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PUCO EXHIBIT FILING

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PUCO

Date of Hearing: 5-2-12

Case No. 11-5843-GA-RDR

PUCO Case Caption: In the Matter of the Application of the East Ohio Gas Company dba Dominion East Ohio for approval of tariffs to adjust its automated meter reading cost recovery charge and related matters

List of exhibits being filed:

Staff

1 - Application

2 - Entry in Case 06-1452-GA-WVR

3 - Opinion and Order in Case 09-1875-GA-RDR

4 - DEO automated Meter Reading Plan Update

5 - Response to Data Requests

6 - Prefiled Testimony of Robert Fadley

7 - Prefiled Testimony of Peter Baker

8 - Comments on behalf of PUCO Staff in Case 11-5843-GA-RDR

9 - Prefiled Testimony of Kerry Adkins

9A - Errata to Prefiled Testimony of Kerry Adkins

Reporter's Signature: [signature]

Date Submitted: 5-15-12

FILE

PUCO EXHIBIT FILING

Date of Hearing: 5-2-12

Case No. 11-5843-GA-RDR

PUCO Case Caption: In the Matter of the Application of the East Ohio Gas Company dba Dominion East Ohio for approval of tariffs to adjust its automated meter reading cost recovery charge and related matters

List of exhibits being filed:

Company DEO

1.0 - Direct Testimony of Vicki Friscic

2.0 - Direct Testimony of Carleen Fanelly

3 - Application in Case 06-1453-GA-UNC

4 - DEO Automated Meter Reading Plan

5 - July 31, 2007 Letter from PUCO to Jeff Murphy

6 - OCC Comments in Case 09-1875-GA-RDR

7 - Staff Report in Case 07-829-GA-AIR etal

8 - Prefiled Testimony of Peter Baker in Case 07-829-GA-AIR etal

9 - Staff Comments in Case 10-2853-GA-RDR

OCC/OPAE

1 - Joint Comments by OCC and OPAE

Reporter's Signature: Ann A. Sullivan

Date Submitted: 5-15-12

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the Application of the East Ohio Gas Company Doing Business as Dominion East Ohio for Approval of Tariffs to Adjust Its Automated Meter Reading Cost Recovery Charge and Related Matters. :	Case No. 11-5843-GA-RDR

- - -

PROCEEDINGS

Before Mr. Douglas Jennings and Ms. Katie Stenman, Hearing Examiners, at the Public Utilities Commission of Ohio, 180 East Broad Street, Hearing Room 11-A, Columbus, Ohio, on Wednesday, May 2, 2012, at 10:00 a.m.

- - -

ARMSTRONG & OKEY, INC.
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- - -

Case Number 11-5843-GA-RDR

The following exhibit(s) were prefiled and can be located with the pleadings:

Exhibits	Date Filed
STAFF EXHIBITS	
6 - Prefiled Testimony of Robert P. Fadley in Case No. 11-5843-GA-RDR	April 27, 2012
7 - Prefiled Testimony of Peter Baker in Case No. 11-5843-GA-RDR	April 27. 2012
8 - Comments on behalf of the PUCO Staff in Case No. 11-5843-GA-RDR	April 6, 2012
9 - Prefiled Testimony of Kerry J. Adkins in Case No. 11-5843-GA-RDR	April 27. 2012
COMPANY DEO	
1.0 - Direct Testimony of Vicki H. Friscic	April 27. 2012
2.0 - Direct Testimony of Carleen F. Fanelly	April 27 2012

EXHIBIT

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Staff Ex 1 8

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 Certain Waivers of Chapter 4901:1-13, Ohio Administrative Code	**Case No. 06-1452-GA-UNC**

APPLICATION

On January 18, 2006, the Public Utilities Commission of Ohio ("Commission") issued an Opinion and Order in which it adopted Minimum Gas Service Standards ("MGSS") in Chapter 4901:1-13, Ohio Administrative Code ("O.A.C."). By Entries on Rehearing dated May 16, 2006, July 12, 2006 and August 23, 2006, the Commission modified certain MGSS rules. The rules are to go into effect January 1, 2007. In this Application, The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company"), pursuant to Rule 4901:1-13-02(C) of the MGSS rules, respectfully requests approval for waivers of the following rules:

Rule 4901:1-13-04(G)(1) (meter reading)

Rule 4901:1-13-04(G)(1) requires each natural gas company to obtain actual readings of its customer meters at least once every twelve months and make reasonable attempts to obtain such readings every other month. DEO is uniquely challenged to comply with that rule as a result of the 556,000 inside meters installed on its system, of which 373,000 are equipped with remote meter index devices. Under the rule, readings obtained by such devices do not qualify as actual meter readings. Readings obtained from electronic means, such as automated meter reading ("AMR") devices, are considered actual reads under the rule. In conjunction with the meter access plan submitted to the Director of the Commission's Service Monitoring and Enforcement Department, DEO requests Commission approval of a temporary waiver permitting the Company to treat remote index equipment readings as actual readings for purposes of complying with the rule. The waiver would apply from the effective date of the MGSS rules until such time as DEO completes the deployment of AMR devices throughout its system, which the Company estimates will take five years. Once DEO completes its systemwide AMR deployment, a waiver will no longer be necessary because the Company will perform actual reads, by electronic means, for every customer every month.

The Company has provided Staff with statistical sampling information regarding the accuracy of remote index equipment installed on its system and intends to replace those types having the highest defect rates with automated meter reading ("AMR") devices over a two-year period beginning in the first quarter of 2007. The Company expects to equip all meters in its service territory with AMR devices within five years. In order to address Staff concerns regarding potential back billing issues associated with remote index devices, the Company has proposed in its meter access plan to hold customers harmless for discrepancies between an actual meter reading and a reading from a remote device.

In a related application, DEO is seeking recovery of certain costs associated with a five-year deployment of AMR equipment throughout its entire service territory. Equipping its entire meter population with AMR over that time frame will ensure that the Company obtains an actual reading on all of its inside meters within a reasonable time frame. DEO will consult with Commission Staff to determine the most appropriate way to deploy AMR across its system and ensure an appropriate focus on inside meters in order to address the most pressing billing and access issues facing the Company and its customers. Taken together, the meter access plan and proposed AMR deployment program substantially mitigate any risks associated with treating remote index equipment readings as actual readings for purposes of complying with the MGSS.

A temporary waiver treating reads from remote index devices as actual reads during the Company's AMR deployment is reasonable and should be approved.

Rule 4901:1-13-05(A)(3) (pressure test requirement)

Rule 4901:1-13-05(A)(3) requires natural gas companies to test gas piping downstream of the meter with a service drop installed for a gas appliance prior to initial operation or reestablishing service. In the case of new house lines, or existing house lines where gas service has been off for thirty or more days, a pressure test is to be used. When gas service has been off for less than thirty days, a dial test may be used. DEO requests Commission approval of a permanent waiver of the pressure test requirement for new and existing house lines.

In the case of new construction, a house line pressure test should be performed on the entire house line, not just a portion up to a service drop for an appliance. But that would not happen under Rule 4901:1-13-05(A)(3). Instead, compliance with the rule in many cases would likely entail a pressure test only to a service drop for a temporary space heater before the rest of the house line is even installed. That, of course, could potentially leave much of the house line uninspected.

Rather than require DEO to perform a pressure test of gas piping with a service drop installed, the Company's responsibility should be limited to performing a leakage test (e.g., a meter dial test or survey with gas detection instrument) prior to a DEO representative turning the gas on for new or existing house lines. Prior to occupancy, a building inspector or a certified mechanical inspector working for the building department should verify that the entire line has been properly installed and pressure tested in accordance with International Fuel Gas Code Section 406 or the applicable local building code requirements. This process will ensure that the entire house line is pressure tested, rather than just a portion, by an inspector at the appropriate stage of the construction process. Because most local building codes require such an inspection, obligating a gas company to perform the same work is a needless duplication of effort whether on new or existing house lines. In the event there is a problem with an existing house line, a dial test or gas detection instrument will provide an appropriate means of detecting it at the time service is transferred. Accordingly, the Commission should grant a permanent waiver of the pressure test requirement in Rule 4901:1-13-05(A)(3).

IT-Related Requirements

DEO has identified a number of changes that must be made to its computer systems in order to comply with the MGSS rules and automate the reporting needed to verify compliance. In most cases, the Company will be able to comply with the rule well before the automated reporting functionality is available. DEO is requesting Commission approval of temporary waivers for the rules and periods identified below to provide the time needed to complete the necessary programming changes. The Company has already completed a number of MGSS-related changes to its computer system, but estimates that over 10,000 more hours of programming will be required to make the remaining changes that are needed. In many cases, it is not possible to have more than one programmer working on a particular part of the program code at the same time. As a result, DEO's ability to accelerate work by devoting more programmers to the effort is limited. DEO has provided its work plan detailing the number of hours by waiver and the associated completion dates to Staff. The Company will provide quarterly reports to Staff regarding the reprogramming efforts until they are completed in order to keep Staff informed of the Company's progress.

Rule 4901:1-13-09(C) (disconnect notices for fraudulent practices)

Rule 4901:1-13-09(C) requires natural gas companies to deliver a written notice to the customer prior to disconnecting service for a fraudulent practice. The business process and programming changes needed to create the notices, generate a new service order type, and provide and track the proper notification will be complete by September 30, 2007, and the automated reporting capability associated with the changes will be complete by December 31, 2007. Accordingly, DEO request a temporary waiver of Rule 4901-13-09(C) until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier.

Rule 4901:1-13-04(D) (notification of meter test results)

Rule 4901:1-13-04(D) requires natural gas companies to notify customers of applicable charges prior to a meter test and to provide a written explanation of the meter test results within ten business days of its completion. This will also require the Company to reprogram its computer systems. The reprogramming needed to automate the customer communication will be complete by September 30, 2007, and the automated reporting capability associated with the changes will be complete by December 31, 2007. A temporary waiver of Rule 4901-1-13-04(D) should be granted until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier.

Rule 4901:1-13-05(A) (new service installations)

Rule 4901:1-13-05(A) requires ninety percent of residential and small commercial new service requests requiring no installation of gas pipelines to be completed within five business days after the natural gas company has been notified that the customer's service location is ready or by the requested installation date, whichever is later. New services requiring installation of the service line as well as a meter set are to be completed within 20 business days from the customer ready date or by the requested completion date, whichever is later. The rule also requires the company to provide written notification in the event of a delay and specifies certain information that must be included in the notice.

DEO's meter set orders and service line tie orders are currently scheduled and tracked in two separate systems. Programming will be required to integrate the two systems and track service ties and meter sets at a premise level in order to report performance against the standard. Additional system changes are needed to monitor service orders as they approach the requested completion date, automate written communication to the customer, track missed appointments and the associated reason(s), and distinguish between a customer requesting a date later than the required performance window as opposed to an appointment that must be scheduled beyond that window due to a lack of available resources. Programming to provide the above functionality and the associated automated reporting capability will be completed by September 30, 2007. DEO requests a temporary waiver of Rule 4901:1-13-05(A) until that time.

Rule 4901:1-13-05(C) (notification of unmet appointments)

Rule 4901:1-13-05(C) requires natural gas companies to reasonably attempt to notify a customer in advance when they are unable to meet a scheduled appointment. Programming is required to automate and document that outbound calling process. DEO requests a temporary waiver of the notification requirement of this rule until it can complete the necessary programming. Such programming will be complete by May 31, 2007, and the automated reporting capability associated with the changes will be complete by September 30, 2007.

Rules 4901:1-13-04(G)(3) and 4901:1-13-11(B)(26) (notification of payment plans for small commercial customers)

Rules 4901:1-13-04(G)(3) and 4901:1-13-11(B)(26) require natural gas companies, in cases where they have undercharged a small commercial customer as the result of a metering issue or other factor under the company's control, to provide a specified payment plan for the undercharged amount and to provide a statement on the bill, or in an insert or separate mailing, of the payment arrangement. DEO's billing system does not currently support the creation of automatic payment arrangements for small commercial accounts. System changes are required to allow accounts to be set up on an automatic payment arrangement and reference it on the bill. Programming changes to meet these requirements will be completed by September 30, 2007, and the automated reporting capability associated with the changes will be complete by November 30, 2007. DEO requests a temporary waiver of the rules requiring it to establish payment plans for small commercial customers until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier.

On a related issue, DEO will complete the programming needed to identify small commercial customers as defined in Rule 4901:1-13-01(V) by March 31, 2007. As a result, because the Company cannot identify small commercial customers until the necessary programming changes are made, the Company's compliance with any other rules that impose new requirements related to small commercial customers will not be achieved until that time as well. DEO therefore requests a temporary waiver, until March 31, 2007, of any provision of the MGSS rules that relies on the Company's ability to distinguish small commercial customers.

The foregoing waiver requests are both reasonable and necessary. Accordingly, the Company respectfully requests an Order granting this Application and all other necessary and proper relief.

Respectfully submitted,

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

EXHIBIT

Staff Exhibit 2

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 Waivers of Certain Provisions Contained in Chapter 4901:1-13, Ohio Administrative Code.	)))))	Case No. 06-1452-GA-WVR

ENTRY

The Commission finds:

(1) On January 18, 2006, the Commission issued its Finding and Order in Case No. 05-602-GA-ORD, adopting rules to amend Chapter 4901:1-13, Ohio Administrative Code (O.A.C.), and establishing Minimum Gas Service Standards (MGSS). The Commission revised its Finding and Order and MGSS by entries on rehearing issued on May 16, 2006, July 12, 2006, and August 23, 2006.

(2) On December 13, 2006, The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) filed this application (06-1452) requesting waivers for eight paragraphs in Chapter 4901:1-13, O.A.C., namely paragraphs (D), (G)(1), and (G)(3) of Rule 4901:1-13-04, O.A.C.; paragraphs (A), (A)(3), and (C) of Rule 4901:1-13-05, O.A.C.; paragraph (C) of Rule 4901:1-13-09, O.A.C.; and paragraph (B)(26) of Rule 4901:1-13-11, O.A.C.

In addition, DEO requests a temporary waiver until March 31, 2007, of any rules applicable to small commercial customers as defined in paragraph (V) of Rule 4901:1-13-01, O.A.C. The Commission finds, however, that, in light of the fact that this requested waiver period has passed, a ruling on this waiver request is unnecessary.

(3) Initially, the Commission would note that, in light of the fact that DEO is requesting waivers of the Commission's rules, this case should be coded as a "WVR" case. Accordingly, the Commission's Docketing Division should change the case code for 06-1452 from "UNC" to "WVR," and all future filings regarding this case should utilize the "WVR" case code.

(4) On March 23, 2007, the Office of the Ohio Consumers' Counsel (OCC) filed a motion to intervene and comments in this case. No memorandum contra was filed in response to OCC's motion to intervene. The Commission finds that OCC's motion to intervene in this case should be granted.

(5) On April 16, 2007, Ohio Partners for Affordable Energy (OPAE) filed a motion to intervene and memorandum in support of its motion in both this case and Case No. 06-1453-GA-UNC, *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Recover Certain Costs Associated with Automated Meter Reading and for Certain Accounting Treatment* (06-1453). OPAE asserts that it has a real and substantial interest in the proceedings by virtue of the direct impact of the requested deferrals on those of its members who are located in DEO's service territory. Further, OPAE indicates that its participation will not cause undue delay, will not prejudice any existing party, and will contribute to an expeditious resolution. It notes that no existing party adequately represents its interests. Along with its motion to intervene, OPAE filed a motion for admission *pro hac vice* to admit David C. Rinebolt to practice before the Commission in these proceedings for OPAE. The Commission finds that the motion for admission *pro hac vice* should be granted.

(6) On April 27, 2007, as amended on May 1, 2007, DEO filed a memorandum contra OPAE's request for intervention. DEO argues that OPAE's motion to intervene should be denied because OPAE has not set forth a legal position as required by Section 4903.221(B)(2), Revised Code, and because OPAE's constituency of low and moderate-income households is already represented by OCC.

(7) On May 3, 2007, OPAE filed a reply to DEO's memorandum contra stating that DEO is wrong in its assertion that OPAE must present its legal arguments before it may be granted intervention and clarifying that OCC does not represent OPAE's interest.

(8) In considering the filings pertaining to OPAE's motion to intervene, the Commission notes that, pursuant to our procedural rules, paragraph (A)(2) of Rule 4901-1-11, O.A.C., a

person shall be permitted to intervene, if the motion is timely filed and the person has a real and substantial interest in the proceeding that is not adequately represented by existing parties. DEO apparently believes that Section 4903.221(B)(2), Revised Code, should be read to require a potential intervenor to present its legal position with regard to the issues in a proceeding, in its motion to intervene. We do not read the statute to be as restrictive as DEO suggests. Rather, while we would consider positions taken on issues in the proceeding, if they are specified in a motion to intervene, we do not require such specification at this early stage in the proceeding. Our rules clarify that the "legal position" of a movant is its showing of a real and substantial interest in the subject at hand, where the proceeding may impair or impede his ability to protect that interest, unless the interest is already represented by other parties.

Specifically, with regard to OPAE's motion to intervene in both this case and 06-1453, OPAE submits that it has a real and substantial interest "by virtue of the direct impact of the requested deferral on their members." The Commission notes that the issue of a deferral is only present in 06-1453, and the issues in 06-1452 are limited to DEO's requests for waivers of certain requirements of the MGSS. Therefore, the Commission finds that OPAE has not established that it has an interest in 06-1452 and OPAE's motion to intervene in this case should be *denied*. The Commission notes, however, that this ruling in no way affects our consideration and ultimate ruling on OPAE's motion to intervene in 06-1453.

(9) Paragraph (G)(1) of Rule 4901:1-13-04, O.A.C., Meter Reading – This paragraph requires companies to obtain actual readings of customers' meters at least every twelve months and to make reasonable attempts to obtain actual readings every other month. Electronic meter readings taken by AMR equipment are considered actual readings under this paragraph; however, readings taken by remote meter index (RMI) equipment do not qualify as actual readings.

According to DEO, it is challenged to comply with the actual reading requirement because, of the 556,000 inside meters installed on its system, 373,000 are equipped with RMI devices.

DEO requests a temporary waiver of paragraph (G)(1) permitting it to treat RMI equipment readings as actual readings for purposes of complying with this paragraph until DEO completes deployment of AMR devices throughout its system. DEO states that, if the Commission grants its application in 06-1453 for authority to file tariffs to recover the costs associated with the deployment of the AMR devices, it will take an estimated five years to complete deployment of the AMR equipment. However, if its cost recovery is denied in 06-1453, it will take 15 to 20 years to deploy the AMR devices. DEO states that, in order to address any concerns regarding the potential for back billing resulting from the use of RMI devices, it will hold customers harmless for discrepancies between an actual meter reading and an RMI reading.

In its comments, OCC points out that, in response to an inquiry from OCC, DEO provided information that showed that, for the most recent twelve month period, only 5,090 inside meters had not had at least one actual meter reading. OCC states that this number is a "far cry" from the concerns expressed by DEO regarding the 373,000 inside meters with RMI devices. Therefore, OCC opposes this waiver request.

DEO filed a response to OCC's comments on April 9, 2007, stating that OCC misunderstood the data provided. DEO emphasizes that, absent a waiver, DEO must attempt to read another 373,000 inside meters equipped with RMI devices and many of those would go unread despite DEO's best efforts.

OCC replied to DEO's response on April 19, 2007, stating that the MGSS are not as onerous as DEO implies. OCC points out that, as long as DEO makes a good faith effort to read a customer's meter every other month and every year, DEO will be in compliance with the MGSS. Furthermore, OCC advocates that RMI devices should not be considered actual reads because of the defect rates for the RMI devices utilized by DEO.

Upon consideration of DEO's request for a temporary waiver of this paragraph and OCC's comments, the Commission finds that DEO's request is reasonable. The Commission acknowledges DEO's rationale and is supportive of DEO's proposal to replace its RMI devices with AMR devices. The

Commission recognizes that RMI device readings are not always accurate. However, one of the key factors we took into consideration in granting DEO's temporary waiver request in this matter is the fact that the company has agreed to hold the customers harmless for discrepancies between an actual meter reading and a reading from an RMI device. Furthermore, the Commission notes that the granting of this waiver in no way relieves DEO from its responsibility of complying with the gas pipeline safety regulations in accordance with Chapter 4905, Revised Code. With these caveats in mind, the Commission concludes that DEO's request for a temporary waiver of paragraph (G)(1) of Rule 4901:1-13-04, O.A.C., allowing DEO to treat RMI equipment readings as actual readings, should be granted for a period of five years. We further note that our determination to grant DEO's waiver of paragraph (G)(1) in this case in no way binds us with regard to our consideration of DEO's cost recovery request in 06-1453.

(10) Paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., Minimum Customer Service Levels, Pressure Testing – This paragraph requires companies to test gas piping downstream of the meter with a service drop installed for a gas appliance prior to initial operation or prior to reestablishing service. Pursuant to this paragraph, in the case of new house lines or existing house lines where gas service has been off for 30 or more days, a pressure test is to be used. When gas service has been off for less than 30 days, a dial test may be used.

DEO requests a permanent waiver of the pressure test requirement for new and existing house lines. According to DEO, in the case of new construction, a house line pressure test should be performed on the entire house not just a portion up to a service drop for an appliance. DEO avers that the company's responsibility should be limited to performing a leakage test prior to a DEO representative turning on the gas and then, prior to occupancy, a certified inspector should verify that the entire line has been properly installed and pressure tested in accordance with the applicable code requirements. DEO submits that this process will ensure that the whole house line is pressure tested and not just a portion. OCC does not oppose this waiver request.

The Commission's concern in these situations is that the gas lines be tested. Therefore, the Commission will clarify that DEO may comply with the requirement in paragraph (A)(3) of Rule 4901:1-13-05, O.A.C., by doing the testing itself or by verifying that a third party appropriately tests the gas piping downstream of the meter as outlined in that rule, prior to initial operation of gas service at the location. See *In the Matter of the Application of Columbia Gas of Ohio, Inc. for a Temporary Waiver of Rule 4901:1-13-05(A)(3), Ohio Administrative Code*, Case No. 06-1232-GA-UNC, Finding and Order (December 20, 2006). Accordingly, the Commission finds that DEO's request for a waiver of this paragraph is unnecessary and should be denied.

(11) Technology-Related Waiver Requests: paragraphs (D) and (G)(3) of Rule 4901:1-13-04, O.A.C.; paragraphs (A) and (C) of Rule 4901:1-13-05, O.A.C.; paragraph (C) of Rule 4901:1-13-09, O.A.C.; and (B)(26) of Rule 4901:1-13-11, O.A.C. – DEO requests temporary waivers for these paragraphs in order to allow it time to complete the computer programming changes that are necessary in order to comply with the MGSS and to automate the reporting needed to verify compliance. DEO estimates that over 10,000 more hours of programming will be required to make the remaining changes that are needed. Furthermore, DEO promises to provide staff with quarterly reports on the progress of its reprogramming efforts until they are completed. According to DEO, the following paragraphs require reprogramming of its computer system:

(a) Paragraph (D) of Rule 4901:1-13-04, O.A.C. – Notification of Meter Test Results – This paragraph requires companies to notify customers of applicable charges prior to a meter test and to provide a written explanation of the results within ten business days of completion. DEO requests a temporary waiver of this paragraph until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier. OCC does not oppose this waiver request.

