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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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PUCO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service.)	Case No. 07-829-GA-ALT
In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service.)	Case No. 07-830-GA-ALT
In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods.)	Case No. 07-831-GA-AAM
In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Recover Certain Costs Associated with a Pipeline Infrastructure Replacement Program Through an Automatic Adjustment Clause, And for Certain Accounting Treatment.)	Case No. 08-169-GA-ALT
In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Recover Certain Costs Associated with a Automated Meter Reading Deployment through an Automatic Adjustment Clause, And for Certain Accounting Treatment.)	Case No. 06-1453-UNC

**JOINT MOTION TO REOPEN THE RECORD, JOINT MOTION FOR WAIVER
OF CERTAIN REQUIREMENTS OF OHIO ADM. CODE 4901-1-34(B),
AND JOINT MOTION FOR A PROCEDURAL SCHEDULE
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL
THE CITY OF CLEVELAND,
OHIO PARTNERS FOR AFFORDABLE ENERGY,
THE NEIGHBORHOOD ENVIRONMENTAL COALITION, THE
EMPOWERMENT CENTER OF GREATER CLEVELAND,
CLEVELAND HOUSING NETWORK, AND THE CONSUMERS
FOR FAIR UTILITY RATES**

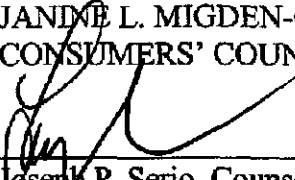
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The Office of the Ohio Consumers' Counsel ("OCC"), the City of Cleveland, the Ohio Partners for Affordable Energy, and a citizens coalition comprised of the Neighborhood Environmental Coalition, the Empowerment Center of Greater Cleveland, the Cleveland Housing Network, and the Consumers for Fair Utility Rates ("Citizens Coalition") (collectively "Joint Advocates"), pursuant to Ohio Adm. Code 4901-1-12 and 4901-1-34(B), on behalf of the 1.1 million residential consumers in the East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") service territory, moves the Public Utilities Commission of Ohio ("PUCO" or "Commission") to reopen this proceeding in which the PUCO considered a distribution rate increase for DEO. The Commission should reopen the record for the limited purpose of taking additional evidence in the form of the updated cost-of-service study ("COSS") that DEO filed with the PUCO on January 13, 2009. The revised COSS includes an analysis of the implication of straight fixed variable ("SFV") rate design on the residential and non-residential customers of the general sales service ("GSS") customer class, respectively.

In addition, pursuant to Ohio Adm. Code 4901-1-12 and 4901-1-38(B), the Commission should waive the requirement of Ohio Adm. Code 4901-1-34(B) that Joint Advocates' Motion to Reopen the Record be filed prior to the issuance of a final order. Finally, pursuant to Ohio Adm. Code 4901-1-12 the Joint Advocates move the Commission to establish a procedural schedule to hear evidence and arguments, and then rule, on how to deal with the verifiable and quantifiable harm that residential customers are experiencing under the SFV rate design as demonstrated in the revised COSS. The reasons supporting Joint Advocates' Motions are set forth in the attached Memorandum in Support.

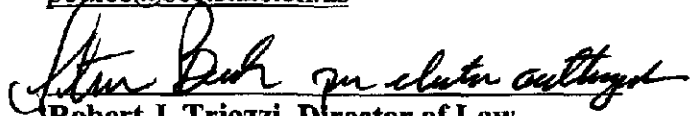
Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL



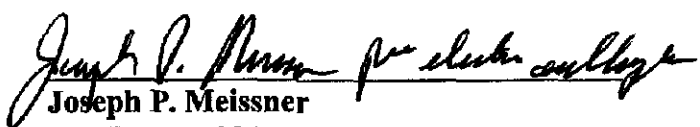
Joseph P. Serio, Counsel of Record
Larry S. Sauer
Gregory J. Poulos
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
614-466-8574 (Telephone)
614-466-9475 (Facsimile)
serio@occ.state.oh.us
sauer@occ.state.oh.us
poulos@occ.state.oh.us



Robert J. Triozzi, Director of Law
Steven Beeler
Cleveland City Hall
601 Lakeside Avenue, Room 206
Cleveland, Ohio 44114-1077
216-664-2800 (Telephone)
216 644-2663 (Facsimile)
RTriozzi@city.cleveland.oh.us
Sbeeler@city.cleveland.oh.us

Attorneys for the City of Cleveland



Joseph P. Meissner
The Legal Aid Society of Cleveland
1223 West 6th Street
Cleveland, OH 44113
216-687-1900 ext. 5672 (Telephone)
jpmcissn@lasclev.org

Counsel for:
Neighborhood Environmental Coalition,
Consumers for Fair Utility Rates,

*Cleveland Housing Network, and
The Empowerment Center of Greater
Cleveland*

Colleen L. Mooney for data analysis

David C. Rinebolt

Colleen L. Mooney

Ohio Partners for Affordable Energy

231 West Lima Street

P.O. Box 1793

Findlay, Ohio 45839-1793

419-425-8860 (Telephone)

419-425-8862 (Facsimile)

drinebolt@aol.com

cmooney2@columbus.rr.com

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MEMORANDUM IN SUPPORT

I. BACKGROUND

On July 20, 2007, DEO filed a Pre-Filing Notice of its intent to, among other things, increase rates for the natural gas distribution service that is provided through its gas pipelines.

On August 30, 2007, DEO filed its Application ("Application") in these cases ("Rate Case"), to increase the rates that customers pay.

Motions to Intervene were filed by the OCC, Stand Energy Corporation ("Stand"), OP&E, Ohio Energy Group ("OEG"), Interstate Gas Supply, Inc. ("IGS"), the City, the Citizens Coalition, Integrys Energy Services, Inc. ("Integrys"), Dominion Retail, Inc. ("Dominion Retail"), Industrial Energy Users-Ohio ("IEU"), Utility Workers Union of America ("Union"), Ohio Oil and Gas Association ("OOGA"), and Direct Energy Services, LLC. ("Direct").

On September 13, 2007, the Company filed the direct testimony of nine Company witnesses and outside experts. On May 23, 2008, the PUCO Staff filed its Staff Report of Investigation ("Staff Report") and the Report of Conclusions and Recommendations on the Financial Audit by Blue Ridge Consulting Services, Inc. ("Blue Ridge Report").

On August 22, 2008, the parties to the cases entered into a Stipulation and Recommendation ("Stipulation") that settled all issues except for the rate design issue involving the fixed monthly customer charge. One issue of particular concern for the Joint Advocates was the Commission's desire to impose the SFV rate design for the GSS customer class which was comprised of both residential and non-residential customers.¹ One provision in the Stipulation intended to address Joint Advocates' concern stated:

DEO shall evaluate the feasibility of separating the residential and nonresidential GSS/ECTS classes for purposes of rate design and will share with the Signatory Parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.²

¹ Joint Application for Rehearing at 10-11 (November 14, 2008).

² Stipulation at 11 (August 22, 2008).

In addition to this provision of the Stipulation, the Commission acknowledged concern with implementation of the SFV rate design when it included in its Opinion and Order ("Order") approval of the above referenced Stipulation provision by stating:

DEO shall evaluate the feasibility of separating the residential and non-residential GSS/ECTS classes for purposes of rate design and will share with the signatory parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.³

A Joint Application for Rehearing by the Joint Advocates was filed. On December 19, 2008, the Commission issued its Entry on Rehearing further clarifying its position on the COSS study to be filed by stating:

With regard to the rate design, the Commission adopted the first two years of the modified straight fixed variable (SFV) levelized rate design to decouple DEO's revenue recovery from the amount of gas actually consumed, which was proposed by Staff and DEO. Prior to approval of rates for year three and beyond, the Commission directed DEO to complete the cost allocation study required in the stipulation and to provide it to the Commission for consideration.⁴

On January 13, 2009, DEO filed its updated cost-of-service study.

II. THE APPLICABLE LAW

The Commission has authority to reopen proceedings under certain circumstances. Ohio Adm. Code 4901-1-34 states:

(A) The commission, the legal director, the deputy legal director, or an attorney examiner may, upon their own motion or upon

³ Order at 10 (October 15, 2008).

⁴ Entry on Rehearing at 2 (December 19, 2008). Although the PUCO made this distinction, the O&O did not provide for a process as to how the Cost of Service Study might be addressed.

motion of any person for good cause shown, reopen a proceeding at any time prior to the issuance of a final order.

(B) A motion to reopen a proceeding shall specifically set forth the purpose of the requested reopening. If the purpose is to permit the presentation of additional evidence, the motion shall specifically describe the nature and purpose of such evidence, and shall set forth facts showing why such evidence could not, with reasonable diligence, have been presented earlier in the proceeding.

While the Commission has already issued an Opinion and Order and an Entry on Rehearing in these cases, Joint Advocates' Motion must be considered in conjunction with its Motion to Waive certain requirements of Ohio Adm. Code 4901-1-34(B).

Pursuant to Ohio Adm. Code 4901-1-38(B), the Commission has the authority to waive certain requirements. Ohio Adm. Code 4901-1-38(B) states:

The commission may, upon its own motion or for good cause shown, waive any requirement, standard, or rule set forth in this chapter or prescribe different practices or procedures to be followed in a case.

In this case the Commission should grant the Joint Advocates' Motion to waive the requirement of Ohio Adm. Code 4901-1-34(B) that the Motion to Reopen the Proceedings be filed prior to the issuance of a final order.

Both Motions should be granted by the Commission because good cause exists for the Commission to waive the regulation that requires a proceeding be reopened "prior to the issuance of a final order" and good cause exists for reopening the record for the limited purpose of admitting the updated COSS into evidence in these cases.

Furthermore, the Commission should establish a procedural schedule to hear evidence and arguments, and then rule, on the inter-class subsidy issues illuminated by DEO's updated COSS filing in order to mitigate the verifiable harm that DEO's residential

customers will be experiencing under the rate design as approved for the GSS class which is presently comprised of residential and non-residential customers.

III. ARGUMENT

A. Good Cause for Granting Motions.

During the proceedings, Joint Advocates argued that DEO's cost-of-service study did not support charging GSS class customers (residential and non-residential) uniform rates under the SFV rate design.⁵ Joint Advocates explained that the GSS class is comprised of non-homogenous residential and non-residential (Commercial and Industrial) consumers with widely varying usage. OCC pointed out that the average residential customer uses 99.1 Mcf per year, the average non-residential customer uses 390 Mcf per year, and the largest consumption in the GSS class is in excess of 5,000 Mcf per year.⁶ It was also argued that under the SFV rate design, no user should pay more than their appropriately allocated share of fixed costs; however, the record does not establish that all customers in the GSS class place the same burden on the system. Joint Advocates maintained that, without more detail in the cost-of-service study, it was undetermined who was actually responsible for the fixed costs that are recovered through the SFV rate design. Now that the updated COSS study exists there is unrefuted evidence provided by the Company that supports Joint Advocates' above arguments.

The following results contained in the Updated COSS filed by the Company, on January 13, 2009, demonstrates the harms that Joint Advocates alleged in these cases:

⁵ OCC Initial Brief at 7-8 (September 10, 2008), OCC Reply Brief at 4-5 (September 16, 2008), Joint Application for Rehearing at 9-12 (November 14, 2008).

⁶ OCC Initial Brief at 6-7; Tr. Vol. IV at 18 (Murphy) (August 25, 2008).

