.56)	-10.19
50,000	44,356.86	40,925.80	(3,431.06)	-7.74%	40,925.80	(3,431.06)	-7.74	(3,431.06)	-7.74
75,000	52,016.86	48,938.30	(3,078.56)	-5.92%	48,938.30	(3,078.56)	-5.92	(3,078.56)	-5.92
125,000	67,336.86	64,963.30	(2,373.56)	-3.52%	64,963.30	(2,373.56)	-3.52	(2,373.56)	-3.52
250,000	105,636.86	105,025.80	(611.06)	-0.58%	105,025.80	(611.06)	-0.58	(611.06)	-0.58
500,000	182,236.86	185,150.80	2,913.94	1.60%	185,150.80	2,913.94	1.60	2,913.94	1.60
750,000	258,836.86	265,275.80	6,438.94	2.49%	265,275.80	6,438.94	2.49 %	6,438.94	2.49 %

Typical Bill Comparison- West

[illegible]

Rate LVGSS
Typical Bill Comparison - East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	40.00	41.84	1.84	4.60	78.45	38.45	96.13
25	344.45	358.23	13.78	4.00	381.24	36.79	10.68
50	648.90	674.62	25.72	3.96	684.03	35.13	5.41
75	953.33	991.00	37.67	3.95	986.80	33.47	3.51
100	1,257.78	1,307.39	49.61	3.94	1,289.59	31.81	2.53
200	2,442.40	2,499.83	57.43	2.35	2,480.25	37.85	1.55
300	3,627.02	3,692.27	65.25	1.80	3,670.90	43.88	1.21
400	4,811.64	4,884.71	73.07	1.52	4,861.56	49.92	1.04
500	5,996.26	6,077.15	80.89	1.35	6,130.67	134.41	2.24
750	8,914.32	9,012.76	98.44	1.10	9,067.71	153.39	1.72
1,000	11,832.36	11,948.35	115.99	0.98	12,004.75	172.39	1.46
1,250	14,750.42	14,883.96	133.54	0.91	14,941.79	191.37	1.30
1,500	17,668.46	17,819.55	151.09	0.86	17,878.82	210.36	1.19
2,000	23,504.56	23,690.75	186.19	0.79	23,752.90	248.34	1.06
5,000	58,381.36	58,771.55	390.19	0.67	58,851.25	469.89	0.80
10,000	116,509.36	117,239.55	730.19	0.63	117,348.50	839.14	0.72
15,000	174,637.36	175,707.55	1,070.19	0.61	175,845.75	1,208.39	0.69
20,000	232,765.36	234,175.55	1,410.19	0.61	234,343.00	1,577.64	0.68
25,000	290,893.36	292,643.55	1,750.19	0.60	292,840.25	1,946.89	0.67
50,000	581,533.36	584,983.55	3,450.19	0.59	585,326.50	3,793.14	0.65
75,000	872,173.36	877,323.55	5,150.19	0.59	877,812.75	5,639.39	0.65
100,000	1,162,813.36	1,169,663.55	6,850.19	0.59	1,170,299.00	7,485.64	0.64

Rate LVECTS
Typical Bill Comparison - East

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	40.00	41.84	1.84	4.60	78.45	38.45	96.13
25	105.17	119.30	14.13	13.44	142.31	37.14	35.31
50	170.34	196.76	26.42	15.51	206.17	35.83	21.03
75	235.50	274.22	38.72	16.44	270.02	34.52	14.66
100	300.67	351.68	51.01	16.97	333.88	33.21	11.05
200	528.18	588.41	60.23	11.40	568.83	40.65	7.70
300	755.69	825.14	69.45	9.19	803.77	48.08	6.36
400	983.20	1,061.87	78.67	8.00	1,038.72	55.52	5.65
500	1,210.71	1,298.60	87.89	7.26	1,352.12	141.41	11.68
750	1,735.99	1,844.93	108.94	6.28	1,899.88	163.89	9.44
1,000	2,261.26	2,391.25	129.99	5.75	2,447.65	186.39	8.24
1,250	2,786.54	2,937.58	151.04	5.42	2,995.41	208.87	7.50
1,500	3,311.81	3,483.90	172.09	5.20	3,543.17	231.36	6.99
2,000	4,362.36	4,576.55	214.19	4.91	4,638.70	276.34	6.33
5,000	10,525.86	10,986.05	460.19	4.37	11,065.75	539.89	5.13
10,000	20,798.36	21,668.55	870.19	4.18	21,777.50	979.14	4.71
15,000	31,070.86	32,351.05	1,280.19	4.12	32,489.25	1,418.39	4.57
20,000	41,343.36	43,033.55	1,690.19	4.09	43,201.00	1,857.64	4.49
25,000	51,615.86	53,716.05	2,100.19	4.07	53,912.75	2,296.89	4.45
50,000	102,978.36	107,128.55	4,150.19	4.03	107,471.50	4,493.14	4.36
75,000	154,340.86	160,541.05	6,200.19	4.02	161,030.25	6,689.39	4.33
100,000	\$ 205,703.36	213,953.55	8,250.19	4.01	214,589.00	8,885.64	4.32