The Commission points out that this paragraph requires the company to notify the customer verbally of the meter test charges, and then to provide the customer with a written explanation of the test results. We conclude that DEO's request for a waiver of this paragraph until September 30, 2007, or such earlier time as it completes programming changes, to automate the written explanation is reasonable and should be granted. However, customers have a need to know the charges for meter testing prior to the charges being incurred and the Commission believes that DEO's customer service representatives should be trained to provide that information now. Therefore, DEO's request for a waiver of paragraph (D) of Rule 4901:1-13-04, O.A.C., pertaining to the verbal communication of the meter test charges should be denied.

(b) <u>Paragraph (A) of Rule 4901:1-13-05, O.A.C.</u> – New Service Installations – This paragraph requires 90 percent of residential and small commercial new service requests requiring no installation of gas pipelines to be completed within five business days after the company is notified that the location is ready or by the requested installation date, whichever is later. New service requests requiring installation of a service line and a meter are to be completed within 20 business days from the date the location is ready or by the requested completion date, whichever is later. In addition, the paragraph requires the company to provide written notification if there is a delay. According to DEO, its meter set orders and service line orders are currently scheduled and tracked in two separate computer systems. DEO explains that the two systems will need to be integrated in order to track and report performance in compliance with paragraph (A). Therefore, DEO requests a temporary waiver of this paragraph until September 30, 2007. OCC does not oppose this waiver request as long as it is limited to the reporting requirement and not the underlying rule regarding new service installation.

The Commission finds that DEO's request for waiver of paragraph (A) of Rule 4901:1-13-05, O.A.C., until September 30, 2007, with regard to reporting requirement contained in this paragraph, is reasonable and should be granted. Furthermore, the Commission notes that DEO must still comply with the required installation intervals set forth in this paragraph and the customer notification, if the intervals can not be met.

(c) <u>Paragraph (C) of Rule 4901:1-13-05, O.A.C.</u> – Notification of Unmet Appointments – This paragraph requires companies to attempt to notify a customer in advance when they are unable to meet a scheduled appointment. DEO requests a temporary waiver of the notification requirement until May 31, 2007, to complete the necessary reprogramming. OCC does not oppose this waiver request as long as it is limited to the requirement under paragraph (D) of Rule 4901:1-13-05, O.A.C., that failure to comply with paragraph (C) be reported to the Commission, and not the underlying rule regarding unmet appointments.

We find that it is essential that DEO attempt to notify the customer in advance if it is unable to meet the appointment and arrange a new appointment date. If it is necessary for DEO to provide this notification manually until the system is updated to notify automatically the customer and to reschedule the appointment, then the company will have to do so manually. Therefore, we conclude that DEO's request for wavier of paragraph (C) of Rule 4901:1-13-05, O.A.C, should be denied.

(d) <u>Paragraph (C) of Rule 4901:1-13-09, O.A.C.</u> – Disconnect Notices for Fraudulent Practices – This paragraph requires companies to deliver a written notice to the customer prior to disconnecting service for a fraudulent practice. DEO explains that it will take time to develop the business process and programming changes needed to create these notices, to generate a new service order type, and to provide and to track the proper notification. Therefore, DEO requests a temporary waiver of this paragraph until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier. OCC does not oppose this waiver request.

The Commission finds that DEO's request for waiver of paragraph (C) of Rule 4901:1-13-09, O.A.C., until September 30, 2007, or such earlier time as it completes programming changes, with regard to delivering a written notice to the customer prior to disconnecting service for a fraudulent practice, is reasonable and should be granted.

(e) <u>Paragraph (G)(3) of Rule 4901:1-13-04, O.A.C., and Paragraph (B)(26) of Rule 4901:1-13-11 O.A.C.</u> – These paragraphs require companies, in cases where they have undercharged a small commercial customer as a result of a metering issue or other factor under the control of the company, to provide a statement of the payment arrangement agreed upon either on the bill, in a bill insert, or as a separate mailing. DEO stated that it will need to implement system changes to allow accounts to be set up on an automatic payment arrangement and referenced on the bill. Therefore, DEO requests a temporary waiver of the requirement to establish payment plans for small commercial customers until September 30, 2007, or such time as it completes the necessary programming changes, whichever occurs earlier.

OCC takes no position on this waiver request because it does not affect residential customers.

The Commission finds that DEO's request for waiver of paragraph (G)(3) of Rule 4901:1-13-04, O.A.C., and paragraph (B)(26) of Rule 4901:1-13-11 O.A.C., until September 30, 2007, or such earlier time as it completes programming changes, with regard to providing specified payment plans and delivering notice of agreed to payment arrangements to small commercial customers, is reasonable and should be granted. However, the Commission finds that, if DEO is contacted by a small commercial customer concerning a large back bill, DEO should offer a payment plan.

It is, therefore,

ORDERED, That, in accordance with Finding (3), the Commission's Docketing Division change the case code in 06-1452 from "UNC" to "WVR" and that all future filings regarding this case use the "WVR" case code. It is, further,

ORDERED, That the motion to intervene in 06-1452 filed by OCC be granted. It is, further,

ORDERED, That OPAE's motion for admission *pro hac vice* to admit David C. Rinebolt be granted. It is, further,

ORDERED, That OPAE's motion to intervene in 06-1452 be denied. It is, further,

ORDERED, That, in accordance with Findings (9), (11)(b), (11)(d), and (11)(e), the application for a waiver filed by DEO in 06-1452 for paragraphs (G)(1) and (G)(3) of Rule 4901:1-13-04, O.A.C.; paragraph (A) of Rule 4901:1-13-05, O.A.C.; paragraph (C) of Rule 4901:1-13-09, O.A.C.; and paragraph (B)(26) of Rule 4901:1-13-11, O.A.C., be granted. It is, further,

ORDERED, That, in accordance with Findings (10) and (11)(c), the application for a waiver filed by DEO in 06-1452 for paragraphs (A)(3) and (C) of Rule 4901:1-13-05, O.A.C., be denied. It is, further, ORDERED, That, in accordance with Finding (11)(a), the application for a waiver filed by DEO in 06-1452 for paragraph (D), of Rule 4901:1-13-04, O.A.C., be granted, in part, and denied, in part. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Paul A. Centolella

Ronda Hartman Fergus

Valerie A. Lemmie

Donald L. Mason

CMTP/vrm

Entered in the Journal
MAY 24 2007

Reneé J. Jenkins
Secretary

EXHIBIT

Staff Exhibit 3

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 to Adjust its Automated Meter Reading Cost-Recovery Charge and Related Matters.)	Case No. 09-1875-GA-RDR

OPINION AND ORDER

The Public Utilities Commission of Ohio, having considered the record in this matter, and being otherwise fully advised, hereby issues its opinion and order.

APPEARANCES:

Carpenter, Lipps & Leland, LLP, by Mark A. Whitt, Joel E. Sechler, and Christopher T. Kennedy, 280 Plaza, Suite 1300, 280 North High Street, Columbus, Ohio, 43215, on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio.

Richard Cordray, Ohio Attorney General, by Duane W. Luckey, Section Chief, and Stephen A. Reilly, Assistant Attorney General, 180 East Broad Street, Columbus, Ohio, 43215, on behalf of Staff of the Commission.

Janine Migden-Ostrander, Ohio Consumers' Counsel, by Joseph P. Serio and Larry S. Sauer, Assistant Consumers' Counsels, 10 West Broad Street, Columbus, Ohio 43215.

OPINION:

I. Background

The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) is a natural gas company as defined in Section 4905.03(A)(6), Revised Code, and a public utility under Section 4905.02, Revised Code. DEO supplies natural gas to approximately 1.2 million customers in northeast, western, and southeast Ohio (DEO Ex. 2 at 1).

By opinion and order issued October 15, 2008, in *In the Matter of the Application of 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, et al., (*DEO Distribution Rate Case*) the Commission approved a stipulation that, *inter alia*, provided that the accumulation by DEO of costs for the installation of automated meter reading (AMR) technology may be recovered through a separate AMR cost-recovery charge (AMR charge). The AMR charge was initially set at $0.00. The Commission's opinion contemplated periodic filings of applications and adjustments of the rate under the AMR charge. The stipulation, as approved by the Commission, also provided that DEO, Staff, and the office of the Ohio Consumers' Counsel (OCC) would "develop an appropriate baseline from which meter reading and call center savings would be determined and such quantifiable savings shall be credited to amounts that would otherwise be recovered through the AMR cost recovery charge."

By opinion and order issued May 6, 2009, in *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio to Adjust its Automated Meter Reading Cost Recovery Charge and Related Matters*, Case No. 09-38-GA-UNC (*2008 AMR Case*), the Commission approved a stipulation entered into by DEO, Staff, and OCC establishing DEO's current AMR charge, thereby allowing DEO to recover costs incurred during 2008. In its opinion, the Commission noted that the stipulation provided that, *inter alia*, the signatory parties agreed to a methodology for the AMR charge, as set forth on Attachment 1 to the stipulation. That attachment consisted of a spreadsheet detailing the revenue requirement for the AMR charge, and included a calculation of the reductions in call center and meter reading expenses for the years 2009 through 2013. For 2010 through 2013, the spreadsheet indicated that all values were estimated, and it reflected that no savings were estimated for call center and meter reading expenses for those years. The spreadsheet used calendar year 2007 as the baseline for measuring meter reading and call center expenses and savings. The stipulation, as approved by the Commission, also provided that the methodology for calculating the AMR charge should follow the methodology set forth in DEO's application in the *2008 AMR Case*, as amended by Staff's recommendations with regard to property taxes, the amortization rate for the AMR installation cost, and the reduction of DEO's total AMR plant additions and associated depreciation, post in-service carrying costs, property taxes, and related deferred taxes to reflect the exclusion of excess AMR devices. DEO's application in the *2008 AMR Case* included a number of schedules demonstrating how the AMR charge was calculated.

In accordance with the AMR provisions of the stipulation in the *DEO Distribution Rate Case*, DEO filed its prefiling notice on November 30, 2009, in this case. On March 1, 2010, DEO filed its application, requesting an adjustment to the AMR charge to recover costs incurred during 2009.

By entry issued March 5, 2010, the attorney examiner established March 29, 2010, as the deadline for the filing of motions to intervene and provided that Staff and intervenors may file comments on the application by March 29, 2010. The entry also required that DEO file a statement, by April 2, 2010, informing the Commission whether the issues raised in the comments had been resolved. Furthermore, in the event that all of the issues raised in the comments had not been resolved, the entry set the hearing in this matter for April 9, 2010.

On March 11, 2010, OCC filed a motion to intervene. By entry issued on April 2, 2010, OCC's motion to intervene was granted and the parties were directed to file expert testimony by 4:00 p.m. on April 5, 2010.

On March 29, 2010, Staff and OCC filed comments on the application. DEO filed a statement indicating that DEO concurred with Staff's recommendation to utilize the latest known property tax rate, rather than an estimated tax rate, to calculate property tax expense. DEO noted that, as a result, the monthly AMR charge would be reduced to $0.47 per applicable customer, rather than the $0.49 AMR charge originally proposed in DEO's application. DEO also stated that OCC raised three issues in its comments that could not be resolved; thus, a hearing was required in this matter. (DEO Ex. 4 at 1.)

The hearing in this matter was held, as scheduled, on April 9, 2010, at the offices of the Commission. At the hearing, the following exhibits were admitted into the record without objection: DEO's prefiled testimony of Vicki Friscic (DEO Ex. 1); DEO's application filed on March 1, 2010 (DEO Ex. 2); DEO's prefiling notice filed on November 30, 2009 (DEO Ex. 3); DEO's statement regarding disputed issues filed on April 2, 2010 (DEO Ex. 4); DEO's application in the *2008 AMR Case* (DEO Ex. 5); OCC's comments filed on March 29, 2010 (OCC Ex. 1); the stipulation in the *2008 AMR Case* (OCC Ex. 2); DEO's responses and objections to OCC's second set of interrogatories and requests for production of documents in this case (OCC Ex. 3); DEO's responses to Staff data requests in the *DEO Distribution Rate Case* (OCC Ex. 4); Staff's comments filed on March 29, 2010 (Staff Ex. 1); and Staff's prefiled testimony of Ibrahim Soliman (Staff Ex. 2). DEO, OCC, and Staff filed briefs on April 20, 2010, and reply briefs on April 26, 2010.

II. Summary of the Application

In its application, DEO requested that its AMR charge, which is currently set at $0.30 per month, per customer in accordance with the *2008 AMR Case*, be adjusted to $0.49 per month, per customer. According to DEO, it is in the process of installing AMR equipment on each of the nearly 1.3 million meters on its system. DEO plans to substantially complete its AMR installations by 2011 and, as of January 2010, DEO had installed AMR devices on over 757,000 meters, or approximately 58 percent of its meters.[1] DEO explained that, as reflected in Schedule 1 of its application, its total net rate base through December 31, 2009, is $51,161,604.08, and its annualized pre-tax return on rate base is 11.36 percent. Given meter reading savings of $680,658.76, an annualized

1 The Commission notes that the percentage of meters with AMR devices installed is stated in various filings as being either approximately 58 percent or 60 percent of the meters in DEO's system. For consistency's sake, and because Staff, in its comments, provided a numerical breakdown detailing the installation of AMR devices on DEO's meters which showed that AMR devices have been installed on 58 percent of the meters on DEO's system, the Commission will refer to the 58 percent figure throughout this order.

AMR-related revenue requirement of $7,194,450.15, and a total number of bills issued to customers on applicable rate schedules between December 31, 2008, and December 31, 2009, of 14,483,362, DEO states, in its application, that the resulting AMR charge would be $0.49 per month, per customer. According to Schedule 11 of the application, DEO's call center costs have increased $1,950,775.53 over the 2007 baseline; thus, no savings from call center costs are available to offset the AMR installation expenses. (DEO Ex. 2 at 2-4.)

III. Discussion of the Issues

A. Comments Resolved by the Parties

In its comments, Staff notes that its investigation showed that DEO's calculation of the AMR revenue requirement, as reflected in the application filed March 1, 2010, is supported by adequate data and information and that the revenue requirement is properly allocated to the various customer classes, save for the fact that DEO utilized an estimated tax rate to annualize property tax expense. Staff recommends that the latest known tax rate be used in the property tax expense calculation. If this recommendation is adopted, Staff states that the monthly charge would be $0.47 for all applicable customers. (Staff Ex. 1 at 8.) In its April 2, 2010, filing, DEO accepted Staff's recommendation (DEO Ex. 4 at 1). OCC did not oppose Staff's recommendation. Upon consideration of this issue the Commission agrees that DEO should utilize the latest known tax rate when calculating the property tax expense, thereby reducing DEO's proposed AMR charge.

Staff also indicated in its comments that DEO's current AMR application excludes the cost of inside meter inspections performed by contractors and by meter readers, when not in conjunction with a regular meter reading visit, from meter reading expenses. Furthermore, Staff notes that the call center and meter reading expenses had not been netted against each other when calculating the operations and maintenance (O&M) savings for the AMR charge. (Staff Ex. 1 at 7-8.) The Commission finds that the manner in which DEO handled these expense items is appropriate.

B. Comments Not Resolved by all of the Parties

Three issues raised in the comments remain unresolved in this proceeding: whether DEO properly calculated the amount of meter reading savings; whether the calculation of call center savings is correct; and whether the AMR charge should be reduced because DEO did not apply for federal stimulus funds. DEO and Staff maintain that the $0.47 per month, per customer AMR charge is just and reasonable and should be approved. DEO and Staff state that the calculation of the AMR charge in this case is consistent with the calculation of the current AMR charge in the *2008 AMR Case*. (DEO Initial Brief at 16; Staff Initial Brief at 4-6.) In contrast, OCC argues that DEO has failed to prove that its proposed AMR rider is just and reasonable; therefore, OCC maintains that the rider be reduced from $0.49 per month, per customer to $0.271 per month, per customer (OCC Reply Brief at 17-18).

1. Meter Reading Savings

OCC argues that, because the parties to the stipulation in the *DEO Distribution Rate Case* expected that the AMR program would reduce both meter reading and call center expenses, the cost savings amounts provided by DEO should be rejected (OCC Initial Brief at 25). OCC notes that, of the 253 communities in DEO's service territory, fewer than 20 of them, or less than 7.8 percent of the communities, have been switched to automated meter reading (OCC Initial Brief at 21). However, for purposes of calculating the savings to be attributed to AMR, OCC proposes that, because the AMR program has been deployed to approximately 58 percent of the meters in DEO's territory, savings should be imputed to equal 58 percent of the savings DEO projected would result from the AMR program in the *DEO Distribution Rate Case*. OCC believes that this calculation is a reasonable surrogate for the actual meter reading cost savings reported by DEO. (OCC Initial Brief at 25.) With regard to meter reading savings, in light of DEO's projection in the *DEO Distribution Rate Case* of $6,000,000 in total meter reading savings in 2012 after completion of the AMR program, OCC argues that the Commission should find that meter reading savings equaled $3,204,071.38,[2] instead of the $681,000 proposed by DEO. OCC calculated this number by multiplying DEO's estimate of $6,000,000 in meter reading savings after full deployment of the AMR program by the 58 percent completion rate, and then subtracting the 2008 meter reading savings. (OCC Initial Brief at 27-28.) Alternatively, OCC advocates that the meter reading savings be found to equal $900,000, as DEO provided that figure as its estimated meter reading savings for 2009 when responding to a Staff data request during the *DEO Distribution Rate Case* (OCC Ex. 1 at 3-5).

DEO maintains that it properly calculated meter reading savings and explains that the cost savings created by the AMR program is largely back-loaded, as significant savings cannot occur until a critical mass of AMR deployment occurs, allowing DEO to consolidate and reroute meter reading routes to improve efficiency (DEO Ex. 1 at 8-10; DEO Initial Brief at 9-10). Vicki Friscic, DEO's director of regulatory pricing, noted during her testimony that, in addition to targeting specific areas for installation of AMR devices, DEO also tries to install AMR devices during routine service calls and on any other occasions when it has access to a customer's premises (Tr. 20-21). According to the witness, this dual approach to installation of AMR devices means that some customers are still getting estimated reads despite having an AMR device installed on their meter, as there may not be enough AMR devices installed in that customer's area to make rerouting efficient.

2 The Commission notes that, in its comments, OCC recommends that the Commission impute $3,600,000 in meter reading savings (OCC Ex. 1 at 5). OCC's initial brief recommends meter reading savings of $3,204,071.38 be imputed (OCC Initial Brief at 27-28). For purposes of this order, the Commission will refer to the figure provided in OCC's initial brief.

Since it is not efficient to reroute a meter reading route until a sufficient number of customers on that route have AMR devices installed, the benefits from these AMR installations have yet to be realized. (Tr. 19, 24-25.) According to Ms. Friscic, the scattered AMR installations completed during service calls explain why the number of communities rerouted is less than the percentage of AMR installations completed (Tr. 18-22). Ms. Friscic explained that, as DEO is able to achieve a critical mass of AMR installations in an area, that area is rerouted to reduce meter reading expenses (Tr. 10, 19, 27-28). She testified that DEO's deployment, as of the end of 2009, achieved actual meter reading savings in excess of the amount projected when the AMR rider was proposed during the *DEO Distribution Rate Case*. According to Ms. Friscic, DEO estimated, during the *DEO Distribution Rate Case*, that, through 2009, cumulative meter reading savings would be $900,000, but the actual cumulative savings through the end of 2009 adds up to $957,000 ($276,000 in 2008 plus $681,000 in 2009). (DEO Ex. 1 at 10.)

DEO argues that OCC is attempting to repudiate the stipulations in the *DEO Distribution Rate Case* and *2008 AMR Case*. DEO maintains that, in those cases, the parties agreed that quantifiable meter reading or call center savings, not estimated or hypothetical savings, would be used to offset AMR installation expenses. Citing *AK Steel v. The Cincinnati Gas & Electric Co.*, Case No. 02-989-EL-CSS, Entry at 3 (Oct. 10, 2002), DEO suggests that, where an issue has been resolved by a stipulation between parties to a Commission proceeding, the Commission should reject attempts by one of those parties to relitigate the same issue governed by the Commission-approved stipulation. DEO argues that OCC signed the stipulations and the Commission unconditionally approved the stipulations in both the *DEO Distribution Rate Case* and the *2008 AMR Case*. (DEO Initial Brief at 8.)

OCC responds that it is not attempting to collaterally attack the stipulations in the previous cases. Instead, OCC maintains that DEO is trying to nullify the consumer benefits that were negotiated in the *DEO Distribution Rate Case* stipulation. (OCC Reply Brief at 12.) OCC also claims that DEO, through its control over the timing and location of the installation of AMR devices has delayed the achievement of the critical mass necessary for the AMR program to yield call center and meter reading savings. OCC notes that, while DEO has installed AMR devices on approximately 58 percent of its meters, less than 20 of the 253 communities served by DEO have achieved critical mass, thereby allowing DEO to reroute and reduce meter reading expenses. (OCC Reply Brief at 11.) OCC maintains that, because DEO controls both its spending and the achievement of critical mass, the Commission should not accept or tolerate DEO's excuses for its failure to achieve greater savings. In place of DEO's proposed meter reading savings, OCC recommends that $3,204,071.38 be used for meter reading cost savings. (OCC Reply Brief at 17.)

In its brief, Staff again recommends approval of an adjusted AMR charge of $0.47 per month, on the grounds that the calculation of the AMR charge is consistent with the stipulation in the *2008 AMR Case*. Staff opposes OCC's position that the methodology agreed to in the *DEO Distribution Rate Case* be abandoned in favor of imputing artificial savings. According to Staff, OCC ignores the substantial savings achieved by DEO in meter reading expenses in 2009 that is included in the calculation of the recommended AMR charge of $0.47 per month. (Staff Initial Brief at 4-5.)

Initially, the Commission finds that OCC's argument that the meter reading and call center savings reported by DEO be replaced by imputed or surrogate savings based on the percentage of the total AMR installations completed lacks merit. The stipulation in the *DEO Distribution Rate Case* clearly states that AMR installation costs would be offset only by quantifiable savings. OCC's proposal in favor of imputed savings does not comport with either the stipulation approved in the rate case or the stipulation approved by the Commission in the *2008 AMR Case*. Moreover, the Commission notes that there is no evidence in the record demonstrating that DEO's calculation of $681,000 in meter reading savings for 2009 is inaccurate. As reflected in OCC's comments, inside meters comprise only 43 percent of the meters on DEO's system (OCC Ex. 1, attachment 2). While the Commission understands that many of the benefits from the AMR program derive from installing AMR devices on inside meters, the Commission finds that it is not reasonable to assume that, simply because AMR devices have been installed on 58 percent of all meters, both inside and outside, savings equivalent to 58 percent of the estimated total savings will have been achieved. The Commission finds that OCC's assumption and recommendation that 58 percent be used as the appropriate number for calculating savings is not based on any evidence supported in the record, but instead depends upon assumptions and estimates that are not quantified. Accordingly, based on the evidence of record, the Commission adopts DEO's calculation of $681,000 in meter reading savings for 2009.

While the evidence in this case supports DEO's calculation, the Commission finds that DEO should be installing the AMR devices such that savings will be maximized and rerouting will be made possible in all of the communities at the earliest possible time. Therefore, the Commission expects that DEO's filing in 2011, for recovery of 2010 costs, will reflect a substantially greater number of communities rerouted. The Commission anticipates that, by the end of 2011, it will be possible to reroute nearly all of DEO's communities. To that end, the Commission finds that, in its 2011 filing, DEO should demonstrate how it will achieve the installation of the devices on the remainder of its meters by the end of 2011, while deploying the devices in a manner that will maximize savings by allowing rerouting at the earliest possible time.

