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The Public Utilities
Commission of Ohio

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

Eastern Natural Gas Company

Case No. 08-940-GA-ALT



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STAFF'S REPORT
OF
INVESTIGATION

In the Matter of the Application of Eastern)
Natural Gas Company for Approval of an) Case No. 08-940-GA-ALT
Alternative Rate Plan Proposing a Revenue)
Decoupling Mechanism.)

Submitted
to
The Public Utilities Commission of Ohio

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Eastern)
Natural Gas Company for Approval of an) Case No. 08-940-GA-ALT
Alternative Rate Plan Proposing a Revenue)
Decoupling Mechanism.)

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

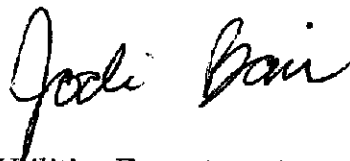
To The Honorable Commission:

In accordance with the provisions of the Ohio Revised Code Sections 4929.05 and 4929.051, the Commission's Staff has conducted its investigation in the above matter and hereby submits its findings in the within Staff Report.

Copies of the Staff Report have been filed with the Docketing Division of the Commission and served by certified mail upon the mayors of all affected municipalities and other public officials deemed representative of the service area affected by the application. A copy of said report has also been served upon the utility or its authorized representative. As set forth in the June 16, 2009 Commission entry, written objections to any portion of the Staff Report must be filed by July 24, 2009.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jodi Bair". The signature is written in a cursive, flowing style.

Utilities Department

Jodi Bair
Director

BACKGROUND

On May 1, 2008, the Governor of Ohio signed into law Amended Substitute Senate Bill No. 221 (SB 221). Among its provisions is Section 4929.051, Revised Code, which provides the following:

An alternative rate plan filed by a natural gas company under section 4929.05 of the Revised Code and proposing a revenue decoupling mechanism may be an application not for an increase in rates if the rates, joint rates, tolls, classifications, charges, or rentals are based upon the billing determinants and revenue requirement authorized by the public utilities commission in the company's most recent rate case proceeding and the plan also establishes, continues, or expands an energy efficiency or energy conservation program.

Section 4929.01(O) of the legislation further defines a revenue decoupling mechanism as follows:

“Revenue decoupling mechanism” means a rate design or other cost recovery mechanism that provides recovery of the fixed costs of service and a fair and reasonable rate of return irrespective of system throughput or volumetric sales.

Under these provisions, a local distribution company (LDC) may apply to decouple its rates without filing an Application for an Increase in Rates so long as the decoupled rates are based on the billing determinants in the most recent rate case proceeding and do not generate revenues in excess of the revenue requirement authorized in that proceeding. Such decoupling application must also include provisions to establish, continue or expand energy efficiency or energy conservation programs.

EASTERN NATURAL GAS APPLICATION

On August 1, 2008 Eastern Natural Gas Company (Eastern or Company), filed an application pursuant to 4929.05 and 4929.051, Revised Code for such a decoupling mechanism. Eastern is proposing to decouple its rates by moving to a modified Straight Fixed Variable (SFV) rate design. Eastern is proposing movement toward a SFV rate design for its General Service customer class which is comprised of both residential and commercial customers. Because of the disparity in their consumption levels, Eastern is proposing different rates for the residential and commercial subclasses.

Eastern's current base rates were established by the Commission's Opinion and Order of January 11, 2006 in Case No. 04-1779-GA-AIR. Those rates were based on a test year of calendar year 2004. Test year sales for the General Service rate class were 869,615 Mcf. Since that time sales volumes have declined by 8% when compared with the 12 months ended February 2009. As a result, Eastern is no longer earning its authorized return of

10.5%. Eastern is proposing to move toward the SFV rate design by increasing the fixed charge and reducing the commodity rate for General Service customers, and by decreasing the tail block of the Industrial Service and Transportation Service rate schedules. The restructured rates are designed to generate revenues that do not exceed the 12 month period ending February 2009. The application proposes to increase the residential fixed charge to \$20 from \$7.50 and reduce the volumetric charge from \$2.0462 to \$0.4534 per Mcf. Commercial customers would see an increase from \$7.50 to \$75.00 in the fixed charge and a reduction from \$2.0463 to \$0.2814 in the volumetric charge. Industrial Service and Transportation Service rate schedules are proposed to have the fixed charge increased from \$150.00 to \$200.00 and the last block of their volumetric rate decreased from \$1.00 to \$0.9083 per Mcf. Eastern states that there are currently no customers taking service on the Industrial or Transportation rate schedules.

Based upon the actual number of customers and volumes for the 12 months ending February 28, 2009, the proposed rates would produce a base revenue level of \$2,328,801 which is slightly less than Eastern's actual level of base revenues of \$2,328,864 for that period. Those actual revenues produced an actual unadjusted rate of return of 4.21%. The rate of return generated by the proposed rates would be identical since the proposed rates have been calculated to be revenue neutral.

In compliance with SB 221, Eastern's application proposed the establishment of a DSM charge which would generate approximately \$80,000 per year for conservation related projects. An additional \$10,000 of shareholder dollars would also be contributed to the DSM fund. These dollars would initially be targeted toward Eastern's high usage PIPP customers. The DSM rider would be set as a fixed charge of \$1.00 per month per General Service customer.