<u>Return of Rate Base Comparison:</u> ⁷	<u>Test Yr.</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
DEO System Total	6.63%	8.48%	8.48%	8.48%
GSS Residential	5.16%	8.13%	8.74%	9.60%
GSS Non-Residential ⁸	6.79%	6.13%	3.23%	-0.84%
GSS: Combined	5.45%	7.785%	7.785%	7.785%
LVGSS ⁹	7.21%	8.89%	8.89%	8.89%
GTS ¹⁰	13.32%	13.25%	13.25%	13.25%
DTS ¹¹	5.51%	5.15%	5.15%	5.15%

GSS Base Rate Revenue Comparison (Million \$):

	<u>Test Yr.</u> ¹²	<u>Year 1</u> ¹³	<u>Year 2</u> ¹⁴	<u>Year 3</u> ¹⁵
Residential	\$213	\$241	\$250	\$261
Non-Residential	\$44	\$39	\$30	\$18
GSS Total	\$257	\$280	\$280	\$280
System Total	\$334	\$354	\$354	\$354

The significant and verifiable harm to residential customers under the existing SFV rate design which is demonstrated by the updated COSS study filed in these cases on January 13, 2009, provides good cause for granting the Joint Advocates' Motion to Reopen. The same good cause for granting the Motion to Reopen is present for the

⁷ Updated Cost of Service Study at Attachment 1. (Year 3 Assumes 100% SFV for all Test Year GSS/ECTS Customers (@\$19.46/customer/month) (January 13, 2009).

⁸ GSS Non-residential customers includes Commercial and Industrial customers with usage between 300 Mcf and 3,000 Mcf per year.

⁹ Large Volume General Sales Service.

¹⁰ General Transportation Service.

¹¹ Daily Transportation Service.

¹² Updated Cost of Service Study at Schedule E-3.2 Page 4 of 16 (January 13, 2009).

¹³ *Id.* at Attachment 2

¹⁴ *Id.* at Schedule E-3.2 Page 5 of 16.

¹⁵ *Id.* at Attachment 3.

Commission to grant the Motion to Waive Certain Requirements of Ohio Adm. Code 4901-1-34(B). Because the updated COSS was filed by DEO after the final order was issued on December 19, 2008, the Commission should hear this important evidence that was not available before the Commission's final order. The Commission has the authority to prescribe different practices or procedures to be followed in a case,¹⁶ and should do so in this case by waiving the deadline under Ohio Adm. Code 4901-1-34(B) and granting the Joint Advocates' Motion to Reopen.

B. Nature and Purpose of Evidence

In these cases, the Commission relied on testimony from a DEO witness that the residential customers actually benefited (were subsidized) by the non-residential GSS customers. In the Commission Order it states:

Furthermore, DEO's witness Andrews believes that, if any subsidy is taking place, it is the non-residential customers within the GSS class that are subsidizing the residential customers (Tr. 1 at 235 and 237). In fact, according to Mr. Andrews, the inclusion of the non-residential customers in the GSS class is a benefit to the residential customers because it ends up lowering the costs to serve the GSS class as a whole (Tr. 1 at 219).¹⁷

In the test year under the traditional rate design, the residential GSS customers were providing slightly less than the overall return and the non-residential GSS customers were providing a slightly higher relative return. However, under the SFV rate design that differential is reversed, in year one, where the residential GSS customers' rate of return increases to 8.13% and the non-residential GSS customers' rate of return plummets to

¹⁶ Ohio Adm. Code 4901-1-38.

¹⁷ Id.

6.13%. The overall system average return in year one is 8.48%. In year two of the transition under the SFV rate design, the residential GSS customers rate of return increases to 8.74% (meaning that residential GSS consumers are paying rates that result in the Company earning a higher than the system average return) and the non-residential GSS customers rate of return plunges to a mere 3.23% (meaning that the non-residential GSS consumers are paying rates that result in the Company earning far less than the system average return). The overall system average rate of return remained at 8.48%.

The revenue shift is equally dramatic for residential consumers who will be paying a significantly larger portion of the overall rate increase than the PUCO contemplated in its Order absent the updated COSS. The GSS residential distribution base rate increase in year one is \$28 Million whereas the GSS non-residential base rate revenues actually decrease in year one by \$5 million, a total revenue shift of \$33 million that requires that much more to be paid by residential consumers under the PUCO's new rate design. In year two the GSS residential base revenues increase another \$9 million while the GSS non-residential base rate revenues decrease by that same \$9 million, for a total revenue shift of \$51 million.

If the third year was implemented as the Company proposes in its updated cost-of-service study, the residential GSS customers base rate revenues would increase by yet another \$11 million and the non-residential GSS customers base rate revenues would decrease by that same amount, resulting in a total revenue shift of \$73 million. In total the residential base rates from the test year to the third year will have increased \$48 million as a result of the rate case, which is troubling because DEO's entire distribution

rate increase approved by the Commission in these cases was only \$40.5 Million.¹⁸

There currently exists an inter-class and subsidy issue (e.g. residential GSS customers subsidizing non-residential GSS customers) that should be addressed by the Commission in a timely manner by reopening these proceedings and addressing the rate design before year two rates are scheduled to be implemented.

C. The Evidence Could Not Have Been Presented Earlier.

Although Joint Advocates made all the appropriate arguments against the Company's proposal to maintain the GSS class with residential and non-residential customers,¹⁹ the data and information necessary to confirm Joint Advocates' position was in the sole possession of the Company. At the time the Commission issued its Opinion and Order approving the SFV rate design, the only cost of service study available was the study that DEO had performed at the time of its Application that supported the rate design DEO proposed in its Application. The rate design contemplated by the Company proposed to increase the monthly customer charge from \$4.38 to \$5.70 in the West Ohio Division, and proposed no increase to the existing \$5.70 monthly customer charge for the East Ohio Division.²⁰ Therefore, the existing cost-of-service study did not support the SFV rate design.

The Joint Advocates had argued that an inter-class subsidy would harm residential

¹⁸ Order at 6, 12.

¹⁹ OCC Initial Brief at 7-8 (September 10, 2008), OCC Reply Brief at 4-5 (September 16, 2008), Joint Application for Rehearing at 9-12 (November 14, 2008).

²⁰ PFN at Tab 5, Summary of Proposed Rates (July 20, 2007).

customers because the Company had put into its tariff a GSS eligibility limitation of 3,000 Mcf. The eligibility limitation was unnecessary under the traditional rate design because the volumetric rate had been high enough to keep high usage customers from migrating to the GSS class. However, under the SFV rate design, with its significantly decreasing volumetric rate, without the eligibility limitation, Commercial and Industrial customers would have the incentive to migrate to the GSS tariff because the higher fixed customer charge would be more than offset by lower volumetric rates.²¹ The total extent of the harm to residential customers could not be accurately quantified without an updated COSS that segregated the residential and non-residential GSS customers.

It was not until the updated COSS was filed by DEO that the inter-class subsidy harm to DEO's residential customers that the Joint Advocates had alleged in these cases was actually proven. The SFV rate design caused an inter-class subsidy (GSS non-residential subsidized by GSS residential) that was not documented by the existing cost-of-service study. Therefore, the Commission should reopen the record and admit the updated COSS into evidence in these cases.

The PUCO has not explained why it is just and reasonable to have low-volume residential users subsidize high-volume Commercial and Industrial customers and high-use residential customers, especially considering that in the GSS/ECTS classes the highest use customers are Commercial and Industrial customers, who use up to 30 times the natural gas that the average residential customer uses.²² As the Joint Advocates had argued in their Application for Rehearing, the goal of rate design should be to eliminate

²¹ Tr. Vol V at 35-38 (Radigan) (August 26, 2008).

²² Based on average residential usage of 99.1 Mcf per year (Tr. Vol. IV (Murphy) at 17-18 (Aug. 25, 2008), and proposed maximum GSS class customer usage of 3,000 per year.

inter-class subsidies to the maximum extent possible, not create them.²³ The updated COSS clearly demonstrates the SFV rate design for DEO's consolidated GSS customer class is unjust and unreasonable.

D. Procedural Schedule Should Be Established

The Commission should promptly establish a procedural schedule (e.g. 45 days) that will allow for an appropriate review of the applicable year two rates (to be effective October 16, 2009) for the GSS residential and non-residential customers in light of the updated COSS filed on January 13, 2009.²⁴ The Joint Advocates advocated for a new class cost-of-service study which was intended to separate the customers in the GSS class into more homogeneous groups. The Commission ordered the updated COSS, and the Company has performed and filed the study. The results of the updated COSS demonstrate a significant shift (for paying revenues to the Company) away from the GSS non-residential customers and to the GSS residential customers who will be more to the Company beginning in year one of the newly approved rates. The revenue shift creates an unreasonable inter-class subsidy that the Commission should remedy so as to protect consumers.

The Commission should rectify the injustice to residential consumers in the Order by proceeding without undue delay to develop a schedule under which the updated COSS will be evaluated and heard as evidence. The Commission's Order stated:

Therefore, the Commission is approving the first two years of this transition, however, prior to approval of rates for rates of the third year and beyond the Commission believes that a review of the cost

²³ Joint Application for Rehearing at 9-10 (November 14, 2008).

²⁴ Entry at 2 (October 15, 2008) (DEO's year one GSS rates were effective when filed on October 16, 2008).

allocation methodologies for the GSS/ECTS classes is appropriate. Therefore, DEO is directed to complete the cost allocation study required in the stipulation within 90 days of this order. Upon completion, DEO should submit a report and recommendation regarding whether the GSS/ECTS classes are appropriately comprised of both residential and non-residential customers or whether the classes should be split. DEO shall also provide, if the recommendation is to split the classes, a recommended cost allocation per class. Upon review of the cost allocation study, the Commission will be establishing a process that will be followed to determine the appropriate rates in year three and beyond, as soon as practicable.²⁵

The Commission ordered the updated COSS and before the study was completed - - and the results were available - - had determined that the rates for the first two years were approved. However, now that the results are available, and the harm to residential customers has been quantified, there is good cause for the PUCO to reconsider its approval of year two rates. Instead, the PUCO should establish a procedural schedule to hear evidence regarding the residential and non-residential GSS rates beginning with year two, toward issuing a ruling to remedy the unreasonable inter-class subsidy that exists within the existing GSS rate design and that is prejudicing residential consumers.

IV. CONCLUSION


For all the reasons stated above, the Joint Advocates' Motion to Reopen the proceedings for the purpose of admitting the Company's updated COSS study into the record should be granted. In addition, the Commission should establish a procedural schedule to hear evidence and issue a ruling so as to mitigate the harm caused to DEO's

²⁵ Id. at 25-26.

GSS residential customers that results from the subsidization of the non-residential customers under the SFV rate design.


Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL



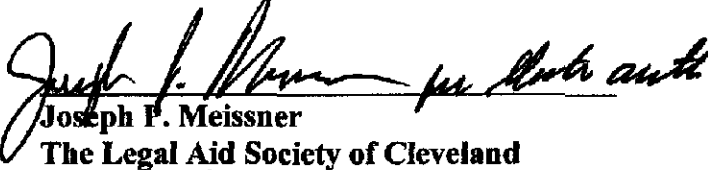
Joseph B. Serio, Counsel of Record
Larry S. Sauer
Gregory J. Poulos
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
614-466-8574 (Telephone)
614-466-9475 (Facsimile)
serio@occ.state.oh.us
sauer@occ.state.oh.us
poulos@occ.state.oh.us



Robert J. Triozzi, Director of Law
Steven Beeler
Cleveland City Hall
601 Lakeside Avenue, Room 206
Cleveland, Ohio 44114-1077
216-664-2800 (Telephone)
216 644-2663 (Facsimile)
RTriozzi@city.cleveland.oh.us
Sbeeler@city.cleveland.oh.us

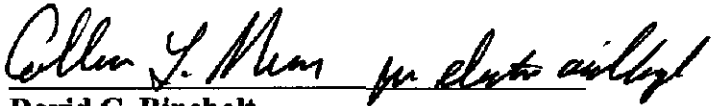
Attorneys for the City of Cleveland



Joseph F. Meissner
The Legal Aid Society of Cleveland
1223 West 6th Street

Cleveland, OH 44113
216-687-1900 ext. 5672 (Telephone)
jpmessn@lasclev.org

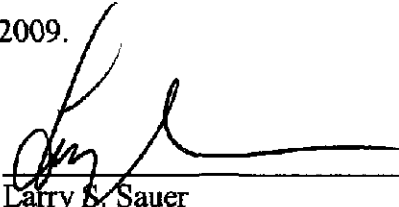
Counsel for:
Neighborhood Environmental Coalition,
Consumers for Fair Utility Rates,
Cleveland Housing Network, and
The Empowerment Center of Greater
Cleveland

A handwritten signature in cursive script, appearing to read "Colleen L. Mooney".