2. Call Center Savings

At issue with the determination of call center savings is whether non-AMR related costs or savings should be included in the calculation. DEO and Staff maintain that the stipulations in the *DEO Distribution Rate Case* and the *2008 AMR Case* specify that the total level of call center costs, regardless of the origin of such expenses, should be compared to the 2007 baseline, with savings found only if the current year expenses are less than those of the baseline. They also maintain that, through the stipulations in those cases, the signatory parties, including OCC, agreed to a methodology determining how the AMR charge should be calculated. (DEO Initial Brief at 4-6, 8, 13; Staff Initial Brief at 4-6.)

OCC disagrees, arguing that the goal of providing immediate savings to customers is being negated by alleged increased call center costs that are unrelated to the AMR project. Using the same methodology as it did for meter reading savings, OCC argues that the call center savings should equal $454,993.76[3], based on the 58 percent completion rate and DEO's estimate in the *DEO Distribution Rate Case* that total call center savings after full deployment would amount to $784,472 in 2012. (OCC Reply Brief at 18.) OCC alternatively suggests that call center savings be found to equal DEO's rate case estimate of $194,000 in call center savings for 2009 (OCC Initial Brief at 26).

During her testimony, Ms. Friscic listed six factors that led to higher call center costs (Tr. 55-56; DEO Ex. 1 at 11-12). She stated that call center expenses have increased over the 2007 baseline due to: the implementation of new interactive voice response call handling through the use of natural language technology; the hiring of 34 additional call center representatives to provide bilingual services and to meet the 90-second average speed of answer requirement imposed by the minimum gas service standards (MGSS); the reorganization of DEO's call center operations to utilize in-state call centers instead of a Virginia call center; the need for overtime in order to shave peak Monday call volumes and to manage a six-percent increase in call volumes since 2007; and the need to route more calls to a third-party vendor in order to comply with the MGSS (Tr. 55-75). Finally, Ms. Friscic testified that DEO realized greater support staff expenses due to the staffing increases, further raising its call center costs (Tr. 71-72). According to Ms. Friscic, these six items are the primary factors resulting in the increase of call center costs of $1,950,775 over the 2007 baseline (Tr. 75). She also stated that none of these factors are related to the installation of AMR devices (Tr. 18, 59-60, 62, 64, 66, 68, 71-72, 75).

On cross-examination, Ms. Friscic testified that the costs associated with the six factors could exceed the approximately $1.9 million increase in call center costs (Tr. 56-57). She also agreed that it is possible that the installation of the AMR devices could have

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3 The Commission notes that OCC provided different figures in its various filings for both the amount of call center savings it argued should be imputed and for the amount of call center savings estimated by DEO. In OCC's comments, OCC argued that, based on a DEO estimate of $765,000 in call center savings upon full deployment of the AMR program, $471,000 in 2009 savings should be imputed (OCC Ex. 1 at 6). In its initial brief, OCC recommended surrogate call center savings of $454,927 in 2009, citing DEO-estimated total savings of $874,472 (OCC Initial Brief at 25-26). Finally, in its reply brief, OCC provided the $454,993.76 figure (OCC Reply Brief at 18). For purposes of this order, the Commission will refer to the figure provided in OCC's reply brief.

already resulted in a reduction in call volumes (Tr. 14). For example, given DEO's expectation that the reduction in estimated bills will lead to fewer customers calling the center with billing questions, Ms. Friscic stated that a logical consequence of implementing the AMR technology would be a reduction in those types of calls (Tr. 17-18). She also agreed that installation of AMR devices on inside meters would reduce the need to contact customers to schedule meter readings (Tr. 25-26). However, she further stated that DEO does not track specific quantifiable data comparing the volume of calls from customers with inside or outside meters; thus, she implied that any savings from fewer appointment calls to inside meter customers could not be quantified (Tr. 26, 63). When asked why, in the *DEO Distribution Rate Case*, DEO stated that it had tracked and compared for several years the number of calls made from customers with inside meters with the number of calls made from outside meter customers, Ms. Friscic conceded that, while that information was available at that time because of surveys conducted in 2004 and 2005, DEO does not track that type of information on an ongoing basis (Tr. 103-104).

Ms. Friscic maintained that the increased call center costs due to the six non-AMR related factors should be included when comparing DEO's 2009 call center expenses to the 2007 baseline, as DEO believes that the stipulations in the *DEO Distribution Rate Case* and the *2008 AMR Case* specify only an aggregate look at call center expenses. She testified that the initial adjustment of the AMR rider in the *2008 AMR Case* set the methodology for determining how the AMR charge would be calculated, and that nothing in that case or the *DEO Distribution Rate Case* required that DEO track call center expenses in detail. (Tr. 15-18, 35, 63.) According to Ms. Friscic, the stipulation in the rate case "merely specified savings from meter reading and call center expense without specifying any level of detail at which those differences between the baseline and the actual expense would be reviewed" (Tr. 69). She explained that this methodology potentially could work to reduce the amount DEO could recover under the AMR rider, because, if call center expenses decreased for non-AMR related reasons, that reduction in expenses would be reflected as savings when comparing the call center costs to the 2007 baseline (Tr. 92). Ms. Friscic stated that the amount of meter reading and call center savings in this case was determined in the same manner that the meter reading and call center savings were calculated in the *2008 AMR Case* (Tr. 99).

The Commission notes that DEO's argument regarding the call center expenses hinges on the idea that, by approving the stipulations in those cases, the Commission established a methodology that included non-AMR costs and savings in the calculation of call center expenses related to the installation of AMR devices. A review of the stipulations in the *DEO Distribution Rate Case* and the *2008 AMR Case*, as well as the opinion and orders approving them, reveals that, while the stipulations establish a formula for calculating the amount of the AMR charge, nothing in either stipulation explicitly defines what items should or should not be included in the category of call center costs. The stipulation and the opinion and order in the *DEO Distribution Rate Case* merely state that Staff's recommendations with regard to DEO's AMR application shall be adopted, while ordering DEO, Staff, and OCC to work together to develop a baseline from which call center savings will be determined. The opinion and order in the *2008 AMR Case* states that the stipulation in that case provided that the signatory parties agreed to a methodology for the AMR charge, as set forth on Attachment 1 to the stipulation. Attachment 1 of the stipulation consists of two pages, one page calculates the revenue requirement for the AMR charge for 2009, while providing estimated calculations of the charge for 2010 through 2013, and the second page includes the depreciation included in the AMR charges for the years 2009 through 2013. The first page of Attachment 1 lists $0.00 for the reduction in call center expense and $275,928.62 for the reduction in meter reading expense. At no point does the attachment indicate what factors were considered when generating the amount of call center and meter reading expenses. In addition, the opinion and order in the *2008 AMR Case* also indicates that the methodology for calculating the AMR charge should follow the methodology set forth in DEO's application, referencing Exhibit 4 of the application. That exhibit contains the schedules used to calculate the amount of the AMR charge, but again nothing explains how the figures used in the schedules are generated.

In evaluating the arguments of the parties, the Commission is mindful of the goal, articulated in the *DEO Distribution Rate Case*, of using call center savings to provide customers a more immediate benefit of the cost reductions achieved as a result of the AMR program. The Commission believes that inclusion of non-AMR related costs in the calculation of call center expenses makes it virtually impossible for customers to realize any immediate call center savings during the AMR installation process. While cognizant of the fact that it is possible that no call center savings may have yet occurred as the result of the AMR program, the Commission finds that, in order to determine whether the AMR program has created savings in call center expenses, non-AMR costs should be excluded when calculating DEO's call center expenses. As a final note, the Commission points out that, in the *2008 AMR Case*, DEO excluded certain expenses for inside meter inspections on the basis that those expenses, as well as any potential savings, were not related to AMR. (*2008 AMR Case*, Opinion and Order at 3 (May 6, 2009)).

While finding that costs and savings that are not related to AMR should not be included when calculating call center expenses, the Commission notes that the record in this case provides no basis for quantifying whether DEO experienced any call center savings in 2009, as compared to the 2007 baseline. Ms. Friscic testified that the non-AMR costs might be greater than or less than the increase in call center costs; however, there is no basis in the record for the Commission to determine what actual call center expenses, after subtracting the non-AMR related increases, were incurred by DEO in 2009. Given the long-term benefits provided by deploying the AMR program as quickly as possible, the fact that the $0.47 per month, per customer AMR charge proposed by DEO and Staff is lower than the $0.53 charge estimated by DEO in the *DEO Distribution Rate Case* and the

$0.62 charge estimated in the *2008 AMR Case* stipulation, and because DEO is required to update its AMR charge on a yearly basis, the Commission finds that it is reasonable, at this time, to authorize DEO to implement a new AMR charge of $0.47 per month, per customer.

The Commission finds that, as part of its 2011 filing to recover AMR installation expenses incurred in 2010, DEO should recalculate the amount of call center costs for 2009, by deleting the expenses associated with the six factors DEO's witness testified were unrelated to installation of the AMR devices, namely: the implementation of natural language technology; the 34 new call center representatives hired to provide bilingual services and to comply with the MGSS; the increased support staff costs resulting from hiring the new call center representatives; DEO's reorganization of its call center; overtime used to reduce peak Monday call volumes and the six-percent increase in call volumes since 2007; and the third-party vendor whose services DEO utilized in order to comply with the MGSS. After subtracting the costs of these items, DEO should compare its revised 2009 call center costs with the 2007 baseline. If this calculation shows that call center costs have been reduced, then DEO should credit the resulting savings, plus a carrying cost of 6.5 percent interest, as established in the *DEO Distribution Rate Case*, against the AMR installation costs incurred in 2010. Going forward, these costs should not be included in DEO's calculation of call center expenses for its AMR charge, and DEO should also not include any new call center expenses that are unrelated to the AMR program. The Commission finds that excluding these existing non-AMR expenses, as well as any new non-AMR costs, from the calculation of call center costs permits customers to benefit from call center savings, if any, created from the accelerated AMR installation program. Finally, the Commission disagrees with Ms. Friscic's testimony that non-AMR call center savings would be included in the calculation of call center costs (Tr. 92). Recognizing that the quid pro quo reached between the parties in the *DEO Distribution Rate Case* when establishing the AMR charge only permits customers to benefit from savings created as a result of the AMR program, the Commission finds that any non-AMR call center savings should also not be considered in the calculation.

3. Federal Stimulus Funds

Finally, in its comments, OCC argues that the Commission should require DEO to document its efforts to obtain federal stimulus funding. OCC submits that the AMR charge should be reduced if DEO fails to apply for any stimulus funding for which it was eligible, because all potential unapplied-for stimulus dollars should be treated as a reduction to the current year's maintenance expense. (OCC Ex. 1 at 4-8.)

DEO suggests that there is no support in the record for OCC's proposal that the AMR charge be reduced to account for unapplied-for federal stimulus funds. DEO points out that nothing in the stipulations in the *DEO Distribution Rate Case* or the *2008 AMR Case* requires DEO to apply for any government funds. Moreover, DEO states that OCC presented no evidence on this issue at the April 9, 2010, hearing. (DEO Initial Brief at 16.)

While the Commission encourages all utilities to find ways to reduce the expenses borne by consumers, and to apply for stimulus funds when applicable, and the Commission encourages DEO to do so, the Commission finds that there is no evidence supporting OCC's contention that the AMR charge should be reduced on the grounds that DEO failed to apply for federal stimulus funds. Furthermore, there is nothing in the record in the *DEO Distribution Rate Case* or the *2008 AMR Case* that required DEO to apply for federal stimulus funds in order to reduce AMR installation costs. Therefore, the Commission finds that OCC's request regarding stimulus funding is not supported by the record.

CONCLUSION:

Upon consideration of the application in this case, the Commission finds that, with the modifications set forth in this order, DEO's application to adjust its AMR charge is reasonable and should be approved. DEO's AMR charge should be modified to utilize the latest known tax rate when calculating property tax expense. Therefore, the Commission finds that DEO should be authorized to implement a new AMR charge of $0.47 per month, per customer in a manner consistent with this order. In addition, the Commission finds that, in its 2011 filing to recover AMR installation costs, DEO shall calculate its call center expenses as specified in this order, and shall provide revised 2009 call center expenses in accordance with this order, with any resulting savings credited against DEO's recovery of AMR installation expenses incurred in 2010. The Commission also finds that OCC's request to reduce the AMR charge because of federal stimulus funds is not supported by the record. Accordingly, the Commission finds that DEO may file, in final form, four, complete, printed copies of the final tariff page with the Commission's docketing division, as set forth in this order. The effective date of the new rates for the AMR charge shall be a date not earlier than the date upon which the final tariff page is filed with the Commission or the first billing cycle of May, whichever is later.

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

(1) DEO is a natural gas company as defined in Section 4905.03(A)(6), Revised Code, and a public utility under Section 4905.02, Revised Code.

(2) DEO filed its prefiling notice of this application on November 30, 2009, in this case.

(3) On March 1, 2010, DEO filed its application in this case.

(4) By entry issued April 2, 2010, OCC was granted intervention.

(5) Comments on the application in this case were filed by OCC and Staff on March 29, 2010. On April 2, 2010, DEO filed a statement regarding the disputed issues.

(6) The hearing in this matter was held on April 9, 2010.

(7) Initial and reply briefs were filed on April 20, 2010, and April 26, 2010, respectively, by DEO, Staff, and OCC.

(8) DEO's application to adjust its AMR charge is reasonable and should be approved, with the modifications as set forth in this order. The AMR charge should be modified to utilize the latest known tax rate when calculating property tax expense and the new charge should be $0.47 per month, per customer.

ORDER:

It is, therefore,

ORDERED, That, with the modifications set forth in this order, DEO's application to adjust its AMR charge is reasonable and should be approved. It is, further,

ORDERED, That DEO take all necessary steps to carry out the terms of this order. It is, further,

ORDERED, That DEO be authorized to file in final form four complete copies of the tariff page consistent with this opinion and order and to cancel and withdraw its superseded tariff page. DEO shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this case docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That the new rates for the AMR charge shall be effective on a date not earlier than the date upon which four complete, printed copies of the final tariff page is filed with the Commission or the first billing cycle of May, whichever is later. It is, further,

ORDERED, That DEO shall notify its customers of the changes to the tariffs via bill message or bill insert within 30 days of the effective date of the revised tariffs. A copy of this customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability, and Service Analysis Division at least 10 days prior to its distribution to customers. It is, further, ORDERED, That, in its 2011 filing to recover AMR installation costs, DEO shall calculate its call center expenses as specified in this order, and shall provide revised 2009 call center expenses in accordance with this order, with any resulting savings credited against DEO's recovery of AMR installation expenses incurred in 2010. In addition, DEO's filing should demonstrate how it will achieve the installation of the AMR devices on the remainder of its meters by the end of 2011, while deploying the devices in a manner that will maximize savings by allowing rerouting at the earliest possible time. It is further,

ORDERED, That nothing in this opinion and order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this opinion and order be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Paul A. Centolella

Valeria A. Lemmie

Steven D. Lesser

Cheryl L. Roberto

HPG/sc

Entered in the Journal

MAY 0 5 2010

Reneé J. Jenkins

Secretary

EXHIBIT

Staff Exhibit 4
Exhibit B

DOMINION EAST OHIO
AUTOMATED METER READING PLAN
UPDATE

Introduction

This automated meter reading (AMR) plan update is submitted to the Staff of the Public Utilities Commission of Ohio in conjunction with the filing of Dominion East Ohio's Application on February 28, 2012 in Case No. 11-5843-GA-RDR. The plan describes the status of ERT installations at the end of 2011 and the follow-up steps, notices and measures that Dominion East Ohio ("DEO" or "Company") is taking to complete remaining installations or meter removals on customer accounts.

Overview

The Company has installed ERT devices on more than 99% of active meters as of December 31, 2011. All shops were moved to a monthly meter reading schedule as of December 1, 2011.

Meter Equipment Summary

The total population of active and inactive DEO meters at customer premises is 1,267,960 as of December 31, 2011. This total is down 7,073 from 2010 due to meter removals and service cuts. The breakdown of the location of meters and metering equipment is indicated below.

Meter Location	Population	Percentage
Inside	519,356	41%
Outside	748,604	59%
Total	1,267,960	

AMR/Meter Status

The Company installed AMR devices on 243,617 meters in 2011. This brings the total number of meters with an ERT device to greater than 99% of active meters.

AMR Project Status as of 12/31/2011

Year	AMR Installations
Through 2007	132,004
2008	278,582
2009	332,135
2010	257,020
2011	243,617
Total Project AMR Installs	1,243,358

The following tables provide a summary of total active and inactive meters by Local Office, the percentage on which AMR installations have been completed and the breakdown of the remaining meters that need to be addressed as of December 31, 2011.

Local Office	Total Meter Population	Percent Complete
Ashtabula	41,425	100%
Northeast	201,884	98%
Lima	67,407	100%
Marietta (River)	21,020	100%
New Philadelphia	20,226	99%
Canton Perry Yard	117,382	99%
Akron	256,881	98%
Western	161,356	95%
Youngstown	162,571	97%
Eastern	196,517	95%
Wooster	21,291	98%
TOTAL	**1,267,960**	**97%**

Local Office	Meters Remaining to AMR	Appointment Needed to Install AMR (Active)	Inactive Meters (May be Scheduled for Removal)
Ashtabula	94	66	28
Northeast	3,454	249	3,205
Lima	711	397	314
Marietta (River)	24	22	2
New Philadelphia	273	138	135
Canton Perry Yard	1,332	545	787
Akron	4,552	2,003	2,549
Western	7,846	2,416	5,430
Youngstown	5,391	1,355	4,036
Eastern	8,928	1,966	6,962
Wooster	481	373	108
TOTAL	**33,086**	**9,530**	**23,556**

Meters Remaining without AMR Device

There were 33,086 active and inactive meters without an AMR device as of December 31, 2011. Of that total population, 9,530 meters with an active billing status did not have an ERT device installed at year-end.

Account Status	No AMR
Active	9,530
4-dial meters (No Access Process)	6,383
Refusals	4
Large meters (Appointment)	3,143
Inactive	23,556
TOTAL	**33,086**

Active customer accounts with 4-dial meters (residential and small commercial) that did not have an ERT device installed by the end of September 2011 were placed in the Company's no access process in an effort to install AMRs or to work disconnections prior to the December moratorium. DEO continued to prioritize this installation work in the 4th quarter, with more than 28,000 meters placed in the process. ERT installations on the 4-dial meters resulted in a year-end reduction to 6,387 small meters remaining in the process.

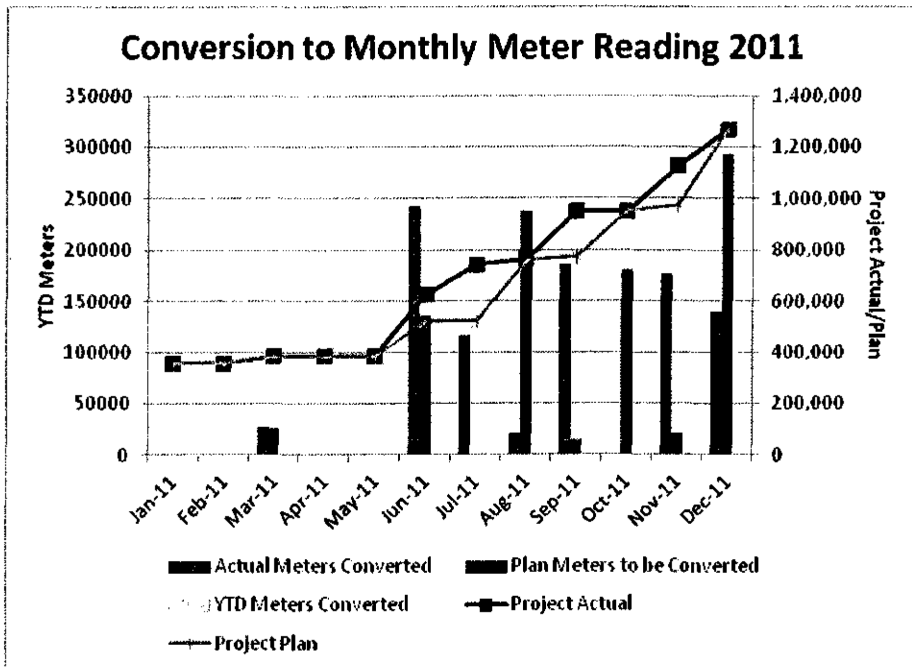
Customers with a 4-dial meter and an active billing status who do not have an AMR device as of February 29, 2012, will resume the no access process. DEO will first initiate the prior notice communication step, and then proceed with disconnection after March 1, 2012, if the customer does not respond to the request for an appointment.

If an account is turned off as a result of a no access process, the meter will be equipped with an AMR device when gas service is restored. It should be noted that the Company is working to combine multiple no access processes into a single Equipment Access process to reduce the number of different letters that could be sent to the customer due to access issues, equipment maintenance and compliance activities.

DEO continues to track and work with the customers who have refused an AMR installation. Staff will be notified prior to termination for these customers. Customers with larger meters require a scheduled appointment. Inactive meters continue to be scheduled for removal.

Monthly Meter Reading

In 2011, the Company focus was on active meters, particularly small residential and commercial meters, in order to implement a monthly meter read frequency for all customers. As of December 1, 2011, all shops were converted to a monthly meter reading schedule for all accounts, including those for which an ERT device has not yet been installed.



DEO began to reroute areas once the switch to monthly meter reading was made. Rerouting after the conversion to monthly meter reading minimized the impact on customers of potential changes in bill due dates. Notification was provided to all customers whose billing cycle due date changed to provide the customer the opportunity to prepare for the change. Eight of 11 local shops have been through the initial re-route process, with the remaining three shops scheduled for 1st and 2nd quarters 2012.

When all re-routing is complete, DEO will have reduced the number of meter reading routes since 2007 from 2,850 to 254. At the conclusion of 2011, there were 36 employees in the meter reading cost center, down from 116 at the start of the AMR installation program.

IT Programming and Hardware Purchases

As the AMR project nears completion, the Company is in the process of making IT programming changes to its Customer Care System. This will include modifications to customer communications and bill prints, streamlining of field service order types, combining all no access processes into a single equipment access process and finalizing the re-route of three shops.

The Company will purchase additional handheld equipment for use by Field Service representatives, which will enable them to perform transfer, check read and collection activities in the field now that AMR installations are greater than 99% complete.

EXHIBIT

Staff Exhibit 5

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 11-5843-GA-RDR

Response To Data Requests

Requesting Party:
PUCO

Data Request Set:
PUCO Set 5 - Bossart

Question Number: **Subpart:**
1-10

Request Date: **Due Date:**
12/29/2011 1/20/2012

Category:
AMR Program Completion

Question:

Please provide information for the following questions concerning DEO's completion of the five year AMR program.

1. As of December 31, 2011, how many meters are currently installed in DEO's territory?

2. As of December 31, 2011, how many DEO meters are installed with AMRs?

3. Did DEO implement re-routing for all its meter reading routes by the end of 2011? If not, how many more routes need to be rerouted and when does DEO estimate the rerouting to be completed?

4. If DEO implemented re-routing for all its meter reading routes, has DEO implement monthly meter reading for all its customers? If not, what is DEO's progress to date and when will DEO implement monthly meter readings for all its customers?

