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FILE	RE CEIVED DOCKETING DIV Case No. 07-829-GA-AIR
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 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 nonresidential 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,

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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
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MEMORANDUM IN SUPPORT

I. BACKGROUND

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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"), OPAE, 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).

Return of Rate Base Comparison:	⁷ <u>Test Yr.</u>	Year 1	Year 2	Year 3
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 \$):

	Test Yr. ¹²	Year 1 ¹³	Year 2^{14}	Year 3 ¹⁵
Residential	\$2 13	\$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-3.2Page 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.

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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 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 costof-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

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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

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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 nonresidential subsidized by GSS residential) that was not documented by the existing costof-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,

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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.

lauer Assistant Consumers' Counsel

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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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

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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 nonresidential 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

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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,

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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. Campbe

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COI-1410855v2

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Cada: 3 Morchy Achuel & 9 Morchy Estimated Type of Filmg: Revised Work Peper Reference Nos.: WPE-3.284				cost of reavice study	RCE STUDY			382	Schedule E.3.2 Page(s) 1.3 of 10 Wilsees: C. Andrews
ALLOCATION FACTORS	L								
g Allocator		GSGRC15 Debin (% 07 Residential Non	Non-realization	GEALCTE	LVGS34LVECTS	MALE SCHEVALE	DTSKOR-System	301391	TOTAL
NPUT ALLOCATORS									
i Tolai Througinyk	Mcć	711.741.4 02 27. <u>979</u>	31.367,720 22.05%	143,308,810 86.3%	8,500 19,500	51, 35 2,138 20,436	60,369,514 795,21		254,824,423 100,0%
2 Winter Throughput	Pay	81,820,302 78,02%	2027,050,052 2720,252	104,876,988 64.3%	6,337,343 3.9%	27.969.363 17.2%	20.846.134.02 370.04	0.07%	163, 184, 848 500,0%
3 October-Apit Throughput	ł	56.816 ,326 78.40%	27,007,556 21,90%	123,713,181 62.0%	528 ,872,7	38, ten , 255 18, 14	31,552,258 16.0%	0 X 0 0 0	199,428,633 100.0%
4 Cit-dythions Solute	Þ	241,700,05 77,40%	71,105,859 22,60%	49,141,101.0 96.4%	349°E 794°C	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7400 0	9 11-010	50.962,943 100.004
5. Puesk Day Augustomotics	ž	872,088,1 277,77	10.011 22.234	1,734,421	101,759 4.2%	301, 301 101, 101	NOT STATES	9 9 9	2,407,004 100,004
6 Excess Peek Day Regulament	Liter (1811, And, I 1811, 77	286,436	1,343,644,00 28,65	77, 115 4,8%	11.4%	1.1.2 YOM	, 194	1,700,422 1005
7. Winter Storge Associancet	ł	28,616,766 77,81%	1,552,009 22,19%	34,200,375.6 83.4%	2.015,273 2.1%	176.001 212.1		16,727,474 31,0%	54,000,000 100,001
 Excess Peak Storage Raguinenst 	Þ	353,026 77,76%	100,985	454,034 52.9%	26,550	460,466 1,454	, D.C.K.	54.75 141.75	14.0°001
 Gatharing Travegipot 	1	8,76,078 27,975	2,475,505 22,03%	11.200.676 20.076	997,901 767	20,500,50 20,50 20,50	0,100,046 16,6%	4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	38,409,115 100.0%
10 Number of Customers	a of Customaris	1,127,327 108.84%	60,474 6.89%	1,207,801 89:6%	2.248 0.24	2,810 0,2%	R 100	4 1600	700,612,1
11 Transpotation Cutomora	if of Customers	771.00 071.78	54,077 8488.9	295'161 295'161	1,709 0.2%	2,910 1910	75 0.0%	5 4 5 6 7	NG DOL
12 Indontriek Quiptomens	# of Cuelomera	6.00%	6553 100.0 01%	193 193 - 68	141 121	調査	8	0.00 0.00	1,005 100,0%
13 Costomers, Low Pressure	# of Customers	787,520 200,530	50 CM	94.°96 0377'962	1,552 9,250	817 81:0	4 4 1000	0.00	540,045 300.091
14 Custament, Regulação Preseute	W of Contornaug	336,607	202544 8.00%	「日本	뿚셝	1.0%	12 1000	0.0%	\$72,000 100,054
13 Roverve () Test Year Rates (encindes EC gas confermes tau)	Whate Collect	5702,165,060 79,1956	\$164,507,567 2016,102	117797 9788	%4'E %4'E	\$00,011,215 6.8%	879, <u>1996</u> , 1996	100°948'018	10'00L 10'00L

THE EAST CHING GAS COMPANY days DOWINION EAST CHING CASE NO. 07-0524 CA-MR COST OF SERVICE STUDY

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THE EAST OND GAS COMPANY AND DOWNOOM EAST CHO CASE NO. 97-3629-CA-MR COST OF SERVICE STUDY

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Ceter 3 Monthis Actual 4.9 Months Estimated Type of Filing: Renfaed Work Paper Reference Nos.: WIPE-3.24-h

ALLOCATION FACTORS

ALLOCATION FACTORS		C CASER TE TE DEFE	2 11 100 E E E			ATT OCHEDNEE			SYSTEM
		Residential Non-theidential	Non-residential	G\$\$12CT6	LVOSSAVECTS	015/196	018/Off-Bystem	glorent	TOTAL
NPUT ALLOCATORS									
tel Bass Rate Revenue (Test Year)	Whole Dollari	1997, MAY, ET 22	844,053,287 17,12%	50°24 59°54 5'225	30,306,50 3.0%	541,085,124 12.5%	\$15,000,238 4.5%	\$10,291,546 3.1%	201,072,M222
17 Non-Tax Ridar Revenue (Test Year)	wincia Cottars	400,017,8118 2009,177	\$\$3,618,405 22.02%	5 152,230,868 66,27 4	19.634.007 5.4%	514,337,562 8.1%	3421, 148 0.2%	86 O	\$176,623,705 100,0%
18 Tau-antatiod Richan Revenue (Text Year). Whole Dothers	f) Whete Dottars	820752 523 009122 523	56.526,480 20.50%	542,652,080 08.7%	\$1.875.137 3.5%	016,300,522 41,135	809°2 809°2	85	540'001 100'001
tê ÖnerRavense (TeetYser)	Whole Dottom	55.879. 496 78.84%	20,345,742 21,16%	511.262.250 X3.25	5803.095 2.5%	\$10,742,159 40,8%	\$3,173,148 12,0%	\$688,843 2.2%	200, 403, 534, 462 100, 114
20 คาศาสสส Gas Confiltemente (350) (Per Staf report)	Whide Dollars	HOU'LOS'LZCR HOU'LOS'LZCR	20,626,624 22,005	%+"05 99#/208"62#\$	101,000,012 3.014	58 70'0	4 1 5	44°0	8478,582,865 300,9%
21 Man-Seat Coal Revenue (Teat Year)	Wishe Dollers	\$374,504,016 \$0.52%	550,000,053 79,1876	915'16' 911'6'	777,890,152 1712	500.011,215 11,9%	1472 97879987914	510,575,013 1,954	5006,000,000 400.014
22 Uncollectible Expanse (Teat Year) (PiPP + UER)	Which Dollars	KUFLL Charles	1927,018,254 1922,52	512,067,305 67.75	\$7,690,463 5. 37 5	\$10,207,164 7,3%	56 70 70	1400 1970	\$140,852,949 100,0%
23 Pip Rider Rovenue (Teat Yaar)	Whole Dollars	963, 457 , add 77, 57%	110,846,712 22,034	861,012,470 87.2%	\$5.004.\$77 5.576	\$6.001,012 7.3%	S 5	14070 198	502, 5668, 153 100, 10%
24 Ges Cost Riders (Test Year)	Whole Collars	512,770,022 200 61	\$5,408.144 21.57%	720'L41 413 7279	11,825,520 11,411	\$4,000,428 11,226	542 5, 348 1.2%		\$15,970,756 100.076
26. Ruwinue 🕼 New Railes (Year 2)	Whole Collars	705'950'521 3 7755'19	101, 149, 2612 101, 149, 2612	997, 100, 209 146 an	5,05,630,627 3,0%	300,400,900 6.5%	\$19,50 4,0 94 1.8%	\$11,300,972 1,1%	\$1,065,032,942 100,0%
27. Base Rais Revenue 🕲 Yaar 2 Rates	Whole Collars	1491,182 1947/220/0803	\$20,256,524 10,04%	578,517,0523 201.67	510,281,320 2,80%	500,700,045 11,155	\$13,985,247 3,95%	\$10,351,428 2.91%	2054,501,014 200.00%
26 (Jas Coar Rider Revenue (Yr 2 rehas)	Whele Dollars	121,998,578 71.03%	50, 144, 197 21, 1974	\$25,150,392 \$2,4%	14 (1000) (1000) 14 (1000) (1000)	553,7351,255 10,955	411,110 ,2	\$6 0.6%	\$24,196,454 100,0%
28 Nan-Tax Rolated Holes Rav (Mair 2)	Whole Oollars	NG#(Q21'908 NJJ5-12	2007-0000-0023 2012-0000-0023	5120,714,224 61.235	212.012.12 26%	190,001 7.3%	9 9	55 56	20100- 022 - 200-2004
30. Tax Reisted Rider Revenue (Year 2)	wind Action	\$60,842,001 \$1,86%	511,362,707 18.92%	102 VOL 201	12, 00,71,00,74 13,00,0	\$5,045,50 8 7.8%	12,040,400 2,8%	2001,512 272,1002	\$73,700,070 160,070