Eastern is also proposing a Main Line Replacement Rider (MLR Rider) to fund a systematic program to replace all bare steel pipes in its distribution system. According to the application, Eastern has been financially unable to establish a systematic replacement program and has been replacing bare steel pipe only on an as-required basis. The proposed MLR Rider would be a fixed monthly charge and would generate approximately \$250,000 annually. The charge per customer would be \$3.13 per month. The total of the SFV fixed charge, the DSM rider and the MLR Rider would be a fixed monthly charge of \$24.13

STAFF FINDINGS

Decoupling

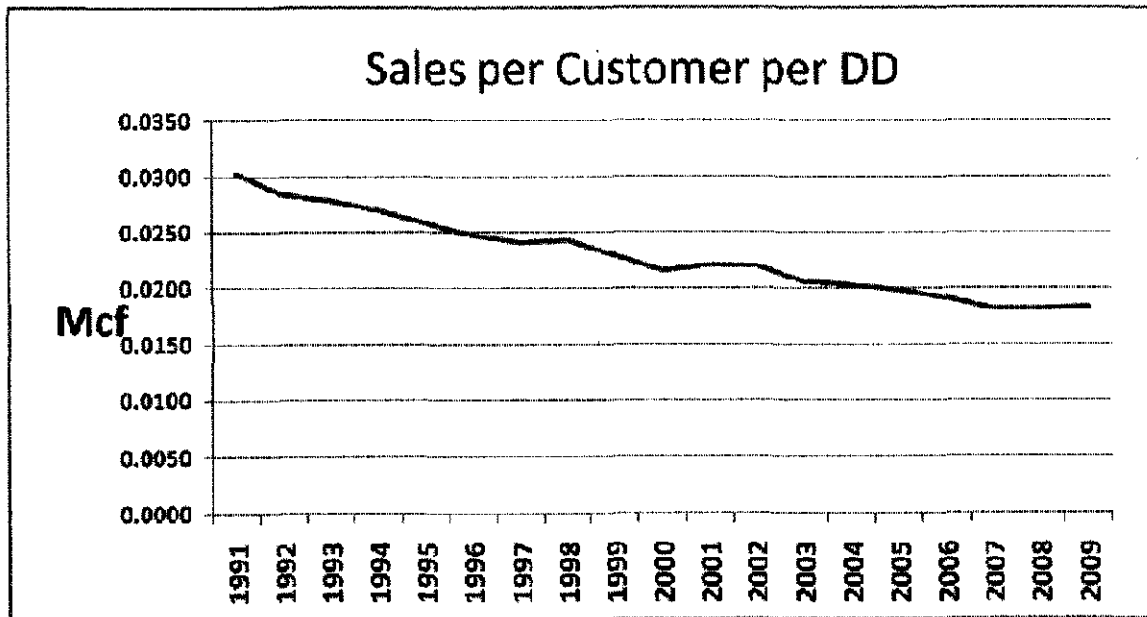
As is the case with other Ohio LDCs, Eastern has been showing a steady decline in its general service class customers' natural gas usage since the 1990s both on a total throughput and per-customer basis. The following data illustrates this decline for Eastern.

Eastern Natural Gas Sales

	Customers	Days	Sales	Degree Day	Customer	Customer Per DD	Normal Sales
1991	5,922	5,508	989,764	180	167	0.0303	187
1992	6,002	6,346	1,084,909	171	181	0.0285	175
1993	6,103	6,361	1,084,656	171	178	0.0279	172
1994	6,270	6,506	1,102,874	170	176	0.0270	166
1995	6,345	6,439	1,056,145	164	166	0.0259	159
1996	6,485	6,808	1,097,801	161	169	0.0249	153
1997	6,575	6,546	1,039,923	159	158	0.0242	149
1998	6,670	5,222	848,288	162	127	0.0244	150
1999	6,714	5,974	922,706	154	137	0.0230	141
2000	6,779	6,194	906,723	146	134	0.0216	133
2001	6,795	5,990	900,978	150	133	0.0221	136
2002	6,822	5,860	880,400	150	129	0.0220	135
2003	6,824	6,617	931,425	141	136	0.0206	127
2004	6,818	6,228	866,682	139	127	0.0204	125
2005	6,814	6,312	855,361	136	126	0.0199	122
2006	6,748	5,609	724,739	129	107	0.0191	118
2007	6,702	6,118	749,799	123	112	0.0183	112
2008	6,659	6,360	772,383	121	116	0.0182	112
2009 *	6,651	6,509	800,002	123	120	0.0185	114
20 year average		6147					

* 12 months ended 2/09

% change from 1991 - 2009	-38.94%
% change from 2004 - 2009	-9.31%



The data shows weather normalized use per customer has been generally declining since 1990. The result is declining throughput on a weather adjusted basis. There was a 39.1% decline in use per customer per degree day between 1991 and 2009 and a 9.46% decline since Eastern's last rate case in 2004. Since Eastern's current rates were designed to recover its revenue requirement primarily through a volumetric rate, this sales decline has resulted in significant revenue erosion. Staff has observed significant reductions in per customer usage in recent years as customers have reacted to rising natural gas prices by reducing their consumption. Although commodity prices have declined dramatically in recent months, Staff believes a decoupling mechanism is nonetheless appropriate on a going forward basis to inhibit further revenue erosion in the event recent conservation trends continue. Staff further agrees with the Company that the SFV rate design is the most efficient and accurate way to accomplish this.