5. As of the date of this data request, provide the number of meter reading routes DEO reads on a monthly basis.

6. Please provide the current position description of DEO meter readers.

7. Please provide, separately, the number of full time and part time meter readers that DEO employed at the end of each of the following years:

   a. 2007
   b. 2008
   c. 2009
   d. 2010
   e. 2011

8. How many estimated bills has DEO generated for each of the following years:

   a. 2007
   b. 2008
   c. 2009
   d. 2010
   e. 2011

9. For each of the following years, please provide the number of "corrected bills" issued due to meter reading

inaccuracies:

a. 2007
b. 2008
c. 2009
d. 2010
e. 2011

10. Please provide the number of tampering charges billed for each of the following years.

a. 2007
b. 2008
c. 2009
d. 2010
e. 2011

Answer:

1. 1,267,960

2. 1,234,874

3. As discussed on page 5 of Exhibit B of the 2011 AMR Plan, filed with DEO's application in Case No. 10-2583-GA-RDR, converting to monthly meter reading occurs before a re-route. This allows us to assess an entire shop after it has been on monthly reading before we begin route combinations and re-routing. For this reason, the shops that moved to monthly meter reads in November and December 2011 are not yet re-routed:

Western
Wooster
Youngstown

Re-routing of these shops is anticipated to be complete in second quarter of 2012.

4. As of December 1, 2011, all DEO routes are now on a monthly meter reading schedule.

5. As of the date of this data request, DEO is currently reading 1,232 routes on a monthly basis.

6. Please see the accompanying file "Meter Reader Job Description from HR.tif".

7. Below are the number of full-time meter readers employed by DEO by year. DEO does not employ part-time meter readers.

a. 2007	108
b. 2008	105
c. 2009	90
d. 2010	81
e. 2011	32

8. Below are the number of estimated bills by year.

a. 2007	7,792,116
b. 2008	7,740,370
c. 2009	7,496,857
d. 2010	6,627,578
e. 2011	3,804,342

9. DEO does not track separately the number of corrected bills due to meter reading inaccuracies. The reasons for cancelling bills and re-issuing them are not noted in the billing system.

10. Per Ohio Administrative Code 4901:1-13-03 - Retention of records and access to records and business activities, each gas or natural gas company shall maintain records for three years that are sufficient to demonstrate compliance with the rules of this chapter. As a result, DEO does not have tampering bill counts for 2007 and 2008.

a. 2007	Not available
b. 2008	Not available
c. 2009	2,031
d. 2010	1,886
e. 2011	8,627

Attachments:

Meter Reader Job Description from HR.tif

EXHIBIT

Staff Exhibit 9(a)

Case No. 11-5843-GA-RDR

Errata to the Prefiled Testimony of Kerry J. Adkins

Page 17, line 3 – Answer to Question 21: change $5,008,971 to $5,139,971

Page 17 line 7 – Answer to Question 21: at line 7, the sentence beginning with "The Staff recommended …" strike that sentence through the end of the answer through the period after the word "request" on line 15.

Page 17, line 17 – Question 22: change "$5,008,971" to "$5,139,971"

Page 17, line 20 – Answer to Question 22: replace "Exhibit KA-1" with "Exhibit KA1A"

Page 18, line 10 – Answer to Question 22: replace "36" with "29"

Page 18, lines 10 and 11 – Answer to Question 22: after the acronym DEO, replace "indicated were still in the meter reading cost center at the end of 2011" with "witness Carleen Fanelly indicates in direct testimony in this case will be the final staffing level"

Page 18, lines 12 and 13 – Answer to Question 22: after the word "released" on line 12, replace "through the end of 2011" with "in order to reach the final staffing level"

Page 18, line 13 – Answer to Question 22: replace "80 with "87"

Page 18, line 15 – Answer to Question 22: replace "$5,989,060" with "$6,513,103"

Page 18, line 16 – Answer to Question 22: replace "36" with "29"

Page 18, line 19 – Question 23: replace "36" with "29"

Page 18, line 20 – Question 23: replace "$5,008,960" with "$5,139,971

Page 19, line 1 – Answer to Question 23: beginning of sentence replace "Exhibit KA-2" with Exhibit "KA-2A"

Page 19, line 16 – Answer to Question 23: replace "$499,088" with "$542,759"

Page 19, line 117 – Answer to Question 23: replace $1,497,264" with "$1,628,276"

Page 20, line 3 – Answer to Question 23: replace "$5,008,959" with "5,139,971"

Page 21, lines 17-19 – Answer to Question 24: after the word "baseline" on line 17, strike the words "and that 36 meter reading employees (that Staff includes in the term "meter readers") were in the meter reading cost center at the end of 2011" beginning on line 17 after the word "baseline" strike all of the words beginning with "and" through "2011" on line 19

Page 22, lines 1- 8 – Answer to Question 24: beginning on line 1, strike "The Staff's use of 36 meter readers to compute the 2012 meter reading savings for recovery in 2013 is based on what the Company reported for the end of 2011, but the actual number of meter readers in 2012 is likely to be lower as DEO completes rerouting of the final three local shops. In spite of this likelihood, the Staff conservatively stayed with the known 36 meter readers, which, if anything, understates the meter reading savings that DEO should report in its application for recovery of 2012 expenses."

Page 23, line 7 – Answer to Question 23: replace "$5,008,959" with "$5,139,971"

Page 23, line 12 – Answer to Question 23: replace "$5,989,060" with "$6,513,102"

Page 23, line 14 – Answer to Question 23: beginning on line 14 after the sentence concluding with "estimate" strike "However, recall that the Staff believes that DEO will actually be able to avoid even more meter reading expenses in 2012 than the Staff's estimate, because all local shops will be rerouted and converted to remote readings. For example, if the Company transferred or released five additional meter readers at the beginning of 2012, then under Staff's recommended approach the meter reading savings that would be reported in the 2013 recovery application would grow from $5,989,060 to $6,363,355."

Page 24, line 5 – Answer to Question 26: replace "Exhibit KA-3" with "Exhibit KA-3A"

Page 24, line 7 – Answer to Question 26: replace "$5,008,960" with "$5,139,971"

Page 24, line 10 – Answer to Question 26: replace "$0.43" with "$0.42" and "Exhibit KA-4" with "Exhibit KA-4A"

Page 24, line 14 – Answer to Question 26: replace "$0.43" with "$0.42" and "Exhibit KA-4" with "Exhibit KA-4A"

Staff Exhibit KA-1a

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO (DEO)
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
CASE NO. 11-5843-GA-RDR

Revised Staff Estimated 2012 Annual Meter Reading Savings for 2013 Recovery Based on Retention of 29 Meter Readers *

Breakout of Meter Reading O&M Expenses

Description	2007 Adjusted Baseline Totals[1]
Net Labor Expenses	$ 7,747,417.79
Subtotal Other	$ 936,718.85
Total Meter Reading Expenses	**$ 8,684,136.64**

[1] 2007 Adjusted Baseline Totals from approved Stipulation in Case No. 09-038-GA-UNC

Staff's Calculation Details		Source
A) Total Meter Reading Expenses included in DEO's Base Rates:	$ 8,684,136.64	09-038-GA-UNC Settlement
B) Total # of Meter Reading Employees in 2007 Baseline Totals:	116	11-5843-GA-RDR, Application Exhibit B
C) Average Cost for Meter Reading Operations per Employee:	$ 74,863.25	Line A / Line B
D) Total # of Meter Reading Employees as of 12/31/2011:	29	11-5843-GA-RDR, Carleen F Fanelly Direct Testimony
E) Reduction in Meter Reading Employees from 2007 thru 2011:	87	Line B - Line D
F) Annual Savings (avoided costs) from Reduced Employees:	$ 6,513,102.75	Line C x Line E

Staff's Calculated Annual Meter Reading Savings based on Retention of 29 Meter Readers:	**$ 6,513,102.75**

* Revised estimate based upon Direct Testimony of Carleen F. Fanelly (filed 04/27/12) that states DEO has achieved full staffing reductions for Meter Reading Staff under the program at a total of 29 full-time employees (27 Meter Readers and 2 Supervisors).

Staff Exhibit KA-2a

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO (DEO)
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
CASE NO. 11-5843-GA-RDR

Revised Staff Calculation of Meter Reading O&M Savings for 2011 Installation Year *

Total Project AMR Installs as of 12/31/2009:	742,721	(11-5843-GA-RDR, Exhibit B AMR Plan Update)
Total Project AMR Installs as of 12/31/2011:	1,243,358	(11-5843-GA-RDR, Exhibit B AMR Plan Update)
Total AMR Installs Remaining on Active Meters as of 12/31/2011:	9,530	(11-5843-GA-RDR, Exhibit B AMR Plan Update)

Table 1: 2009 Installation Plant Additions

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Totals
Installation Plant Additions	1,086,268.06	968,269.28	1,196,632.68	991,180.10	866,800.59	947,202.85	484,944.44	654,034.09	749,808.52	513,256.02	541,932.23	491,673.37	9,492,002.23
Additions % by Month	11.44%	10.20%	12.61%	10.44%	9.13%	9.98%	5.11%	6.89%	7.90%	5.41%	5.71%	5.18%	100.00%
# of Meters by Month	38,010	33,881	41,871	34,682	30,330	33,144	16,969	22,885	26,237	17,959	18,963	17,204	332,135

Table 2: Calculated Meter Installs by Month based on Actual 2009 Installation Allocations

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Totals
2010	17,991	22,989	41,805	21,278	19,846	33,144	16,969	22,885	26,237	17,959	18,963	17,204	277,270
2011	38,010	33,881	41,871	34,682	30,330	33,144	16,969	4,010					232,897

The Commission's order in Case No. 09-1875-GA-RDR was issued May 5, 2010. As such, the Meter Installs by month in the above chart reflect actual installs as submitted by DEO for Jan-2010 through May 2010. Part of the Comission's Order was that DEO should complete installation of all remaining AMR devices in 2011 while deploying the devices in such a manner that will maximize savings by allowing rerouting at the earliest possible time. Therefore, Staff calculated meter installs for June-2010 through Aug-2011 (shaded months) based upon DEO's actual install rates achieved in calendar year 2009.

Staff's Calculation Details		**Source**
A) Completion of the Installation Deployment Phase:	August 2011	Table 2, Staff Exhibit KA-2a
B) Two-month Conversion Period to Monthly Meter Reads:	August and September 2011	Staff estimate
C) Number of Months of Full Reader Reductions and Re-routing:	3	October, November, and December 2011
D) Monthly Savings (avoided costs) from Reduced Employees:	$ 542,758.56	Staff Exhibit KA-1a Line F / 12
E) Additional Savings from Completing the Installations in August:	$ 1,628,275.68	Line D x Line C
F) Meter Reading Savings Reported in DEO's Application:	$ 3,511,695.32	Exhibit A, Schedule 1, Line 21 DEO Application
G) Staff Recommended Meter Reading Savings:	**$ 5,139,971.00**	Line E + Line F

* Revised estimate based upon Direct Testimony of Carleen F. Fanelly (filed 04/27/12) that states DEO has achieved full staffing reductions for Meter Reading Staff under the program at a total of 29 full-time employees (27 Meter Readers and 2 Supervisors).

STAFF EXHIBIT KA-3a

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE

CASE NO. 11-5843-GA-RDR

Revenue Requirement (Staff Adjusted) - Meter Reading Savings Adjustment ONLY

Reference(s): | **Prepared by: R Fadley**

Case No. 11-5843-GA-RDR Company Application Schedules | **Staff Exhibit KA-3a**

Line No.		As Approved 12/31/10	2011 Activity	Staff Adjusted Totals through 12/31/11
1	Return on Investment			
2	Plant in Service			
3	Additions	$73,802,421.11	$16,529,399.32	$90,331,820.43
4	Retirements	0.00	0.00	0.00
5	Total Plant in Service	73,802,421.11	16,529,399.32	90,331,820.43
6	Less: Accumulated Provision for Depreciation			
7	Depreciation Expense	4,275,538.96	2,710,304.01	6,985,842.97
8	Cost of Removal	0.00	0.00	0.00
9	Original Cost Retired	0.00	0.00	0.00
10	Total Accumulated Provision for Depreciation	4,275,538.96	2,710,304.01	6,985,842.97
11	Net Regulatory Asset - Post-In-Service Carrying Cost	4,206,291.86	1,134,837.24	5,341,129.10
12	Net Deferred Tax Balance - PISCC	(1,472,202.15)	(397,193.04)	(1,869,395.19)
13	Deferred Taxes on Liberalized Depreciation	(7,817,219.85)	(11,935,108.15)	(19,752,328.00)
14	Net Rate Base	$64,443,752.01	$2,621,631.36	$67,065,383.37
15	Approved Pre -Tax Rate of Return (ROR)			11.36%
16	Annualized Return on Rate Base			$7,618,627.55
17	Operating Expense			
18	Incremental Annual Depreciation Expense			2,710,304.01
19	Annualized Amortization of PISCC			173,181.29
20	Incremental Annual Property Tax Expense			757,434.25
21	Reduction in Meter Reading Expense			(5,139,971.00) [1]
22	Reduction in Call Center Expense			0.00
23	Annualized Revenue Requirement			$6,119,576.10
24	Number of Bills			14,416,940
25	AMR Cost Recovery Charge			**$0.42**

Notes:

1 Staff adjusted Meter Reading Savings by $1,628,275.68.

STAFF EXHIBIT KA-4a

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE

CASE NO. 11-5843-GA-RDR

Revenue Requirement (Staff Adjusted)

Reference(s):
Case No. 11-5843-GA-RDR Company Application Schedules

Prepared by: R Fadley
Staff Exhibit KA-4a

Line No.		As Approved 12/31/10	2011 Activity	Staff Adjusted Totals through 12/31/11	
1	Return on Investment				
2	Plant in Service				
3	Additions	$73,802,421.11	$16,154,199.71	$89,956,620.82	1
4	Retirements	0.00	0.00	0.00	
5	Total Plant in Service	73,802,421.11	16,154,199.71	89,956,620.82	
6	Less: Accumulated Provision for Depreciation				
7	Depreciation Expense	4,275,538.96	2,710,304.01	6,985,842.97	
8	Cost of Removal	0.00	0.00	0.00	
9	Original Cost Retired	0.00	0.00	0.00	
10	Total Accumulated Provision for Depreciation	4,275,538.96	2,710,304.01	6,985,842.97	
11	Net Regulatory Asset - Post-In-Service Carrying Cost	4,206,291.86	1,134,837.24	5,341,129.10	
12	Net Deferred Tax Balance - PISCC	(1,472,202.15)	(397,193.04)	(1,869,395.19)	
13	Deferred Taxes on Liberalized Depreciation	(7,817,219.85)	(11,935,108.15)	(19,752,328.00)	
14	Net Rate Base	$64,443,752.01	$2,246,431.75	$66,690,183.76	
15	Approved Pre -Tax Rate of Return (ROR)			11.36%	
16	Annualized Return on Rate Base			$7,576,004.88	
17	Operating Expense				
18	Incremental Annual Depreciation Expense			2,710,304.01	
19	Annualized Amortization of PISCC			173,181.29	
20	Incremental Annual Property Tax Expense			757,434.25	
21	Reduction in Meter Reading Expense			(5,139,971.00)	2
22	Reduction in Call Center Expense			0.00	
23	Annualized Revenue Requirement			$6,076,953.43	
24	Number of Bills			14,416,940	
25	AMR Cost Recovery Charge			**$0.42**	

Notes:

[1] Staff adjusted plant additions totals to reflect removal of 9,530 ERTs in inventory.

[2] Staff adjusted Meter Reading Savings by $1,628,275.68.

EXHIBIT

OCC/OPAE Ex 1

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 Approval of Tariffs to Recover Certain Costs Associated with its Automated Meter Reading Deployment Through an Automatic Adjustment Clause, .and for Certain Accounting Treatment	)))))))	Case No. 11-5843-GA-RDR

JOINT COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL
AND
OHIO PARTNERS FOR AFFORDABLE ENERGY

I. INTRODUCTION

The Office of the Ohio Consumers' Counsel ("OCC") and Ohio Partners for Affordable Energy ("OPAE"), separate intervenors in the above-referenced proceeding, hereby file these joint comments ("Comments") regarding the Application filed by East Ohio Gas Company d/b/a Dominion East Ohio ("Dominion" or "the Company"). This case involves the rider rate that Dominion is authorized to charge to customers to recover the costs associated with the installation of Automated Meter Reading Devices ("AMR"), which upon installation will permit the Company to automatically read customers' meters rather than having to manually read the meters.

The Attorney Examiner established a procedural schedule by Entry ("March 5, 2012 Entry"). On March 28, 2012, OCC filed a motion for a one-week extension to the procedural schedule ("Motion"). The Attorney Examiner granted OCC's Motion, and established the following procedural schedule that includes an April 6, 2012 due date for any Comments to be filed in this proceeding.[1] By April 13, 2012, Dominion is required to file a statement informing the Public Utilities Commission of Ohio ("PUCO" or "the Commission") whether the issues raised in the comments have been resolved.[2] If the issues are not resolved, then the case is set for evidentiary hearing on Wednesday, April 18, 2011.[3]

II. RESERVATION OF RIGHTS

OCC and OPAE reserve the right to address any issues raised by Commission Staff or any other party in this proceeding. In addition, OCC and OPAE reserve the right to file supplemental Comments and/or expert testimony on any matters not resolved by April 13, 2012, as set forth in the Attorney Examiner's Entry.[4]

III. BURDEN OF PROOF

The Application has been filed pursuant to R.C. 4929.11. The burden of proof regarding the Application rests upon Dominion. In a hearing regarding a proposal that does involve an increase in rates, R.C. 4909.19 provides that, "[a]t any hearing involving rates or charges sought to be increased, the burden of proof to show that the increased rates or charges are just and reasonable shall be on the public utility."[5] Inasmuch as the annual AMR cases are an outgrowth of Dominion's 2007 Rate Case, Dominion in this case bears the burden of proof. Therefore, neither OCC, OPAE, nor any other intervenor bears any burden of proof in this case.

[1] Entry at 2 (March 30, 2012).

[2] Entry at 2 (March 30, 2012).

[3] Entry at 2 (March 30, 2012).

[4] Entry at 2 (March 30, 2012).

[5] R.C. 4909.19 (C).

IV. COMMENTS

A. 2011 Dominion AMR Application

OCC and OPAE have reviewed Dominion's 2011 AMR Application, and the proposed $0.03 reduction to the AMR Rider Rate that will be charged to customers. In this case, Dominion has proposed an AMR Rider Rate of $0.54 charged monthly to every residential customer, which is a decrease from the current AMR Rider Rate of $0.57. OCC's review also included Staff and OCC discovery requests and Dominion's responses thereto. Based on OCC's and OPAE's review, OCC and OPAE have no Comments to this particular Application or on Dominion's proposed AMR Rider Rate reduction for residential customers.

B. 2012 AMR Proceeding

In AMR cases, prior to the 2011 AMR Application, the level of meter reading operations and maintenance ("O&M") cost savings has been a contentious issue.[6] A claimed benefit to consumers from allowing Dominion's accelerated collection of AMR costs has been that the AMR devices were projected to reduce the costs that consumers would be asked to pay because the meters would cost less to read (since a wireless signal from the meter would be used).

In Dominion's present Application, the Company has reflected meter reading O&M cost savings in the amount of $3,511,695.32.[7] In this case, the meter reading O&M cost savings exceeded the Company's estimated level of meter reading O&M cost

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[6] *In re 2008 Dominion AMR Case*, Case No. 09-1875-GA-RDR, OCC Comments at , 2-6 (April 10, 2009), See also *In re 2009 Dominion AMR Case*, Case No. 09-1875-GA-RDR, OCC Comments at 5 (March 29, 2010), See also *In re Dominion2010 AMR Case*, Case No. 10-2853-GA-RDR, OCC Comments at 5-8 (March 30, 2011).

[7] Application at Exhibit A Schedule 1.

savings when the program was authorized ($2,950,000).[8] That was the reason that OCC and OPAE did not raise this issue in this case.

However, in responding to OCC discovery ("OCC Interrogatory No. 18") in this case, the Company has changed its past position. Previously, Dominion had estimated that customers should receive the benefit of meter reading O&M cost savings in an amount $11.2 million[9] between 2009 and 2012. But now, Dominion is claiming that customers should only receive the benefit of costs savings in an amount of $6.2 million. By using the word "cumulative," Dominion could deny customers approximately $5.0 million in what should be offsets to the rates they pay. Here is the Dominion answer at issue:

> Further, this Interrogatory mistakenly implies that the referenced data-request response was a representation by DEO that it would achieve meter reading savings of $6,000,000 per year. The savings estimated in that response represented estimated, cumulative savings over a 5-year deployment period. Subject to and without waiving this objection, DEO answers: With the expense savings of $3,511,695.32 for 2011, cumulative meter reading expense savings as of December 31, 2011 total approximately $6.2 million, which exceeds the cumulative projection of $6 million through 2012 provided during the rate case.

Case No. 09-038-GA-UNC	$ (275,928.62)
Case No. 09-1875-GA-RDR	$ (680,658.76)
Case No. 10-2853-GA-RDR	$ (1,761,163.40)
Case No. 11-5843-GA-RDR	$ (3,511,695.32)
Total Savings to Date	$ (6,229,446.10).[10]

OCC's and OPAE's concern is that Dominion's above discovery response mischaracterizes the referenced PUCO Staff data request. The Staff did not ask for the

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[8] See Attachment 1.

[9] Id. (900,000 + $1,300,000 + $2,950,000 + $6,000,000 = $11,150,000).

[10] See Attachment 3, Dominion's Response to OCC Interrogatory No. 18.

information on a cumulative basis.[11] In fact, the data request specifically requested an estimate of "annual meter-reading O&M savings."[12] Furthermore, there is no basis to believe that Dominion's response to Staff's data request was provided on a cumulative basis either.

OCC has attached the document containing Dominion's estimated meter reading O&M cost savings (attached hereto as Attachment 1) to its Comments filed in prior AMR proceedings. Dominion has submitted testimony in prior AMR proceedings, and the Company, in its discussions of its estimates, has never raised this particular interpretation of the estimated meter reading O&M cost savings prior to its response to OCC Interrogatory No. 18 in this case.

In her testimony in Case No. 09-1875-GA-RDR, -- where the issue of AMR meter reading O&M cost savings was litigated -- Dominion witness Friscic offered her explanation without stating the estimated cost savings had been derived on a cumulative basis.:

> The cost savings estimates that DEO provided in its last rate case were just that - estimates. And the estimates that OCC cites were based on full deployment of AMR in 2012, with savings estimated from a 2006 baseline rather than the 2007 baseline ordered by the Commission. (OCC Comments, pp. 5-6, citing Case No. 07-829-GA-AIR; Dominion Responses to Staff Data Requests 02-12 & 06-1L) The estimates provided in discovery during the rate case were never represented as certain. DEO has always maintained that estimated savings likely will not and cannot be achieved until a "critical mass" is reached by full AMR installation. The response to Data Request 02-12 (OCC Comments, Attachment 1) specifically states: "The Company does not expect to realize material savings until a sufficient quantity of complete routes are automated for mobile reading." Further, the estimates were "based on potential meter reading headcount reductions in the future."

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[11] See Attachment 1.

[12] *Id.*

> Thus, OCC's contention that the lack of immediate savings acceptable to them somehow creates an imbalance, or signals that savings will ultimately not be realized, is baseless and disingenuous. Full installation is necessary to comprehensively re-configure and restructure all meter reading schedules and routes to maximize meter reading savings. Without the complete reconfiguration of meter reading schedules through full AMR installation, the full extent of structural and staffing changes required to achieve maximum call center expense reduction cannot occur.

Thus, while Ms. Friscic's above testimony attempts to back track from the level of estimated cost savings, there was no attempt to argue that the estimated meter reading O&M cost savings were to be cumulative. In the event Dominion raises this argument in future AMR proceedings, the Commission should reject such an argument.