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Schedde E-3.2 Page(s) 1-3 of 16 Witness: C. Andrews

Dets: 3 Monthe Actual & 9 Months Estimated Type of Filing: Revised Work Paper Reimman Nam. WITE-3.24-b

ALLOCATION FACTORS

ALLOCATION FACTORS	-	ABAEATO ALLM.	I THE OF BOST OF THE			RATE BCHEDULE			EVSTEM
f Allection		· · · ·	l e l	OSAECTS	LVBSSRVECTS	G16/184	D19/0/ Protein	blorege	TOTAL
INTERNALLY GENERATED ALLOCATORS	ECHAR								
51 OEM @ Current Raises	Whole Dollars	309,484,668 84,863,44	\$18,026,844 15,34%	\$117,421,612 40,7%	\$3,806,752 2.5%	1418 1922'520'ELS	945 £ 000'929'48	202,702,700 2.05	\$145,574,406 100,0%
32 Gross Plant	Whyte Dollars	9721-245 9721-245	198'124'34ES	51,460,163,133 76.2%	\$36,378,516 3.0%	\$226,572, 002 \$1, 6%	5124.457.511 2017	807-100-1008 2012	\$1,918,130,2 00 #0.001
33 Other General Plant	Whole Dollans	534,048,008 82,00%	1977-175 1977-171	541,218,408 75,31	61,675,250 311.5	\$6,719,117 12,3%	305,004,228 242,5	21, 138, 492 2112	1997 (192) 1997 (192) 1997 (192)
34 Not Plan	Whole Collers	441.72 261'0rd'9988	\$120,010,514 17,25%	NOVE THE STREET	302 307, AUC 213	\$130,102,061 12.2%	96"Z	1000° 1000° 1139 1111 - 11	\$1,000,766,235 100,0%

905'962'909'94 906'962'909'94

573.042.1**46** 6 8%

\$141,216,282 11 8%

92.1 021/021/145

51.006.126.020 377.376

\$100,478,776 17,35%

100/00/1005 00/00/20

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36 Rate Base

			COST OF SERVICE STUDY	CE STUDY			•	e e maniera
Cate: 3 Miuntis Actual & 9 Micritine Entimated Type of Filing: Revised Microsoft Buttone Actor							, 4 >	Plage 4 of 16 Witness: C. Andrews
OPERATING INCOME SUMMARY		CHAP.	CONTR RAME		Rate Schedulettiats	Interes		
	Section 1004	Residential	Nor-residential	GSBAECTS	LV0884 VECTS	GTS/TSS	DTS/Off-System	Storage
OPERATING REVENUE (S).						AC1 365 143	\$15.001.838	910 201 548
Base Rate Revenues	5334,274,699	2213,200,300	192 °CO 'PYS	2001,573,500	000'000'88 000 300 302			9
Gee Cost Revenues	Sa 28, 892, 865	5227, 581,034		5423,207,405	140'000'010 702'000'010	EA DAY 42R	5431.148	9
Ges Cost Rider Revenue	\$ 35,970,758	213,076,612				610.207 184		9
Non-Tax Related Rider Revenue	\$140,652,949	595,639,042	102,018,201	505'/99'77'US	0000'000'10 001 575 127		51.173.805	3
Tax Related Rider Revenue	182'182'5rs			1000 JULY 1000 JULY 1000	3663.006	510.752.180	59.179.146	\$586.BA3
Other Revenue TOTAL OPERATING REVENUE	8 1,024,562,133	\$702,186,050	\$184,507,367	\$886,672,417	171,452,753	\$59,611,216	\$19,885,938	\$10,878,391
OPERATING EXPENSES (3)	346 COD 861 4		EDF RJA A34	5423, 207, 468	\$15,605,387	8	8	8
Gest Cost	2000/700/00/000 04-0-020/700		144 ADR 144	S78, 577, 856	NG2,828,12	S4,040,428	BACKEDS	\$
Gase Cost Related Riders				1122 617 303	57 696 483	\$10,297,154	8	Ş
Non-Tax Related Rider Expense				5117 52N 512	E3 809.153	\$13.036,794	\$7,526,603	\$3,772,358
Other Operation and Maintanance Expense	and the and and			541.855.020	2010.000	53,906,440	52,303,403	506 , 196
			ter 428,480	080 229 275	\$1,576,137	\$2,786,310	\$1,173,805	3
Tex-Related Folder Expanse	100° 107'042			537 212 824	51,664,822	\$5,418,606	22,429,782	192,229
Other Tayles		AND AND AN	ST 710, B90	\$13,000,144	S1.004.853	<u>59.642.166</u>	COLUCIA DE LA CO	11204021
Federal Incomp 1 2245 Total Operating Expended	\$931,376,688	\$056,784,061	5171,704,961	110,001,1288	012,115,452	\$48,126,905	\$14,841,575	\$6,607,926
NET OPERATING INCOME	\$93,185,445	\$46,360,889	\$12,802.416	\$56,183,405	106'222'15	\$21,484,310	\$5,024,361	\$4,270,465
RATE BASE	\$1,404,734,308	2897,648,090	3158,478,735	51,086,128,825	\$44,729,750	\$161,215,282	540°512	\$21,421,780
RATE OF RETURN - AT CURRENT RATES	6.63%	6.17%	6,79%	5.45%	¥121	13.33%	5.51%	19.94%
second Ended 9476 (E DET) EN	124	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
							07474 7	
REVENUE CONVERSION FACTOR	1.61519	1,61518	1. 8161 8	1,61515	1.61518	1,61518	alo 10.1	BL0101
REVENUE DEPOENCY	\$47,236,783	\$51,614,524	\$5,867,848	\$57,362,370	\$1,004,334	(\$11,994,893)	S4,736,436	(\$3,820,454)

THE EAST OHIO GAS COMPANY JUB DOMINION EAST CHO CASE NO. 97-9639-CA-AIR COST OF SERVICE STUDY

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THE EAST CHIO QAS COMPANY JIMA DOMINON EAST CHID CASE NO. 07-0030-QA-AIR COST OF SERVICE STUDY