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, Ohio 45839-1793
419-425-8860 (Telephone)
419-425-8862 (Facsimile)
drinebolt@aol.com
cmooney2@columbus.rr.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing *Joint Motion to Reopen the Record, Motion to Waive Certain Requirements of Ohio Adm. Code 4901-1-34(B) and Motion for a Procedural Schedule* has been served upon the below-named counsel via Electronic Mail this 29th day of January 2009.


Larry S. Sauer
Assistant Consumers' Counsel

PARTIES

Stephen Reilly
Anne Hammerstein
Attorney General's Office
Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, Ohio 43215

David A. Kutik
Andrew J. Campbell
Dominion East Ohio
Jones Day
North Point, 901 Lakeside Ave.
Cleveland, Ohio 44114-1190

Barth E. Royer
Dominion Retail, Inc.
Bell & Royer Co., LPA
33 South Grant Avenue
Columbus, Ohio 43215-3900

John M. Dosker
General Counsel
Stand Energy Corporation
1077 Celestial Street, Suite 110
Cincinnati, Ohio 45202-1629

Joseph P. Meissner
Legal Aid Society of Cleveland
122 west Sixth Street
Cleveland, Ohio 44113

John W. Bentine
Mark S. Yurick
Interstate Gas Supply
65 East State Street, Suite 1000
Columbus, Ohio 43215-4213

M. Howard Petricoff
Stephen Howard
Integrus Energy Services, Inc.
52 East Gay Street, P.O. Box 1008
Columbus, Ohio 43216-1008

Stephen M. Howard
Ohio Gas Marketers Group
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008

Todd M. Smith
Utility Workers Union Of America
Local G555
616 Penton Media Building
1300 East Ninth Street
Cleveland, Ohio 44114

Robert J. Triozzi
Julia Kurdila
Steven L. Beeler
City of Cleveland
Cleveland City hall
601 Lakeside Avenue, Room 206
Cleveland, Ohio 44114-1077

W. Jonathan Airey
Gregory D. Russell
Ohio Oil & Gas Association
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008

David Rinebolt
Colleen Mooney
Ohio Partners for Affordable Energy
P.O. Box 1793
Findlay OH 45839-1793

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FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Authority to Increase Rates
for its Gas Distribution Service.**

Case No. 07-829-GA-AIR

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of an Alternative
Rate Plan for its Gas Distribution Service**

Case No. 07-830-GA-ALT

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval to Change
Accounting Methods**

Case No. 07-831-GA-AAM

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of Tariffs to
Recover Certain Costs Associated with a
Pipeline Infrastructure Replacement
Program Through an Automatic
Adjustment Clause, And for Certain
Accounting Treatment**

Case No. 08-169-GA-ALT

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of Tariffs to
Recover Certain Costs Associated with
Automated Meter Reading Deployment
Through an Automatic Adjustment Clause,
and for Certain Accounting Treatment**

Case No. 06-1453-GA-UNC

**REPORT AND RECOMMENDATION
OF THE EAST OHIO GAS COMPANY
D/B/A DOMINION EAST OHIO**

In accordance with the Stipulation and Recommendation filed in the above-captioned cases on August 22, 2008 ("Stipulation"), and the October 15, 2008 Opinion and Order ("Order"), the East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") submits the

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following report and recommendation, as well as the attached updated cost-of-service study, consisting of the following documents:

- Updated Class Cost of Service Study (Year 2 Rates)
- Attachment 1: Rate of Return Comparison
- Attachment 2: Cost of Service Summary (Year 1 Rates)
- Attachment 3: Cost of Service Summary (Year 3 Rates)
- Attachment 4: Peak Day & Storage Utilization Details

BACKGROUND

In the Stipulation, DEO agreed to “evaluate the feasibility of separating the residential and non-residential GSS/ECTS classes for purposes of rate design and [to] share with the Signatory Parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.” (Stip., ¶ 3.R.)

In the Order, the Commission approved the Stipulation and required DEO to submit an updated cost-of-service study. DEO is to “submit a report and recommendation regarding whether the GSS/ECTS classes are appropriately comprised of both residential and non-residential customers or whether the classes should be split.” Order, p. 25. “[I]f the recommendation is to split the classes,” DEO is to provide “a recommended cost allocation per class.” *Id.* The purpose of the study is to aid the Commission in “establishing a process . . . to determine . . . appropriate rates in year three and beyond.” *Id.*

APPROACH TO COST ALLOCATION

In accordance with the Stipulation and Order, DEO has updated its class cost of service study as follows. First, the figures have been adjusted to match those in the Staff Report, as revised by Staff following the issuance of the December 19, 2008 Entry on Rehearing in this

case. These figures were adopted with two exceptions: (1) DEO used a different formula than Staff for estimating Gross Receipts Tax; and (2) the revenue increase generated by applying approved year 2 rates to the test-year volumes and customer counts resulted in \$40,470,809, which is \$29,191 less than that approved.

Additionally, as requested, the GSS/ECTS class of customers has been broken into residential and non-residential segments. By analyzing the E-4 schedules and supporting work papers, DEO determined volumetric, peak-day (consumption and storage utilization), and customer-count information for both residential and non-residential customers within the GSS/ECTS classes. In developing these files for the rate case, baseload and heating degree day factors were developed for each rate class, and then for residential and non-residential. Updating the study's allocation factors provided insight into the cost to serve both the residential and non-residential segments of the GSS/ECTS class of customers.

RESULTS OF THE UPDATED COST OF SERVICE STUDY

The original cost of service study performed in this case (updated by the inclusion of a residential/non-residential split of the GSS/ECTS rate class) indicates that, within the GSS/ECTS classes, non-residential customers were subsidizing residential customers as indicated by the relative rates of return on rate base for each class (*i.e.*, 5.16% for GSS residential and 6.79% for GSS non-residential). This cross-subsidization of residential GSS customers would have continued had the Commission approved a continuation of traditional, volumetric rate design.

The rate design approved in this case, consisting of a GSS class that contains both residential and non-residential customers, appears to eliminate this subsidization by non-residential customers within the GSS/ECTS classes. As the mixed GSS class transitions to year 3 rates, the reverse may begin to take place, as it appears residential customers will generate an

increasingly higher return on rate base, while it appears non-residential customers will generate an increasingly lower return on rate base. (See Attachment 1.) This information suggests that a more equitable assignment of costs within the GSS class may result from splitting the class into residential and non-residential customers.

RECOMMENDED COST ALLOCATION PER CLASS

As noted, the Order directed DEO to recommend a cost allocation per class if it recommended that the GSS class be split into residential and non-residential segments. The attached class cost of service schedules contain the recommended cost allocation under Year 2 rates. Because some costs such as customer service and information, sales, and PUCO and OCC maintenance expenses are allocated to customer classes on the basis of revenue, the final cost allocation will be a function of the rate design authorized by the Commission. DEO recommends that the methodology employed in its average excess allocation model be utilized once the Commission determines the appropriate rate design for DEO's GSS class.

Respectfully submitted,



David A. Kutik (Counsel of Record)
JONES DAY
North Point, 901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dakutik@jonesday.com

Andrew J. Campbell
JONES DAY
325 John H. McConnell Blvd., Suite 600
P. O. Box 165017
Columbus, Ohio 43216-5017
Telephone: (614) 469-3939
Facsimile: (614) 461-4198
ajcampbell@jonesday.com

ATTORNEYS FOR THE EAST OHIO GAS
COMPANY D/B/A DOMINION EAST OHIO

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Report and Recommendation of The East Ohio Gas Company d/b/a Dominion East Ohio was delivered to the following persons by electronic mail this 13th day of January, 2009.



Andrew J. Campbell

Interstate Gas Supply, Inc.
John Bentine, Esq.
Mark Yurick, Esq.
Chester, Wilcox & Saxbe LLP
65 East State Street, Suite 1000
Columbus, OH 43215-4213
jbentine@cwslaw.com
myurick@cwslaw.com

Office of the Ohio Consumers' Counsel
Joseph Serio, Esq.
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
serio@occ.state.oh.us

Ohio Partners for Affordable Energy
David Rinebolt, Esq.
P.O. Box 1793
Findlay, OH 45839-1793
drinebolt@aol.com

UWUA Local G555
Todd M. Smith, Esq.
Schwarzwald & McNair LLP
616 Penton Media Building
1300 East Ninth Street
Cleveland, Ohio 44114
tsmith@smcnlaw.com

The Neighborhood Environmental Coalition,
The Empowerment Center of Greater
Cleveland, The Cleveland Housing Network,
and The Consumers for Fair Utility Rates
Joseph Meissner, Esq.
The Legal Aid Society of Cleveland
1223 West 6th Street
Cleveland, OH 44113
jpmeissn@lasclev.org

Dominion Retail
Barth E. Royer
33 South Grant Avenue
Columbus, OH 43215-3927
barthroyer@aol.com

Stand Energy Corporation
John M. Dosker, Esq.
General Counsel
1077 Celestial Street, Suite 110
Cincinnati, OH 45202-1629
jdosker@stand-energy.com

Integrays Energy Services, Inc.
M. Howard Petricoff
Stephen M. Howard
VORYS, SATER, SEYMOUR AND PEASE
LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
mhpetricoff@vorys.com

The Ohio Oil & Gas Association
W. Jonathan Airey
VORYS, SATER, SEYMOUR AND PEASE
LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
wjairey@vssp.com

Stephen Reilly
Anne Hammerstein
Office of the Ohio Attorney General
Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, Ohio 43215
stephen.reilly@puc.state.oh.us
anne.hammerstein@puc.state.oh.us

Robert Triozzi
City of Cleveland
Cleveland City Hall
601 Lakeside Avenue, Room 206
Cleveland, Ohio 44114-1077
RTriozzi@city.cleveland.oh.us
SBeeler@city.cleveland.oh.us

THE EAST OHIO GAS COMPANY dba DOMINION EAST OHIO
CASE NO. 07-0828-GA-AIR
COST OF SERVICE STUDY

Order 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference No.: WPE-3.2a-h

Schedule E-3.2
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Witness: C. Andrews