Therefore, in Dominion's 2012 AMR proceeding, Dominion should be expected to achieve, as was estimated, a minimum of $6 million in meter reading O&M cost savings.[13] This expectation is reasonable in that next year the AMR's will be completely deployed and all meter reading routes will be taking full advantage of the AMR technology, meaning that meters are being read remotely through a wireless signal.[14] Furthermore, the Company should be expected to continue to file annual AMR applications -- and pass back to its customers at least $6 million in meter reading O&M cost savings -- until its next base rate application is filed that includes Dominion's AMR-related investments in rate base. The burden of proving the reasonableness of any lesser cost savings is on Dominion.

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[13] See Attachment 1.

[14] See Attachment 2, Dominion's Automated Meter Reading Plan Update.

Respectfully submitted,

BRUCE J. WESTON

/s/ Joseph P. Serio

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the *Joint Comments by the Office of the Ohio Consumers' Counsel and Ohio Partners for Affordable Energy* was served via electronic mail upon the following persons on this 6th day of April, 2012.

/s/ Joseph P. Serio
Joseph P. Serio
Assistant Consumers' Counsel

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The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Response to Data Requests

Requesting Party:
PUCO

Data Request Set:
Peter Baker

Question Number:	**Subpart:**
02	12

Request Date:	**Due Date:**
10/17/2007	11/02/2007

Topic:
AMR

Question:
Using 2006 meter-reading O&M expense as a baseline and assuming the schedule provided in response to Item 7 above, please estimate the Company's annual meter-reading O&M savings.

Answer:
The Company does not expect to realize material savings until a sufficient quantity of complete routes are automated for mobile reading. The Company has calculated the following savings based on potential meter reading headcount reductions in the future. It should be noted that the Company expects many of those positions to be redeployed to other areas of the Company.

2009 - $ 900,000
2010 - $ 1,300,000
2011 - $ 2,950,000
2012 - $ 6,000,000

Preparer Of Response:	**Date Prepared:**
William Armstrong	11/01/2007 03:14:09 PM EDT

Attachments:
No

DOMINION EAST OHIO
AUTOMATED METER READING PLAN
UPDATE

Introduction

This automated meter reading (AMR) plan update is submitted to the Staff of the Public Utilities Commission of Ohio in conjunction with the filing of Dominion East Ohio's Application on February 28, 2012 in Case No. 11-5843-GA-RDR. The plan describes the status of ERT installations at the end of 2011 and the follow-up steps, notices and measures that Dominion East Ohio ("DEO" or "Company") is taking to complete remaining installations or meter removals on customer accounts.

Overview

The Company has installed ERT devices on more than 99% of active meters as of December 31, 2011. All shops were moved to a monthly meter reading schedule as of December 1, 2011.

Meter Equipment Summary

The total population of active and inactive DEO meters at customer premises is 1,267,960 as of December 31, 2011. This total is down 7,073 from 2010 due to meter removals and service cuts. The breakdown of the location of meters and metering equipment is indicated below.

Meter Location	Population	Percentage
Inside	519,356	41%
Outside	748,604	59%
Total	1,267,960	

AMR/Meter Status

The Company installed AMR devices on 243,617 meters in 2011. This brings the total number of meters with an ERT device to greater than 99% of active meters.

AMR Project Status as of 12/31/2011

Year	AMR Installations
Through 2007	132,004
2008	278,582
2009	332,135
2010	257,020
2011	243,617
Total Project AMR Installs	1,243,358

The following tables provide a summary of total active and inactive meters by Local Office, the percentage on which AMR installations have been completed and the breakdown of the remaining meters that need to be addressed as of December 31, 2011.

Local Office	Total Meter Population	Percent Complete
Ashtabula	41,425	100%
Northeast	201,884	98%
Lima	67,407	100%
Marietta (River)	21,020	100%
New Philadelphia	20,226	99%
Canton Perry Yard	117,382	99%
Akron	256,881	98%
Western	161,356	95%
Youngstown	162,571	97%
Eastern	196,517	95%
Wooster	21,291	98%
TOTAL	**1,267,960**	**97%**

Local Office	Meters Remaining to AMR	Appointment Needed to Install AMR (Active)	Inactive Meters (May be Scheduled for Removal)
Ashtabula	94	66	28
Northeast	3,454	249	3,205
Lima	711	397	314
Marietta (River)	24	22	2
New Philadelphia	273	138	135
Canton Perry Yard	1,332	545	787
Akron	4,552	2,003	2,549
Western	7,846	2,416	5,430
Youngstown	5,391	1,355	4,036
Eastern	8,928	1,966	6,962
Wooster	481	373	108
TOTAL	**33,086**	**9,530**	**23,556**

Meters Remaining without AMR Device

There were 33,086 active and inactive meters without an AMR device as of December 31, 2011. Of that total population, 9,530 meters with an active billing status did not have an ERT device installed at year-end.

Account Status	No AMR
Active	9,530
4-dial meters (No Access Process)	6,383
Refusals	4
Large meters (Appointment)	3,143
Inactive	23,556
TOTAL	**33,086**

Active customer accounts with 4-dial meters (residential and small commercial) that did not have an ERT device installed by the end of September 2011 were placed in the Company's no access process in an effort to install AMRs or to work disconnections prior to the December moratorium. DEO continued to prioritize this installation work in the 4th quarter, with more than 28,000 meters placed in the process. ERT installations on the 4-dial meters resulted in a year-end reduction to 6,387 small meters remaining in the process.

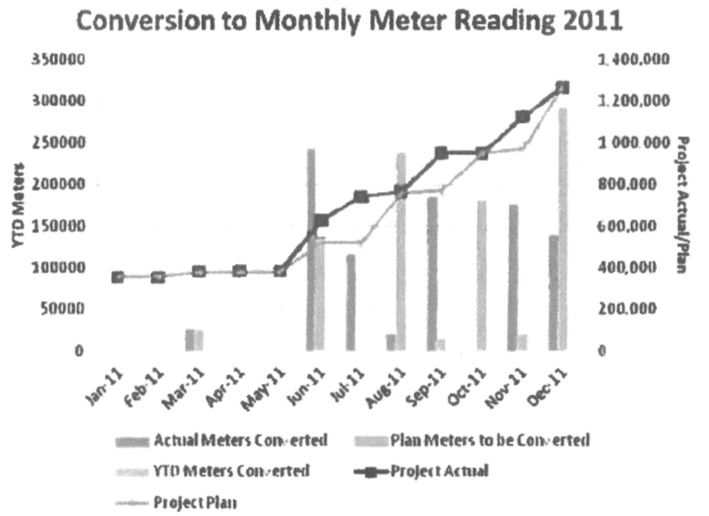
Customers with a 4-dial meter and an active billing status who do not have an AMR device as of February 29, 2012, will resume the no access process. DEO will first initiate the prior notice communication step, and then proceed with disconnection after March 1, 2012, if the customer does not respond to the request for an appointment.

If an account is turned off as a result of a no access process, the meter will be equipped with an AMR device when gas service is restored. It should be noted that the Company is working to combine multiple no access processes into a single Equipment Access process to reduce the number of different letters that could be sent to the customer due to access issues, equipment maintenance and compliance activities.

DEO continues to track and work with the customers who have refused an AMR installation. Staff will be notified prior to termination for these customers. Customers with larger meters require a scheduled appointment. Inactive meters continue to be scheduled for removal.

Monthly Meter Reading

In 2011, the Company focus was on active meters, particularly small residential and commercial meters, in order to implement a monthly meter read frequency for all customers. As of December 1, 2011, all shops were converted to a monthly meter reading schedule for all accounts, including those for which an ERT device has not yet been installed.



DEO began to reroute areas once the switch to monthly meter reading was made. Rerouting after the conversion to monthly meter reading minimized the impact on customers of potential changes in bill due dates. Notification was provided to all customers whose billing cycle due date changed to provide the customer the opportunity to prepare for the change. Eight of 11 local shops have been through the initial re-route process, with the remaining three shops scheduled for 1st and 2nd quarters 2012.

When all re-routing is complete, DEO will have reduced the number of meter reading routes since 2007 from 2,850 to 254. At the conclusion of 2011, there were 36 employees in the meter reading cost center, down from 116 at the start of the AMR installation program.

IT Programming and Hardware Purchases

As the AMR project nears completion, the Company is in the process of making IT programming changes to its Customer Care System. This will include modifications to customer communications and bill prints, streamlining of field service order types, combining all no access processes into a single equipment access process and finalizing the re-route of three shops.

The Company will purchase additional handheld equipment for use by Field Service representatives, which will enable them to perform transfer, check read and collection activities in the field now that AMR installations are greater than 99% complete.

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 Approval of Tariffs to Adjust its Automated Meter Reading Cost Recovery Charge and Related Matters.	)))))	Case No. 11-5843-GA-RDR

THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO'S RESPONSES AND OBJECTIONS TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Ohio Adm. Code 4901-1-19(A) and Ohio Adm. Code 4901-1-20(C), The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") hereby provides its responses to the Office of the Ohio Consumers' Counsel's ("OCC") First Set of Interrogatories and Requests for Production of Documents served on March 26, 2012.

GENERAL OBJECTIONS

DEO's responses to OCC's First Set of Interrogatories and Requests for Production of Documents are subject to the following general objections:

1. DEO objects to the Instructions for Answering to the extent such instructions purport to impose discovery obligations that are inconsistent with the Commission's rules for discovery.

2. DEO objects to each interrogatory and request for production of documents to the extent such discovery requests seek the disclosure of information subject to attorney-client privilege or which constitute attorney work product.

3. DEO objects to each interrogatory and request for production of documents that purports to require a detailed, narrative response. Under applicable Commission rules and the

RESPONSE: As shown on Schedule 11 in Case No. 11-5843-GA-RDR, there were no Call Center savings for calendar year 2011.

Interrogatory No. 16: Did DEO include any inventory in excess of 100,000 automated meter reading units in December 31, 2011 plant in service?

RESPONSE: No.

Interrogatory No. 17: If the response to OCC Interrogatory No. 16 is affirmative, what is the dollar amount of the inventory in excess of 100,000 units included in December 31, 2011 plant in service?

RESPONSE: See DEO Response to OCC Interrogatory No. 16.

Interrogatory No. 18: Referring to Exhibit A, Schedule 11 of the Application, please explain why the annual meter reading savings in the amount of $3,511,695.32 at 99% deployment are so much less than the meter reading savings estimated at full deployment of $6,000,000 (see DEO response to Staff Data Request 02-12 in Case No. 07-829-GA-AIR.)

RESPONSE: Objection. This Interrogatory requests a narrative explanation of causation without any limitation and accordingly is overbroad and unduly burdensome to answer. Further, the phrase "so much less" is vague and argumentative and DEO does not by answering the Interrogatory accept any implied characterizations. Further, this Interrogatory mistakenly implies that the referenced data-request response was a representation by DEO that it would achieve meter reading savings of $6,000,000 per year. The savings estimated in that response represented estimated, cumulative savings over a 5-year deployment period. Subject to and without waiving this objection, DEO answers: With the expense savings of $3,511,695.32 for 2011, cumulative meter reading expense savings as of December 31, 2011 total approximately $6.2 million, which exceeds the cumulative projection of $6 million through 2012 provided during the rate case.

Case No. 09-038-GA-UNC	$	(275,928.62)
Case No. 09-1875-GA-RDR	$	(680,658.76)
Case No. 10-2853-GA-RDR	$	(1,761,163.40)
Case No. 11-5843-GA-RDR	$	(3,511,695.32)
Total Savings to Date	$	(6,229,446.10)

EXHIBIT

N°

DEO Ex 3

FILE 9

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 Approval of Tariffs to Recover Certain Costs Associated with Automated Meter Reading Deployment Through an Automatic Adjustment Clause, And for Certain Accounting Treatment	**Case No. 06-1453-GA-UNC**

APPLICATION

The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") respectfully requests: (1) pursuant to Section 4929.11, Ohio Revised Code, approval of tariffs to recover, through an automatic adjustment mechanism, costs associated with the deployment of automated meter reading ("AMR") equipment throughout DEO's system; and (2) pursuant to Section 4905.13, such accounting authority as may be required to permit the deferral of those costs for subsequent recovery through the automatic adjustment mechanism. In support of its Application, DEO states:

1. DEO is an Ohio corporation engaged in the business of providing natural gas service to approximately 1.2 million customers in northeast, western and southeast Ohio and, as such, is a natural gas company as defined by R.C. 4905.03(A)(6), and a public utility as defined by R.C. 4905.02.
2. In Case No. 05-602-GA-ORD, the Commission enacted certain minimum gas service standards ("MGSS"), which take effect January 1, 2007. One of these rules, Rule 4901:1-13-04(G)(1), Ohio Administrative Code ("O.A.C."), will require natural gas companies to obtain an actual reading of each customer's

meter at least once every twelve months, and also make reasonable attempts to obtain actual meter readings every other month. Under the Commission's rule, a meter reading obtained through remote index equipment does not qualify as an "actual" meter read.

3. Presently, 43% of the nearly 1.3 million meters in DEO's system, or approximately 556,000, are located inside customers' premises. In order to read these inside meters, the Company equipped 373,000 of them with remote meter index equipment. As discussed above, however, meter readings obtained through remote index equipment do not qualify as an actual meter read. Consequently, DEO is uniquely challenged to comply with Rule 4901:1-13-04(G)(1).

4. Although meter readings obtained through remote index equipment do not qualify as an actual meter reading, readings obtained through electronic means, such as automated meter reading equipment, "shall be considered actual readings." Rule 4901:1-13-04(G), O.A.C. DEO therefore proposes to replace all of its remote meter index devices with automated meter reading ("AMR") devices and to install AMR equipment on all of its other meters over a five-year period. Such a program would provide the following benefits to DEO's customers:

    a. AMR provides the most cost-effective way for DEO to comply with the MGSS on a long-term basis. Because the Company's cost of reading meters is ultimately recovered in base rates, a more cost-effective meter reading solution will result in lower rates over time.

    b. All of DEO's approximately 400,000 Standard Service Offer customers and approximately one-third of its 800,000 Energy Choice customers pay monthly variable commodity rates that can change substantially from one month to the next. Under the MGSS, the Company is only required to attempt to obtain actual meter readings every other month, meaning that customers will receive at least six estimated bills each year. The monthly meter reading made possible by AMR would enable DEO to apply each month's commodity rate to actual consumption for that month, resulting in a better match between billing and consumption.[1]

c. Monthly actual meter readings would provide more accurate information for use in transferring service at a premise from one customer to another, eliminate call volume associated with estimated meter reads, improve call center average speed of answering customer calls, and avoid the need for large numbers of customers to schedule appointments to have a meter reader obtain the annual read required under the MGSS.

d. Because AMR reads are obtained by employees who drive along a route recording reads through mobile data collectors installed in their vehicles, customers would no longer have to cope with unwanted or inconvenient intrusions onto their property or into their home or business.

In summary, the installation of AMR equipment system-wide will enable DEO to meet the MGSS meter reading requirements in a very cost-effective manner while also providing the additional customer benefits described above.

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[1] AMR will also eliminate the problem of multiple consecutive estimates that must be used when repeated efforts to obtain an actual meter read fail. Even if an actual read is obtained once every twelve months, the Company does not have the data points needed to develop an accurate estimate for the eleven months between actual reads. As a result, the actual usage for those intervening months may occur in a much different pattern than that reflected on the bills. Given the access issues caused by the large number of inside meters on DEO's system, consecutive estimates pose a considerable problem for the Company and its customers.

5. DEO estimates the cost of system-wide AMR deployment using Itron encoder-receive-transmitter ("ERT") devices to be between $100 million and $110 million. Absent timely recovery of the associated depreciation, property taxes and return on rate base investment, DEO would fund the program through its normal capital budgeting process, which would accommodate a fifteen- to twenty-year systemwide deployment.
6. As an alternative to a fifteen- to twenty-year deployment, the instant Application, if approved, would enable DEO to increase its capital spending considerably to accommodate a five-year deployment schedule. Under a five-year schedule, the Company would install 250,000 ERT units per year beginning in January 2008. The pace of deployment for ERT devices in 2007 is discussed below.
7. The Company's existing remote index equipment consists of Hexagram, Badger and American devices. The Company has performed a statistical evaluation of its existing remote meter index equipment and found that, while the Hexagram remote devices installed on nearly 319,000 of its meters perform very well, with a defect rate of only 1.8%, the American and Badger devices installed on approximately 54,000 meters from 1977 to 1984 have much higher defect rates of 9.5% and 21.4%, respectively. As a result, DEO will replace the American and Badger units through its normal capital budgeting process and seek recovery of the associated cost in the context of its next base rate case.[2] The Company will commence replacement of the American and Badger devices in the first quarter of

[2] DEO will not include the cost associated with any defective meters or remotes that would have been replaced in the normal course of meter exchange activity in amounts to be recovered via the AMR Cost Recovery Charge. As in the case of the American and Badger replacements, the Company will seek recovery of such costs in future rate cases.

2007 with the intent of substantially completing those replacements within two years.

8. In its application seeking Commission approval of tariff changes needed to comply with the MGSS, filed concurrently with this Application, DEO requests approval of a provision requiring customers that have had service terminated for non-access, and those that have engaged in fraudulent practice, tampering or theft of service, to pay for the installation of an AMR device on the meter(s) serving their premise. DEO will treat such payments as a contribution in aid of construction ("CIAC") and will not seek recovery of such dollars either through the charge requested herein or through subsequent rate cases.

9. DEO's objective in its AMR program is to provide more accurate usage data and monthly meter reading at the earliest possible date consistent with an economic deployment of AMR devices. In so doing, the Company will have to evaluate the efficiency of a "shop-by-shop" conversion (that is, a series of conversions moving from one service area to the next as service areas are converted) versus a systemwide conversion with an initial focus on inside meters. DEO will consult with Commission Staff to determine the most appropriate way to deploy AMR across its system. The Company plans to move to monthly meter reading system-wide as soon as enough meters are AMR-equipped to make this possible. Once a sufficient number of meters are so equipped, DEO will manually read the remaining meters until *all of its meters* are equipped with ERT devices. As an alternative, and pending consultation with Commission Staff, DEO could

transition to monthly meter reading on a shop-by-shop basis as service areas are converted.

10. In order to recover the costs of the AMR program, DEO proposes the following:

    a. The Company will initially record as a regulatory asset the depreciation, incremental property taxes, and post in-service carrying charges associated with its AMR program costs, excluding those costs associated with replacement of American and Badger remote index devices and any CIAC recovered from customers that have had service terminated for non-access or those that have engaged in fraudulent practice, tampering or theft of service.

    b. DEO will compare its annual meter reading operating and maintenance ("O&M") expense to a 2006 base year. Any savings relative to that base year will be used to reduce the year-end regulatory asset in order to provide customers the benefit of any meter reading cost reductions achieved as a result of the AMR deployment.

    c. The regulatory asset amount net of the preceding meter reading O&M savings will be recoverable via an AMR Cost Recovery Charge applicable to all customer class rate schedules on which ERT devices are installed. (DEO's largest transportation accounts already have AMR installed at the customers' expense.) Because the cost of an ERT device installed on a meter is the same regardless of usage, the AMR Cost Recovery Charge is properly applied as a fixed charge per month rather than a volumetric charge. There will be no difference in the charge across customer classes because the cost of the unit is identical for over 99% of the units to be installed.

d. In February of each year, DEO will file an application in this docket with schedules supporting the proposed AMR Cost Recovery Charge based on the costs accumulated through December of the prior year, as adjusted for the associated excise tax obligation, and bills rendered over the prior year.[3] DEO will provide Commission Staff with sufficient accounting and billing record details to enable it to analyze and audit the schedules. In order to facilitate a timely review of the application, the Company will file a pre-filing notice containing estimated schedules ninety days prior to the application. The estimated schedules will contain a combination of actual and projected data for the calendar year to be reflected in the February application.

e. When DEO files its next base rate case, the revenue requirement will reflect updated test year operating expenses and date certain net plant. Once rates approved in the case go into effect, AMR-related capital investments made prior to date certain will be reflected in base rates along with updated test year expenses for meter reading O&M and property taxes. Post rate case, the AMR Cost Recovery Charge will use test year O&M and date certain gross plant as the basis upon which to calculate

[3] The schedules will include the original costs, accumulated reserve for depreciation and deferred taxes associated with the plant additions, the corresponding annual depreciation and incremental property tax expenses as well as the meter reading O&M savings and any CIAC used to reduce the amount to be recovered by the AMR Cost Recovery Charge. Until such time as DEO files a base rate case, the post in service carrying charges will be accrued at the embedded cost of long-term debt held by DEO's parent company, Consolidated Natural Gas Company, which is in turn a wholly-owned subsidiary of Dominion Resources, Inc.

future AMR Cost Recovery Charges. In its next rate case, DEO will seek approval of an AMR Cost Recovery Charge that will provide more timely recovery of the depreciation, incremental property taxes and associated rate of return of subsequent program expenses along with any amounts unrecovered at the point an updated AMR Cost Recovery Charge goes into effect. The rate of return assigned to the recovery of subsequent net capital expenditures will be set at the rate of return authorized in the proceeding by the Commission.

11. While the initial year's AMR Cost Recovery Charge can only be determined after actual costs and billing determinants are known, it appears that the initial charge will amount to less than $0.25 per month per customer. Increases to the rate thereafter are not expected to be linear (*i.e.,* the rate increases another $0.25 each year until the maximum level is reached in year 5) because the number of units installed and the amount of meter reading O&M costs savings and CIAC used to reduce the amount to be recovered will not occur evenly over the five-year deployment.

WHEREFORE, the Company respectfully requests that the Commission, pursuant to R.C. 4905.13 and 4929.11, approve the Company's Application for approval of tariffs to institute an automatic adjustment clause to recover costs associated with AMR deployment; for approval of the accounting treatment discussed herein; and for all other necessary and proper relief.

Respectfully submitted,

Mark A. Whitt
JONES DAY
Street Address:
325 John H. McConnell Blvd., Suite 600
Columbus, OH 43215-2673
Mailing Address:
P.O. Box 165017
Columbus, OH 43216-5017
Telephone: (614) 469-3939
Facsimile: (614) 461-4198
E-mail: mawhitt@jonesday.com

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

EXHIBIT

Exhibit B

OEO Ex. 4

DOMINION EAST OHIO
AUTOMATED METER READING PLAN

Introduction

This automated meter reading (AMR) plan is submitted to the Public Utilities Commission of Ohio accompanying Dominion East Ohio's Application filed on February 28, 2011 in Case No. 10-2853-GA-RDR pursuant to the Commission's Opinion and Order dated May 5, 2010 in Case No. 09-1875-GA-RDR. The plan describes the steps, notices and measures that Dominion East Ohio ("DEO" or "Company") will take to achieve the installation of ERT devices on the remainder of the meters for active accounts by the end of 2011 and to provide customer benefits associated with the AMR program at the earliest possible time.

Meter Equipment Summary

As of December 31, 2010 the total population of DEO meters at customer premises is 1,275,033. The breakdown of the location of meters and metering equipment is indicated below.