SFV is a significant change to the way LDC rates have traditionally been designed. Staff has traditionally recommended a rate design consisting of a minimal fixed charge and a volumetric rate designed to recover the majority of revenues. That rate structure, while not truly cost-reflective, gave the utility an opportunity to recover its revenue requirement as long as gas consumption was at or above the level upon which rates were based. Due to the sales declines demonstrated above, Eastern, as with other LDCs, has seen the recovery of its distribution costs deteriorate as the volume of gas used decreased. Staff has testified in several recent natural gas base rate proceedings, that the SFV rate design is the more accurate way of recovering a LDC's distribution charges since most distribution-related costs are fixed and do not vary with the volume of gas delivered by the utility. The distribution facilities required to serve a small residence will not vary significantly from those required to serve a larger residence. The distribution costs to the utility vary only slightly, if at all, by the volume of gas used and thus are more appropriately recovered through a primarily fixed charge rate design.

In addition to a better reflection of cost causation, the primarily fixed charge-based rate structure accomplishes other rate objectives. It levelizes the distribution component of a customer's bill providing rate certainty. It reduces the revenue deterioration of a utility in a time of declining consumption, thus reducing the need for more frequent rate cases. From the company's perspective, it also eliminates its natural disincentive to promote energy conservation which, when rates are volume-based, causes revenue erosion.

Rate Analysis - Residential

Eastern's proposed rates were designed to be revenue neutral for the residential customer consuming 94.18 Mcf per year which represents the average consumption for that sector. As the table below illustrates, customers consuming less than the average will see a bill increase and those consuming more than the average will see a bill decrease.

Residential Rate Change Impact

<u>Annual Usage</u>	<u>Current Bill</u>	<u>Proposed Bill</u>	<u>Percent Change</u>
10	202.72	389.80	92%
20	310.98	475.67	53%
30	419.23	561.53	34%
40	527.49	647.40	23%
50	635.74	733.27	15%
60	744.00	819.13	10%
70	852.25	905.00	6%
80	960.51	990.87	3%
90	1068.77	1076.73	1%
94.2	1114.02	1112.62	0%
100	1177.02	1162.60	-1%
110	1285.28	1248.47	-3%
120	1393.53	1334.33	-4%
130	1501.79	1420.20	-5%
140	1610.04	1506.07	-6%
150	1718.30	1591.93	-7%
160	1826.55	1677.80	-8%
170	1934.81	1763.67	-9%
180	2043.06	1849.53	-9%
190	2151.32	1935.40	-10%
200	2259.57	2021.26	-11%

	<u>Current Rates(Mcf)</u>	<u>Proposed Rates (Mcf)</u>
Fixed Charge	\$7.50	\$20.00
Distribution	\$2.0462	\$0.4534
PIPP	\$0.6043	\$0.0641
Uncollectibles	\$0.0808	\$0.0808
GCR	\$7.5823	\$7.5823
MLR Rider	\$0	\$3.13
DSM charge	\$0	\$1.00
GRT%	4.9637%	4.9637%

As the current and proposed rates above show however, that revenue neutrality is achieved due to a decrease in the PIPP rider which offsets the rate increases due to the \$3.13 MLR Rider and the \$1 DSM charge. Since the Commission approved the reduction in the PIPP rider by Finding and Order dated June 3, 2009, Staff believes this reduction should not be reflected in the impacts of the rates proposed in this application. Eliminating the PIPP rider decrease from the calculation changes the revenue neutrality benchmark to 125 Mcf as the following table shows.

Residential Rate Change Impact

<u>Annual Usage</u>	<u>Current Bill</u>	<u>Proposed Bill</u>	<u>Percent Change</u>
10	197.05	389.80	98%
20	299.64	475.67	59%
30	402.22	561.54	40%
40	504.81	647.40	28%
50	607.39	733.27	21%
60	709.98	819.14	15%
70	812.56	905.01	11%
80	915.15	990.87	8%
90	1017.73	1076.74	6%
100	1120.32	1162.61	4%
110	1222.90	1248.48	2%
120	1325.49	1334.34	1%
125	1376.78	1377.28	0%
130	1428.08	1420.21	-1%
140	1530.66	1506.08	-2%
150	1633.25	1591.95	-3%
160	1735.83	1677.81	-3%
170	1838.42	1763.68	-4%
180	1941.00	1849.55	-5%
190	2043.59	1935.42	-5%
200	2146.17	2021.28	-6%

	<u>Current Rates (Mcf)</u>	<u>Proposed Rates (Mcf)</u>
Fixed Charge	\$7.50	\$20.00
Distribution	\$2.0462	\$0.4535
PIPP	\$0.0641	\$0.0641
Uncollectibles	\$0.0808	\$0.0808
GCR	\$7.5823	\$7.5823
MLR Rider	\$0.0000	\$1.0000
DSM charge	\$0.00	\$3.13
GRT%	4.9637%	4.9637%

Rate Analysis - Commercial

The average consumption level for Eastern's commercial customers is 459.7 Mcf per year. However unlike the residential sector, Eastern did not design its proposed commercial rates to be revenue neutral at that level of consumption. Eastern believed that, due to the uneven distribution of customers around that average, setting the revenue neutral target at that level would result in a disproportionate number of customers seeing a rate increase. Eastern ultimately selected a rate that resulted in revenue neutrality at a usage level of 373 Mcf per year.