ALLOCATION FACTORS

Allocation	Rate	GAS DELIVERED (% of GAS DELIVERED)		RATE SCHEDULE		DISTRIBUTOR SYSTEM	SAVINGS	SYSTEM TOTAL
		Residential	Non-Residential	GAS DELIVERED	OTHERS			
INPUT ALLOCATIONS								
1 Total Throughput	Mcf	111,741,482	31,587,328	143,328,810	8,594,840	51,962,159	60,368,614	254,694,423
		77.97%	22.03%	96.3%	3.5%	20.4%	19.6%	100.0%
2 Winter Throughput	Mcf	81,820,392	23,059,558	104,879,950	6,337,343	27,969,353	23,962,124	153,141,848
		78.02%	21.98%	84.3%	3.5%	17.2%	14.7%	100.0%
3 October-April Throughput	Mcf	58,815,328	27,007,886	123,713,181	7,579,839	38,181,235	31,952,258	195,438,633
		78.10%	21.90%	82.0%	3.8%	18.1%	16.0%	100.0%
4 On-System Sales	Mcf	38,807,743	71,103,859	48,141,601.0	1,821,342	0	0	50,962,943
		77.40%	22.60%	98.4%	3.6%	0.0%	0.0%	100.0%
5 Peak Day Requirements	Mcf	1,380,279	365,911	1,738,191	101,758	387,307	231,789	2,407,894
		77.77%	22.23%	72.1%	4.2%	14.0%	9.6%	100.0%
6 Excess Peak Day Requirements	Mcf	1,044,136	289,438	1,343,684.08	77,115	194,972	93,771	1,709,422
		77.71%	22.29%	78.5%	4.6%	11.4%	5.5%	100%
7 Winter Storage Requirement	Mcf	28,816,265	7,592,609	34,208,373.6	2,014,273	1,618,477	-	54,000,800
		77.81%	22.19%	83.4%	3.7%	1.9%	0.0%	100.0%
8 Excess Peak Storage Requirement	Mcf	353,036	100,985	454,024	26,930	14,458	-	722,384
		77.76%	22.24%	62.9%	3.7%	1.4%	0.0%	100.0%
9 Gathering Throughput	Mcf	8,783,078	2,473,598	11,256,676	705,385	21,505,109	8,155,846	39,498,115
		77.87%	21.93%	23.5%	1.6%	64.1%	15.8%	100.0%
10 Number of Customers	# of Customers	1,127,327	80,474	1,207,801	2,248	2,910	78	1,213,037
		88.34%	6.66%	89.6%	0.2%	0.2%	0.0%	100.0%
11 Transportation Customers	# of Customers	732,470	54,077	786,547	1,769	2,910	78	796,284
		89.17%	6.63%	89.4%	0.2%	0.4%	0.0%	100.0%
12 Industrial Customers	# of Customers	-	633	633	148	797	65	1,593
		0.00%	100.00%	39.5%	9.2%	47.2%	4.1%	100.0%
13 Customers, Low Pressure	# of Customers	797,820	50,630	838,450	1,952	817	0	840,949
		89.88%	6.07%	84.7%	0.2%	0.1%	0.0%	100.0%
14 Customers, Regulated Pressure	# of Customers	349,807	38,544	388,351	886	2,038	78	372,085
		88.00%	9.00%	99.3%	0.2%	0.6%	0.0%	100.0%
15 Revenue @ Test Year Rates (excludes EC gas cost/line fee)	Whole Dollars	\$702,153,058	\$184,507,587	\$886,672,417	\$37,834,174	\$69,911,215	\$10,878,391	\$1,024,962,133
		76.19%	20.81%	86.5%	3.7%	6.8%	1.0%	100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-8829-GAJR
COST OF SERVICE STUDY

Date: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC-3.2a-h

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ALLOCATION FACTORS

# Allocation		Basis	GASPECT'S Demand % of GASECT'S		GASECT'S	LNGS/LVECT'S	RATE SCHEDULE		Storage	SYSTEM TOTAL
			Residential	Non-Residential			DISCOUNT	DISCOUNT		
INPUT ALLOCATORS										
16	Base Rate Revenue (Test Year)	Whole Dollars	\$213,286,385 82.86%	\$44,053,287 17.12%	\$257,339,672 77.0%	\$9,886,535 3.0%	\$41,895,124 12.5%	\$15,081,533 4.5%	\$10,281,545 3.1%	\$334,274,898 100.0%
17	Non-Tax Rider Revenue (Test Year)	Whole Dollars	\$115,714,594 77.58%	\$33,618,405 22.02%	\$152,232,999 88.2%	\$9,834,007 5.4%	\$14,337,582 8.7%	\$431,148 0.2%	\$0 0.0%	\$176,823,705 100.0%
18	Tax-related Rider Revenue (Test Year)	Whole Dollars	\$33,723,600 79.07%	\$8,828,480 20.93%	\$42,552,080 88.5%	\$1,878,137 3.5%	\$2,786,310 5.8%	\$1,173,808 2.4%	\$0 0.0%	\$46,287,331 100.0%
19	Other Revenue (Test Year)	Whole Dollars	\$8,875,488 78.84%	\$2,382,702 21.16%	\$11,258,190 42.8%	\$883,086 2.9%	\$10,762,189 40.8%	\$3,178,148 12.0%	\$884,848 2.2%	\$24,483,533 100.0%
20	Purchased Gas Cost Revenue (2007) (Per Staff report)	Whole Dollars	\$327,581,084 77.40%	\$88,838,494 22.60%	\$416,419,578 98.4%	\$15,888,397 3.8%	\$10,281,545 0.0%	\$0 0.0%	\$0 0.0%	\$426,707,973 100.0%
21	Non-Gas Cost Revenue (Test Year)	Whole Dollars	\$374,504,018 80.82%	\$88,838,494 19.18%	\$463,342,512 78.1%	\$21,948,777 3.7%	\$30,811,215 11.9%	\$19,885,835 3.4%	\$10,578,381 1.9%	\$384,920,898 100.0%
22	Uncollectible Expense (Test Year) (PIPP + UER)	Whole Dollars	\$85,639,842 77.87%	\$27,018,261 22.03%	\$112,658,103 87.2%	\$7,838,453 5.5%	\$10,281,545 7.2%	\$0 0.0%	\$0 0.0%	\$140,852,949 100.0%
23	PIPP Rider Revenue (Test Year)	Whole Dollars	\$83,357,488 77.87%	\$23,488,144 21.97%	\$106,845,632 87.2%	\$5,084,870 3.9%	\$8,801,012 7.3%	\$0 0.0%	\$0 0.0%	\$111,856,458 100.0%
24	Gas Cost Riders (Test Year)	Whole Dollars	\$23,075,512 78.03%	\$6,408,144 21.97%	\$29,483,656 82.2%	\$1,895,524 5.4%	\$4,040,428 11.2%	\$431,148 1.2%	\$0 0.0%	\$34,324,786 100.0%
25	Revenue @ New Rates (Year 2)	Whole Dollars	\$783,038,392 81.32%	\$172,947,707 18.68%	\$955,986,099 86.5%	\$38,630,827 3.0%	\$88,489,888 6.5%	\$19,504,094 1.8%	\$11,383,872 1.1%	\$1,065,032,942 100.0%
27	Base Rate Revenue @ Year 2 Rates	Whole Dollars	\$588,022,448 88.18%	\$30,388,654 10.84%	\$618,411,102 79.10%	\$10,281,545 2.80%	\$30,487,045 11.5%	\$13,883,247 3.9%	\$10,331,428 2.9%	\$654,581,014 100.0%
28	Gas Cost Rider Revenue (Yr 2 rates)	Whole Dollars	\$21,988,528 78.03%	\$6,184,882 21.97%	\$28,173,410 82.4%	\$1,895,528 5.4%	\$3,788,288 10.9%	\$431,148 1.3%	\$0 0.0%	\$34,185,464 100.0%
29	Non-Tax Related Rider Rev (Year 2)	Whole Dollars	\$84,123,824 77.87%	\$28,888,300 22.03%	\$113,012,124 87.2%	\$7,578,515 5.6%	\$18,133,991 7.3%	\$0 0.0%	\$0 0.0%	\$131,151,115 100.0%
30	Tax Related Rider Revenue (Year 2)	Whole Dollars	\$88,838,494 81.86%	\$11,258,190 18.80%	\$100,096,684 86.1%	\$2,887,851 3.9%	\$5,465,508 7.8%	\$2,040,488 2.8%	\$881,582 0.7%	\$106,548,166 100.0%

Date: 3 Months Actual & 9 Months Estimated
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THE EAST OHIO GAS COMPANY 6838 DOMINION EAST OHIO
CASE NO. 07-0823-GA-IR
COST OF SERVICE STUDY

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ALLOCATION FACTORS

Allocation Basis

INTERNALLY GENERATED ALLOCATIONS

		OBJECTS Detail (% of OBJECTS)		OBJECTS	LVGSSA VECTS		RATE SCHEDULE		OTSMON System		SYSTEM TOTAL	
		Residential	Non-Residential				GT/750				Block	
31	OGM @ Current Rates	Whole Dollars										
		\$29,404,069	\$18,026,844	\$117,521,012	\$3,806,103	2.8%	\$13,035,764	8.9%	\$7,525,003	5.2%	\$3,782,389	2.8%
		84.65%	13.34%	80.7%								
32	Gross Plant	Whole Dollars										
		\$1,213,738,240	\$246,424,064	\$1,460,163,133	\$56,878,916	3.0%	\$229,572,002	11.0%	\$134,457,811	7.0%	\$68,981,408	2.0%
		83.13%	16.80%	76.2%								
33	Other General Plant	Whole Dollars										
		\$34,046,009	\$7,172,367	\$41,218,400	\$1,675,230	3.1%	\$6,710,117	12.3%	\$5,890,306	7.3%	\$1,138,482	2.1%
		82.01%	17.40%	75.3%								
34	Net Plant	Whole Dollars										
		\$668,840,192	\$130,410,514	\$808,359,686	\$32,376,432	3.0%	\$180,182,091	12.2%	\$78,312,620	7.3%	\$17,894,488	1.7%
		82.70%	17.29%	75.0%								
35	Rate Base	Whole Dollars										
		\$807,848,000	\$168,478,735	\$1,086,126,825	\$44,728,790	3.2%	\$181,215,282	11.8%	\$91,240,873	8.8%	\$21,431,788	1.9%
		82.65%	17.35%	77.3%								

THE EAST OHIO GAS COMPANY (FORMERLY DOMINION EAST OHIO)
CASE NO. 07-9889-GA-AIR
COST OF SERVICE STUDY

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Witness: C. Andrews

Date: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Not:

OPERATING INCOME SUMMARY

AT TEST YEAR RATES

	System Total	GSSJECTS Details		GSSJECTS	Rate Schedule Class		DTSCOT-System	Storage
		Rapiditas	Maxi-twice/annual		LV08SULVECTS	GTS/TS		
OPERATING REVENUE (\$):								
Base Rate Revenues	\$334,274,699	\$213,208,366	\$44,053,287	\$257,319,653	\$9,888,536	\$41,635,124	\$15,081,838	\$10,291,548
Gas Cost Revenues	\$438,892,865	\$327,581,034	\$95,628,434	\$423,207,468	\$15,885,397	\$0	\$0	\$0
Gas Cost Rider Revenues	\$35,970,758	\$23,078,612	\$6,488,144	\$29,573,666	\$1,925,824	\$4,040,428	\$431,148	\$0
Non-Tax Related Rider Revenue	\$140,682,949	\$95,639,042	\$27,018,281	\$122,657,323	\$7,698,483	\$10,287,164	\$0	\$0
Tax Related Rider Revenue	\$46,287,331	\$33,729,600	\$8,928,480	\$42,657,080	\$1,675,137	\$2,786,310	\$1,173,805	\$0
Other Revenue	\$28,483,533	\$8,578,488	\$2,382,352	\$11,262,258	\$553,056	\$10,182,188	\$3,178,148	\$586,843
TOTAL OPERATING REVENUE	\$1,024,562,133	\$702,186,050	\$184,507,357	\$888,672,417	\$37,534,174	\$69,811,216	\$18,865,938	\$10,878,391
OPERATING EXPENSES (\$):								
Gas Cost	\$438,892,865	\$327,581,034	\$95,628,434	\$423,207,468	\$15,885,397	\$0	\$0	\$0
Gas Cost Related Riders	\$35,970,758	\$23,078,612	\$6,488,144	\$29,573,666	\$1,925,824	\$4,040,428	\$431,148	\$0
Non-Tax Related Rider Expenses	\$140,682,949	\$95,639,042	\$27,018,281	\$122,657,323	\$7,698,483	\$10,287,164	\$0	\$0
Other Operation and Maintenance Expense	\$48,908,074	\$38,432,720	\$8,222,306	\$46,655,026	\$3,808,193	\$13,035,794	\$7,526,803	\$3,782,358
Depreciation Expense	\$48,287,331	\$33,729,600	\$8,928,480	\$42,657,080	\$3,468,000	\$3,906,448	\$2,303,483	\$86,186
Tax-Related Rider Expense	\$47,561,495	\$30,539,231	\$8,673,593	\$39,212,824	\$1,876,137	\$2,786,310	\$1,173,805	\$0
Other Taxes	\$23,428,810	\$9,298,254	\$3,710,880	\$13,088,144	\$1,594,822	\$5,413,605	\$2,438,782	\$928,351
Federal Income Taxes	\$931,376,688	\$656,784,061	\$171,704,951	\$827,489,011	\$1,034,853	\$8,842,186	\$888,825	\$1,804,021
TOTAL OPERATING EXPENSES	\$931,376,688	\$656,784,061	\$171,704,951	\$827,489,011	\$34,311,270	\$48,126,905	\$14,841,575	\$6,607,826
NET OPERATING INCOME	\$93,185,445	\$46,380,989	\$12,802,416	\$66,183,405	\$3,222,904	\$21,484,310	\$5,024,361	\$4,270,465
RATE BASE	\$1,404,734,309	\$897,848,080	\$188,479,735	\$1,086,128,825	\$44,729,750	\$181,215,262	\$91,240,673	\$21,421,780
RATE OF RETURN - AT CURRENT RATES	6.63%	5.17%	6.79%	5.45%	7.21%	13.33%	5.51%	19.94%
RECOMMENDED RATE OF RETURN	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
REVENUE CONVERSION FACTOR	1.81518	1.81518	1.81518	1.81518	1.81518	1.81518	1.81518	1.81518
REVENUE DEFICIENCY	\$47,338,703	\$51,514,824	\$5,867,848	\$37,362,370	\$1,694,334	(\$11,994,803)	\$4,736,436	(\$3,880,484)