Meter Location	Population	Percentage
Inside	527,306	41%
Outside	747,727	59%
Total	1,275,033	

AMR Installations

DEO continues to deploy AMR equipment pursuant to the program approved in Case Nos. 07-829-GA-AIR, et al. The Company has installed AMR devices on 999,741 meters, or 78% of the current meter population, as of December 31, 2010. The remaining 275,292 meters will be prioritized for installation of an AMR device or will be scheduled for removal of the meter if the premise is unoccupied and/or inactive. The Company's first priority is to complete 243,783 installations on accounts with active meters. The second priority will be contacting property owners of accounts that have been inactive 24 months or less (approximately 4% of total remaining to AMR) to schedule an appointment to complete the installation or make arrangements to remove the meter. Any remaining meters that have been inactive for longer than 24 months (approximately 8% of total remaining to AMR) will initially be scheduled for removal.

AMR Project Status as of 12/31/2010

Year	AMR Installations
Through 2007	132,004
2008	278,582
2009	332,135
2010	257,020
Total	999,741

DEO will continue to use a two-prong strategy for the remaining AMR installations: (1) installing a device while performing other scheduled work at a customer's premise and (2) installing devices by targeting communities within a Local Office service area as described below. Once a Local Office reaches approximately 95% AMR saturation, accounts will be switched to a monthly meter reading schedule. Field personnel (the installers do not read meters) will be transferred to the next targeted office for completion of the AMR installations.

The table below provides a breakdown of the plan status by Local Office. The lines that are shaded show offices where accounts were converted to monthly meter reading by December 31, 2010.

Local Office	Total Meter Population	Percent Complete	Read Frequency Changed to Monthly	Re-Route Initiated
Ashtabula	41,463	99%	Jul 2010	Jul 2010
Northeast	203,911	96%	Oct 2010	Oct 2010
Lima	67,393	97%	Jun 2010	Jun 2010
Marietta (River)	21,038	99%	Dec 2009	Dec 2009
New Philadelphia	20,284	95%	Dec 2010	1st Q 2011
Canton Perry Yard	118,370	78%	2nd Q 2011	2nd Q 2011
Akron	257,602	77%	3rd Q 2011	3rd Q 2011
Western	162,627	70%	4th Q 2011	2012
Youngstown	163,966	66%	4th Q 2011	2012
Eastern	196,977	64%	4th Q 2011	4th Q 2011
Wooster	21,402	64%	4th Q 2011	4th Q 2011
TOTAL	1,275,033	78%		

The following table gives an approximate indication by Local Office of the remaining AMR installations needed, categorized by "Appointment Needed" or "No Appointment Needed," as of December 31, 2010.

Local Office	Meters Remaining	Appointment Needed to Install AMR	No Appointment Needed to Install AMR	Appointment Needed for Meter Removal
Ashtabula	547	184	357	6
Northeast	8,051	1,553	642	5,856
Lima	1,883	872	513	498
Marietta (River)	159	37	97	25
New Philadelphia	1,288	654	392	242
Canton Perry Yard	25,876	14,544	9,761	1,571
Akron	58,104	21,851	32,751	3,502
Western	48,231	27,878	13,237	7,116
Youngstown	54,168	16,708	32,525	4,935
Eastern	69,330	17,243	44,456	7,631
Wooster	7,655	987	6,541	128
TOTAL	275,292	102,511	141,272	31,509

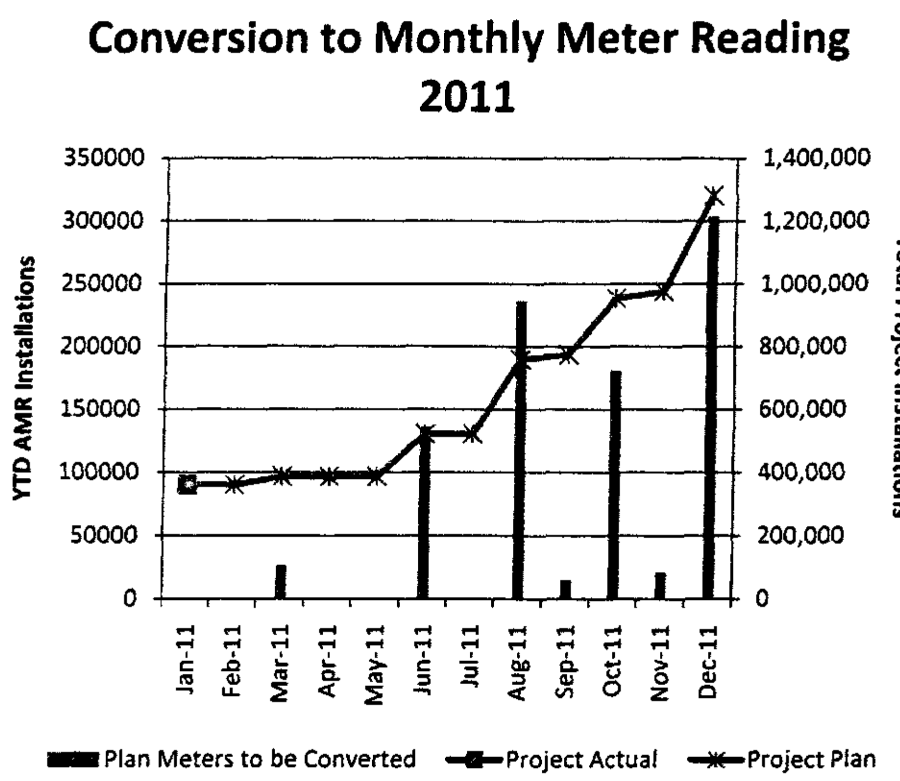
As the Company targets a community within a Local Office for completion of AMR installations, meter read routes are identified and letters are mailed to all customers who do not require an appointment advising that Dominion East Ohio is working in the area to install AMR devices. These customers are advised there is no need to contact the Company. If an appointment is necessary, a different letter is mailed asking the customer to call to schedule an appointment for the Company to complete the installation. This letter is sent to both the service address and the mailing address for the account if it is different. Copies of these letters are included in the Appendix.

Once the Company has made an initial attempt to complete the installation of an AMR device on a meter that requires access, or if the customer has not responded to a request for access, DEO moves the account into the "40-day No Access" communication process which may ultimately lead to the gas service being turned off until access is granted. If an account is turned off as a result of the No Access process, the meter will be equipped with an AMR device when gas service is restored. Details of the No Access process communications are included in the Appendix.

To complete installations on meters requiring an appointment, service orders may need to be worked outside normal business hours, such as evenings or weekends, when the customer is available to provide access to the metering equipment. DEO will accommodate these requests by working non-traditional schedules which may require incremental overtime to support completion of the program. DEO anticipates that approximately 5% of the remaining premises may be subjected to a no access turn-off. Multiple meter manifold set-ups with non-AMR meters may also lead to an AMR customer being inconvenienced if a non-AMR account leads to a no access termination. In all instances, if DEO does turn the gas off for no access, the service will be restored once the customer contacts DEO to provide access to the meter at the premise.

Monthly Meter Reading

When a target area or Local Office reaches 95% AMR saturation, the customer accounts will be moved from a bi-monthly read frequency to a monthly meter read frequency in preparation for the eventual re-route of that service area. The Company has created the following plan to move Local Offices and targeted communities to a monthly read frequency based on anticipated installation rates. By implementing this plan, DEO expects to read all areas on a monthly schedule by the end of 2011.



As the Company shifts accounts to a monthly meter read frequency, DEO will generate letters to the customer premises without AMR devices installed ("non-AMR" premises). This letter informs customers that the Company may not be able to read their meter monthly without installation of an AMR device, and encourages them to contact DEO to schedule the appointment for an AMR device to be installed.

DEO will reroute an entire area once AMR devices have been installed on nearly all active accounts in order to minimize the impact on customers of potential changes in bill due dates. Notification is provided to all customers whose billing cycle changes in order to provide the customer the opportunity to prepare for the change

In an effort to minimize the impact to a customer's billing cycle, reroutes are strategically planned to maintain billing cycles at 35 days or less. This reduces the impact caused by rate changes that may occur during the cycle, and allows the customer to plan for any changes to bank draft accounts.

DEO successfully implemented reroutes in Lima, Ashtabula and Northeast service territories in 2010.

APPENDIX

AMR METER: INSTALLERS WORKING IN AREA - NO APPOINTMENT NECESSARY

CurrDate

mail label line 1	
mail label line 2	
mail label line 3	**SERVICE ADDRESS:**
mail label line 4	*Addr Service Street*
mail label line 5	*AddrServ.CityState*
mail label line 6	**METER NO:** *UVar1*

Subject: Upgrading Our Metering Equipment - No Appointment Needed

Over the next 10 days, *EAST OHIO GAS* will upgrade the metering equipment on your street, **including the equipment at your service address.** **You do not need to call us to schedule an appointment.** We need clear access to read and service the meter.

Your gas service will remain on as we perform the work. For your safety, our employees carry Dominion identification cards at all times should you wonder who's on your property. Before we leave, we will post a notice informing you if we successfully completed the work.

The new equipment, known as automated metering equipment (AMR), provides computerized technology that allows us to read the gas meter remotely. It will reduce our need for company personnel to enter your property, lessen the number of estimated bills and is more convenient for customers who must provide access to meters.

The battery-powered equipment will send a signal to our representative when he or she is in the area to obtain a meter reading. For now, we will continue to read the meter every other month. Once we have installed all of the meter upgrades in your neighborhood, we will read meters every month.

If you wish to learn more about this new meter reading technology, please visit www.dom.com and enter the key words "GAS AMR."

Sincerely,

Signature1CallCenter
Signature2CallCenter

lmr130

AMR METER: INSTALLERS WORKING IN AREA - APPOINTMENT NECESSARY

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState
METER NO: *UVar1*

Subject: We Are Upgrading or Repairing Our Metering Equipment on Your Street

EAST OHIO GAS is upgrading or repairing the metering equipment on your street, **including the equipment at your service address.** We must change the meter or the dials on the gas meter to complete the upgrade. We need your help to complete this task.

If this work has already been completed at your service address, and you receive this letter, it means the upgraded equipment is not functioning properly. Therefore, we need to gain access to the meter to correct the problem.

We may need to turn off your gas service for a brief time. If we turn off gas service to perform a meter change, we will need access inside to check the gas lines and appliances to make sure your service is safe.

This new equipment, known as automated metering equipment (AMR), provides computerized technology that allows us to read the gas meter remotely. It will reduce our need for company personnel to enter your property, lessen the number of estimated bills and is more convenient for customers who must provide access to meters.

The battery-powered equipment will send a signal to our representative when he or she is in the area to obtain a meter reading. For now, we will continue to read the meter every other month. Once we have installed all of the meter upgrades in your area, we will read meters every month. After the equipment is installed, there still will be the need for us to inspect the gas meter and interior service lines to meet Federal Safety requirements at least every 36 months.

To arrange a morning or afternoon appointment to upgrade or repair our metering equipment, please schedule an appointment online by signing in or registering in Manage Your Account at www.dom.com, or contact us at 1-877-306-8290 *HoursCalCenter* We can call you when our representative leaves the previous stop. He or she could arrive as soon as 5 minutes later. If you would like to receive this free service, please request the automated call feature when scheduling your appointment.

As a reminder, please ensure that the area around the gas meter is clear of any obstructions on the day of your appointment.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr131

AMR METER: ACCOUNT IS IN 40-DAY PROCESS – FIRST LETTER

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState
METER NO: *UVar1*

Subject: We Are Upgrading or Repairing the Metering Equipment -- 2nd Request

You did not respond to our previous letter requesting access to upgrade or repair the metering equipment at the above service address. We must change the meter or the dials on the gas meter to complete the upgrade.

If this work has already been completed at your service address, and you receive this letter, it means the upgraded equipment is not functioning properly. Therefore, we need to gain access to the meter to correct the problem.

We may need to turn off your gas service for a brief time. If we turn off gas service to perform a meter change, we will check the gas lines and appliances to make sure your service is safe.

The new equipment, known as automated metering equipment (AMR), provides computerized technology that allows us to read the gas meter remotely. It will reduce our need for company personnel to enter your property, lessen the number of estimated bills and is more convenient for customers who must provide access to meters.

The battery-powered equipment will send a signal to our representative when he or she is in the area to obtain a meter reading. For now, we will continue to read the meter every other month. Once we have installed all of the meter upgrades in your area, we will read meters every month. After the equipment is installed, there still will be the need for us to inspect the gas meter and interior service lines to meet Federal Safety requirements at least every 36 months.

If you do not schedule an appointment and allow us to upgrade or repair the metering equipment, we will shut off your gas service until we are able to perform the work. The last thing we want to do is shut off your service, which would not only inconvenience you, but could cost you a $*UVar2* reconnection fee.

Even if your account is paid in full, we can still disconnect your service if we are unable to access our equipment. To arrange a morning or afternoon appointment to upgrade or repair our metering equipment, please schedule an appointment online by signing in or registering in Manage Your Account at www.dom.com, or contact us at 1-877-306-8290 *HoursCalCenter* We can call you when our representative leaves the previous stop. He or she could arrive as soon as 5 minutes later. If you would like to receive this free service, please request the automated call feature when scheduling your appointment.

As a reminder, please ensure that the area around the gas meter is clear of any obstructions on the day of your appointment.

Thank you for your cooperation.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr132

AMR METER: ACCOUNT IS IN 40-DAY PROCESS - SECOND LETTER

CurrDate

mail label line 1	
mail label line 2	
mail label line 3	**SERVICE ADDRESS:**
mail label line 4	*Addr Service Street*
mail label line 5	*AddrServ.CityState*
mail label line 6	**METER NO:** *UVar1*

Subject: Your Gas Service Could Be Shut Off-- We Must Upgrade or Repair the Metering Equipment

This is your last warning before *EAST OHIO GAS* turns off your service because we have not been able to upgrade or repair the metering equipment at your service address. We must change the meter or the dials on the gas meter to complete the upgrade. We have made several attempts to contact you:

DATE	**CONTACT TYPE**
UVar2	*UVar3*

If this work has already been completed at your service address, and you receive this letter, it means the upgraded equipment is not functioning properly. Therefore, we need to gain access to the meter to correct the problem. We may need to turn off your gas service for a brief time. If we turn off gas service to perform a meter change, we will check the gas lines and appliances to make sure your service is safe.

The new equipment, known as automated metering equipment (AMR), provides computerized technology that allows us to read the gas meter remotely. It will reduce our need for company personnel to enter your property, lessen the number of estimated bills and is more convenient for customers who must provide access to meters.

The battery-powered equipment will send a signal to our representative when he or she is in the area to obtain a meter reading. For now, we will continue to read the meter every other month. Once we have installed all of the meter upgrades in your area, we will read meters every month. After the equipment is installed, there still will be the need for us to inspect the gas meter and interior service lines to meet Federal Safety requirements at least every 36 months.

We need your help. As a courtesy, we do not shut off gas service between December 1 and March 1 when we are unable to access our equipment. However, we do ask that you schedule a meter equipment change by ***UVar12***. You may schedule the appointment online by signing in or registering in Manage Your Account at www.dom.com, or by calling us at *PhonCallCen*, *HoursCalCenter* If we don't hear from you **by *UVar12***, we will turn off your gas service until you grant us access to perform the work. The last thing we want to do is shut off your service, which would not only inconvenience you, but could cost you a $*UVar13* reconnection fee. A morning or afternoon appointment can be arranged to upgrade or repair our metering equipment. We can call you when our representative leaves the previous stop. He or she could arrive as soon as 5 minutes later. If you would like to receive this free service, please request the automated call feature when scheduling your appointment. As a reminder, please ensure that the area around the gas meter is clear of any obstructions on the day of your appointment.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr133

BILLING NOTICE – NO ACCESS SHUT-OFF

NO ACCESS SHUTOFF

Page 1 of 2

ADDRESS
CITY, STATE ZIP

Account Number	Date Prepared	Next Meter Reading
000000000000000	September 15, 2006	11/14 - 11/17/2006

For questions about Dominion East Ohio charges call 1-800-362-7557. Avoid an estimate-enter a read between 10/17 & 5 p.m. on 10/19/2006 at www.dom.com

****** THIS IS A SHUT-OFF NOTICE ******
FOR NOT LETTING US GET TO OUR METER.

SHUT-OFF NOTICE FOR NOT LETTING US GET TO OUR METER

We have made repeated attempts to read and inspect our gas meter. Because you have not given us access to our meter, we will turn off gas service no sooner than 8 a.m. on [DATE] or any business day thereafter. **We will take this action regardless of your account balance.**

You can avoid a loss of service if you call us before [DATE] and arrange a day for us to read and inspect our meter. If we shut off gas service, you must schedule an appointment and you will be charged a fee of $xx.xx, which will appear on the bill after we restore service.

Please detach and return this coupon with a check made payable to Dominion East Ohio. Please see reverse side for mailing address change instructions.

Removing Yourself from Customer Listing
We are required to include your name, address and usage information on a list of eligible customers that is made available to other retail natural gas suppliers or governmental aggregators. If you do not wish to be included on this list, please call Dominion East Ohio at 1-800-362-7557 or write us at P.O. Box 26666, Richmond, VA 23261-6666, or complete the appropriate form on the www.dom.com web site.

XXXXX
XXXXX
XXXXXXXXX

DOMINION EAST OHIO
PO BOX 26785
RICHMOND VA 23261-6785

BILLING NOTICE – COMBINED SHUT-OFF

NEW COMBINED SHUTOFF

Page 1 of 4

123 MAIN ST
ANYTOWN OH 12345-6789

Account Number 9 9999 9999 9999 **Date Prepared** April 19, 2010 **Next Meter Reading** 06/17 - 05/20/2010

For questions about **Dominion East Ohio** charges call **1-800-382-7557**. Avoid an estimate-enter a read between 10/17 & 3 p.m. on 10/19/2006 at www.dom.com

Summary of Payment Due

Current PIPP Plus Amount	xxx.xx
Past Due PIPP Plus Amount	xxx.xx
Total Payment Due by May 5, 2010	**$xxx.xx**

YOU ARE ON THE PIPP Plus PLAN.

******THIS IS A SHUT-OFF NOTICE**** FOR NOT PAYING AND FOR NOT LETTING US GET TO OUR METER**

NOTICE #1 – FOR NOT PAYING

YOUR ACCOUNT IS PAST DUE. Unless Dominion East Ohio receives your past due payment of $xxx.xx in full by XX, the company can shut off your gas service. Partial payment will not protect you from shutoff unless you are eligible for and enrolled in one of the payment programs listed on the Terms page.

If the company shuts off your gas service for nonpayment, you must pay your past-due plan arrears. You will be billed a reconnection fee of $xx.xx.

Payment Methods. Pay your over-due balance through BillMatrix day or night with an electronic check, ATM/debit card with a Pulse, Star, NYCE or Accel logo or a Visa, MasterCard, or Discover credit card. Contact BillMatrix by phone at 1-800-573-1153 or online through www.dom.com. BillMatrix charges a convenience fee of $x.xx for each transaction. You may also pay in person at an authorized payment center. For the payment location nearest you, visit www.dom.com or call Dominion East Ohio at the number in the top right corner of this bill. Authorized payment agents charge a service fee of $x.xx for each transaction.

Energy Assistance. If you meet income requirements, you might qualify for financial aid or weatherization services. To learn more, call the Ohio Department of Development, Office of Community Services, at 1-800-282-0880 or contact us.

Medical Certificate. A medical certification delays a shutoff when it would be especially dangerous to the health of a permanent member of your household. It allows you time to get financial help or make payment arrangements. It does not reduce the amount you owe. You can get a medical certification form by calling 1-800-950-7989. A licensed medical professional must sign the form. You can apply by phone, provided that Dominion East Ohio receives the written notification within seven days. If gas service is off, return the signed form within 21 days to restore service. Be sure to give your health care provider permission to release your medial information to us.

Failure to pay all charges for non-regulated Dominion Products & Services may result in termination of your contract.

If you have made your payment, please accept our thanks and disregard this notice.

NOTICE #2 – FOR NOT LETTING US GET TO OUR METER

We have made repeated attempts to read and inspect our gas meter. Because you have not given us access to our meter, we will turn off gas service no sooner than 8 a.m. on [DATE] or any business day thereafter. **We will take this action regardless of your account balance.**

You can avoid a loss of service if you call us before [DATE] and arrange a day for us to read and inspect our meter. If we shut off gas service, you must schedule an appointment and you will be charged a fee of $xx.xx, which will appear on the bill after we restore service.

Please detach and return this coupon with a check made payable to Dominion East Ohio. Please see reverse side for mailing address change instructions.

PLEASE PAY BY May 5, 2010 **Account No.** 9 9999 9999 9999

$xxx.xx — PIPP Plus Amount

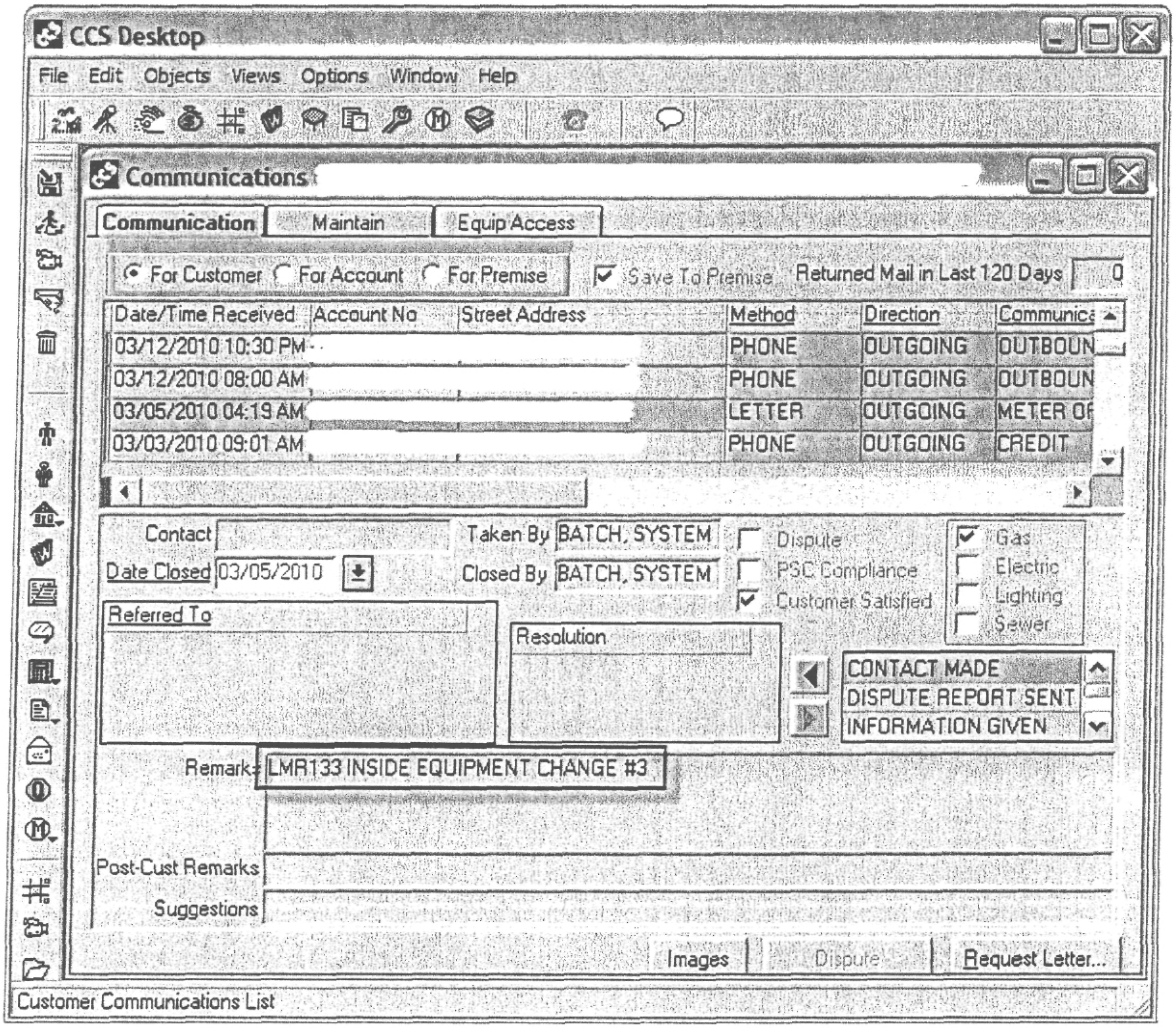
Amount Enclosed

Monthly Charge, Usage-Based Charges Change
With this bill, customers on the General Sales Service or Energy Choice Transportation Service will see an increased Basic Monthly Charge to $xx.xx, plus applicable riders, and a related decrease in the base transportation rate of $x.xx per MCF for the first 50 MCF per month and $x.xxx per MCF for usage above 50 MCF per month, as approved in Case No. 07-829-GA-AIR by the Public Utilities Commission of Ohio.

