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September 20, 2010

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

RE: *In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio to File Revised Tariffs Extending its Low Income Pilot Program, Case No. 10-200-GA-ATA*

Enclosed please find the Supplemental Staff Report regarding Dominion East Ohio's low-income, low-use pilot program.

Respectfully submitted,

Steve Puican

Steve Puican
Co-Chief, Rates & Tariffs/Energy & Water Division
Public Utilities Commission of Ohio

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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**A Report by the Staff of the
Public Utilities Commission of Ohio**

**Supplement to the Review of Dominion East Ohio's
Low-Income Pilot Program**

Case No. 10-200-GA-ATA

September 20, 2010

DOMINION EAST OHIO BILL IMPACT SCENARIOS

On April 29, 2010, the Staff filed a report on its evaluation of Dominion East Ohio's Low-Use, Low-Income program. On September 15, 2010 the Commission issued an Entry in this proceeding directing Staff to supplement its previously filed staff report. The information required was a comparison of the total annual bill incurred by customers consuming between 10 and 70 Mcf per year at 10 Mcf intervals under the following scenarios: (1) the distribution and commodity rates in effect prior to the base rate proceeding, (2) the distribution and commodity rates currently in effect, and (3) the distribution and estimated commodity rates that will become effective October 2010. This supplement contains the requested information.

Table 1 shows a comparison of bills calculated at Dominion's current rates and the rates in effect prior to the most recent rate case. Due to the significant reduction in gas prices since the rate case, the comparison shows a "breakeven" level of consumption at 31.76 Mcf per year. Above that consumption level, a customer's annual bill is actually lower than before the rate case. For comparison purposes, Dominion's average residential annual consumption is approximately 100 Mcf per year. Table 1 also includes a "cumulative percentage" column which shows the percentage of HEAP eligible customers at or below each level of consumption. The data shows that 5.62 percent of these customers are at or below the breakeven level of consumption.

Table 1

Current Annual Bill Comparison

Annual Usage (Mcf)	Cumulative Percentage *	Total Bill Pre-Rate Case	Total Bill Current	Delta Current
10	0.66%	\$190.01	\$285.64	\$95.64
20	1.89%	\$311.61	\$363.30	\$51.69
30	4.32%	\$433.22	\$440.96	\$7.74
31.76	5.62% **	\$454.62	\$454.63	\$0.01
40	9.10%	\$554.82	\$518.62	(\$36.21)
50	17.08%	\$676.43	\$596.27	(\$80.16)
60	28.16%	\$798.04	\$673.93	(\$124.10)
70	40.90%	\$919.64	\$751.59	(\$168.05)

* Cumulative percentage of HEAP eligible customers at or below the given level of consumption

** Interpolation of cumulative percentage at 31.76 Mcf assuming a straight line distribution between 30 and 40 Mcf

Table 2 shows a comparison of bills calculated at the rates in effect prior to the most recent rate case and the rates that are due to take effect in October 2010. The comparison shows a "breakeven" level of consumption at 44.47 Mcf per year. The data also shows that 12.64 percent of HEAP eligible customers are at or below the breakeven level of consumption.

Table 2

Projected Annual Bill Comparison

Annual Usage (Mcf)	Cumulative Percentage *	Total Bill Pre-Rate Case	Total Bill Projected	Delta Projected
10	0.66%	\$190.01	\$319.42	\$129.41
20	1.89%	\$311.61	\$403.48	\$91.87
30	4.32%	\$433.22	\$487.54	\$54.32
40	9.10%	\$554.82	\$571.61	\$16.78
44.47	12.64% **	\$609.18	\$609.18	\$0.00
50	17.08%	\$676.43	\$655.67	(\$20.76)
60	28.16%	\$798.04	\$739.73	(\$58.30)
70	40.90%	\$919.64	\$823.80	(\$95.84)

* Cumulative percentage of HEAP eligible customers
at or below the given level of consumption

** Interpolation of cumulative percentage at 44.47 Mcf
assuming a straight line distribution between 40 and 50 Mcf

The information in Tables 1 and 2 demonstrates the impact of the decline in natural gas price in offsetting both the rate increase and the rate design change that occurred in the last rate case. At the time of that rate case the breakeven point for residential customers was calculated to be at approximately 100 Mcf per year. The decline in the gas commodity rate has reduced that breakeven consumption level to 31.76 Mcf based on current rates and to 44.47 Mcf based on rates effective October 2010. The conclusion is that the number of customers, including low-income customers that have experienced a bill increase as a result of the rate case has been greatly reduced.

Table 3 shows a breakdown of the rates used in the comparisons. The pre-rate case gas costs are those used in the last rate case. The current gas cost is Dominion's September 2010 SSO/SCO rate. The projected gas cost is the NYMEX 12 month forward strip for October 2010 through September 2011 plus Dominion's SSO/SCO retail price adder of \$1.20 per Mcf.

Table 3**Rate Comparison**

	Pre-Rate Case Rates	Current Rates	Projected Rates
Fixed Charges			
Fixed Charge	\$5.70	\$15.40	\$17.58
AMR Rider	\$0.00	\$0.47	\$0.47
PIR Rider	\$0.00	\$0.72	\$0.72
<u>GRT - Service Charge</u>	<u>\$0.00</u>	<u>\$0.74</u>	<u>\$0.84</u>
Total Fixed Charge	\$5.70	\$17.33	\$19.61
Gas Costs			
Gas Cost	\$9.119	\$4.851	\$5.842
GRT - Gas Cost	\$0.447	\$0.224	\$0.269
<u>Surcharge Credit Rider</u>	<u>\$0.005</u>	<u>\$0.017</u>	<u>\$0.017</u>
Total Gas Cost	\$9.571	\$5.093	\$6.129
Volumetric Rates			
Delivery Rate	\$1.236	\$0.378	\$0.000
DSM	\$0.000	\$0.028	\$0.028
PIPP Rider	\$0.565	\$1.710	\$1.710
Uncollectible Expense Rider	\$0.291	\$0.137	\$0.137
Surcharge Credit Rider	(\$0.005)	(\$0.017)	(\$0.017)
Migration Rider B	\$0.344	\$0.253	\$0.253
SB 287	\$0.159	\$0.159	\$0.159
<u>GRT Rider - Non Gas Cost</u>	<u>\$0.000</u>	<u>\$0.025</u>	<u>\$0.007</u>
Total Base Volumetric Rate	\$2.590	\$2.673	\$2.278