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0828-GA-AIR
COST OF SERVICE STUDY

Data: 3 Months Actual & 9 Months Estimated
 Type of Filing: Revised
 Work Paper Reference Nos.:

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 Witness: C. Andrews

OPERATING INCOME SUMMARY

AT NEW RATES (YEAR 2)

System Total	GSSJECTS Details		Rate Schedule/Class			
	Residential	Non-residential	LVGB/LVECTS	GT9/T9S	DT9/OFF-System	Storage

OPERATING REVENUE (3):

Basic Rate Revenues (Year 2 Rates)
 Gas Cost Revenues (per Staff Report)
 Gas Cost Rider Revenues
 Non-Tax Related Rider Revenues
 Tax Related Rider Revenues
 Other Revenue
TOTAL OPERATING REVENUE

\$364,501,014	\$250,022,449	\$30,365,524	\$280,417,973	\$10,291,320	\$38,487,045	\$13,953,247	\$10,331,429
\$438,892,865	\$327,581,024	\$95,828,434	\$423,207,458	\$15,885,387	\$0	\$0	\$0
\$34,198,464	\$21,988,530	\$8,184,882	\$28,193,382	\$1,835,886	\$3,735,288	\$431,148	\$0
\$138,424,730	\$94,123,824	\$26,680,300	\$120,714,224	\$7,576,515	\$0	\$0	\$0
\$79,700,070	\$50,842,001	\$11,882,707	\$62,704,708	\$2,607,831	\$6,845,509	\$2,040,450	\$501,532
\$25,317,800	\$8,488,845	\$2,277,878	\$10,766,524	\$533,803	\$30,317,157	\$3,039,208	\$551,012
\$1,085,032,942	\$753,055,582	\$172,947,707	\$928,004,289	\$38,530,527	\$68,499,959	\$19,504,084	\$11,393,972

OPERATING EXPENSES (3)

Gas Cost
 Gas Cost Related Riders
 Non-Tax Related Rider Expenses
 Other Operation and Maintenance Expense
 Depreciation Expense
 Tax-Related Rider Expenses
 Other Taxes (Excludes GRT)
 Federal Income Taxes
TOTAL OPERATING EXPENSES

\$438,892,865	\$327,581,024	\$95,828,434	\$423,207,458	\$15,885,387	\$0	\$0	\$0
\$34,198,464	\$21,988,530	\$8,184,882	\$28,193,382	\$1,835,886	\$3,735,288	\$431,148	\$0
\$138,424,730	\$94,123,824	\$26,680,300	\$120,714,224	\$7,576,515	\$0	\$0	\$0
\$145,674,408	\$98,781,342	\$17,808,781	\$117,571,123	\$3,804,705	\$13,002,835	\$7,512,358	\$3,783,347
\$48,906,074	\$36,432,720	\$5,222,308	\$41,655,028	\$948,000	\$3,905,449	\$2,303,403	\$85,186
\$73,700,070	\$60,842,001	\$11,882,707	\$62,704,708	\$2,607,831	\$5,845,508	\$2,040,460	\$501,532
\$28,728,877	\$17,267,281	\$3,488,083	\$20,735,324	\$788,771	\$2,995,605	\$1,729,419	\$838,658
\$39,382,200	\$28,577,888	\$81,572	\$28,659,810	\$1,410,021	\$8,573,858	\$791,743	\$1,943,570
\$943,915,488	\$674,584,750	\$166,886,325	\$841,451,075	\$34,854,887	\$48,137,311	\$14,808,601	\$6,863,603

NET OPERATING INCOME

\$119,117,458	\$78,471,832	\$6,081,382	\$84,553,214	\$3,673,731	\$21,382,646	\$4,685,483	\$4,530,370
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RATE BASE

\$1,404,734,308	\$857,848,080	\$188,478,735	\$1,086,125,825	\$44,729,750	\$161,215,282	\$91,240,673	\$21,421,780
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RATE OF RETURN - AT PROPOSED RATES

8.48%	6.74%	3.23%	7.785%	8.89%	13.28%	6.18%	21.15%
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GROSS RECEIPTS TAX RIDER RATE

4.8844%

\$20,226,314	\$0	\$38,750,063	(\$13,667,763)	\$23,082,320	\$404,763	(\$2,226,078)	(\$1,088,591)	\$38,881
\$1,774,262	\$0	(\$1,070,982)	(\$303,262)	(\$1,380,264)	(\$389,668)	(\$304,160)	(\$304,160)	\$0
\$2,226,220	\$0	(\$1,515,118)	(\$427,961)	(\$1,943,079)	(\$121,368)	(\$163,173)	(\$163,173)	\$0
\$25,412,738	\$0	\$2,118,401	\$2,064,227	\$20,062,629	\$932,694	\$3,006,196	\$3,006,196	\$0
\$1,466,733	\$0	(\$104,863)	(\$104,863)	(\$486,734)	(\$29,188)	(\$475,043)	(\$130,937)	\$380,836
\$40,470,808	\$0	\$50,887,533	(\$11,399,680)	\$39,531,872	\$1,086,453	(\$111,258)	(\$381,842)	\$0

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-4834-GA-JAR
COST OF SERVICE STUDY

Clear 3 Month Actual & 9 Month Estimated
Type of Filing: Revised
Work Paper Reference No.:

Schedule E-3.2
Page 7 of 16
Witness: C. Andrews

SUMMARY OF OTHER O&M EXPENSES

Account Name	G&S EXPENSE Details		RATE SCHEDULES		DISTRIBUTION	Storage
	Real (Actual)	Mon-Res (Estimated)	WGS&M VECTS	GTS&S PRHS		
700-700 Production & Gathering	\$3,346,288	\$210,207	\$554,233	\$1,893,399	\$822,711	\$0
814-837 Storage	\$8,303,983	\$1,101,922	\$4,867,476	\$1,263,305	\$0	\$2,930,585
860-867 Transmission	\$7,868,787	\$1,217,908	\$3,481,587	\$1,108,113	\$282,638	\$0
878-894 Distribution	\$82,854,582	\$8,654,581	\$48,672,574	\$8,645,877	\$4,538,579	\$0
891-905 Customer Accounts	\$25,441,735	\$2,517,181	\$28,185,980	\$1,567,330	\$31,185	\$16,288
897-910 Customer Service & Information	\$9,414,018	\$1,578,768	\$25,185,980	\$838,611	\$172,400	\$100,719
911-918 Sales	\$482,839	\$88,070	\$417,843	\$32,612	\$3,944	\$6,167
920-925 Administrative & General	\$28,131,288	\$3,481,173	\$22,894,836	\$2,517,347	\$1,489,723	\$730,804
TOTAL O & M @ CURRENT RATES:	\$145,874,409	\$18,028,844	\$117,521,512	\$13,035,784	\$7,512,389	\$6,838,134

AT NEW RATES (YEAR 2 RATES)

700-700 Production	\$3,346,288	\$210,207	\$554,233	\$1,893,399	\$822,711	\$0
813 Other Gas Supply Expenses	\$2,946,787	\$0	\$4,867,476	\$0	\$0	\$2,946,787
814-837 Storage	\$8,303,983	\$1,101,922	\$3,481,587	\$1,263,305	\$0	\$2,930,585
860-867 Transmission	\$7,868,787	\$1,217,908	\$3,481,587	\$1,108,113	\$282,638	\$0
878-894 Distribution	\$82,854,582	\$8,654,581	\$48,672,574	\$8,645,877	\$4,538,579	\$0
891-905 Customer Accounts	\$25,441,735	\$2,517,181	\$28,185,980	\$1,567,330	\$31,185	\$16,288
897-910 Customer Service & Information	\$9,414,018	\$1,578,768	\$25,185,980	\$838,611	\$172,400	\$100,719
911-918 Sales	\$482,839	\$88,070	\$417,843	\$32,612	\$3,944	\$6,167
920-925 Administrative & General	\$28,131,288	\$3,481,173	\$22,894,836	\$2,517,347	\$1,489,723	\$730,804
TOTAL O & M @ PROPOSED RATES:	\$148,920,185	\$17,809,781	\$117,571,123	\$13,082,636	\$7,512,389	\$6,838,134
DIFFERENCE	\$2,946,787	\$-217,063	\$48,611	\$-532,948	\$-13,204	\$2,946,776

OTHER OLD EXPENSE DETAILS

DATE SCHEDULED					
CONNECT Details					
	Rank-Officer	Piece-number/detail	CSSREC TC	LIVESTOCK VEGATS	DISTRICT/STATION
SYSTEM TOTAL					Storage