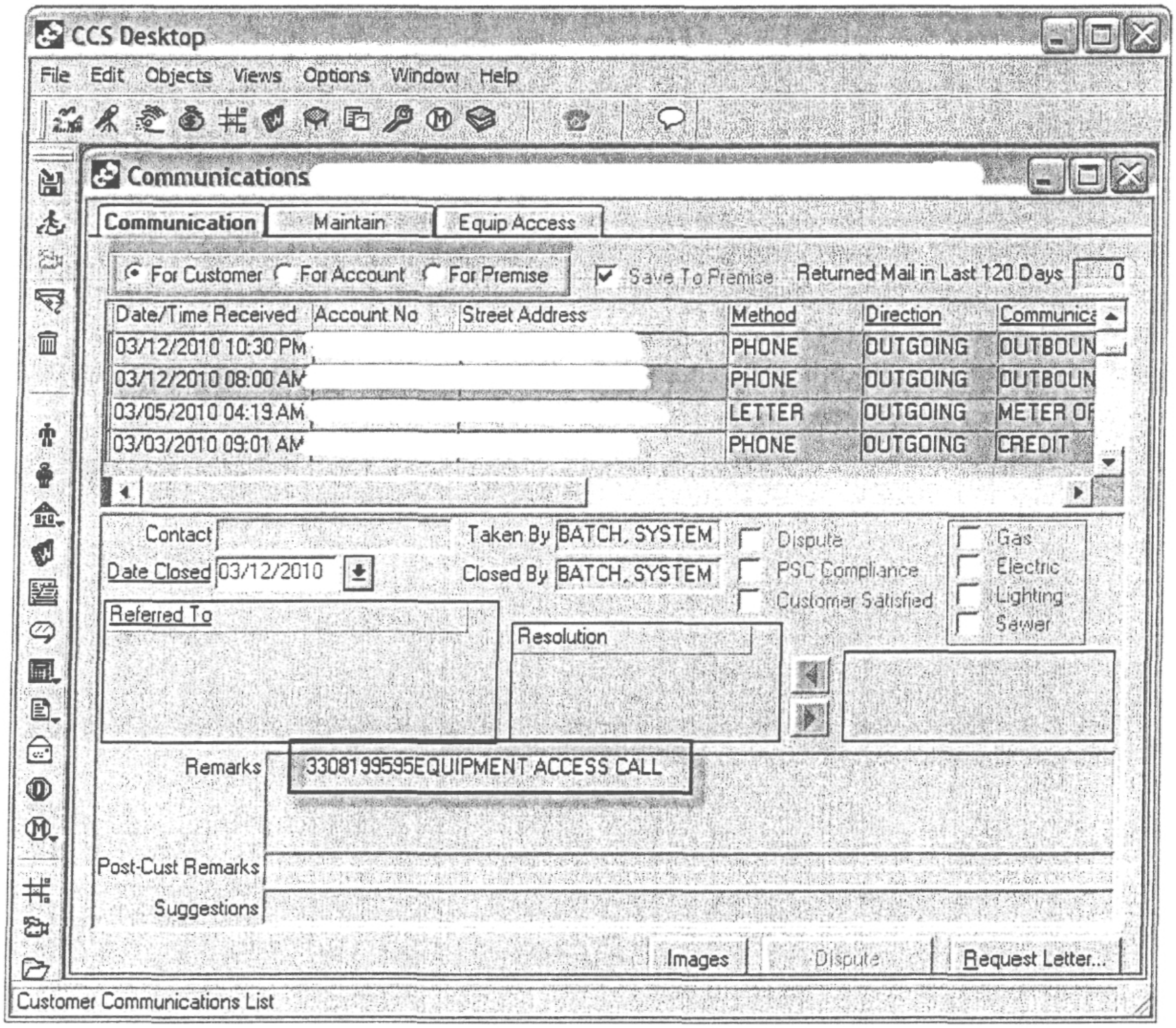
DOMINION EAST OHIO
PO BOX 26785
RICHMOND VA 23261-6785

019999999999999900000000708900000490000

SCREEN SHOT – NO ACCESS LETTER



SCREEN SHOT – NO ACCESS PHONE CALL



SCRIPT – NO ACCESS PHONE CALL

WEST TELESERVICES CORPORATION
INTERACTIVE DIVISION

Client: Dominion

Team:
Hahn\Dominion\Thomodsgaard\Sempek\Lucy
Orig. Date: 09/19/2003
Revised:

Program: EOG Automated Equipment n o Access Outdial Calls
i drive:\scripts\Dominion\Outdial\EOG Automated Equipment No Access Outdial Calls
Bravo: NEW

EOG Automated Equipment no Access Outdial calls

C100
Script 1
Hello. This call is from Dominion East Ohio. We recently sent you a letter about our need to read, inspect or service our metering equipment, but we haven't heard from you. Please call us at 1-877-306-8290 between 7 a.m. and 7 p.m. Monday through Friday to schedule an appointment. Again, our number is 1-877-306-8290. Thank you.

C200
Script 2
Hello. This call is from Dominion East Ohio. We sent you a letter about our urgent need to perform work on our metering equipment. Please call us at 1-877-306-8290 between 7 a.m. and 7 p.m. Monday through Friday to schedule an appointment. Just a reminder – we may turn off service if you do not allow us to get to our metering equipment. Again, our number is 1-877-306-8290. We appreciate your cooperation.

C300
Script 3
Hello. This call is from Dominion East Ohio. We have been trying to reach you so that we can perform work on our metering equipment. If we do not hear from you within 5 days, your account will be scheduled for shutoff. Once service is off, you will need to give us access before we restore service. Avoid an unpleasant situation – please call us within 5 days at 1-800-362-7557 between 7 a.m. and 7 p.m. Monday through Friday to schedule an appointment. Thank you!

C400
Script 4 (same as Script 3)
Hello. This call is from Dominion East Ohio. We have been trying to reach you so that we can perform work on our metering equipment. If we do not hear from you within 5 days, your account will be scheduled for shutoff. Once service is off, you will need to give us access before we restore service. Avoid an unpleasant situation – please call us within 5 days at 1-800-362-7557 between 7 a.m. and 7 p.m. Monday through Friday to schedule an appointment. Thank you!

EXHIBIT

The Public Utilities Commission of Ohio

Monitoring marketplaces and enforcing rules to assure safe, adequate, and reliable utility services.

Ted Strickland, Governor
Alan R. Schriber, Chairman

Commissioners

Ronda Hartman Fergus
Donald L. Mason, Esq.
Valerie A. Lemmie
Paul A. Centolella

July 31, 2007

Jeff Murphy
Director, Pricing and Regulatory Affairs
Dominion East Ohio
1201 East 55th Street
Cleveland, OH 44103-1028

RE: Rule 4901:1-13-04 (G) (1), Ohio Administrative Code (O.A.C.)

Dear Mr. Murphy:

I am in receipt of Dominion East Ohio's (DEO's) proposed meter reading plan, dated July 20, 2007. The plan states that DEO expects to complete implementation of the revised notice process by December 31, 2007. Staff approves DEO's submitted meter reading plan, which is attached to this letter, with the understanding that no customer will be disconnected for non-access or back billed longer than 12 months, until the full implementation of the notice process is completed.

If you have any question regarding this acceptance letter, please contact Barbara Bossart at 466-0793, or myself at 614-995-0137.

Sincerely,

Doris E. McCarter

Doris McCarter
Director
Service Monitoring and Enforcement Depart.

DEO Ex 5

DOMINION EAST OHIO
METER READING PLAN

Introduction

This meter access plan is submitted to the Director of the Commission's Service Monitoring and Enforcement Department pursuant to OAC 4901:1-13-04(G)(1)(a). The plan describes Dominion East Ohio's ("DEO" or "Company") approach to complying with OAC 4901:1-13-04(G) in conjunction with the tariff changes, waiver requests and AMR deployment plan and accompanying cost recovery applications filed with the Commission. It also addresses content suggested by Staff and includes information provided to Staff at meetings held on October 3, October 31 and November 29, 2006. This revised plan reflects Commission decisions in Case Nos. 06-1454-GA-ATA and 06-1452-GA-WVR regarding certain tariff changes and waivers requested by the Company related to the minimum gas service standards.

Existing Meter Equipment Description

Approximately 556,000, or 43%, of DEO's 1,290,000 meters are located inside. Of those inside meters, 373,000 are equipped with remote index devices that have been installed over a span of 30 years. The Company evaluated the accuracy of its three major remote index types based on a sample of 19,704 devices tested between January 2005 and July 2006. Using a defect definition of a greater than +/- 3 mcf difference between the actual meter reading and the remote index device, the defect rates of the three types of devices installed at DEO were as follows:

Remote Index Device Accuracy

Remote Type	Years Installed	Population	Defect Rate
American	1977-1984	36,181	9.5%
Badger	1977-1984	18,277	21.4%
Hexagram	1986-2006	318,542	1.8%

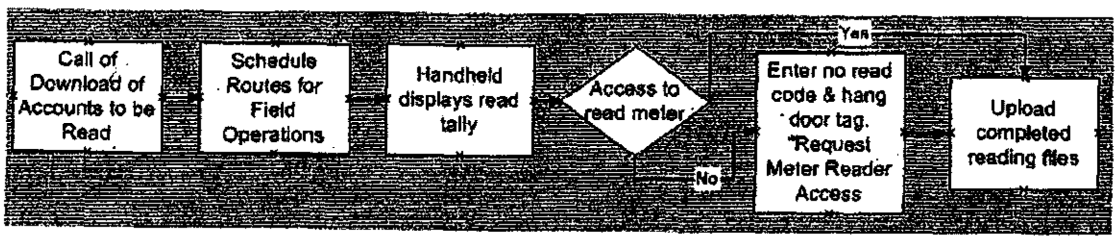
Role of Automated Meter Reading (AMR)

As indicated in the Company's application in Case No. 06-1453-GA-UNC, DEO will deploy AMR units on all inside and outside meters over a 5-year period, provided the Commission approves DEO's application for a cost recovery mechanism, which DEO now plans to consolidate with an upcoming base rate proceeding. DEO will prioritize the replacement of American and Badger remote indexes due to their higher defect rates, with the intent of replacing them with AMR devices within two years. DEO will consult with Staff to determine the most appropriate way to balance the efficiency of a shop-by-shop AMR conversion with an initial focus on inside meters to address the most pressing billing and access issues. In its May 2, 2007 Finding and Order in Case No. 06-1454-GA-ATA, the Commission approved proposed tariff changes that will enable DEO to install AMR devices at the customer's expense when the customer does not provide access within 12 months after being properly informed of the company's right to gain access to its metering equipment. In its May 24, 2007 Entry in Case No. 06-1452-GA-WVR, the Commission authorized a 5-year waiver of paragraph (G)(1) of Rule 4901:1-13-04, O.A.C., allowing the Company to treat remote index device reads as actual readings in recognition of DEO's agreement to hold the customers harmless for discrepancies between an actual meter reading and a reading from a remote index device.

Routine Process

Pursuant to the Commission's May 24, 2007 Entry in Case No. 06-1452-GA-WVR, DEO will treat remote device reads as actual reads for purposes of complying with OAC 4901:1-13-04(G)(1) for a period of five years. As described in the following section, DEO will mitigate the impact of back-billing issues on accounts subsequently found to have faulty index devices. The Company will attempt to read all meters, or remote index devices as applicable, every other month until AMR is deployed widely enough to support reading each meter every month. In the meantime, DEO will attempt to gain bi-monthly access to all outside meters and inside meters without a remote index device. As described in greater detail in Attachment A, the routine process to obtain an actual read for those accounts is illustrated below:

Routine Meter Reading Process Flow



Back-Billing Accounts with Faulty Remote Index Devices

In conjunction with DEO's proposed AMR deployment, accompanying cost recovery mechanism and the treatment of remote index device reads as actual reads, DEO will hold customers harmless for any discrepancy between an actual meter read and a read from a faulty remote index device. That is, the Company will not back-bill for any additional consumption indicated by an actual meter reading being above the level indicated on the remote index device when the variation between the reads is greater than 3 mcf. Should an actual meter read indicate less consumption than the remote, the Company will credit the customer's bill for the difference.

Notice After Repeated Failures to Obtain Access

As illustrated in the process flow charts and related materials included in Attachment A, DEO will employ various means of communicating with customers who have not provided access to the Company's metering equipment. Those means include two versions of door hangers, automated outbound telephone calling, letters with increasingly urgent calls to action and a termination notice printed on page 1 of the bill once a customer can be scheduled for disconnection as a result of failing to provide access. The communication plan for inside meters provides the following new notifications in addition to the current door hanger left whenever no access is provided and the letter sent after 10 or 11 months of no actual read being obtained, advising the customer that failure to provide access could result in termination of service:

- After 5 months of no actual read being obtained, an automated outbound call requesting access to the meter is made to the customer on the day before the scheduled meter read date.
- After 8 months, an initial no-access letter with no mention of potential disconnection is sent advising the customer of the number of months since the last actual read.
- After 12 months, a third letter advises the customer of prior attempts to gain access and that service may be disconnected if access is not provided by the next meter reading date. (Note: This letter follows the new 8-month letter described above and the existing letter that is currently sent after 10 or 11 months of no actual read being obtained.)
- After 14 months, a termination notice is printed on page 1 of the bill indicating that the customer is subject to disconnection if no access is provided within a specified time period.

In light of its comprehensive non-access communication with customers, the Company does not believe that an additional notice period is needed in the winter. However, as it does with credit-related terminations, DEO will exercise proper restraint in terminating service for non-access during severe cold weather conditions to avoid jeopardizing customer health and welfare.

Content of Notices

Attachment B provides samples of all current and proposed non-access communication with customers. Included in the attachment are the following:

- Door hangers referenced in all Attachment A process flows
- Current letters referenced in the Current State process flow
- Proposed letters referenced in the Proposed Inside Meter process flow
- Proposed letters referenced in the Proposed Outside Meter process flow
- Proposed termination notices referenced in both proposed process flows

DEO has discussed the content of these notices with Staff and believes that the notices in Attachment B reflect Staff's comments. As indicated in the IT plan reviewed at the November 29 meeting, the Company expects to complete implementation of the revised notice process by December 31, 2007. The Company remains committed to working with Staff to ensure that the communications plan provides the proper notice to customers about the need to provide access and the consequences for failing to do so.

Customer Education Upon Disconnection for Non-Access

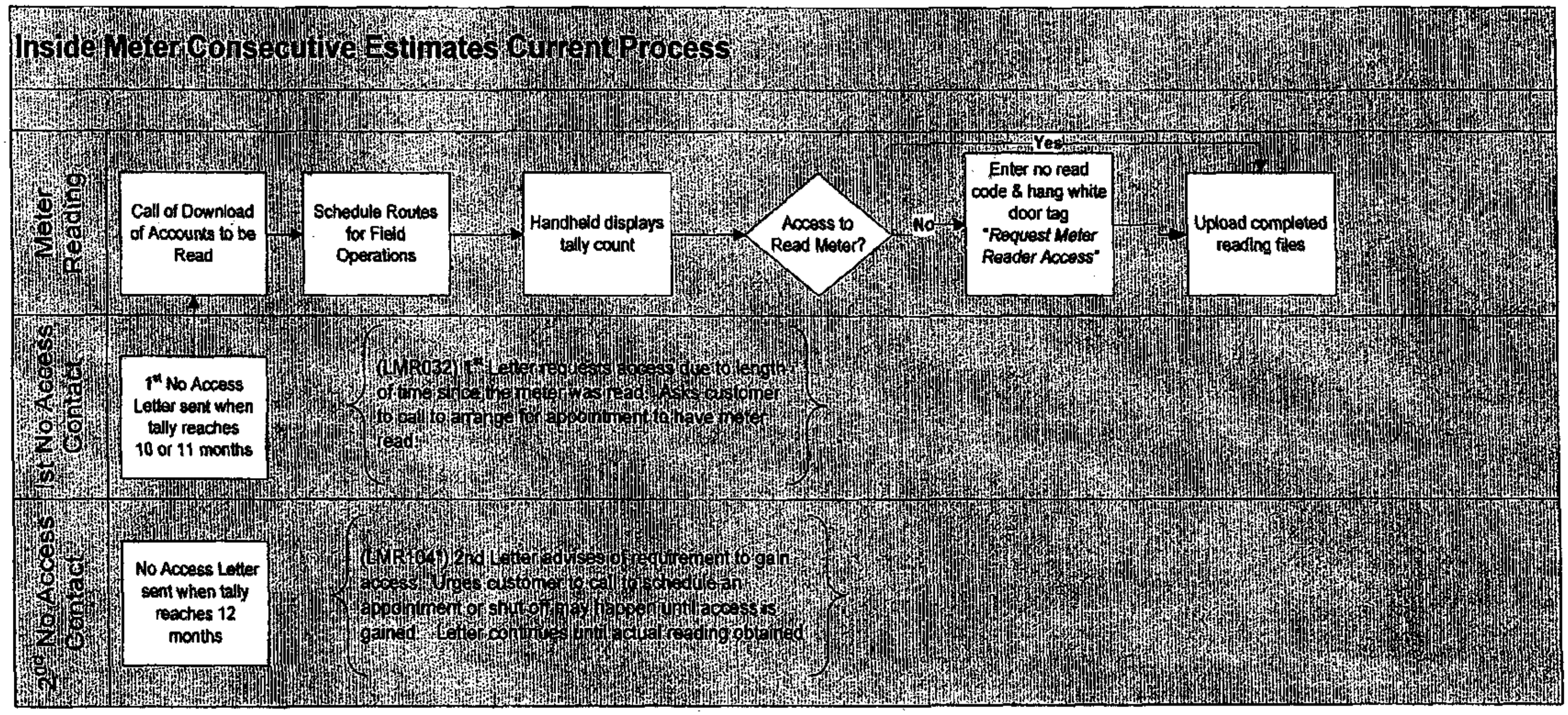
DEO will include information advising customers what do if they are disconnected for non-access in the summary information to be provided customers pursuant to OAC 4901:1-13-06. As required in the rule, the Company has reviewed the summary of customer rights and responsibilities with Staff prior to mailing it to customers. In addition, DEO will reference the no-access requirement and disconnection rights in an annual bill insert that addresses buried house line and other compliance related items. In the event a customer's service is disconnected for non-access, DEO will leave a door hanger with the customer that provides information on how to contact the company to restore service.

Documenting Compliance

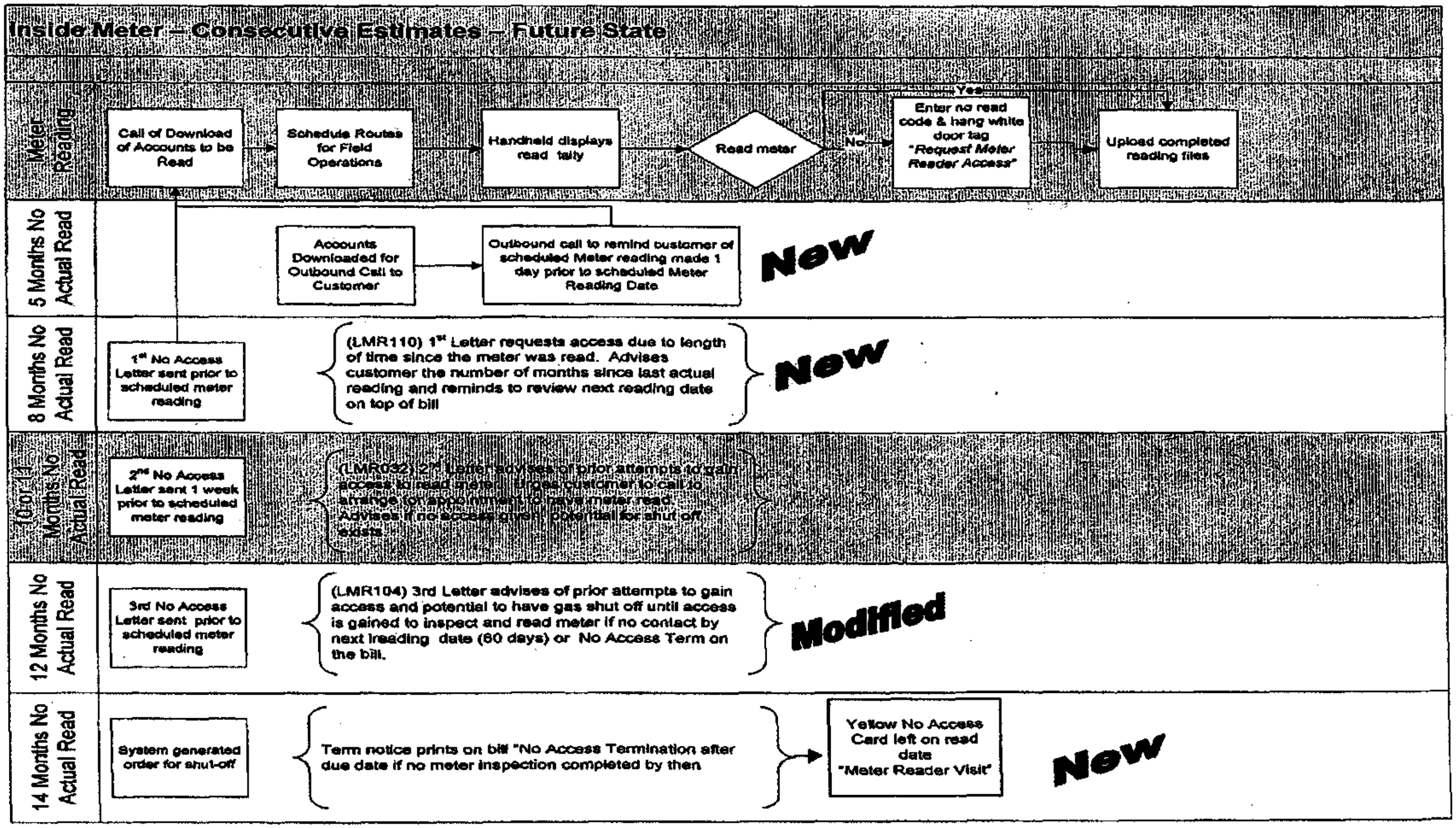
At Staff's request, the Company will modify its Customer Care System to track all contact attempts throughout the entire sequence of customer notification including automated outbound calls, door hangers, the progression of letters and bill notices on each account. As noted in Attachment A, customer information representatives will be able to view a panel that identifies the progression of non-access related communication and pull up images of the correspondence sent to the customer. Such information will be made available to Staff to aid their resolution of customer complaints related to potential termination of service for non-access.