Schedule E-3.2 Page 5 of 16 Wilmees: C. Aodrews

Rate Schedule/Class GTB/T33

GSSIECTS Details ertical Non-residential

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

OPERATING INCOME SUMMARY

AT NEW RATES MEAR 2

	-				¢.			
AT MEW RATES (VEAR 2)	Srateen Total	Residential	Non-residential	GSSECTS	LVGSBALVECTB	GTØTSS	DT SUOF-Bystem	Storage
<u>OPERATING REVENUS (3):</u>						eao Akt Mik	513 003 247	S10.375 (C)
Base Rate Revenues (Year 2 Rates)	£364,801.014	\$250,022,448						
Gas Cost Revenues (per gual Report)	5430,8 92,865	5 227,589,034	\$29°,628°,434	2423,207,405	510,000,04V	2		8 8
Ges Cost Rider Revenue	\$34,196,464	\$21,900,530	\$6,194,8 42	528,103,362	\$1,835,PGM	BAR		
Mar Tay Briefert Didn' Briefer	5128,424,730	594,123,924	\$26,690,300	\$120,714,224	51,576,615	SH0,138,997	8	8
	STR 200 (120)	FED 642 001	104.000 11S	SE2, TDA, 708	\$2,607,631	36,845,500	\$2,040,450	S601,532
				210 768 504		540.317.147	53,029,209	\$561.012
Other Revenue Total Operating Revenue	\$1,065,032,942	2153,056,542	\$172,947,707	100,004,289	538,630,627	\$66'458'50 8	\$19,504,094	511,303,972
<u>OPERATING PXPENSES (3)</u>	100 000 000 000	SECT AN ING	SAK 828, 434	\$423,207,468	\$15,686,397	8	3	8
			104 104 980	2012 2012 2023	51 835 1466	\$3,776,256		8
		101,000,004 Edit 102,024	2007-01-000 2019-01-000	2120 716 224	£7,576,516	510, (33, 99)	\$	8
NOT TEX MEMBER 1400 EXPENSE			247 200 724	6447.674.128	ET MUA 705	513,002,825	\$7,512,368	795.297.ER
Construction and Maintenance Expense					COLUMN TOP	STA SUB 446	52,303,403	595, 196
Depreciation Expense						CE ALC THE	52 040 460	550 A32
Tax-Rolated Rivier Expenses	Dualoou'sus	\$50,842.001	101'200'LLC				61 T-00 110	CC 20 460
Other Taxes (Excludes GRT)	\$26,726,677	\$17,267,261	\$3,488,063	(20 , 736, 324	11/3R/S	ana/contra		
Entired Income Taxate	539,392,200	S20.577.939	201.072	226.659.610	51.410.021	10, 57 B. COU	571.142	21253212
TOTAL OPERATING EXPENSES	\$1042 915 400	\$674,584,750	\$166,006,325	\$841,451,075	534,654, 0 67	S48,197.311	\$14,808,601	50,063,003
LIET MOEDATIAN INCOME	\$119.117.458	578.471.632	56,061,362	\$84,563,214	53,875,731	521,362,648	54,585,483	\$4,530, 370
RATE BASE	\$1,404,734,309	\$627,643,090	\$106,478,736	\$1,000,126,825	001/071/245	\$161,215,262	501,240,673	062'127'125
RATE OF RETURN - AT PROPOSED RATES	8.48%	6.74%	3.23%	7.765%	M6878	13.26%	6.15%	21.15%
GROSS RÉCEIPTS TAX RIDER RATE	4.8044%							

The East Chad Gas Confrant July Dominica East Chú Case no. 67-462-13-418 Cost of Service Stley

Laars 3 klonthe Achuel & 9 Monthe Estimated -Type of Filing: Rowised Work Paper Rederence Max.:

OPERATING MICOME SUMMARY

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<u>YEAR 2 RATES VE. TEST YEAR RATES</u>		×						
<u>OPERATING REVENUE (3).</u> Base Rate Revenues	\$20,228,355 44	536.7767.852 61	(607,700,61\$) (207,700,61\$)	025, 1400, 652 02	5404.763 587	(120°1222'25\$)	(1957,080,12) 02	1897965\$
			(202.0052)	(\$1.300.264)	(200'005)	(201'1053)	8	8
		(1) 515 1 181	(E427 961)	(6/070-61-2)	(8421,1212)	(51(53)12)	3	R
	INTER OFF SHA	S17 118 AC	12 100 22	20.002.029	SOCI BOA	51'000'EL	\$9000 EB6	5001 A32
i jak kompanya manan mananana Cathar Ramanua	r\$1.406.7331	1330,851)	(SIGA PER)	[S-496.734]		(1972)	<u>(139.937)</u>	
TOTAL OPERATING REVENUE	240,470,809	\$20° Han '90\$	(089/855-115)	218,123,1872	134'980'13	(2111,258)		
% CHANGE FROM TEST YEAR RATES	4.0%	11		ž	2.9%	K	×P.1-	9 1 1
CPERATING EXPENSES (\$)	ĩ	\$	5	8	8	8	8	8
Gass Cost			Mana man		(SEE REAL	CENTRE 1001	8	8
Gas Cost Related Fidels			140 2018	(51.940.079)	(3121,968)	G1 (5,173)	5	3
More I an Internal State Transme		2015.074	(52)7.053)	119,614	(LINY SI	(\$32.945)	(\$13,204)	6994
	5	ទ	8	3	8	8	2	#
The substant and states	526.412.7%B	517.416.400	12.504.227	\$20,052,629	物力の	5 1,058,196	1966.656	\$501.522
	(\$20.434.618)	(0/6,142,813)	(003/202/22)	(\$14.477,500)	(5778, 151)	(100,283,001)	(\$746,373)	(284, 963)
Federal Income Taxes	11.000 800	\$17.278.685	(12,519,0716) (14,858,858)	513.962.063 513.962.063	위에 있다. 신라 다 다	1255.510 810.408	(525,973) (532,973)	916,25222
DIAL OPERATIONS SUCCESSION						•	•	
NET ÖPERATAKIS MÖÖME	\$25,332,010	Set borast	(NG) 121 (N)	808,895,252	\$752.826	(\$1 21, 882)	(3323,699)	\$258,905
Revenue Sharing Impool (Mocsind on Pupp Rider Revenue)	(\$11,021,795)	(1814,461,728)	(12,117,201)	(289,011,632)	(3900.755)	(3505,838)	8	8
Mgraton filder 8 Craft Inpact (Atomated on 8500Choice Volumes)	(\$917 1.101 1\$)	(\$786,131)		(\$1,000,215)	(263.290)	0 0'1 5	\$0.05	99. D 3
Met Change In Toom Opmailing Revenue 5, Changoe FRICIM CUNDRENT RATES	\$26.377.519 2.3%	542,610,971 6.1%	346 368 513) 349 1-	536.712,028 3.2%	906'02) -5	(38)18,154) -1.3%	(\$361,842) 4.8%	1515,581 473
Impact per Customer Per Montin Impact per MICY		\$3,15 \$0,08	(\$14.38) (\$1.12)	51.98 50.09	515.PH	(20°04) (20°04)	(30.01) (30.01)	

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Schedule 5-3.2 Page 6 of 16 Witneys: C. Andring

DTS/Off-System

Rate ScheduleClears LV65S/LVECTS GT9735

OSSIECTS

GBB/EC15 Details ential Non-residential

Residential

System Total

The East they gas compary didin dominon East Child Cade No. N° AND GAAR Coat of Service Study

Schecks 5-32 Page 7 of 46 Witness: C. Audrand

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Celus: 3 Montre Acuel & 9 Montre Estimated Type of Filing: Aeviewd Wook Paper Paultanoce 1904.:

SUMMARY OF DIHER ORM EXPENSES

						DATE SCHEDULES		
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Accessed Union	SYSTEM TOTAL	Residential	Non-msidemilai		LYSSALVEL 13	VISTOR NO		
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					51 467 731	24.845.877	34,335, 879	8
	2005, 804, 5002					5157 350	531,165	\$40°7366
	20°44'52	NUL VIGTOR	en nor our			11970585	6152-506	
			010-060-118 010-040			512.512	19.364	55,128
911-976 Sales and and a the state of Connect		578,0273,473 248,273,475	53.481.173	522.684.1536	20000645	115,22	51,453,173	\$730,413
			518.026.844	5117.521.512	\$3,600,153	A95,200,012	509'925'15	\$9,722,366
	and a state of the state							
AT MEW RATES MEAR 2 RATES								
	C.1.146 746	5744 0V6	\$210,207	STORT SO	900 ² (192	985'b0#"1\$	\$522,111	8
			9	•	•	0	9	22.8 51.10
			\$1,101,922	927-198-15	100,0003	\$125,305	8	
		CANES AND	11.217.900		HAL STAT	51, 106, 11 3	\$797,056	
		200 211 140		549.672.574	122,122,123		54,530,579	A
			ST 873 780	124. (196 951)	540.972	8157,720		
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THE EAST CHIO BAS COMPANY AND DOMINION FAST CHIC CARE MO. Nº MEN-CANAR COST OF DERIVER STUDY

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Bohasaka 6-3.2 Paga 8-di 30 Witholds: C. Andharit

Des: 3 Months Actual 6, 9 Months Estimated Type of Phys. Review Work Paper Reference Alac.

other cam expense details					œ	RATE SCHEDULES			
	CALLED THE M	Decidential	Man-manual (GARECTS	LVGSBILVECTS		DTSPAR-PLANE	- Store	فتحل المتزعمتين
				-					
<u>AT JEST YEAR RATES</u>								ł	
750-766 Production & Cathering	55,368,258	140°1+24	5210,207	10271953	551 1995	90C'1430'''	L.L. 2265	R	
14-687 Storach			1	ł	ł	ţ	5	3437 0.45	Amfanta Att 10 Storate Cans
		8	R (Signal and	T WHEN DEPENDENT PROVIDENT
Contractly Related (33,113%)							; 5 1	\$1.005.132	à Evenue Pred. Skriege Riegdrycherte.
Capacity Released (00.0407%)						Sold and	3	52,000,000	•
Total Storage									•
850-667 Transmission							810 A 440	5	
Computedity Repeted (15.1 (2946)	\$2,955,146	\$1,121,322	111, 1101					1 2	
Canadiv Patiend (68.819%)	10° 14° 300		101,101						
Total Transmission						211 341 34		F	
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870-884 <u>Distriction</u>				\$14,846,736	500,002	50,113	51.02.13	8	te Port 2744, 2014. Munher of Centumers
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		2 2		8	3	120 DB1	121.121	Ş ,	1 GTS/CIS Transportation Volument City
Capitomer Millioner I um Aportation			fr and 100		Stat ins	AL 127.004		7	1 TCMM Throughout
Commodity Platetos (25, 1887)				521 257 531	51, 362 ZH2	131,520,144	200,550,520	3	S (Sector Peet Only Replaced and
				549.072.574	100,004,11		EN,SSOLOT	Ŗ	
					Call man	669 m 0	51 4 57	9	AL P. A. C. MORAN
23			17/1001/12			STOL 20		\$16.20	15 % of \$/125. (W305. Promp Revenue
904 Lincatecticle Associat - Non Trocker		a 8	, 5) A	18	8	3	8	We had Customers (" all buildings)
ALLER Department Expenses					: 6	3	8	8	CONTINUES CONTINUES ONLY
ECSM program, Deposits Table Cunturer Attounts	26.2° VAN.207	Hall'LING'SZA	and "hand" he	416,716,900		9CT, 121-2			
		20,431,728	\$12.000 ft	10, 14T, 048	2011/11/2		8182 Sto	Pre-refe	16 Revenue 🏠 Commi Rhibe
Sti-Sif Safes		110'0023			209 ' 544	210.012			
								;	Calebratical and instruments
NOV-400 (STATE STATE) A STATE OF	2000,2437	S178.080	860.30M			ACC CON	\$128,000	8. j	
	21,957,249	117211 1172		51,500,52					
Tehnorization Buished	51.542 Fait	\$1,020,4 W		51,211,005				R [
Cability Sinth Hadred	128. 006. SE3	\$17.002.200	12,875,667	200,700,014	5574,570	21,789,121			
Total Administration & General	528,137,268		12, IA 12	122,644,63J			-12"100-"14		
		100 ALC 400	112 111 114 114	5117,021,512	11,00,153	FIGUES PAR		11,714,348	
I THE COMPANY OF THE CARES									

TOTAL OTHER O & IN EXPENSES (AT COMMAN MATH)

THE EALT DHID DAG CONFANY GRO DOMMON EAST CHID CASE HD, 67-MBL CALAR COST OF BENICE STUDY

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Strimth E.1.2 Page 9 of 45 Manuer C. Andrews		Alteration Statis		s Ganades Throughout	Andreath only in Stange Cant	Auchtable dery in Startige Clease	a Commentary Surge Avenue		1 Tabl Threadings	6 Excess Parts Day Roosframants		Curdency Parameter	6 (12 CONSTRUCTION AND INCOMENDATION CONSTRUCTION		to the start they have been and		10 Ful Carbona	15 % of \$78/743, D18/C6, Sterings Neverse	10" Prof Customers (" at turi DTB)	GOOCTS Cutanos Cal		Millerine & Procestitues	18 Roverta 🛊 Propositi Rajat			Tatransistion Share of OLM				
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		015KOE-System		111,2211	•	8	3 5	2	10 X 140	192 202	NNN' 18.15		51,075			54 22 BHS	A ANA FT			#	1 1 1		\$177,400	1.8			\$108'BU	211 JOL 10			
		OTSTORETT		Carl (000) 15	ø	8				174	\$1,100,413					AN 1025 125	SA DELAT		5104 202	8	8		12, 1105	115'43						\$13°885°814	
nce study		LVG664_VECTS		12,000	÷	8		Con and		000-2023	INCOS		100.002				107 200 11			8	8 1		584 ¹ 1825	\$11,817			12:14	4673.711	421'YEAS	SAL YAR'IS	
CORT OF REVICE STUDY		GSSECT5		5147 MARS	•	8		SCY LINE S			192"144"55		\$16, D45, 708				549 CL 210			; 5			HL, 105.117	969'E175			Mar I is Ma	STR. STR. ATT	12,744,214	\$117,691,123	
		ageneura versee Afgi Romandadaliikiikiikii		102 8145	•	3		201 MAI 14			\$1,217,805		\$1, 100,204	STSA.862						8	212,048		11/1000 ¹¹⁴	12/12				52 633 740	907"htviti		
		Residentia		Her Mark	•	8					CAN INC M		619,659,652	8			DISCUSSION DISCUSSION			łR	801,072,528	141.195123	140° 1920' 195	519 ¹ 1458				BL'55'14	210,146,112	214142198	
		AFER TOTAL			\$	340 X345	52.604.920 11				404"NOW"/13		576.720.961	RL'LOCK	192/ BOTT						145° 447° 539		910'Y14'918	and and		5900 B57	51 142 248	202,000,000		NAL-POST OF	
Daile - à Martin Annail à 9 Mortes Estenants Proc et Mary : Review Work Paper Anjourne Mist :	OTHER OMM EXPENSE DETAILS		AT NEW YEAR 2 RATES	750-786 Production & Gathering	813 Other Gas Supply Expanse	(1440) <u>Strated</u> Diter Gas Sugar Expense	Community Rentant (33.113%)	Capacity Namena (00-00174) Total Shorage	B50-687 Jacoministers	Commodily Formed (ML 2049)	Tokal Transma rosa ta ny			Customer Raits ad Feduratife	Customer Palitical Transportation	Consecutive President (255 18529)	Capacity Named (IBL/21072) Tend Distribution	901-005 Cashinger Acontucti	œ.	14.4 Chroatendinia Accession - 1000 Franker Adda Produced Excession	DBM program. Onponts	Tank Customer Accounts	907-810. Customor Sorvice & Information	Stif-Eris States	400-435 Administration & General	Production Metabolic			Tatel Administrative & General	TOTAL OTHER O & N. COMENCER (at reaverse mumit)	