Rate LVGSS
Typical Bill Comparison - West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	32.24	41.84	9.60	29.78	78.45	46.21	143.33
25	333.30	358.23	24.93	7.48	381.24	47.94	14.38
50	634.36	674.62	40.26	6.35	684.03	49.67	7.83
100	1,236.47	1,307.38	70.91	5.73	1,289.59	53.12	4.30
125	1,535.74	1,605.49	69.75	4.54	1,587.26	51.52	3.35
150	1,835.01	1,903.60	68.59	3.74	1,884.92	49.91	2.72
200	2,433.54	2,499.81	66.27	2.72	2,480.25	46.71	1.92
300	3,592.51	3,692.24	99.73	2.78	3,670.90	78.39	2.18
400	4,751.48	4,884.67	133.19	2.80	4,861.56	110.08	2.32
500	5,910.45	6,077.10	166.65	2.82	6,130.67	220.22	3.73
750	8,807.88	9,012.68	204.80	2.33	9,067.71	259.83	2.95
1,500	17,500.15	17,819.40	319.25	1.82	17,878.82	378.67	2.16
2,000	23,295.00	23,690.55	395.55	1.70	23,752.90	457.90	1.97
3,000	34,838.10	35,384.05	545.95	1.57	35,452.35	614.25	1.76
4,000	46,381.20	47,077.55	696.35	1.50	47,151.80	770.60	1.66
5,000	57,924.30	58,771.05	846.75	1.46	58,851.25	926.95	1.60
10,000	114,054.80	117,238.55	3,183.75	2.79	117,348.50	3,293.70	2.89
17,500	198,250.55	204,939.80	6,689.25	3.37	205,094.37	6,843.82	3.45
25,000	282,446.30	292,641.05	10,194.75	3.61	292,840.25	10,393.95	3.68
50,000	561,873.80	584,978.55	23,104.75	4.11	585,326.50	23,452.70	4.17
75,000	841,301.30	877,316.05	36,014.75	4.28	877,812.75	36,511.45	4.34
100,000	1,120,728.80	1,169,653.55	48,924.75	4.37	1,170,299.00	49,570.20	4.42