AT NEW YEAR 2 RATES

750-760 Production & Gathering	9 Gathering Throughout
815 Other Gas Supply Expenses	Applicable only to Storage Class
816-827 Storage	
828 Other Gas Supply Expenses	Applicable only to Storage Class
829 Commodity Related (33.113%)	7 Other Storage Requirements
830 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
831 Total Storage	
832-847 Transportation	
848 Commodity Related (33.113%)	1 Total Transportation
849 Capacity Related (66.887%)	2 Excess Peak Day Requirements
850-861 Transportation	
862 Customer Related	Customer Related
863 Customer Related (33.113%)	10 Excess Peak Day Requirements
864 Capacity Related (66.887%)	11 Excess Peak Day Requirements
865 Total Transportation	
866-877 Customer Related	
878 Other Gas Supply Expenses	Applicable only to Storage Class
879 Commodity Related (33.113%)	7 Other Storage Requirements
880 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
881 Total Storage	
882-897 Transportation	
898 Commodity Related (33.113%)	1 Total Transportation
899 Capacity Related (66.887%)	2 Excess Peak Day Requirements
900-911 Transportation	
912 Customer Related	Customer Related
913 Customer Related (33.113%)	10 Excess Peak Day Requirements
914 Capacity Related (66.887%)	11 Excess Peak Day Requirements
915 Total Transportation	
916-927 Customer Related	
928 Other Gas Supply Expenses	Applicable only to Storage Class
929 Commodity Related (33.113%)	7 Other Storage Requirements
930 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
931 Total Storage	
932-947 Transportation	
948 Commodity Related (33.113%)	1 Total Transportation
949 Capacity Related (66.887%)	2 Excess Peak Day Requirements
950-961 Transportation	
962 Customer Related	Customer Related
963 Customer Related (33.113%)	10 Excess Peak Day Requirements
964 Capacity Related (66.887%)	11 Excess Peak Day Requirements
965 Total Transportation	
966-977 Customer Related	
978 Other Gas Supply Expenses	Applicable only to Storage Class
979 Commodity Related (33.113%)	7 Other Storage Requirements
980 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
981 Total Storage	
982-997 Transportation	
998 Commodity Related (33.113%)	1 Total Transportation
999 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1000-1011 Transportation	
1012 Customer Related	Customer Related
1013 Customer Related (33.113%)	10 Excess Peak Day Requirements
1014 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1015 Total Transportation	
1016-1027 Customer Related	
1028 Other Gas Supply Expenses	Applicable only to Storage Class
1029 Commodity Related (33.113%)	7 Other Storage Requirements
1030 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1031 Total Storage	
1032-1047 Transportation	
1048 Commodity Related (33.113%)	1 Total Transportation
1049 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1050-1061 Transportation	
1062 Customer Related	Customer Related
1063 Customer Related (33.113%)	10 Excess Peak Day Requirements
1064 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1065 Total Transportation	
1066-1077 Customer Related	
1078 Other Gas Supply Expenses	Applicable only to Storage Class
1079 Commodity Related (33.113%)	7 Other Storage Requirements
1080 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1081 Total Storage	
1082-1097 Transportation	
1098 Commodity Related (33.113%)	1 Total Transportation
1099 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1100-1111 Transportation	
1112 Customer Related	Customer Related
1113 Customer Related (33.113%)	10 Excess Peak Day Requirements
1114 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1115 Total Transportation	
1116-1127 Customer Related	
1128 Other Gas Supply Expenses	Applicable only to Storage Class
1129 Commodity Related (33.113%)	7 Other Storage Requirements
1130 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1131 Total Storage	
1132-1147 Transportation	
1148 Commodity Related (33.113%)	1 Total Transportation
1149 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1150-1161 Transportation	
1162 Customer Related	Customer Related
1163 Customer Related (33.113%)	10 Excess Peak Day Requirements
1164 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1165 Total Transportation	
1166-1177 Customer Related	
1178 Other Gas Supply Expenses	Applicable only to Storage Class
1179 Commodity Related (33.113%)	7 Other Storage Requirements
1180 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1181 Total Storage	
1182-1197 Transportation	
1198 Commodity Related (33.113%)	1 Total Transportation
1199 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1200-1211 Transportation	
1212 Customer Related	Customer Related
1213 Customer Related (33.113%)	10 Excess Peak Day Requirements
1214 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1215 Total Transportation	
1216-1227 Customer Related	
1228 Other Gas Supply Expenses	Applicable only to Storage Class
1229 Commodity Related (33.113%)	7 Other Storage Requirements
1230 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1231 Total Storage	
1232-1247 Transportation	
1248 Commodity Related (33.113%)	1 Total Transportation
1249 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1250-1261 Transportation	
1262 Customer Related	Customer Related
1263 Customer Related (33.113%)	10 Excess Peak Day Requirements
1264 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1265 Total Transportation	
1266-1277 Customer Related	
1278 Other Gas Supply Expenses	Applicable only to Storage Class
1279 Commodity Related (33.113%)	7 Other Storage Requirements
1280 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1281 Total Storage	
1282-1297 Transportation	
1298 Commodity Related (33.113%)	1 Total Transportation
1299 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1300-1311 Transportation	
1312 Customer Related	Customer Related
1313 Customer Related (33.113%)	10 Excess Peak Day Requirements
1314 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1315 Total Transportation	
1316-1327 Customer Related	
1328 Other Gas Supply Expenses	Applicable only to Storage Class
1329 Commodity Related (33.113%)	7 Other Storage Requirements
1330 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1331 Total Storage	
1332-1347 Transportation	
1348 Commodity Related (33.113%)	1 Total Transportation
1349 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1350-1361 Transportation	
1362 Customer Related	Customer Related
1363 Customer Related (33.113%)	10 Excess Peak Day Requirements
1364 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1365 Total Transportation	
1366-1377 Customer Related	
1378 Other Gas Supply Expenses	Applicable only to Storage Class
1379 Commodity Related (33.113%)	7 Other Storage Requirements
1380 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1381 Total Storage	
1382-1397 Transportation	
1398 Commodity Related (33.113%)	1 Total Transportation
1399 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1400-1411 Transportation	
1412 Customer Related	Customer Related
1413 Customer Related (33.113%)	10 Excess Peak Day Requirements
1414 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1415 Total Transportation	
1416-1427 Customer Related	
1428 Other Gas Supply Expenses	Applicable only to Storage Class
1429 Commodity Related (33.113%)	7 Other Storage Requirements
1430 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1431 Total Storage	
1432-1447 Transportation	
1448 Commodity Related (33.113%)	1 Total Transportation
1449 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1450-1461 Transportation	
1462 Customer Related	Customer Related
1463 Customer Related (33.113%)	10 Excess Peak Day Requirements
1464 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1465 Total Transportation	
1466-1477 Customer Related	
1478 Other Gas Supply Expenses	Applicable only to Storage Class
1479 Commodity Related (33.113%)	7 Other Storage Requirements
1480 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1481 Total Storage	
1482-1497 Transportation	
1498 Commodity Related (33.113%)	1 Total Transportation
1499 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1500-1511 Transportation	
1512 Customer Related	Customer Related
1513 Customer Related (33.113%)	10 Excess Peak Day Requirements
1514 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1515 Total Transportation	
1516-1527 Customer Related	
1528 Other Gas Supply Expenses	Applicable only to Storage Class
1529 Commodity Related (33.113%)	7 Other Storage Requirements
1530 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1531 Total Storage	
1532-1547 Transportation	
1548 Commodity Related (33.113%)	1 Total Transportation
1549 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1550-1561 Transportation	
1562 Customer Related	Customer Related
1563 Customer Related (33.113%)	10 Excess Peak Day Requirements
1564 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1565 Total Transportation	
1566-1577 Customer Related	
1578 Other Gas Supply Expenses	Applicable only to Storage Class
1579 Commodity Related (33.113%)	7 Other Storage Requirements
1580 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1581 Total Storage	
1582-1597 Transportation	
1598 Commodity Related (33.113%)	1 Total Transportation
1599 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1600-1611 Transportation	
1612 Customer Related	Customer Related
1613 Customer Related (33.113%)	10 Excess Peak Day Requirements
1614 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1615 Total Transportation	
1616-1627 Customer Related	
1628 Other Gas Supply Expenses	Applicable only to Storage Class
1629 Commodity Related (33.113%)	7 Other Storage Requirements
1630 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1631 Total Storage	
1632-1647 Transportation	
1648 Commodity Related (33.113%)	1 Total Transportation
1649 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1650-1661 Transportation	
1662 Customer Related	Customer Related
1663 Customer Related (33.113%)	10 Excess Peak Day Requirements
1664 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1665 Total Transportation	
1666-1677 Customer Related	
1678 Other Gas Supply Expenses	Applicable only to Storage Class
1679 Commodity Related (33.113%)	7 Other Storage Requirements
1680 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1681 Total Storage	
1682-1697 Transportation	
1698 Commodity Related (33.113%)	1 Total Transportation
1699 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1700-1711 Transportation	
1712 Customer Related	Customer Related
1713 Customer Related (33.113%)	10 Excess Peak Day Requirements
1714 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1715 Total Transportation	
1716-1727 Customer Related	
1728 Other Gas Supply Expenses	Applicable only to Storage Class
1729 Commodity Related (33.113%)	7 Other Storage Requirements
1730 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1731 Total Storage	
1732-1747 Transportation	
1748 Commodity Related (33.113%)	1 Total Transportation
1749 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1750-1761 Transportation	
1762 Customer Related	Customer Related
1763 Customer Related (33.113%)	10 Excess Peak Day Requirements
1764 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1765 Total Transportation	
1766-1777 Customer Related	
1778 Other Gas Supply Expenses	Applicable only to Storage Class
1779 Commodity Related (33.113%)	7 Other Storage Requirements
1780 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1781 Total Storage	
1782-1797 Transportation	
1798 Commodity Related (33.113%)	1 Total Transportation
1799 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1800-1811 Transportation	
1812 Customer Related	Customer Related
1813 Customer Related (33.113%)	10 Excess Peak Day Requirements
1814 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1815 Total Transportation	
1816-1827 Customer Related	
1828 Other Gas Supply Expenses	Applicable only to Storage Class
1829 Commodity Related (33.113%)	7 Other Storage Requirements
1830 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1831 Total Storage	
1832-1847 Transportation	
1848 Commodity Related (33.113%)	1 Total Transportation
1849 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1850-1861 Transportation	
1862 Customer Related	Customer Related
1863 Customer Related (33.113%)	10 Excess Peak Day Requirements
1864 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1865 Total Transportation	
1866-1877 Customer Related	
1878 Other Gas Supply Expenses	Applicable only to Storage Class
1879 Commodity Related (33.113%)	7 Other Storage Requirements
1880 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1881 Total Storage	
1882-1897 Transportation	
1898 Commodity Related (33.113%)	1 Total Transportation
1899 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1900-1911 Transportation	
1912 Customer Related	Customer Related
1913 Customer Related (33.113%)	10 Excess Peak Day Requirements
1914 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1915 Total Transportation	
1916-1927 Customer Related	
1928 Other Gas Supply Expenses	Applicable only to Storage Class
1929 Commodity Related (33.113%)	7 Other Storage Requirements
1930 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1931 Total Storage	
1932-1947 Transportation	
1948 Commodity Related (33.113%)	1 Total Transportation
1949 Capacity Related (66.887%)	2 Excess Peak Day Requirements
1950-1961 Transportation	
1962 Customer Related	Customer Related
1963 Customer Related (33.113%)	10 Excess Peak Day Requirements
1964 Capacity Related (66.887%)	11 Excess Peak Day Requirements
1965 Total Transportation	
1966-1977 Customer Related	
1978 Other Gas Supply Expenses	Applicable only to Storage Class
1979 Commodity Related (33.113%)	7 Other Storage Requirements
1980 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
1981 Total Storage	
1982-1997 Transportation	
1998 Commodity Related (33.113%)	1 Total Transportation
1999 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2000-2011 Transportation	
2012 Customer Related	Customer Related
2013 Customer Related (33.113%)	10 Excess Peak Day Requirements
2014 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2015 Total Transportation	
2016-2027 Customer Related	
2028 Other Gas Supply Expenses	Applicable only to Storage Class
2029 Commodity Related (33.113%)	7 Other Storage Requirements
2030 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2031 Total Storage	
2032-2047 Transportation	
2048 Commodity Related (33.113%)	1 Total Transportation
2049 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2050-2061 Transportation	
2062 Customer Related	Customer Related
2063 Customer Related (33.113%)	10 Excess Peak Day Requirements
2064 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2065 Total Transportation	
2066-2077 Customer Related	
2078 Other Gas Supply Expenses	Applicable only to Storage Class
2079 Commodity Related (33.113%)	7 Other Storage Requirements
2080 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2081 Total Storage	
2082-2097 Transportation	
2098 Commodity Related (33.113%)	1 Total Transportation
2099 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2100-2111 Transportation	
2112 Customer Related	Customer Related
2113 Customer Related (33.113%)	10 Excess Peak Day Requirements
2114 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2115 Total Transportation	
2116-2127 Customer Related	
2128 Other Gas Supply Expenses	Applicable only to Storage Class
2129 Commodity Related (33.113%)	7 Other Storage Requirements
2130 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2131 Total Storage	
2132-2147 Transportation	
2148 Commodity Related (33.113%)	1 Total Transportation
2149 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2150-2161 Transportation	
2162 Customer Related	Customer Related
2163 Customer Related (33.113%)	10 Excess Peak Day Requirements
2164 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2165 Total Transportation	
2166-2177 Customer Related	
2178 Other Gas Supply Expenses	Applicable only to Storage Class
2179 Commodity Related (33.113%)	7 Other Storage Requirements
2180 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2181 Total Storage	
2182-2197 Transportation	
2198 Commodity Related (33.113%)	1 Total Transportation
2199 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2200-2211 Transportation	
2212 Customer Related	Customer Related
2213 Customer Related (33.113%)	10 Excess Peak Day Requirements
2214 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2215 Total Transportation	
2216-2227 Customer Related	
2228 Other Gas Supply Expenses	Applicable only to Storage Class
2229 Commodity Related (33.113%)	7 Other Storage Requirements
2230 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2231 Total Storage	
2232-2247 Transportation	
2248 Commodity Related (33.113%)	1 Total Transportation
2249 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2250-2261 Transportation	
2262 Customer Related	Customer Related
2263 Customer Related (33.113%)	10 Excess Peak Day Requirements
2264 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2265 Total Transportation	
2266-2277 Customer Related	
2278 Other Gas Supply Expenses	Applicable only to Storage Class
2279 Commodity Related (33.113%)	7 Other Storage Requirements
2280 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2281 Total Storage	
2282-2297 Transportation	
2298 Commodity Related (33.113%)	1 Total Transportation
2299 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2300-2311 Transportation	
2312 Customer Related	Customer Related
2313 Customer Related (33.113%)	10 Excess Peak Day Requirements
2314 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2315 Total Transportation	
2316-2327 Customer Related	
2328 Other Gas Supply Expenses	Applicable only to Storage Class
2329 Commodity Related (33.113%)	7 Other Storage Requirements
2330 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2331 Total Storage	
2332-2347 Transportation	
2348 Commodity Related (33.113%)	1 Total Transportation
2349 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2350-2361 Transportation	
2362 Customer Related	Customer Related
2363 Customer Related (33.113%)	10 Excess Peak Day Requirements
2364 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2365 Total Transportation	
2366-2377 Customer Related	
2378 Other Gas Supply Expenses	Applicable only to Storage Class
2379 Commodity Related (33.113%)	7 Other Storage Requirements
2380 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2381 Total Storage	
2382-2397 Transportation	
2398 Commodity Related (33.113%)	1 Total Transportation
2399 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2400-2411 Transportation	
2412 Customer Related	Customer Related
2413 Customer Related (33.113%)	10 Excess Peak Day Requirements
2414 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2415 Total Transportation	
2416-2427 Customer Related	
2428 Other Gas Supply Expenses	Applicable only to Storage Class
2429 Commodity Related (33.113%)	7 Other Storage Requirements
2430 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2431 Total Storage	
2432-2447 Transportation	
2448 Commodity Related (33.113%)	1 Total Transportation
2449 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2450-2461 Transportation	
2462 Customer Related	Customer Related
2463 Customer Related (33.113%)	10 Excess Peak Day Requirements
2464 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2465 Total Transportation	
2466-2477 Customer Related	
2478 Other Gas Supply Expenses	Applicable only to Storage Class
2479 Commodity Related (33.113%)	7 Other Storage Requirements
2480 Capacity Related (66.887%)	8 Excess Peak Storage Requirements
2481 Total Storage	
2482-2497 Transportation	
2498 Commodity Related (33.113%)	1 Total Transportation
2499 Capacity Related (66.887%)	2 Excess Peak Day Requirements
2500-2511 Transportation	
2512 Customer Related	Customer Related
2513 Customer Related (33.113%)	10 Excess Peak Day Requirements
2514 Capacity Related (66.887%)	11 Excess Peak Day Requirements
2515 Total Transportation	
2516-2527 Customer Related	
2528 Other Gas Supply Expenses	Applicable only to Storage Class
2529 Commodity Related (33.113%)	7 Other Storage Requirements
2530 Capacity Related (66.887%)	8 Excess