THE EAST OND DAS COURANY AND AND AND CAST OND CAST NO. 07-0429-CA-AIR COST OF SERVICE STUDY

Desc. 3 tecnolos Actuals à 9 Mortin Estimated Type of Filmy: Rowadd Wax Paper Reference More:

Wark Paper Relations Mon.									
defrecianom expense						RATE SCHOOLER			
Ê	SVSTEN TOTAL	Reddential Non-ra	Mon-maidemtitel	GENECTS	LVGBBALVECTE		UTSKOR-System		A Montal and a series
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Curmodity Rauted Curmodity Rauted				EL/HASS	510°446	5447 2440	\$172,436	2	
	1	1	į		5		8	-6191	7 vieter Einsige Residenti
Constructivy Related (2011/2016)				1925	3	4	8		a Euclide Park Statige Parkateration
Carrier France (50-20-73) Total straitage Deferention		ļĘ		121.12	\$	Ę	8	Ŧ	
						100	519.615	8	1 Table Theory Struct
Quantum (20.189%)						1005	510,808	2	6 Eadards Parth Cley Maquiframents
Capacity Rained (42.919%) TOTAL TRUMMINGION COPPRECIATION				121101	997 314	201216	917/925	2	
				010 100		51.51	*	2	10 #ol Customers
Customer: Soviet, Al Pression						00725	*	2	15 # of Customers, Low Pressue
CURPORT: Strvices, Low Pressure						101 101	196.12		14 stol Contemps, Regulated Presses
Compress: Services, Regulated Prist.						100.00	53	8	the set Customen
Customer: Meleck & Regulators					2011-11-11-11-11-11-11-11-11-11-11-11-11-			2	12 Industrial Cuttomers
					1212	FLICE . (00.14)	110,014	3	
Commutity Pleining (30. 1005)						11.127.01	2000 Card	3	6 Emerge Prex Day Roguraments
Constant Partons (NULSION) 1111A-1-AMPRIAN (NON DEPENDENTION)						105,002,52	5 11 ,122,123	2	
SUBTOTAL DEPENDINGH	#K.ET.AR	200) [,] 920) [,] 942)	TDE, MAY, SIZ	107/11/121	112,4972	14 M M	an/w2/18	÷.	
dentita, A.M.C. Convertinged Constituted	810°222'15	14 . 120 A 10	246,4162			\$11°400	LINES	8	18 4 of Costomers
					144 Martin	ALL ALL	524. 30D	ä	Production Marco of Parts
Production National					įs	j A	9		
Silvery a Human		9] }	a į				1914		Transmission Streve of Plant
Jangking ng pangkang					(9) 185	\$210,125		8	Org. Customerical Sector Steam of Plant
				54020212	200,000	5400 401	12,11,579	R	State Total
TOPICAL CAREGORY PLANT REPRESENTION		W D L D	11,200	1116,0114,0114	STOR. MAR	199711995	909'36'25	8	
MINNERLY PLANT DEFE-	100,000,12		960,638	100'200'55	Sheard?	202'002	1112/10	594,795	33 Ohs General Plant
						411 BINE 194		the test	
Yột AL ÔR HICH THM STURIE	120 100 10-5	\$18,412,128							

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Koheske E.3.2 Page 18 of 16 Mittage: C. AnDrive

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THE EAST CHIO GAS COMPARY GIVE DOWNEON AAST ONIO CASE NO. 87-9629-GA-9/R COST OF SERVICE STUDY

Date: 3 Months Actual & 9 Months Fedimend Type of Filing: Revised Wark Paper Reviewon Mos.:

		GERNECTS Details	Decelle			HATE SCHEDLE ES	Contraction of the second		a Alterative Back
	SYSTEK TOTAL	Residential	Non-residential	GINECTS	LYCS SAVECTS	2)H-1321812			
Terten - Other (Tees Year Rajor)				64 B 407 436	522262	57 ATE 275	5,708,718	5396,9622	31 Non Our Cart Revenue
Public (utilities Emotern (Grants Macaches) Tax				023 212 115	5004.431	20,122,015	SIGNC'S	510,510	22 Grove Plant
Real and Personal Property				54.472.630	5143,824	5440.459	995'2025	14,245	26 Total Oddy Experies
Payel		51.374.676		51,736,634	\$73,480	922798214		102123	_
	2467.042	007 1023	568,0165 568,0165	510.022	210,500	5417-4178			ndaðramatinaði 1
NOTAL TAXES - OTHER	365, 382, 548	127,121,122	CHILINE STUTIES	10171-E'NS	\$1,464,622				
Turne - Color Other Report Your 2			85 A14 636	51.0 STIS.520	1C2-MEDE	81012Z 28	89,0480,28		
Steel and Party of Public Public	C ARR COLUMN			SAAMAAD	512.457	See and see			•
	62.0NE 3.00		ELL'HOSS	SIL THE BUT	572 TEL	STAD, MO			
			50015	ATTACK AND A	S-16.50	827738			
10141, TAJIES - UTHER Main: GRIT J. JOSHAT P. Thranco Rays Reports control order Main: GRIT J. Joshat P. The Research P. Re-	nam provinsi ana an	142,286,204	1)0 ¹ 10112		210012		44-1021-15	i k	
breache Taum at Last Your Repits					11222	Ann thèithe	<u> 196 853 196</u>	and the second	Calculated
Mit Operating Income Bellow FIT	227 M 8 M 14								
Annual generations and	(851,453),453)	\$1, 167 ,927	*****	12131223	605.803		-200.427	4%.7% 4	M. Gross Plane
				000 001 100		MARTINE		していていま	Calculated
Europhie Angemis	11 11 11 11 11 11 11 11 11 11 11 11 11	and "Linkson"							
					51.042.02	114 223 417	22.026.07	42, 105, 514	Truch brokes a 36%
Current increase Yames (B) 2028)						41,718,400	Br.010, 321	1000	12 Grow Plant
Deferred Income Teams Investment Tim Credit			1100 TES	Sample 1		C myrane-	-524.5822	411,007	AL George Name
							1444 675	61. MAL 121	P-dataset
Total Federal tecorre Tunte	526,429,510	主視の記念	AN101/15						
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<u>ionarua Tanan al New Paten. Year 2</u> New Courting Invenie Before Fil	\$154.508.000	5105.049,777	50,173,240	52012271116	56, 306, 712	THE MODIFIES	10,447,236	Sal, 474, 340	Calibrian
t and Bernaultan Harris	(12.823,123)	(2007/2017/45)	(905-1-2-00)	(12.236.1055)	(4091305)	tous areas	(2852)	(221,205)	Group Plant
	•				the point rad		10 M M 10 M	Section 10	Catching
Taxabin Incomé	\$100 ENG 500	NG8, TAT JATH &	101101128						
			C3 470 C11	SUAL ME VIEW	51.264.700	514,267,367	31, BAR, 625	23.245,486	Taxable brooms a 30%
Current second Taxas (g. 2011) Defendi Inceret (java		(38, 140, 322)	1,7,17,900,1 (3)	(heal heal in the	1747 YEE 723	1911 JUL (9)	(61.000.171)		Same of Test Voir Fisher A set of Test Voir Same
Investment. Tex Cards	4542.018	(\$340,272)	1000000	(10878175)	(STZ 34.5)	(SFREED)			
Total Pederal trooms Taxts	001202102	104,577,200	201 1 03	01.0 MILLION 10.00	51,440,021	100100701	Strints	812.5M2.12	Cultorineed
Differences in Fran-Tax incluse	100 March 100	Hall Provide	1210-0-012	teriosoitest	101305115	1221°29155	(DECEMBER)	194,0922	Culculated
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Differant in Periodi Inauru Taus	1277100 1 721						•		