Rate LVECTS
Typical Bill Comparison - West

Usage	Applicant Current (\$)	Applicant Proposed (\$)	Increase (\$)	Percent Increase (%)	Staff Proposed (\$)	Increase (\$)	Percent Increase (%)
0	32.24	41.84	9.60	29.78	78.45	46.21	143.33
25	94.10	119.30	25.20	26.78	142.31	48.21	51.23
50	155.97	196.76	40.79	26.15	206.17	50.20	32.19
100	279.69	351.67	71.98	25.74	333.88	54.19	19.38
125	339.76	410.85	71.09	20.92	392.62	52.86	15.56
150	399.84	470.03	70.19	17.55	451.35	51.51	12.88
200	519.98	588.39	68.41	13.16	568.83	48.85	9.39
300	722.17	825.11	102.94	14.25	803.77	81.60	11.30
400	924.36	1,061.83	137.47	14.87	1,038.72	114.36	12.37
500	1,126.55	1,298.55	172.00	15.27	1,352.12	225.57	20.02
750	1,632.03	1,844.85	212.82	13.04	1,899.88	267.85	16.41
1,500	3,148.45	3,483.75	335.30	10.65	3,543.17	394.72	12.54
2,000	4,159.40	4,576.35	416.95	10.02	4,638.70	479.30	11.52
3,000	6,134.70	6,712.75	578.05	9.42	6,781.05	646.35	10.54
4,000	8,110.00	8,849.15	739.15	9.11	8,923.40	813.40	10.03
5,000	10,085.30	10,985.55	900.25	8.93	11,065.75	980.45	9.72
10,000	18,376.80	21,667.55	3,290.75	17.91	21,777.50	3,400.70	18.51
17,500	30,814.05	37,690.55	6,876.50	22.32	37,845.12	7,031.07	22.82
25,000	43,251.30	53,713.55	10,462.25	24.19	53,912.75	10,661.45	24.65
50,000	83,483.80	107,123.55	23,639.75	28.32	107,471.50	23,987.70	28.73
75,000	123,716.30	160,533.55	36,817.25	29.76	161,030.25	37,313.95	30.16
100,000	163,948.80	213,943.55	49,994.75	30.49	214,589.00	50,640.20	30.89

Rate TSS

Typical Bill Comparison- East

Usage	Applicant		Applicant		Increase		Percent		Staff		Increase		Percent	
	Current	Proposed	Current	Proposed	\$	%	Increase	%	Proposed	\$	Increase	%	Increase	%
0	\$ 50.00	\$ 52.30			\$	2.30		4.60	52.30	\$	2.30	4.60		%
25	113.32	118.40				5.08		4.48	118.40		5.08	4.48		%
50	176.65	184.50				7.85		4.44	184.50		7.85	4.44		%
75	239.97	250.59				10.62		4.43	250.59		10.62	4.43		%
100	303.29	316.69				13.40		4.42	316.69		13.40	4.42		%
200	523.42	546.39				22.97		4.39	546.39		22.97	4.39		%
300	743.55	776.09				32.54		4.38	776.09		32.54	4.38		%
400	963.68	1,005.79				42.11		4.37	1,005.79		42.11	4.37		%
500	1,183.81	1,235.49				51.68		4.37	1,235.49		51.68	4.37		%
750	1,690.64	1,764.24				73.60		4.35	1,764.24		73.60	4.35		%
1,000	2,197.46	2,292.99				95.53		4.35	2,292.99		95.53	4.35		%
1,250	2,704.29	2,821.74				117.45		4.34	2,821.74		117.45	4.34		%
1,500	3,211.11	3,350.49				139.38		4.34	3,350.49		139.38	4.34		%
2,000	4,224.76	4,407.99				183.23		4.34	4,407.99		183.23	4.34		%
3,000	6,205.46	6,140.89				(64.57)		-1.04	6,140.89		(64.57)	-1.04		%
4,000	8,186.16	7,873.79				(312.37)		-3.82	7,873.79		(312.37)	-3.82		%
5,000	10,166.86	9,606.69				(560.17)		-5.51	9,606.69		(560.17)	-5.51		%
10,000	20,070.36	18,271.19				(1,799.17)		-8.96	18,271.19		(1,799.17)	-8.96		%
15,000	29,973.86	26,935.69				(3,038.17)		-10.14	26,935.69		(3,038.17)	-10.14		%
20,000	39,877.36	35,600.19				(4,277.17)		-10.73	35,600.19		(4,277.17)	-10.73		%
25,000	49,780.86	44,264.69				(5,516.17)		-11.08	44,264.69		(5,516.17)	-11.08		%
50,000	99,298.36	87,587.19				(11,711.17)		-11.79	87,587.19		(11,711.17)	-11.79		%
75,000	148,815.86	130,909.69				(17,906.17)		-12.03	130,909.69		(17,906.17)	-12.03		%
100,000	\$ 198,333.36	\$ 174,232.19			\$	(24,101.17)		-12.15	\$ 174,232.19	\$	(24,101.17)	-12.15		%