Commercial Rate Change Impact

<u>Annual Usage</u>	<u>Current Bill</u>	<u>Proposed Bill</u>	<u>Percent Change</u>
100	\$1,177.02	\$1,837.59	56%
150	\$1,718.30	\$2,258.04	31%
200	\$2,259.57	\$2,678.48	19%
250	\$2,800.85	\$3,098.93	11%
300	\$3,342.13	\$3,519.38	5%
350	\$3,883.40	\$3,939.83	1%
373	\$4,132.39	\$4,133.23	0%
400	\$4,424.68	\$4,360.28	-1%
500	\$5,507.24	\$5,201.17	-6%
550	\$6,048.51	\$5,621.62	-7%
600	\$6,589.79	\$6,042.07	-8%
650	\$7,131.07	\$6,462.52	-9%
700	\$7,672.34	\$6,882.96	-10%
750	\$8,213.62	\$7,303.41	-11%
800	\$8,754.90	\$7,723.86	-12%
850	\$9,296.17	\$8,144.31	-12%
900	\$9,837.45	\$8,564.75	-13%
1000	\$10,920.0	\$9,405.65	-14%

	<u>Current Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.50	\$75.00
Commodity	\$2.0462	\$0.2841
PIPP Rider	\$0.6043	\$0.0641
Uncollectible Rider	\$0.0808	\$0.0808
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$7.5823	\$7.5823
Main Line Replacement Rider	\$0.00	\$3.13
DSM Charge	\$0.00	\$1.00

As with the residential analysis, the current and proposed rates above show that revenue neutrality is achieved due to a decrease in the PIPP rider which offsets the rate increases due to the \$3.13 MLR Rider and the \$1 DSM charge. Eliminating the PIPP rider decrease from the calculation changes the revenue neutrality benchmark to 500 Mcf as the following table shows.

<u>Commercial Rate Change Impact</u>			
<u>Annual Usage</u>	<u>Current Bill</u>	<u>Proposed Bill</u>	<u>Percent Change</u>
100	\$1,120.32	\$1,837.59	64%
150	\$1,633.25	\$2,258.04	38%
200	\$2,146.17	\$2,678.48	25%
250	\$2,659.10	\$3,098.93	17%
300	\$3,172.02	\$3,519.38	11%
350	\$3,684.95	\$3,939.83	7%
400	\$4,197.88	\$4,360.28	4%
500	\$5,223.73	\$5,201.17	0%
550	\$5,736.65	\$5,621.62	-2%
600	\$6,249.58	\$6,042.07	-3%
650	\$6,762.51	\$6,462.52	-4%
700	\$7,275.43	\$6,882.96	-5%
750	\$7,788.36	\$7,303.41	-6%
800	\$8,301.29	\$7,723.86	-7%
850	\$8,814.21	\$8,144.31	-8%
900	\$9,327.14	\$8,564.75	-8%
1000	\$10,352.99	\$9,405.65	-9%

	<u>Current Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$7.50	\$75.00
Commodity	\$2.0462	\$0.2841
PIPP Rider	\$0.0641	\$0.0641
Uncollectible Rider	\$0.0808	\$0.0808
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$7.5823	\$7.5823
Main Line Replacement Rider	\$0.00	\$3.13
DSM Charge	\$0.00	\$1.00

Staff Recommendations - Residential

In order to better evaluate how many customers would be better off and worse off under various scenarios, Staff requested additional information on the distribution of customers around the average. Attachment 1, Page 1 of 2 attached to this report, shows the annual bill impact of the proposed rates vs. current rates as well as the individual and cumulative percentages of residential customers at various annual consumption levels including the average consumption of 94.2 Mcf. Schedule 1, Page 2 of 2 shows the inputs to the current and proposed rates. The attachment shows that without the impact of the PIPP reduction, between 76 and 82 percent of residential customers would see a rate increase under this set of proposed rates.

Staff is recommending the proposed \$1 per month DSM charge be approved. According to the application, this will generate approximately \$80,000 per year which Eastern intends to be targeted to high usage PIPP customers. The DSM rider would be set as a fixed charge of \$1.00 per month per General Service customer. Staff recommends that the DSM charge along with the commitment of \$10,000 per year from Eastern's shareholders should be accepted as compliance with the requirement of Revised Code Section 4929.051. Staff further recommends Eastern make an annual filing showing the dollar amounts collected and an accounting for how those dollars were spent. Any amounts not expended in a given year should be carried over to the following year.

Regarding the Main Line Replacement Rider, Staff is recommending it not be approved at this time. Eastern's application was filed pursuant to Sections 4929.05 and 4929.051, Revised Code, which permits a natural gas company to file an alternative rate plan with a revenue decoupling mechanism without having to file a rate increase application or the otherwise requisite standard filing requirements. Staff believes Eastern's rate design proposal is consistent with the statutes cited but also believes the applicability of those statutes is limited to applications for a revenue decoupling mechanism. Without commenting on the merits of the proposed program, Staff believes there is simply no provision for establishment of a Main Line Replacement Rider through the streamlined

process established in 4929.051, Revised Code. As a result, Staff is recommending the proposed MLR Rider not be established.

The result of eliminating the MLR Rider is shown in Attachment 2, Page 1 of 2. Under this scenario, the number of residential customers seeing a rate increase in the first year would be just over 60 percent with the average customer seeing a 1.3% increase resulting from the \$1 per month additional DSM charge. Staff recommends the rates shown on Attachment 2, Page 2 of 2 be approved for the residential sector.