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Schedde E-3.2 Page 11 of 16 Witness C. Andren

THE EAST ONED GAS COMPANY data DOMINICH EAST ONED CALES NO. 07 4054-04-46 COST OF BERNICE STADY

Schedde 2.3.1 Page 12 of 16 Witecos: C. Anderva

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Lines: 3 Montre Actors & 9 Montre Saphmated Type of Filling: Rendered Work Proper Intrements Nool: RATE BACRE SUMMAARY

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	evented total Re-	Rankdometri	Non-myddentiat i	68886C13	LYNDRA LECIS				
						400 011 0140	CP-16-467-811	501,156,361,436	Cropping and
THE REPORT AND IN SERVICE	51.916.733.900	S1,273,754,249	1246,494,864	SC 129 199 199					•
		ALL THE DOT	Ster nie XD	-000 B12,000	-524,202,622	10010121983-	111,205,205,111	420.676.073	See page 14
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	8	R	8	8	8	8	\$	•	
						56.687,805		-4300.052	See poor 12
TOTAL WORKENS CAPTIAL	51.21.240.175	599,163,254							th Game Party
i ess. Datte antie picture) (1006	5246, (153), 103 0	210,522,0514	ABC,002,004	\$157,006,060	56.ML.527	254 302 422	210,000,013		
					Said Total 200				
TOTAL RATE BASE		916'919' 2004				- - -	ſ		

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Deier 3 Majurier Archuid & 9 Mondre Battmatoch Typu of Pailing , Reesteed Work Payne Reference Mon.:

GAS PLANT IN SERVICE			1						
			CONFUS UPPOS	ł	ŧ		ITTEL MARA	Christel	Allocation Bisain.
Jiana Secon staticas	SVSTEM TOTAL	Fighter Fighter	Residential Mon-statential		LYUGON VELIS	21011001010			
TOTAL PRODUCTION N. AMT	H\$Y*'082'085	san ar au		\$1.2000 Sta	100 STATE	211 '040' 145	514,181,500	8	Julianus (deserver) s
and the second second (33.113%) Commony Persons (33.113%) Closedy Researce (33.113%)	and and a set of the s	AND	86,230,152 610,705,997 816,006,156	1201,576,1705 1401,120,265 1721,145,401	\$1,415,000 \$2,816,278 \$4,228,64	(HAT HAT HAT HAT (HAT HAT	\$ 4 4	NUT AN AN AN	7 Winte Stottige Regularmans 8 Cutats Part Strange Regelserend
<u>Gas states vacant</u> Connects Paulose (23.113%) Capacity Paulose (23.12%) TOTAL Gas STORED UNDERGROUND	3 2 8	283 2	# \$ \$	3 8 2		888	삼 환 평	8 B R	7 Winter Startigo Perguinantech 6 Europe Perk Alterga Reconstruct
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Economics 6-3.2 Page 15 of 18 Witness: C. J.Millewe

THE EAST CHID SAS COMPANY MAN POMMICH EAST CHOD CASE NO. R-4627-64. AS COST OF NEXTED SYLDY

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			Gestects 1	\$10,347,508		100,500,501	134°340'104	A	8	8	\$18.000.TGO	350,412,094	\$72,436,674	210 537 667	100 100 M	Seal This call	578 102 200			Mart Mart Links			\$42,809,329	8413.719	\$1,448,62h	8		214.47.542	200,250,010	221.158.026		784,518,1986
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	Colo 3 Montin Actual & 9 Montin Ethini and Type of Filmy: Revised Work Pape Reference Max		ļ	erichletton Total Production Reserve	STORAGE	Contractory Property (20.215.715.75) Constraint Reducted (65.367%)	TOTAL STORAGE PLANT		Constrated Telescol (M. M.7%) Capacity Related (M. M.7%)	Tutal and stored thermored		Connective References (10), 21 (20)	TORAL ITURNISMERSION PLART	AD IT REALING		Concernent Surviver Surviver Party	Comments: Manage & Regulations	Comparison Reported Andreadist	Commodity Relation (33, 189%)		TOPAL PROD, STO, TRAMM, & OWE		Customer Related General Plant	Correct General Plant:	r rouges and hereited	Bernge Ges Parater	Transform Contraction	Displaying Related		Intraduct PLANT	OTHER ARRENTS	TUTAL BURYECAATOOK AND MANAGE

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	NET PLANT IN SERVICE		GBSATECT B Datable	i Detailie			ATE SCHEDULES		
Account		SYSTEM TOTAL	Residentia	Non-residential	GPARCTS	LUGBALVECTS	GTB/TSSFRTS	arson-again	Blongs
R	123-356 <u>PRODUCTION</u> NET PROSUCTION PLANT	\$E4.501,518	\$12,119,050	19'53'55	\$16,5+2,721	102/201	951, 469, 422	56,543,672	R
	e <u>Stropace</u> Commodity Rateated (33.113%) Capacity Related (80.487%) TOTAL STORACE FLANT	519,325,703 199,040,905 539,040,525,553	90,627,177 \$49,091,327 \$28,009,505	52,717,591 \$6,458,854 \$6,176,345	512.244,865 599,962,408 506,784,860	196792415 (1967975) 1967975	5304.MS 5505,222 5929.774	2 7 7	\$6,998,295 \$12,500,290 \$18,300,100
ŧ	GAS STORED MADERGEOMM Commonity Patiend (53.1.15%) Capady Patiend (89.43.7%) TOTAL GAS STORED UNDERGROUMD	238	***	3 3 3	889	8 R 2	srs.	**	***
	T TRANSIMISSION Commodity Residual (33, 185%) Carpocity Remnet (38, 815%) TOTAL TRANSIMINETION PLANT	\$38,588,506 \$7 1,594,728 \$107,242,744	\$45,817,863 \$43,767,384 \$69,386,347	\$4,412,122 \$12,261,090 \$12,261,090	520,030,030,076 506,316,406 570,346,508	81,200,103 \$1,202,413 \$1,202,118	\$7,201,282 \$0,172,007 \$16,433,080	000"050"(5 123"050"(5 100"050"(5	882
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995-992	MET P. S. T. & D. PLANT B. <u>CENERAL FLANT</u> Commun Raided General Plant	612, 023, 052, 053 615, 053, 053	Şen 2, 410, 325 Ş76, 603, 8 03	5141, 000 ,784 \$1 ,000,00 0	2004.006.109 528.502.006	994 - 1082 - 1225 2020 - 1082	elanantic is	514,400,400 \$144,12	510,302,7U5 \$0
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뷺	ket hitangible flant	\$18,883,467	\$ 10,467,892	199-308-53	24772647214	3616.056	\$2,069,436	212'022'13	512,0433
ş	UTHER REPERVES	-676,812,394	375,648,518-	\$19,520,01 8-	100° 1000' 100	-52,344,533	105,503,042	4K 314 B23	-51.350,350
	HET PLANT	\$1,000,706,235	\$600.940.16 2	\$1 30, 410,514	500°090°098	\$32 ,576,432	130'381'081	578,212,520	517,684,466