DETECTION EXPERIMENT

[illegible]

TABLE 1

	CONNECTS Details		RATE SCHEDULES	
	Residential	Nonresidential	CONNECTS LYONS SUBJECTS	CONNECTS DTSOM SYSTEMS
SYSTEM TOTAL				Storage

[illegible]

THE EAST OAK GAS COMPANY AND DOWNSIDE EAST OAKS
CASE NO. 07-8029-01-AM
COST OF SERVICE STUDY

Date: 2 Months Ago at 8:30 Months Estimated
Type of Filing: Revised
Work Paper Retention: None

RATE BASE SUMMARY

	SYSTEM TOTAL	Rate (General)	CONSTRUCTS DEDUCTIONS	CONSTRUCTS	LANDSOLVETS	RATE SCHEDULES	OTHER DEDUCTIONS	Storage	Allocation Basis
2000									
TOTAL GAS PLANT IN SERVICE	\$1,918,133,990	\$1,213,728,249	\$246,494,884	\$1,468,463,133	\$36,579,916	\$236,572,407	\$124,407,811	\$36,381,438	See page 10
TOTAL DEPRECIATION RESERVE	\$349,347,745	\$244,758,197	\$107,014,370	\$651,813,487	\$24,203,883	\$69,410,091	\$55,245,181	\$20,675,973	See page 14
TOTAL NET CHMP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
TOTAL WORKING CAPITAL	\$131,898,176	\$94,143,254	\$22,567,837	\$120,761,091	\$6,288,780	\$6,887,889	\$1,431,480	\$389,082	See page 18
LESS: RATE BASE DEDUCTIONS	\$386,050,000	\$120,504,883	\$28,500,284	\$157,005,089	\$6,084,527	\$24,385,408	\$14,488,512	\$4,125,186	See page 22
TOTAL RATE BASE	\$1,662,181,990	\$987,848,949	\$189,478,776	\$1,388,156,925	\$44,728,739	\$161,518,288	\$91,240,873	\$27,651,799	

THE EAST OHIO GAS COMPANY 6644 COMMONS EAST OHIO
CASE NO. 07-0625-DA-AIR
COST OF SERVICE STUDY

GAS PLANT IN SERVICE

[illegible]

[illegible]

Date: 3 Months Actual & 9 Months Estimated
Type of Plant: New/Rebuild
Work Paper Reference No.:

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0225-GA-AR
COST OF SERVICE STUDY

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NET PLANT IN SERVICE

Account	Description	GAS COSTS Details		GROSS COSTS	RATE SCHEDULES		DT'Short System	Storage
		Residential	Non-Residential		LGASOLVETCS	GT'SUTSFFRTS		
325-339	PRODUCTION NET PRODUCTION PLANT	\$54,501,516	\$3,423,571	\$16,542,721	\$875,524	\$29,488,795	\$8,513,472	\$0
326-346	STORAGE Commodity Related (33.113%) Capacity Related (66.887%) TOTAL STORAGE PLANT	\$0,527,177 \$0,091,227 \$0,618,404	\$2,717,891 \$0,468,554 \$0,176,345	\$12,244,865 \$24,539,922 \$36,784,800	\$720,987 \$1,434,970 \$2,155,957	\$264,553 \$595,222 \$859,774	\$0 \$0 \$0	\$5,998,295 \$12,503,808 \$18,502,103
317	GAS STORED UNDERGROUND Commodity Related (33.113%) Capacity Related (66.887%) TOTAL GAS STORED UNDERGROUND	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
325-372	TRANSMISSION Commodity Related (33.185%) Capacity Related (66.815%) TOTAL TRANSMISSION PLANT	\$35,558,505 \$71,854,239 \$107,412,744	\$4,412,122 \$12,551,090 \$16,963,212	\$20,030,076 \$58,318,490 \$78,348,566	\$1,267,169 \$3,232,447 \$4,500,616	\$7,291,282 \$1,172,897 \$16,433,088	\$7,036,990 \$3,930,821 \$10,970,801	\$0 \$0 \$0
374-389	DISTRIBUTION Customer: Services, All Pressure Customer: Services, Low Pressure Customer: Services, Regulated Pres. Customer: Meters & Regulators Customer: Related, Industrial Commodity Related (23.185%) Capacity Related (76.815%) TOTAL DISTRIBUTION PLANT	\$2,848,911 \$22,028,547 \$62,815,517 \$104,445,322 \$3,683,095 \$187,204,682 \$387,053,614 \$580,112,078	\$3,648,544 \$3,182,807 \$7,368,391 \$67,085,490 \$1,454,749 \$24,449,652 \$58,648,666 \$113,092,556	\$2,337,818 \$51,803,848 \$92,133,094 \$103,594,468 \$1,454,749 \$110,981,585 \$12,074,514 \$675,369,979	\$5,281 \$104,123 \$1,411,365 \$163,558 \$340,131 \$5,988,280 \$77,871,799 \$25,862,349	\$5,837 \$50,576 \$622,090 \$250,568 \$1,730,724 \$40,238,953 \$21,780,839 \$68,068,210	\$183 \$0 \$18,467 \$6,716 \$148,382 \$39,010,294 \$21,780,839 \$68,068,210	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
	NET P. S. T & D PLANT	\$1,070,295,023	\$141,888,764	\$804,098,109	\$33,293,449	\$130,996,752	\$36,480,613	\$18,502,103
326-389	GENERAL PLANT Customer Related General Plant Other General Plant:	\$28,628,259 \$1,982,719 \$1,340,049 \$2,475,154 \$22,471,480 \$27,880,181 \$59,305,440	\$1,892,893 \$97,489 \$187,815 \$301,570 \$3,017,343 \$3,594,154 \$5,553,347	\$28,502,896 \$337,175 \$94,495 \$1,762,118 \$17,268,605 \$20,770,854 \$44,273,899	\$98,000 \$24,828 \$49,523 \$188,680 \$680,343 \$888,414 \$821,465	\$98,673 \$753,064 \$21,357 \$358,215 \$2,388,782 \$3,600,368 \$3,588,671	\$1,841 \$217,551 \$0 \$283,201 \$1,644,750 \$2,115,502 \$2,117,342	\$0 \$0 \$0 \$0 \$0 \$425,002 \$425,002
326	NET AVAILABLE PLANT	\$18,893,187	\$2,208,481	\$12,897,393	\$616,046	\$2,099,836	\$1,228,217	\$390,713
108	OTHER RESERVES	\$78,812,394	\$10,037,978	\$57,886,396	\$2,344,533	\$9,403,508	\$6,584,852	\$1,593,353
	NET PLANT	\$1,089,785,235	\$159,410,514	\$866,984,506	\$32,576,432	\$130,182,051	\$78,212,820	\$17,684,468

THE EAST OHIO GAS COMPANY 6708 DOWNTOWN EAST OHIO
CASE NO. 07-0029-GA-AR
COST OF SERVICE STUDY

Days: 3 Months Actual & 9 Months Estimated
Type of Filing: Renewal
Work Order Reference No.:

INCREASES CAPITAL ALLOCATION

[illegible]

ATTACHMENT 1: SUMMARY OF UPDATED COST OF SERVICE STUDY RESULTS

Table 1 Return on Rate Base Comparison	Test Year	Post Rate Case		
		Year 1 Rates	Year 2 Rates	Year 3 Rates*
DEO: System Total	6.63%	8.48%	8.48%	8.48%
GSS: Residential	5.16%	8.13%	8.74%	9.60%
GSS: Non-Residential	6.79%	6.13%	3.23%	-0.84%
GSS: Combined	5.45%	7.785%	7.785%	7.785%
LVGSS	7.21%	8.89%	8.89%	8.89%
GTS	13.32%	13.25%	13.25%	13.25%
DTS	5.51%	5.15%	5.15%	5.15%