Staff Recommendations - Commercial

In order to better evaluate how many commercial customers would be better off and worse off under various scenarios, Staff requested additional information on the distribution of customers around the average. Attachment 3, Page 1 of 2 attached to this report, shows the annual bill impact of the proposed rates vs. current rates as well as the individual and cumulative percentages of residential customers at various annual consumption levels. Consistent with the recommendations made for the residential rate proposal, it includes an additional \$1 per month DSM charge with no Main Line Replacement Rider in the proposed rates. The Attachment shows 42% of commercial customers consuming between 20.1 and 150 Mcf per year with the average percentage annual bill increase for this cohort being approximately 68%. The Staff believes this increase is unduly burdensome to a fairly large percentage of commercial customers. As a result, the Staff performed a sensitivity analysis on the bill increases associated with different levels of fixed charges. Based on that analysis, Staff is recommending a \$25 fixed charge and a corresponding variable distribution charge of \$1.5893 per Mcf. Attachment 4, Page 1 of 2, shows the distribution of bill impacts resulting from those rates. The same cohort of customers that would see a 68% increase under the proposed rates would now see an 18.5% increase under the Staff's recommended rates. Staff believes that reflects a more realistic and less burdensome result for the commercial sector.

Staff Recommendations - Industrial and Transportation

Industrial Service and Transportation Service rate schedules are proposed to have the fixed charge increased from \$150.00 to \$200.00 and the last block of their volumetric rate decreased from \$1.00 to \$0.9083 per Mcf. However Eastern states that there are currently no customers taking service on either of these two rate schedules and thus no rate impact analysis is available. As a result, Staff is recommending these two rate schedules remain unchanged.

SUMMARY OF STAFF RECOMMENDATIONS

- Approve the SFV rate design for residential customers with a \$20 per month fixed charge and \$0.4534 per Mcf variable distribution charge.
- Approve the SFV rate design for commercial customers with a \$25 per month fixed charge and \$1.5893 per Mcf variable distribution charge.
- No change to the industrial or transportation sector rate design

- Approve the DSM charge of \$1 per month per General Service customer and find that, along with the \$10,000 shareholder commitment, Eastern's application meets the requirement of Revised Code Section 4929.051.
- Require an annual filing detailing DSM collections and expenditures.
- No approval of the MLR Rider

EASTERN NATURAL GAS COMPANY
RESIDENTIAL CUSTOMER USAGE (USAGE PERIOD: APRIL 1, 2008 - MARCH 31, 2009)

12 MONTH USAGE (MCFs)	Total Customers	% OF TOTAL	CUMULA TIVE %	Current Rates	Proposed Rates	\$ Increase	% Increase