Schenne 6-3-2 Pege 15 of 16 Witness: C. Andrene THE EAST CHID GAS CONFANY AND GOURNICH EAST CHID CASE MO. OF ORD-GARAIR COST OF SHEWING STUDY

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Sciencial 5-32 Page 16 cf 16 Visionals: C. Andrews

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	SVENEW TOTAL	Resident La	Non-residents	GSSECTS	ENGINE VECTS	GTSTALFRTS	DTS/OR-Switten		E Alactica Sept.
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TOTAL WORKING CAPITAL	8/10 1000 000-10								

Dominion East Ohio

ATTACHMENT 1: SUMMARY OF UPDATED COST OF SERVICE STUDY RESULTS

on Rate Base Comparison System Total Residential Non-Residential Combined	est real Year 1 Rates		
56		Year 2 Rates	Year 3 Rates*
		8.48%	8.48%
Įį		8.74%	9.60%
Combined 55		3.23%	-0.84%
2	 	7.785%	7.785%
		8.89%	8.89%
GTS 13.32%	13.32% 13.25%	13.25%	13.26%
DTS 5.51%		5.15%	5.15%

* Proposed Year 3 rates with common 100% SFV rate for all Test Year GSS/ECTS customers (@ \$18.46/customer/morith)

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ATTACHMENT 2: Cost of Service Summary using Year 1 Rates

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THE EAST CHEO GAS COMPANY dava GOMINION EAST CHEO CASE MO. 07-980-04-AIR COST OF SERVICE STUDY

Deta: 3 Mondre Actual & 9 Montha Eathrated Type of Filiay: Revised Wark Paper Reference Non.:

OPERATING INCOME SUBBLARY

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OPERATING REVENUE (8):								
Base Rais Revenues (Year 2 Rates)	\$354°204'488	\$241,482,927	\$38,938,531	\$260,421,457	\$10,291,320	329,467.045	313,963,247	\$10.331.429
Ges Cost Revenues (per Staff Report)	\$438,882,885	5327,581,034	\$985, 526, 43M	\$423,207,468	\$15,085,307	05	3	0
Gas Cost Rider Revenue	\$34,196,464	\$21,996,630	196, 194, BEZ	\$28, 193, 362	\$1,835,656	\$3,736,268	\$431,146	3
Non-Tax Related Rider Revenue	\$136,424,730	594,123,924	\$26,590,300	\$120,714,224	\$7,578,515	\$10,133,691	2	3
Tax Related Rider Revenue	\$73,700,230	\$50,448,807	\$12,256,061	\$62,704,86B	\$2,607,831	56, 845, 508	52,040,460	\$601 \$32
Other Revenue	\$25,317,600	<u>\$8.488.645</u>	\$2, 277, BTB	\$10.768.524	203,509	\$10,317,147	\$3,039,209	52 61,012
TOTAL OPERATING REVENUE	\$1.065,036,597	\$744,123,867	\$181,884,067	\$626,007,834	\$38,630,627	\$891,489,050	\$19,504,084	\$11,303,972
OPERATING EXPENSES (\$)								
Gas Cost	\$438,892,065	\$327,581,034	\$96,628,434	\$423,207,468	\$15,686,387	2	9	0
Gas Cost Reasted Ridars	\$34,198,464	\$21,998,630	194,862	193, 392	\$1,835,656	53,736,268	5431,148	3
Nan-Tax Related Rider Expense	3138,424,730	123,924	\$26,590,300	\$120,714,224	\$7,576,515	\$10,133,991	3	3
Other Operation and Maintenance Expense	\$146,674,408	369,668,436	\$17,912,860	\$117,671,128	13, 804, 704	\$13,002,833	N 512.397	84 .783.346
Deprecietion Expense	\$48,808,074	536,432,720	36,222,306	\$41,856,026	000,846\$	53,906,449	203,403	\$95,195
Tax-Related Rider Expense	\$73,700,230	550,448,807	F12,256,061	\$62,70M,869	\$2,607,831	\$5,845,508	061/010/23	\$501,532
Other Texas (Excludes GRT)	\$26,726,677	\$17,246,609	53,498,756	\$20,736,326	\$7865,771	\$2,635,604	\$1,729,419	3538,558
Federal Income Texas	639.393.419	100 000 001	53.000.643	228.671.027	51.410.022	10.576.657	\$791.743	51.943,870
total operating expenses	\$945,915,866	\$671,122,306	\$170,330,073	3841,452,459	\$34,664,096	\$48,137,309	\$14,808,600	96, 863, 6 02
NET OPERATING INCOME	\$119,119,720	\$73,001,480	\$11,553,995	\$04,555,475	\$3,975,732	\$21,362,650	107,085,494	\$4,530,370
RATE RASE	006 PLL 107 13	000 848 000	Č1980 ATO 29 6	200 304 300 FB	VIL OLL ITS	8484 946 989		
RATE OF RETURN - AT PROPOSED RATES	6.48%	8.13%	6.13%	7.786%	A.80%	13.25%	5:15%	21.15%

ALBOHTS.

GROSS RECEIPTS TAX RIDER RATE

Schedule E-3-2 Page 5 of 16 Witnees: C. Androws

Storage

DTS/Off-Syntem

Rate Schedule/Class LVG554_VECTS GTS/TSS

GBSAECTB

G99/ECT8 Detaile Residential Non-residential

Bystem Total

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

THE EAST CHUC GAS COMPANY dible DOMINUON EAST CHIC CASE NO. 07-0829-CA-AIR COST OF SERVICE STUDY

Schedule E-3.2 Page 6 of 16 Witness, C. Andrewe

Rate Schedule/Class

GSS/ECTS Details

Dela: 3 Monthe Actual & 9 Monthe Estimated Type of Filing: Revised Work Paper Reference Nos.:

OPERATING INCOME SUMBLARY

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<u>AT PROPOSED BATES (YEAR 3)</u>	System Total	Residential	Non-meldential	GBBRECTIS	LVGSSA VECTS	GT&/TSS	DTS/Off-System	Storage
OPERATING REVENUE (3):								
Base Rate Revenues (Year 2 Rates)	198'987'750\$	\$261,978,365	\$18,438,485	5280,415,850	\$10,291,320	3039,487,0M5	\$13,983,247	\$10,331,429
Gas Cost Revenues (per Staff Report)	3438, 502, 865		2 65,628,434	\$423,207,468	\$15,685,397	2	8	3
Ges Cost Rider Revenue	K24,198,464	\$21,998,630	\$6,194,862	\$28, 193, 392	51,835,65 0	\$3,736,268	5431,148	8
Non-Tax Related Rider Revenue	\$136,424,730	\$94,123,924	\$26,590,300	\$120,714,224	17,576,515	\$10,133,561	8	3
Tax Related Rider Revenue	\$73,700,018	\$51,392,499	3 11,312,167	\$62,704,657	22,607,831	66,645,50 8	52, 040, 400	\$501,532
Other Revenue	\$25,317,800	56.489.645	\$2,277,679	\$10,768,524	\$633,909	\$10.317.147	50,009,209	\$561.012
TOTAL OPERATING REVENUE	\$1,085,031,787	3765,562,997	\$160,440,117	5926.003.114	\$38,630,627	\$63,499,959	\$19,504,004	\$11,393,972
OPERATING EXPENSES (\$)								
Gen Cret	\$438,882,865	5327,581,034	\$95,826,434	\$423,207,468	\$15,685,397	8	3	8
Gaus Cost Related Riders	K24, 196, 464	\$21,998,630	\$6,194,862	\$28,193,392	\$1, 836,6 56	\$3,736,208	\$401,148	3
Non-Tax Refered Rider Excense	\$136,424,730	\$94 ,123,924	\$26,590,300	S120,714,224	17,576,515	\$10,133,991	8	3
Other Doeration and Maintemence Expense	\$145,674,406	\$30,905,383	\$17,665,738	\$117,571,121	R3, 604, 706	\$13,002,836	\$7,512,308	58, 789, 347
Deutociation Expanse	548,908,074	\$36,432,720	\$5,222,300	341,056,026	20039462	\$3,806,449	\$5,303,403	\$96,196
Tax-Related Rider Expense	\$73,700,018	\$51,392,499	\$11,312,157	\$62,704,667	52,607,631	\$5,845,508	\$2,040,480	\$501,532
Other Taxes (Excludes GRT)	126,728,677	\$17,208,224	\$3,430,100	\$20,735,324	\$786,772	\$12, 935, BOG	\$1,729,419	\$639,568
Federal Income Texes	X36.391.607	\$30.701.968	(64, 232, 540)	\$26,668,418	51.410.021	52.570.00E	2781.743	51 843 970
TOTAL OPERATING EXPENSES	\$945,915,042	\$6 79,432,272	\$162,016,357	\$541,450,620	\$34,664,807	448,137,312	\$14,808,601	\$6,863,503
NET OPERATING INCOME	\$119,116,725	\$96,130,725	(\$1,578,240)	\$84,552,486	\$3,975,730	121,362,647	\$4,6 95,493	\$4,530, 370
RATE BASE	\$1,404,734,50B	\$897,648,090	\$189,478,736	\$1,086,126,825	\$44,729,750	\$161,215,282	\$81,240,673	\$21,421,780
RATE OF RETURN - AT PROPOSED RATES	8.48%	9,60%	-0.84%	7.725%	8.89%	13.25%	5.15%	21.15%
Gross receipts tax rider rate	70101							