Rate GTS

Typical Bill Comparison- East

Usage	Applicant Current	Applicant Proposed	Increase	Percent Increase	Staff Proposed	Increase	Percent Increase
0	\$ 102.50	\$ 107.22	\$ 4.72	4.60 %	125.53	\$ 23.03	22.47 %
25	162.22	169.55	7.33	4.52	189.43	27.21	16.77
50	221.95	231.88	9.93	4.47	253.33	31.38	14.14
75	281.67	294.21	12.54	4.45	317.23	35.56	12.62
100	341.39	356.54	15.15	4.44	381.13	39.74	11.64
200	547.12	571.18	24.06	4.40	602.04	54.92	10.04
300	752.85	785.82	32.97	4.38	822.95	70.10	9.31
400	958.58	1,000.46	41.88	4.37	1,043.86	85.28	8.90
500	1,164.31	1,215.10	50.79	4.36	1,264.77	100.46	8.63
750	1,635.14	1,706.20	71.06	4.35	1,775.15	140.01	8.56
1,000	2,105.96	2,197.30	91.34	4.34	2,285.52	179.56	8.53
1,250	2,576.79	2,688.40	111.61	4.33	2,795.90	219.11	8.50
1,500	3,047.61	3,179.50	131.89	4.33	3,306.27	258.66	8.49
2,000	3,989.26	4,161.70	172.44	4.32	4,327.02	337.76	8.47
3,000	5,825.96	5,743.90	(82.06)	-1.41	6,054.42	228.46	3.92
4,000	7,662.66	7,326.10	(336.56)	-4.39	7,781.82	119.16	1.56
5,000	9,499.36	8,908.30	(591.06)	-6.22	9,509.22	9.86	0.10
10,000	18,682.86	16,819.30	(1,863.56)	-9.97	18,146.22	(536.64)	-2.87
15,000	27,866.36	24,730.30	(3,136.06)	-11.25	26,783.22	(1,083.14)	-3.89
20,000	37,049.86	32,641.30	(4,408.56)	-11.90	35,420.22	(1,629.64)	-4.40
25,000	46,233.36	40,552.30	(5,681.06)	-12.29	44,057.22	(2,176.14)	-4.71
50,000	92,150.86	80,107.30	(12,043.56)	-13.07	87,242.22	(4,908.64)	-5.33
75,000	138,068.36	119,662.30	(18,406.06)	-13.33	130,427.22	(7,641.14)	-5.53
100,000	\$ 183,985.86	\$ 159,217.30	(24,768.56)	-13.46 %	173,612.22	(10,373.64)	-5.64 %

Rate DTS									
Typical Bill Comparison- East									
Usage	Applicant Current	Applicant		Applicant		Increase		Percent	
		Current	Proposed	Current	Proposed	Increase	%	Increase	%
0	\$ 377.00	\$ 377.00	\$ 394.36	\$ 394.36	\$ 394.36	\$ 17.36	4.60%	\$ 17.36	4.60 %
25	410.47	410.47	429.37	429.37	429.37	18.90	4.60%	18.90	4.60
50	443.93	443.93	464.37	464.37	464.37	20.44	4.60%	20.44	4.60
100	510.86	510.86	534.38	534.38	534.38	23.52	4.60%	23.52	4.60
250	700.91	700.91	733.18	733.18	733.18	32.27	4.60%	32.27	4.60
375	859.29	859.29	898.84	898.84	898.84	39.55	4.60%	39.55	4.60
500	1,017.66	1,017.66	1,064.50	1,064.50	1,064.50	46.84	4.60%	46.84	4.60
750	1,292.16	1,292.16	1,351.65	1,351.65	1,351.65	59.49	4.60%	59.49	4.60
1,250	1,841.16	1,841.16	1,925.95	1,925.95	1,925.95	84.79	4.61%	84.79	4.61
2,000	2,664.66	2,664.66	2,787.40	2,787.40	2,787.40	122.74	4.61%	122.74	4.61
3,000	3,716.06	3,716.06	3,887.20	3,887.20	3,887.20	171.14	4.61%	171.14	4.61
4,000	4,767.46	4,767.46	4,987.00	4,987.00	4,987.00	219.54	4.60%	219.54	4.60
5,000	5,818.86	5,818.86	6,086.80	6,086.80	6,086.80	267.94	4.60%	267.94	4.60
10,000	11,075.86	11,075.86	9,957.80	9,957.80	9,957.80	(1,118.06)	-10.09%	(1,118.06)	-10.09
17,500	18,961.36	18,961.36	15,764.30	15,764.30	15,764.30	(3,197.06)	-16.86%	(3,197.06)	-16.86
25,000	26,846.86	26,846.86	21,570.80	21,570.80	21,570.80	(5,276.06)	-19.65%	(5,276.06)	-19.65
30,000	30,348.86	30,348.86	25,441.80	25,441.80	25,441.80	(4,907.06)	-16.17%	(4,907.06)	-16.17
42,500	39,103.86	39,103.86	35,119.30	35,119.30	35,119.30	(3,984.56)	-10.19%	(3,984.56)	-10.19
50,000	44,356.86	44,356.86	40,925.80	40,925.80	40,925.80	(3,431.06)	-7.74%	(3,431.06)	-7.74
75,000	52,016.86	52,016.86	48,938.30	48,938.30	48,938.30	(3,078.56)	-5.92%	(3,078.56)	-5.92
125,000	67,336.86	67,336.86	64,963.30	64,963.30	64,963.30	(2,373.56)	-3.52%	(2,373.56)	-3.52
250,000	105,636.86	105,636.86	105,025.80	105,025.80	105,025.80	(611.06)	-0.58%	(611.06)	-0.58
500,000	182,236.86	182,236.86	185,150.80	185,150.80	185,150.80	2,913.94	1.60%	2,913.94	1.60
750,000	\$ 258,836.86	\$ 258,836.86	\$ 265,275.80	\$ 265,275.80	\$ 265,275.80	\$ 6,438.94	2.49%	\$ 6,438.94	2.49 %