	1	120	2.04%	2.04%	\$ 104.73	\$ 312.52	\$ 207.79 198.4%
1.1	2	11	0.19%	2.22%	\$ 114.98	\$ 321.11	\$ 206.13 179.3%
2.1	4	8	0.14%	2.36%	\$ 135.50	\$ 338.28	\$ 202.78 149.7%
4.1	6	13	0.22%	2.58%	\$ 156.02	\$ 355.45	\$ 199.43 127.8%
6.1	8	14	0.24%	2.82%	\$ 176.54	\$ 372.63	\$ 196.09 111.1%
8.1	10	18	0.31%	3.12%	\$ 197.05	\$ 389.80	\$ 192.75 97.8%
10.1	12	18	0.31%	3.43%	\$ 217.57	\$ 406.97	\$ 189.40 87.1%
12.1	14	20	0.34%	3.77%	\$ 238.09	\$ 424.15	\$ 186.06 78.1%
14.1	16	16	0.27%	4.04%	\$ 258.60	\$ 441.32	\$ 182.72 70.7%
16.1	18	19	0.32%	4.36%	\$ 279.12	\$ 458.49	\$ 179.37 64.3%
18.1	20	23	0.39%	4.75%	\$ 299.64	\$ 475.67	\$ 176.03 58.7%
20.1	22	24	0.41%	5.16%	\$ 320.15	\$ 492.84	\$ 172.69 53.9%
22.1	25	46	0.78%	5.94%	\$ 350.93	\$ 518.60	\$ 167.67 47.8%
25.1	30	67	1.14%	7.08%	\$ 402.22	\$ 561.53	\$ 159.31 39.6%
30.1	35	63	1.07%	8.15%	\$ 453.52	\$ 604.47	\$ 150.95 33.3%
35.1	40	111	1.88%	10.03%	\$ 504.81	\$ 647.40	\$ 142.59 28.2%
40.1	45	138	2.34%	12.37%	\$ 556.10	\$ 690.33	\$ 134.23 24.1%
45.1	50	141	2.39%	14.77%	\$ 607.39	\$ 733.27	\$ 125.88 20.7%
50.1	55	196	3.33%	18.09%	\$ 658.69	\$ 776.20	\$ 117.51 17.8%
55.1	60	206	3.50%	21.59%	\$ 709.98	\$ 819.13	\$ 109.15 15.4%
60.1	65	234	3.97%	25.56%	\$ 761.27	\$ 862.07	\$ 100.80 13.2%
65.1	70	249	4.23%	29.79%	\$ 812.56	\$ 905.00	\$ 92.44 11.4%
70.1	80	594	10.08%	39.87%	\$ 915.15	\$ 990.87	\$ 75.72 8.3%
80.1	90	648	11.00%	50.87%	\$ 1,017.73	\$ 1,076.73	\$ 59.00 5.8%
	94.2				\$ 1,080.82	\$ 1,112.80	\$ 61.98 4.9%
90.1	100	566	9.61%	60.47%	\$ 1,120.32	\$ 1,162.60	\$ 42.28 3.8%
100.1	110	537	9.11%	69.59%	\$ 1,222.90	\$ 1,248.47	\$ 25.57 2.1%
110.1	120	398	6.75%	76.34%	\$ 1,325.49	\$ 1,334.33	\$ 8.84 0.7%
	125				\$ 1,376.78	\$ 1,377.27	\$ 0.49 0.0%
120.1	130	359	8.09%	82.43%	\$ 1,428.08	\$ 1,420.20	\$ (7.88) -0.6%
130.1	140	274	4.65%	87.08%	\$ 1,530.66	\$ 1,506.07	\$ (24.59) -1.6%
140.1	150	213	3.62%	90.70%	\$ 1,633.25	\$ 1,591.93	\$ (41.32) -2.5%
150.1	160	143	2.43%	93.13%	\$ 1,735.83	\$ 1,677.80	\$ (58.03) -3.3%
160.1	170	110	1.87%	94.99%	\$ 1,838.42	\$ 1,763.67	\$ (74.75) -4.1%
170.1	180	82	1.39%	96.38%	\$ 1,941.00	\$ 1,849.53	\$ (91.47) -4.7%
180.1	190	58	0.98%	97.37%	\$ 2,043.59	\$ 1,935.40	\$ (108.19) -5.3%
190.1	200	31	0.53%	97.90%	\$ 2,146.17	\$ 2,021.26	\$ (124.91) -5.8%
200.1	210	22	0.37%	98.27%	\$ 2,248.76	\$ 2,107.13	\$ (141.63) -6.3%
210.1	220	21	0.36%	98.63%	\$ 2,351.34	\$ 2,193.00	\$ (158.34) -6.7%
220.1	230	13	0.22%	98.85%	\$ 2,453.93	\$ 2,278.86	\$ (175.07) -7.1%
230.1	240	11	0.19%	99.03%	\$ 2,556.51	\$ 2,384.73	\$ (171.78) -7.5%
240.1	250	11	0.19%	99.22%	\$ 2,659.10	\$ 2,450.60	\$ (208.50) -7.8%
250.1	260	9	0.15%	99.37%	\$ 2,761.68	\$ 2,536.46	\$ (225.22) -8.2%
260.1	270	10	0.17%	99.54%	\$ 2,864.27	\$ 2,622.33	\$ (241.94) -8.4%
270.1	280	6	0.10%	99.64%	\$ 2,966.85	\$ 2,708.20	\$ (258.65) -8.7%
280.1	290	8	0.14%	99.78%	\$ 3,069.44	\$ 2,794.06	\$ (275.38) -9.0%
290.1	300	6	0.10%	99.88%	\$ 3,172.02	\$ 2,879.93	\$ (292.09) -9.2%
Over 3000	7		0.12%	100.00%			
Grand Total		5,892					