ATTACHMENT 4: Peak Day and Storage Utilization Information

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The East Ohio Gas Company dible Dominion East Ohio Case No. DT-1029-GA-AIR PEAK DAY AND STORAGE UTILIZATION INFORMATION FOR COST OF SERVICE STUDY WITH GSS/ECTS SPLIT: RESIDENTIALMON-RESIDENTIAL

QS6: Residentia/Non-residential Split

Storage Capacity 23,697,112 6,699,827 30,726,635

Store Or Capacity

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Parak Day Storage Factor

34 10% 34 10%

Peak Day Throughbut 1.255,199 1.755,199

> Non-Nesity Total GSS % Resident

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		Peak Day		NOTOR		
	Peak Day		Mux Storage	Capacity	Storage	
	Throughout	Factor	Petiteration	()) and a second second	Capacity	
A GOS	161.02.1	34,10%	110208	61.9	30.734.045	
NLVDBS	101,758	34, 40%	34,569	51.8	1,500,903	

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7 In/Cud	4.270.674 901,728 Per Contract
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2 F894EF894M-OUT	Ci Storage Capacity Division ability:

Aug. Daily Ucage 304,141 86,486

Tean Year Throughput 111, 741, 482 31, 567, 326 45, 308, 810

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4. 714.206 (54.Bd (see home 54.68. and 50.above		

4. ALLOCATION OF OPERATIONAL BALANCING

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ie T	Per and	1,300,270	300 B12	191 N.191		
a 081	원	9 666	200	2.411		
Shere	8	1 2.1	*	3.5		
	all I	57.7	6.8	562		
		619:90	27,006	(23,713		
	iliti) satura					
	es Period V		Vion Res	655		
		1000	1280			
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Ē	- 23					
	Hank	845,98	5,190	17,203	110,937	
Share of OB.	Detworth	79.545 20.546	4,7%4 5,190	16.5% 17.203	110,937	
		915100 14464	4,744 5,190	16.5% 17.203	10,837	
	suitoments % Detrembl	141,305,191 191,505 19,646 20,546	101,758 4,744 5,190	337,207 16.5% 17.203	2,175,266 110,937	r
108: Peak Day	ity Requirements % Deficiently	995'99 94'62 161'992'1 177'7	1,370 101,758 4,7% 5,190	17.203 16.5% 17.203	1,206 2,175,266 110,937	
Shares of OB: Frank, Day	Capacity Requirements % Definential	3/46/11 11/2021 181 26/247	213.370 101.753 4.7% 5,190	1,018,477 337,307 16,5% 17,203	4,714,266 2,175,256 400% 110,537	
	5. Capacity Requirements % Definential	919790 94762 141'902'1 177'7097'6 945'24	4.6% 243.370 101.758 4.7% 5,190	21.254 1,018,477 337,207 15.5% 17.203	100.014 4,714,366 2,175,356 4004 110,537	
Starte of COB: Fault Day	teri 16 Capacity Requirements 16 Definitely	995180 %4762 161'902'1 177'897'6 %5'82 121	101 4.544 243.370 101.758 4.744 5,190	61 21.204 1.016,477 327,207 16.5% 17.203	24 100.014 4,714,246 2,175,256 400.01 10,557	
Same of OB: Frank Day	vares (Mittel % Capacity Requirements % Dethembl	995'00 146'02'1 197'09'S 145'02'1 197'09'S	7.550 4.754 213.370 101.755 4.754 5.190	38,161 21.5% 1,018,477 337,207 16,5% 17,203	167,474 100,0% 4,714,206 2,175,266 400% 110,537	Byshean
Same of OB: Faak Day	Partod Voltanna (White) 5 Capacity Requirements % Defrembly	995 000 14267 141,007,1 144404,0 1492,7 1414,000 140,000 140,000 140,000 140,000 140,000 140,000 140,000 140,000	7 200 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	38,161 21.5% 1,016,477 327,207 16,5% 17,203	100,00% 4,714,266 2,175,266 400% 110,937	1.018/06/System
Same of OB: Pask Day	Non-tune Period Volumes (MMAC) % Capacity Requirements % Deficiently	995 00 1545 161 062 1 1977 007 1 1987 1 1987 1 1987 1 1 1987 1 1 1987 1 1 1987 1 1 1987 1 1 1987 1 1 1987 1 1 1	1002 <u>5 7 mm 4.544 213.370 101.765 4.744</u> 5.190	11 1919 1911 1919 1919 1919 1919 1919	107741* Horizotta 100,044 4,714,286 2,175,256 400% 110,533	* Excludies DT8/OB/System

lartion.	Element 1		14 (12)	6 0.5 2				
008 Allocator 4 2088 Allocator 4 2088 Pesh Dey Calizidation	Excess			464,034		11.750%		
C Excees Per	AV AV	N2-011	50,28Z	228,662	201151			
_			-	63.35%				
COS Allocator 7	Allondy -	007.010.	, 602 , 509	209,376		77.BOB.		
8 I		49,0134 20	14.01%	83.0% JA				
υ	Pit Det	526,309	161.277	680,506		12.17		
		_				ä		
	Cinety (23)		Non-Reald	Total G88		A Residentes		
		/	/	~				
	×	90.50	3.7%	1.4%	0.016	32.0%	100.0%	
COS Alexandre 1 Excesse Peals Day Calcul		414,004	20,00	TA ALS	1	235,343	712 301	EV-VI
	W	226,342	048,61	0,74 6	•	110,979	367.610	19MB9
			1.0	1.9%	0.0%	1947 HE	10035	
CO5 Abustor 7	Generally		2,014,273	1,048,477	•	16,767,574	000'000'142	
	2	60.05	274	×.	0.0%	31.7%	NO.USA	de (October-Ap
é. Storage allocation et class A	Peak Delivecebility	690,560		17.203		342,302	1,080,080	to-bese period volum
STORAGE ALLO	Class	503	Walks	618	018	FBGEFBG	TOTAL	y uo parag.
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4. GAPGTY VAL COMBOGTY SHEAKDONE

	Total Peak Day storage test methogs daily storage	(1) (1,000,000 Moi - 367,818 Moi = 722,894 Moi
Commodity		Total
1411.02	60,467,7%	10.011
307.615.KW	722,304,106	1,090,090
	Second Second	

1111/2008