* Proposed Year 3 rates with common 100% SFV rate for all Test Year GSS/ECTS customers (@ \$19.46/customer/month)

ATTACHMENT 2: Cost of Service Summary using Year 1 Rates

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-4039-GA-AIR
COST OF SERVICE STUDY

Date: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.:

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OPERATING INCOME SUMMARY

AT NEW RATES (YEAR 1)	GROSS/ECTS Details		Rate Schedule/Class			
	Residential	Non-Residential	GSS/ECTS	LVBS/GV/ECTS	GTS/TS	DTS/OFF-System
OPERATING REVENUE (\$)						
Base Rate Revenues (Year 2 Rates)	\$354,504,488	\$38,938,531	\$280,421,457	\$10,291,320	\$38,487,045	\$13,983,247
Gas Cost Revenues (per Staff Report)	\$438,882,888	\$85,826,434	\$423,207,458	\$15,885,387	\$0	\$0
Gas Cost Rider Revenue	\$34,186,464	\$8,194,862	\$28,193,362	\$1,835,656	\$3,736,268	\$431,148
Non-Tax Related Rider Revenue	\$138,424,730	\$26,590,300	\$120,714,224	\$7,578,515	\$10,133,991	\$0
Tax Related Rider Revenue	\$73,700,230	\$12,266,081	\$62,704,869	\$2,807,831	\$6,846,508	\$0
Other Revenue	\$25,317,800	\$2,277,878	\$10,758,324	\$533,992	\$10,317,147	\$601,532
TOTAL OPERATING REVENUE	\$1,065,038,587	\$181,884,087	\$826,007,834	\$38,630,627	\$69,486,859	\$11,363,972
OPERATING EXPENSES (\$)						
Gas Cost	\$438,882,888	\$85,826,434	\$423,207,458	\$15,885,387	\$0	\$0
Gas Cost Related Riders	\$34,186,464	\$8,194,862	\$28,193,362	\$1,835,656	\$3,736,268	\$431,148
Non-Tax Related Rider Expense	\$138,424,730	\$26,590,300	\$120,714,224	\$7,578,515	\$10,133,991	\$0
Other Operation and Maintenance Expense	\$145,874,408	\$17,912,890	\$117,571,128	\$3,804,704	\$13,002,833	\$7,512,387
Depreciation Expense	\$48,808,074	\$8,222,305	\$41,856,026	\$948,000	\$3,906,449	\$2,303,403
Tax-Related Rider Expense	\$73,700,230	\$12,266,081	\$62,704,869	\$2,807,831	\$6,846,508	\$2,040,490
Other Taxes (Excludes GRT)	\$25,317,800	\$2,277,878	\$10,758,324	\$788,771	\$2,935,604	\$1,728,419
Federal Income Taxes	\$39,383,419	\$3,038,893	\$36,871,027	\$1,410,022	\$8,578,657	\$791,743
TOTAL OPERATING EXPENSES	\$945,916,866	\$170,330,073	\$841,452,459	\$34,554,895	\$48,137,309	\$14,808,600
NET OPERATING INCOME	\$119,121,720	\$11,553,995	\$54,555,475	\$3,975,732	\$21,352,550	\$4,530,370
RATE BASE	\$1,404,734,309	\$188,478,735	\$1,086,128,825	\$44,728,750	\$181,215,282	\$91,240,673
RATE OF RETURN - AT PROPOSED RATES	8.48%	6.13%	7.760%	8.88%	13.25%	5.15%
GROSS RECEIPTS TAX RIDER RATE	4.8044%					21.15%

ATTACHMENT 3: Cost of Service Summary using Proposed Year 3 Rates (Common 100% SFV Rate for all GSS/ECTS customers)

**THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0820-GA-AIR
COST OF SERVICE STUDY**

Date: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.:

Schedule E-3.2
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OPERATING INCOME SUMMARY

AT PROPOSED RATES (YEAR 3)

	GSS/ECTS Details		Rate Schedule Class			
	System Total	Residential	Non-Residential	GSS/ECTS	LVGSS/ECTS	GTS/ETS
OPERATING REVENUE (1):						
Base Rate Revenues (Year 2 Rates)	\$354,480,891	\$281,878,395	\$18,438,485	\$280,418,850	\$10,291,320	\$39,487,045
Gas Cost Revenues (per Staff Report)	\$438,882,885	\$327,581,034	\$85,828,484	\$423,207,488	\$15,885,397	\$0
Gas Cost Rider Revenue	\$34,198,464	\$21,998,630	\$6,194,882	\$28,183,382	\$1,835,658	\$431,148
Non-Tax Related Rider Revenue	\$138,424,730	\$94,123,924	\$26,590,300	\$120,714,224	\$7,578,515	\$0
Tax Related Rider Revenue	\$73,700,018	\$51,392,499	\$11,312,167	\$62,704,657	\$2,807,831	\$5,845,508
Other Revenue	\$25,317,800	\$8,488,645	\$2,277,879	\$10,768,924	\$633,909	\$10,317,147
TOTAL OPERATING REVENUE	\$1,085,031,787	\$765,562,997	\$160,440,117	\$906,003,114	\$38,630,627	\$59,498,959
OPERATING EXPENSES (2):						
Gas Cost	\$438,882,885	\$327,581,034	\$85,828,484	\$423,207,488	\$15,885,397	\$0
Gas Cost Related Riders	\$34,198,464	\$21,998,630	\$6,194,882	\$28,183,382	\$1,835,658	\$431,148
Non-Tax Related Rider Expense	\$138,424,730	\$94,123,924	\$26,590,300	\$120,714,224	\$7,578,515	\$0
Other Operation and Maintenance Expense	\$145,674,408	\$99,905,383	\$17,885,738	\$117,571,121	\$3,804,708	\$7,512,389
Depreciation Expense	\$48,908,074	\$36,432,720	\$5,222,308	\$41,656,028	\$948,000	\$3,303,403
Tax-Related Rider Expense	\$73,700,018	\$51,392,499	\$11,312,167	\$62,704,657	\$2,807,831	\$5,845,508
Other Taxes (Excludes GRT)	\$28,728,077	\$17,298,224	\$3,439,100	\$20,735,324	\$788,772	\$2,040,480
Federal Income Taxes	\$38,881,807	\$30,701,958	(84,632,840)	\$28,689,418	\$1,410,021	\$781,743
TOTAL OPERATING EXPENSES	\$945,915,042	\$679,432,272	\$162,016,357	\$841,450,628	\$34,684,887	\$14,808,601
NET OPERATING INCOME	\$119,116,725	\$86,130,725	(\$1,578,240)	\$84,552,486	\$3,975,730	\$4,695,483
RATE BASE	\$1,404,734,308	\$897,848,090	\$189,478,736	\$1,086,126,826	\$44,728,750	\$81,246,673
RATE OF RETURN - AT PROPOSED RATES	8.48%	9.60%	-0.84%	7.76%	8.89%	5.16%
GROSS RECEIPTS TAX RIDER RATE	4.8044%					21.15%

OPERATING REVENUE (3):

Base Rate Revenues (Year 2 Rates)	\$10,331,429
Gas Cost Revenues (per Staff Report)	\$0
Gas Cost Rider Revenue	\$431,148
Non-Tax Related Rider Revenue	\$0
Tax Related Rider Revenue	\$5,845,508
Other Revenue	\$11,393,972

OPERATING EXPENSES (3):

Gas Cost	\$0
Gas Cost Related Riders	\$431,148
Non-Tax Related Rider Expense	\$0
Other Operation and Maintenance Expense	\$7,512,389
Depreciation Expense	\$3,303,403
Tax-Related Rider Expense	\$5,845,508
Other Taxes (Excludes GRT)	\$2,040,480
Federal Income Taxes	\$781,743
TOTAL OPERATING EXPENSES	\$14,808,601
NET OPERATING INCOME	\$4,530,370

RATE BASE	\$81,246,673
RATE OF RETURN - AT PROPOSED RATES	5.16%
GROSS RECEIPTS TAX RIDER RATE	21.15%

ATTACHMENT 4: Peak Day and Storage Utilization Information

The East Ohio Gas Company d/b/a Dominion East Ohio Case No. 07-0829-GA-AIR PEAK DAY AND STORAGE UTILIZATION INFORMATION FOR COST OF SERVICE STUDY WITH G3S/ECTS SPLIT: RESIDENTIAL/NON-RESIDENTIAL

G3S: Residential/Non-Residential Split

	Peak Day Throughput	Peak Day Storage Factor	Max Storage Deliverability	Storage Capacity Multiplier	Storage Capacity
Residential	1,280,279	34.16%	440,445	51.9	23,887,112
Non-Residential	345,912	34.16%	131,699	51.9	6,899,823
Total G3S	1,726,191		572,144		30,786,935
% Residential	77.7725%				

	Peak Year Throughput	Aug. Daily Usage	Excess Peak Day
Peak Class G3S/ECTS Res	111,741,482	304,141	1,044,138
G3S/ECTS NR	31,067,320	85,468	288,428
TOTAL G3S	142,808,802	389,609	1,332,566

1. ECTSS STORAGE

	1	2	3	4	5
Peak Day Throughput	1,726,191	34.16%	440,445	51.9	23,887,112
Max Storage Deliverability	440,445	34.16%	131,699	51.9	6,899,823
Total ECTSS	1,726,191		572,144		30,786,935

2. F3S/ECTS-IN

	6	7	8
Storage Capacity	12,487,000	4,714,233	16,767,874
Deliverability	240,650	811,726	343,322
Per Contract	607,519		

3. OPERATIONAL BALANCING

	9
Storage Capacity	4,714,233
Deliverability	110,937

4. ALLOCATION OF OPERATIONAL BALANCING

	Share of C3S Capacity	Peak Day Throughput	Share of C3S Deliverability
Non-Base Period Volumes (MWh)			
G3S	73.8%	1,280,279	73.8%
U3S	2.8%	7,890	2.8%
GTS	21.8%	381,012	21.8%
TOTAL*	100.0%	1,726,191	100.0%

5. STORAGE ALLOCATION BY CLASS

	Share of C3S Capacity	Peak Day Throughput	Share of C3S Deliverability
Non-Base Period Volumes (MWh)			
G3S	73.8%	1,280,279	73.8%
U3S	2.8%	7,890	2.8%
GTS	21.8%	381,012	21.8%
TOTAL*	100.0%	1,726,191	100.0%

6. CAPACITY VS. COMMODITY BREAKDOWN

	Capacity	Deliverability
Average	387,615 MWh	33,115 MWh
Excess	722,384 MWh	60,887 MWh
Peak	1,000,000 MWh	500,000 MWh

Average daily storage = 54 Btu/151 days
Total Peak Day storage less average daily storage
= 1,000,000 MWh - 387,615 MWh = 612,384 MWh

	Share of C3S Capacity	Peak Day Throughput	Share of C3S Deliverability
Non-Base Period Volumes (MWh)			
G3S	73.8%	1,280,279	73.8%
U3S	2.8%	7,890	2.8%
GTS	21.8%	381,012	21.8%
TOTAL*	100.0%	1,726,191	100.0%

CO2 Allocation 7

	Share of C3S Capacity	Peak Day Throughput	Share of C3S Deliverability
Non-Base Period Volumes (MWh)			
G3S	73.8%	1,280,279	73.8%
U3S	2.8%	7,890	2.8%
GTS	21.8%	381,012	21.8%
TOTAL*	100.0%	1,726,191	100.0%

CO2 Allocation 8

	Share of C3S Capacity	Peak Day Throughput	Share of C3S Deliverability
Non-Base Period Volumes (MWh)			
G3S	73.8%	1,280,279	73.8%
U3S	2.8%	7,890	2.8%
GTS	21.8%	381,012	21.8%
TOTAL*	100.0%	1,726,191	100.0%