NOTE: ONLY CUSTOMERS WITH AT LEAST 12 BILLS WERE INCLUDED

EASTERN NATURAL GAS

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$7.50	\$20.00
Commodity	\$2.04620	\$0.45340
PIPP Rider	\$0.06410	\$0.06410
Uncollectible Rider	\$0.08080	\$0.08080
GCR - April 2009	\$7.58230	\$7.58230
DSM Rider	\$0.00	\$1.00
Main Line Replacement Rider	\$0.00	\$3.13
Gross Receipts Tax Rider	4.9637%	4.9637%

EASTERN NATURAL GAS COMPANY
RESIDENTIAL CUSTOMER USAGE (USAGE PERIOD: APRIL 1, 2008 - MARCH 31, 2009)

12 MONTH USAGE (MCFs)	Total Customers	% OF TOTAL	CUMULA TIVE %	Current Rates	Proposed Rates	\$ Increase	% Increase
	1	120	2.04%	2.04%	\$ 104.73	\$ 273.10	\$ 168.37 160.8%
1.1	2	11	0.19%	2.22%	\$ 114.98	\$ 281.68	\$ 166.70 145.0%
2.1	4	8	0.14%	2.36%	\$ 135.50	\$ 298.86	\$ 163.36 120.6%
4.1	6	13	0.22%	2.58%	\$ 156.02	\$ 316.03	\$ 160.01 102.6%
6.1	8	14	0.24%	2.82%	\$ 176.54	\$ 333.20	\$ 156.66 88.7%
8.1	10	18	0.31%	3.12%	\$ 197.05	\$ 350.38	\$ 153.33 77.8%
10.1	12	18	0.31%	3.43%	\$ 217.57	\$ 367.55	\$ 149.98 68.9%
12.1	14	20	0.34%	3.77%	\$ 238.09	\$ 384.72	\$ 146.63 61.6%
14.1	16	16	0.27%	4.04%	\$ 258.60	\$ 401.90	\$ 143.30 55.4%
16.1	18	19	0.32%	4.36%	\$ 279.12	\$ 419.07	\$ 139.95 50.1%
18.1	20	23	0.39%	4.75%	\$ 299.84	\$ 436.24	\$ 136.60 45.6%
20.1	22	24	0.41%	5.16%	\$ 320.15	\$ 453.42	\$ 133.27 41.6%
22.1	25	46	0.78%	5.94%	\$ 350.93	\$ 479.18	\$ 128.25 36.5%
25.1	30	67	1.14%	7.08%	\$ 402.22	\$ 522.11	\$ 119.89 29.8%
30.1	35	63	1.07%	8.15%	\$ 453.52	\$ 565.04	\$ 111.52 24.6%
35.1	40	111	1.88%	10.03%	\$ 504.81	\$ 607.97	\$ 103.16 20.4%
40.1	45	138	2.34%	12.37%	\$ 556.10	\$ 650.91	\$ 94.81 17.0%
45.1	50	141	2.39%	14.77%	\$ 607.39	\$ 693.84	\$ 86.45 14.2%
50.1	55	196	3.33%	18.09%	\$ 658.69	\$ 736.77	\$ 78.08 11.9%
55.1	60	206	3.50%	21.59%	\$ 709.98	\$ 779.71	\$ 69.73 9.8%
60.1	65	234	3.97%	25.56%	\$ 761.27	\$ 822.64	\$ 61.37 8.1%
65.1	70	249	4.23%	29.79%	\$ 812.56	\$ 865.57	\$ 53.01 6.5%
70.1	80	594	10.08%	39.87%	\$ 915.15	\$ 951.44	\$ 36.29 4.0%
80.1	90	648	11.00%	50.87%	\$ 1,017.73	\$ 1,037.31	\$ 19.58 1.9%
	94.2				\$ 1,060.82	\$ 1,073.37	\$ 12.55 1.2%
90.1	100	566	9.61%	60.47%	\$ 1,120.32	\$ 1,123.17	\$ 2.85 0.3%
	102				\$ 1,140.84	\$ 1,140.35	\$ (0.49) 0.0%
100.1	110	537	9.11%	69.59%	\$ 1,222.90	\$ 1,209.04	\$ (13.86) -1.1%
110.1	120	398	6.75%	76.34%	\$ 1,325.49	\$ 1,294.91	\$ (30.58) -2.3%
120.1	130	359	6.09%	82.43%	\$ 1,428.08	\$ 1,380.77	\$ (47.31) -3.3%
130.1	140	274	4.65%	87.08%	\$ 1,530.66	\$ 1,466.64	\$ (64.02) -4.2%
140.1	150	213	3.62%	90.70%	\$ 1,633.25	\$ 1,552.51	\$ (80.74) -4.9%
150.1	160	143	2.43%	93.13%	\$ 1,735.83	\$ 1,638.37	\$ (97.46) -5.6%
160.1	170	110	1.87%	94.99%	\$ 1,838.42	\$ 1,724.24	\$ (114.18) -6.2%
170.1	180	82	1.39%	96.38%	\$ 1,941.00	\$ 1,810.11	\$ (130.89) -6.7%
180.1	190	58	0.98%	97.37%	\$ 2,043.59	\$ 1,895.97	\$ (147.62) -7.2%
190.1	200	31	0.53%	97.90%	\$ 2,146.17	\$ 1,981.84	\$ (164.33) -7.7%
200.1	210	22	0.37%	98.27%	\$ 2,248.76	\$ 2,067.71	\$ (181.05) -8.1%
210.1	220	21	0.36%	98.63%	\$ 2,351.34	\$ 2,153.57	\$ (197.77) -8.4%
220.1	230	13	0.22%	98.85%	\$ 2,453.93	\$ 2,239.44	\$ (214.49) -8.7%
230.1	240	11	0.19%	99.03%	\$ 2,556.51	\$ 2,325.31	\$ (231.20) -9.0%
240.1	250	11	0.19%	99.22%	\$ 2,659.10	\$ 2,411.17	\$ (247.93) -9.3%
250.1	260	9	0.15%	99.37%	\$ 2,761.68	\$ 2,497.04	\$ (264.64) -9.6%
260.1	270	10	0.17%	99.54%	\$ 2,864.27	\$ 2,582.91	\$ (281.36) -9.8%
270.1	280	6	0.10%	99.64%	\$ 2,966.85	\$ 2,668.77	\$ (298.08) -10.0%
280.1	290	8	0.14%	99.78%	\$ 3,069.44	\$ 2,754.64	\$ (314.80) -10.3%
290.1	300	6	0.10%	99.88%	\$ 3,172.02	\$ 2,840.51	\$ (331.51) -10.5%
Over 3000	7		0.12%	100.00%			
Grand Total	5,892						

NOTE: ONLY CUSTOMERS WITH AT LEAST 12 BILLS WERE INCLUDED

EASTERN NATURAL GAS

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$7.50	\$20.00
Commodity	\$2.04620	\$0.45340
PIPP Rider	\$0.06410	\$0.06410
Uncollectible Rider	\$0.08080	\$0.08080
GCR - April 2009	\$7.58230	\$7.58230
DSM Rider	\$0.00	\$1.00
Main Line Replacement Rider	\$0.00	\$0.00
Gross Receipts Tax Rider	4.9637%	4.9637%

EASTERN NATURAL GAS COMPANY
COMMERCIAL CUSTOMER USAGE (USAGE PERIOD: APRIL 1, 2008 - MARCH 31, 2009)