Usage	Rate GTS						Typical Bill Comparison- West			
	Applicant Current	Applicant Proposed	Increase		Percent Increase		Staff		Increase	
	\$	\$	\$	(25.77)	-19.38 %	\$	Proposed	\$	Increase	Percent Increase
0	132.99	107.22	\$	(25.77)	-19.38 %	\$	125.53	\$	(7.46)	-5.61 %
25	172.93	144.58		(28.35)	-16.39		164.46		(8.47)	-4.90
50	212.87	181.94		(30.93)	-14.53		203.39		(9.48)	-4.45
100	292.75	256.66		(36.09)	-12.33		281.25		(11.50)	-3.93
125	330.90	285.35		(45.55)	-13.77		311.51		(19.39)	-5.86
150	369.05	314.04		(55.01)	-14.91		341.77		(27.28)	-7.39
200	445.35	371.41		(73.94)	-16.60		402.29		(43.06)	-9.67
300	559.85	486.16		(73.69)	-13.16		523.33		(36.52)	-6.52
400	674.35	600.91		(73.44)	-10.89		644.37		(29.98)	-4.45
500	788.85	715.66		(73.19)	-9.28		765.41		(23.44)	-2.97
750	1,075.10	957.04		(118.06)	-10.98		1,026.09		(49.01)	-4.56
1,500	1,933.85	1,681.16		(252.69)	-13.07		1,808.11		(125.74)	-6.50
2,000	2,506.35	2,163.91		(342.44)	-13.66		2,329.46		(176.89)	-7.06
3,000	3,604.75	2,747.31		(857.44)	-23.79		3,058.16		(546.59)	-15.16
4,000	4,703.15	3,330.71		(1,372.44)	-29.18		3,786.86		(916.29)	-19.48
5,000	5,801.55	3,914.11		(1,887.44)	-32.53		4,515.56		(1,285.99)	-22.17
10,000	9,708.55	6,831.11		(2,877.44)	-29.64		1.00		(9,707.55)	-99.99
17,500	15,569.05	11,206.61		(4,362.44)	-28.02		13,624.31		(1,944.74)	-12.49
25,000	21,429.55	15,582.11		(5,847.44)	-27.29		19,089.56		(2,339.99)	-10.92
50,000	39,714.55	30,167.11		(9,547.44)	-24.04		37,307.06		(2,407.49)	-6.06
75,000	57,999.55	44,752.11		(13,247.44)	-22.84		55,524.56		(2,474.99)	-4.27
100,000	76,284.55	59,337.11	\$	(16,947.44)	-22.22 %	\$	73,742.06	\$	(2,542.49)	-3.33 %