12 MONTH USAGE (MCFs)	Total Customers	% OF TOTAL	CUMULAT IVE %	Current Rates	Proposed Rates	\$ Increase	% Increase
-	2	28	6.60%	\$ 114.98	\$ 974.09	\$ 859.11	747.2%
2.1	20	9	2.12%	\$ 299.64	\$ 1,125.45	\$ 825.81	275.6%
20.1	50	43	10.14%	\$ 607.39	\$ 1,377.72	\$ 770.33	126.8%
50.1	100	76	17.92%	\$ 1,120.32	\$ 1,798.16	\$ 677.84	60.5%
100.1	150	61	14.39%	\$ 1,633.25	\$ 2,218.61	\$ 585.36	35.8%
150.1	200	36	8.49%	\$ 2,146.17	\$ 2,639.06	\$ 492.89	23.0%
200.1	300	40	9.43%	\$ 3,172.02	\$ 3,479.96	\$ 307.94	9.7%
300.1	400	33	7.78%	\$ 4,197.88	\$ 4,320.85	\$ 122.97	2.9%
	466			\$ 4,874.94	\$ 4,875.84	\$ 0.90	0.0%
400.1	500	21	4.95%	\$ 5,223.73	\$ 5,161.75	\$ (61.98)	-1.2%
500.1	600	13	3.07%	\$ 6,249.58	\$ 6,002.64	\$ (246.94)	-4.0%
600.1	700	9	2.12%	\$ 7,275.43	\$ 6,843.54	\$ (431.89)	-5.9%
700.1	800	11	2.59%	\$ 8,301.29	\$ 7,684.43	\$ (616.86)	-7.4%
800.1	900	4	0.94%	\$ 9,327.14	\$ 8,525.33	\$ (801.81)	-8.6%
900.1	1,000	3	0.71%	\$ 10,352.99	\$ 9,366.23	\$ (986.76)	-9.5%
1,000.1	2,000	18	4.25%	\$ 20,611.51	\$ 17,775.18	\$ (2,836.33)	-13.8%
2,000.1	5,000	13	3.07%	\$ 51,387.08	\$ 43,002.05	\$ (8,385.03)	-16.3%
5,000.1	10,000	5	1.18%	\$ 102,679.69	\$ 85,046.84	\$ (17,632.85)	-17.2%
100000+		1	0.24%	100.00%			
Grand Total	424						

NOTE: ONLY CUSTOMERS WITH AT LEAST 12 BILLS WERE INCLUDED

EASTERN NATURAL GAS COMPANY

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 7.50	\$ 75.00
Commodity	\$ 2.04620	\$ 0.28410
PIPP Rider	\$ 0.08410	\$ 0.06410
Uncollectible Rider	\$ 0.08080	\$ 0.08080
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$ 7.58230	\$ 7.58230
Main Line Replacement Rider	\$ -	\$ -
DSM Charge	\$ -	\$ 1.00

EASTERN NATURAL GAS COMPANY
COMMERCIAL CUSTOMER USAGE (USAGE PERIOD: APRIL 1, 2008 - MARCH 31, 2009)

12 MONTH USAGE (MCFs)	Total Customers	% OF TOTAL	CUMULAT IVE %	Current Rates	Proposed Rates	\$ Increase	% Increase
-	2	28	6.60%	\$ 114.98	\$ 347.04	\$ 232.06	201.8%
2.1	20	9	2.12%	\$ 299.64	\$ 523.07	\$ 223.43	74.6%
20.1	50	43	10.14%	\$ 607.39	\$ 816.43	\$ 209.04	34.4%
50.1	100	76	17.92%	\$ 1,120.32	\$ 1,305.38	\$ 185.06	16.5%
100.1	150	61	14.39%	\$ 1,633.25	\$ 1,794.33	\$ 161.08	9.9%
150.1	200	36	8.49%	\$ 2,146.17	\$ 2,283.28	\$ 137.11	6.4%
200.1	300	40	9.43%	\$ 3,172.02	\$ 3,261.17	\$ 89.15	2.8%
300.1	400	33	7.78%	\$ 4,197.88	\$ 4,239.06	\$ 41.18	1.0%
	485			\$ 5,069.85	\$ 5,070.27	\$ 0.42	0.0%
400.1	500	21	4.95%	\$ 5,223.73	\$ 5,216.96	\$ (6.77)	-0.1%
500.1	600	13	3.07%	\$ 6,249.58	\$ 6,194.85	\$ (54.73)	-0.9%
600.1	700	9	2.12%	\$ 7,275.43	\$ 7,172.75	\$ (102.68)	-1.4%
700.1	800	11	2.59%	\$ 8,301.29	\$ 8,150.64	\$ (150.65)	-1.8%
800.1	900	4	0.94%	\$ 9,327.14	\$ 9,128.54	\$ (198.60)	-2.1%
900.1	1,000	3	0.71%	\$ 10,352.99	\$ 10,106.43	\$ (246.56)	-2.4%
1,000.1	2,000	18	4.25%	\$ 20,611.51	\$ 19,885.37	\$ (726.14)	-3.5%
2,000.1	5,000	13	3.07%	\$ 51,387.08	\$ 49,222.20	\$ (2,164.88)	-4.2%
5,000.1	10,000	5	1.18%	\$ 102,679.69	\$ 98,116.92	\$ (4,562.77)	-4.4%
100000+		1	0.24%				
Grand Total	424						

NOTE: ONLY CUSTOMERS WITH AT LEAST 12 BILLS WERE INCLUDED

EASTERN NATURAL GAS COMPANY

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 7.50	\$ 25.00
Commodity	\$ 2.04620	\$ 1.58930
PIPP Rider	\$ 0.06410	\$ 0.06410
Uncollectible Rider	\$ 0.08080	\$ 0.08080
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$ 7.58230	\$ 7.58230
Main Line Replacement Rider	\$ -	\$ -
DSM Charge	\$ -	\$ 1.00