Attachment A
Revised

Current State



Proposed Inside Meter Process Flow



Revised 11/9/2006

Proposed Changes

- **Reminder call to customer on day before meter is scheduled to be read**
- **New initial no access letter sent – no threat of termination mentioned**
- **Final no access termination notice printed on customer's bill**
- **Include audit tracking of *all* notifications on customer's account**
  - ***Outbound Call***
  - ***Door Hanger Notice Left***
  - ***Letter Progression***

Text for Outbound Call Message

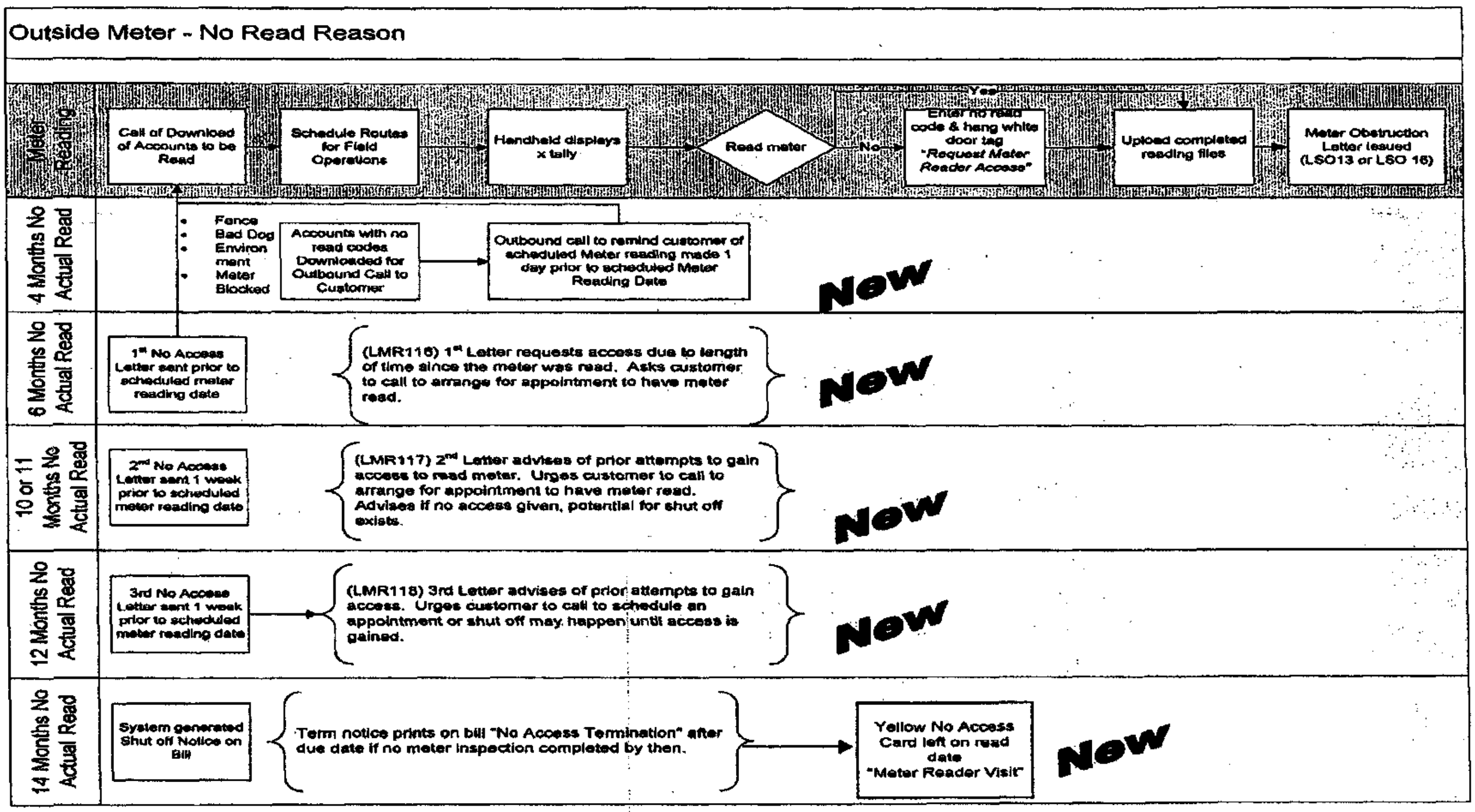
Hello, this is Dominion East Ohio.

Your inside meter has not been read or inspected at your home or business for X months. Our meter reader will be in your area tomorrow, MM/DD/YY, to read your meter between 8 and 3.

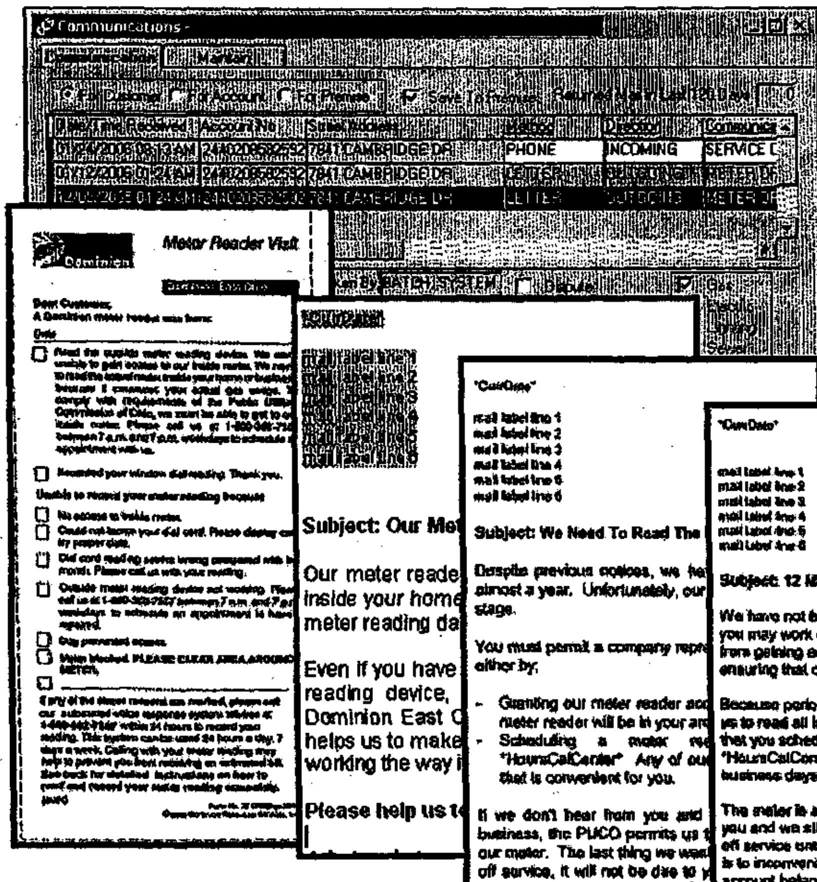
You do not need to take any action, except give our meter reader access to the gas meter.

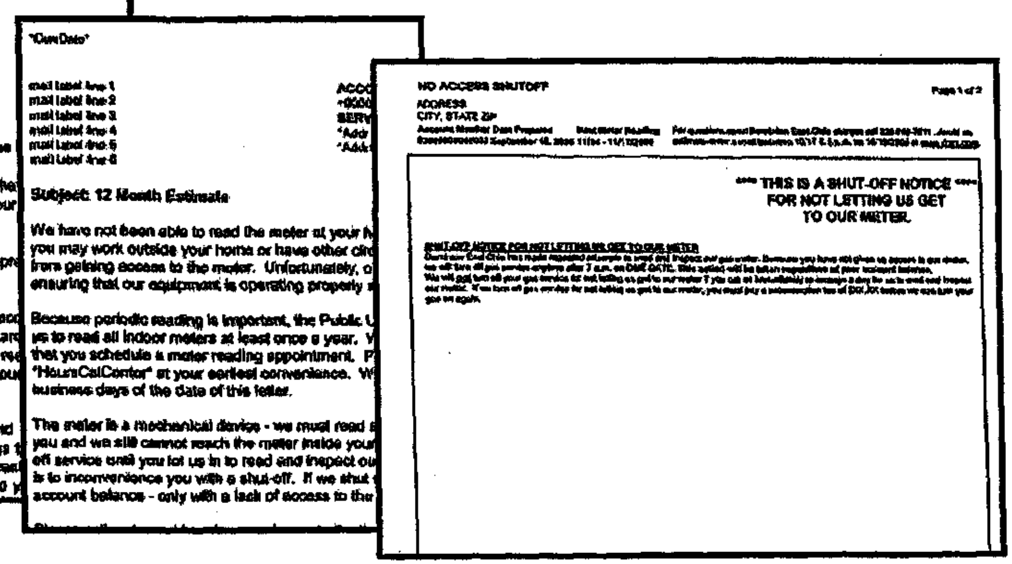
For your safety, our company meter readers carry Dominion identification cards at all times. We encourage you to request to see the ID badge before allowing our meter reader to enter your home or business.

Proposed Outside Meter Process Flow



Communication Tracking





In the future…

- ***⌘Add Outbound Call***
- ***⌘Add Field Notice Date***
- ***⌘Series of 3 Letters***
- ***⌘Term Notice on Bill***

Revised 11/9/2006

Attachment B

Contents

Dominion

Meter Reader Visit

Dominion East Ohio

Dear Customer,
A Dominion meter reader was here:

Date ______________________________

☐ Read the outside meter reading device. We were unable to gain access to our inside meter. We need to read the actual meter inside your home or business because it measures your actual gas usage. To comply with requirements of the Public Utilities Commission of Ohio, we must be able to get to our inside meter. Please call us at 1-800-362-7557 between 7 a.m. and 7 p.m. weekdays to schedule an appointment with us.

☐ Recorded your window dial reading. Thank you.

Unable to record your meter reading because

☐ No access to inside meter.

☐ Could not locate your dial card. Please display card by proper date.

☐ Dial card reading seems wrong compared with last month. Please call us with your reading.

☐ Outside meter reading device not working. Please call us at 1-800-362-7557 between 7 a.m. and 7 p.m. weekdays to schedule an appointment to have it repaired.

☐ Dog prevented access.

☐ Meter blocked. **PLEASE CLEAR AREA AROUND METER.**

☐ ______________________________

If any of the above reasons are marked, please call our automated voice response system toll-free at **1-800-362-7557** within 24 hours to record your reading. This system can be used 24 hours a day, 7 days a week. Calling with your meter reading may help to prevent you from receiving an estimated bill. **See back for detailed instructions on how to read and record your meter reading accurately.**

(over)

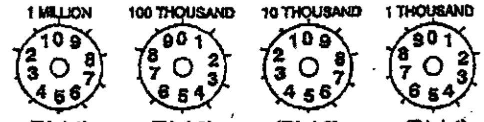
Form No. 721286(Sep 2005)

front

Step 1

To read your meter if your meter has a dial index:
Using the dials below, copy the position of the dial hands exactly as they appear on the meter in your home.

1 MILLION 100 THOUSAND 10 THOUSAND 1 THOUSAND



(Dial 1) (Dial 2) (Dial 3) (Dial 4)

If the dial is anywhere between two numbers, use the lower number. The only exception is when the dial is between the 9 and the 0. In that case, 9 is the lower number. When complete skip to Step 2.

To read your meter if your meter has a digital index:
From left to right copy the numbers from the digital index *exactly as they appear on the meter in your home.*

1 MILLION 100 THOUSAND 10 THOUSAND 1 THOUSAND

________ ________ ________ ________

(Digit 1) (Digit 2) (Digit 3) (Digit 4)

If the digit reading is between two numbers, use the lower number. The only exception is when the digit is between the 9 and the 0. In that case, 9 is the lower number. When complete skip to Step 2.

Step 2

To record your meter reading:

- Have your 13 digit account number available
- Call our voice response system at **1-800-362-7557**
- From the main menu, select option – **To enter your meter reading**
- At this point, you will be prompted to enter your 13 digit account number and meter reading.

Hearing-impaired customers with Telecommunications devices for the deaf can call toll-free at **1-800-633-8903.**

Dominion Phone Numbers:

Customer Information Service	1-800-362-7557
Gas Leaks, Fires and Explosions	1-877-542-2630
Hearing Impaired with TDD	1-800-633-8903
Call Before you Dig	1-800-362-2764

back

Dominion®

Request Meter Reader Access

[redacted]

IMPORTANT! Please call. We MUST gain access!

☐ **WE MUST READ YOUR GAS METER.** It has been over 12 months since we last read your inside meter. The Public Utilities Commission of Ohio requires that we read all gas meters at least once each year and authorizes us to shut off service if access to our meter is denied.

Please call us at 1-800-966-3354 between 7 a.m. and 7 p.m. weekdays to schedule an appointment *to have your meter read.*

We'll work with you to schedule a time that is *convenient for you. If we don't hear from you in 10* days, we may have to issue a shut-off notice for your account. Please call us as soon as possible to avoid having your service shut off.

☐ **WE MUST INSPECT YOUR INSIDE METER.** This inspection is a Federal Safety requirement. We must inspect and read the inside meter soon. If we can't get to the meter, the U.S. Department of Transportation and the Public Utilities Commission of Ohio allow us to shut off your service.

Please call us at 1-800-966-3354 between 7 a.m. and 7 p.m. weekdays to schedule an appointment *to have your meter inspected.*

We'll work with you to schedule a time that is convenient for you. If we don't hear from you in 10 days, we may have to issue a shut-off notice for your account. Please call us as soon as possible to avoid having your service shut off.

Form No. 721325(May 2004)

Dominion®

Request Meter Reader Access

[redacted]

IMPORTANT! Please call. We MUST gain access!

☐ WE MUST READ YOUR GAS METER. It has been over 12 months since we last read your inside meter. The Public Utilities Commission of Ohio requires that we read all gas meters at least once each year and authorizes us to shut off service if access to our meter is denied.

Please call us at 1-800-966-3354 between 7 a.m. and 7 p.m. weekdays to schedule an appointment to have your meter read.

We'll work with you to schedule a time that is convenient for you. If we don't hear from you in 10 days, we may have to issue a shut-off notice for your account. Please call us as soon as possible to avoid having your service shut off.

☐ WE MUST INSPECT YOUR INSIDE METER. This inspection is a Federal Safety requirement. We must inspect and read the inside meter soon. If we can't get to the meter, the U.S. Department of Transportation and the Public Utilities Commission of Ohio allow us to shut off your service.

Please call us at 1-800-966-3354 between 7 a.m. and 7 p.m. weekdays to schedule an appointment to have your meter inspected.

We'll work with you to schedule a time that is convenient for you. If we don't hear from you in 10 days, we may have to issue a shut-off notice for your account. Please call us as soon as possible to avoid having your service shut off.

Form No. 721325(May 2004)
©2004 Dominion Resources Services, Inc.

CURRENT VERSION:

INSIDE METER – WITH OR WITHOUT REMOTE
REMINDER TO BE SENT WHEN THERE HAS BEEN 10 OR 11 MONTHS OF ESTIMATES, DEPENDING ON THE SCHEDULED READ. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1	**ACCOUNT NO:**
mail label line 2	+0000000000000
mail label line 3	**SERVICE ADDRESS:**
mail label line 4	*Addr Service Street*
mail label line 5	*AddrServ.CityState*
mail label line 6	**METER NO:** *UVar1*

Subject: We Need To Read The Meter

Despite previous notices, we have not been able to read the meter in your home for almost a year. Unfortunately, our lack of access to the meter has now reached the critical stage.

You must permit a company representative to read the meter. This can be accomplished either by:

- Granting our meter reader access to the meter. Please note that the dates when our meter reader will be in your area are printed at the top of your bill.
- Scheduling a meter reading appointment, please call *PhonCallCen*, *HoursCalCenter* Any of our Customer Information Representatives can set a time that is convenient for you.

If we don't hear from you and we still cannot reach the meter inside your home or business, the PUCO permits us to shut off service until you let us in to read and inspect our meter. The last thing we want to do is to inconvenience you with a shut-off. If we shut off service, it will not be due to your account balance - only with a lack of access to the meter.

While we continue to make attempts to read our meter, you remain obligated to pay for any billing adjustment made once we obtain a reading.

We would appreciate your prompt cooperation.

Sincerely,

Signature1CallCenter
Signature2CallCenter

lmr032

CURRENT VERSION:

INSIDE METER – WITH OR WITHOUT REMOTE
REMINDER TO BE SENT WHEN THERE HAS NOT BEEN A METER READ FOR 12 MONTHS, DEPENDING ON THE SCHEDULED READ. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

ACCOUNT NO:
+0000000000000
SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState

Subject: 12 Month Estimate

We have not been able to read the meter at your home for over a year. We know that you may work outside your home or have other circumstances that keep our employees from gaining access to the meter. Unfortunately, our lack of access prevents us from ensuring that our equipment is operating properly and accurately.

Because periodic reading is important, the Public Utilities Commission of Ohio requires us to read all indoor meters at least once a year. We need your help, though. We ask that you schedule a meter reading appointment. Please call *PhonCallCen* *HoursCalCenter* at your earliest convenience. We expect to hear from you within 14 business days of the date of this letter.

The meter is a mechanical device - we must read and inspect it. If we don't hear from you and we still cannot reach the meter inside your home, the PUCO permits us to shut off service until you let us in to read and inspect our meter. The last thing we want to do is to inconvenience you with a shut-off. If we shut off service, it will not be due to your account balance - only with a lack of access to the meter.

Please call us to avoid such an unpleasant situation. A shut-off would not only inconvenience you, but would cost you an additional $20.00 to cover the expense of stopping and restoring your service. While we continue to make attempts to read our meter, you remain obligated to pay for any billing adjustment made once we obtain a reading.

We would appreciate your prompt cooperation.

Sincerely,

Signature1CallCenter
Signature2CallCenter

lmr104

PROPOSED

INSIDE METER – WITH OR WITHOUT REMOTE
FRIENDLY REMINDER TO BE SENT WHEN THERE HAS NOT BEEN A METER READ FOR 8 MONTHS. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1	**ACCOUNT NO:**
mail label line 2	+0000000000000
mail label line 3	**SERVICE ADDRESS:**
mail label line 4	*Addr Service Street*
mail label line 5	*AddrServ.CityState*
mail label line 6	**METER NO:** *UVar1*

Subject: Our Meter Reader Missed You!

Our meter reader was just in your neighborhood. He or she tried to read the gas meter inside your home or business, but no adult was there. You can find the next scheduled meter reading dates at the top of your gas bill.

Even if you have reported your own meter readings or your property has a remote meter reading device, the Public Utilities Commission of Ohio's service standards require Dominion East Ohio to read the inside gas meter at least once every 12 months. This helps us to make sure your bill is accurate and to inspect the gas meter to make sure it is working the way it should.

Thank you for your cooperation.

Sincerely,

Signature1CallCenter
Signature2CallCenter

lmr110

PROPOSED

INSIDE METER – REMINDER SENT ONE WEEK PRIOR TO SCHEDULED READ.
REMINDER TO BE SENT WHEN THERE HAS BEEN 10 OR 11 MONTHS OF ESTIMATES, DEPENDING ON THE SCHEDULED READ. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

ACCOUNT NO:
+0000000000000
SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState
METER NO: *UVar1*

Subject: We Need To Read The Meter

We have not been able to read the gas meter at this address for almost a year. Unfortunately, our lack of access to the meter has now reached the critical stage. Even if you have reported your own meter readings or your property has a remote meter reading device, the Public Utilities Commission of Ohio's (PUCO) service standards require Dominion East Ohio to read the gas meter at least once every 12 months.

You must permit a company representative to read and inspect the meter. This can be accomplished either by:

- Granting our meter reader access to the meter. Please note that the dates when our meter reader will be in your area are printed at the top of your bill.
- Scheduling a meter reading appointment, please call *PhonCallCen*, *HoursCalCenter*

If we don't hear from you and we still cannot reach the meter, the PUCO permits us to shut off service until you let us read and inspect the meter. The last thing we want to do is to shut-off your service, which would not only inconvenience you, but would cost you an additional $UVAR11 to restore your service. Even if your account is paid in full we can still disconnect you if we are unable to read and inspect the meter once in a twelve month period.

Your actions preventing us from reading the meter could result in large backbills requiring you to pay large sums for gas used but not billed and/or properly metered.

We would appreciate your prompt cooperation.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr032

PROPOSED

INSIDE METER -- 3rd REMINDER TO BE SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

ACCOUNT NO:
+0000000000000
SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState

Subject: Your Gas Service Could Be Shut Off

This is your last warning before Dominion East Ohio issues a shut-off notice on your bill because you have not allowed us to get to the gas meter. We have not been able to read the gas meter at this service address for over a year. Even if you have reported your meter readings or your property has a remote reading device, the Public Utilities Commission of Ohio's (PUCO) service standards require Dominion East Ohio to read the gas meter at least once every 12 months.

We know that you may work outside your home or have other circumstances that keep our employees from gaining access to the meter. We have made several attempts to read the meter and to contact you:

DATE	**CONTACT TYPE**	**[THIS INFO WILL BE VARIABLES 1-10]**
10/07/06	DOOR NOTICE	
12/07/06	CALL	
02/07/07	LETTER	
04/07/07	LETTER	
06/07/07	LETTER	

Unfortunately, our lack of access prevents us from ensuring that our equipment is operating properly and accurately.

We need your help. We ask that you schedule a meter reading appointment by calling *PhonCallCen* *HoursCalCenter* as soon as possible.

If we don't hear from you and we still cannot reach the meter, the PUCO permits us to shut off service until you let us read and inspect the meter. The last thing we want to do is shut-off your service, which would not only inconvenience you, but would cost you an additional $UVAR11 to restore your service. **It has been UVAR12 months since we last read the inside meter. While we continue to make attempts to read our meter,** your actions preventing us from reading the meter could result in large backbills requiring you to pay large sums for gas used but not billed and/or properly metered.

Please give this matter your immediate attention.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr104

PROPOSED

OUTSIDE METER – WITH NO READ REASON CODE

REMINDER TO BE SENT WHEN THERE HAS NOT BEEN A READ FOR 8 MONTHS DUE TO METER OBSTRUCTION. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1	**ACCOUNT NO:**
mail label line 2	+0000000000000
mail label line 3	**SERVICE ADDRESS:**
mail label line 4	*Addr Service Street*
mail label line 5	*AddrServ.CityState*
mail label line 6	**METER NO:** *UVar1*

Subject: It Is Time For A Meter Reading of the Outside Meter

It is time again for us to read our gas meter located outside of your house or building. However, our meter reader has reported problems getting to the meter. As a result, we have had to estimate your gas use for several months now. Even if you have reported your own meter readings, the Public Utilities Commission of Ohio's service standards require Dominion East Ohio to read the gas meter at least once every 12 months. This helps us to make sure your bill is accurate and to inspect the gas meter to make sure it is working the way it should.

Please help us to meet this requirement:

1. Let us read the meter. Call us to arrange a day for us to read the meter.

2. Remove the obstruction. Whether it's a locked gate, an overgrown bush or a dog nearby, something has prevented us from getting to the meter. Please do whatever is necessary so that the next time our meter reader is in the area, he or she can obtain a reading.

If you would like to contact us, please call *PhonCallCen*, *HoursCalCenter*

Sincerely,

Signature1CallCenter
Signature2CallCenter

lmr116

PROPOSED

OUTSIDE METER – WITH NO READ REASON CODE

REMINDER TO BE SENT WHEN THERE HAS NOT BEEN A READ FOR 10 MONTHS DUE TO METER OBSTRUCTION. SENT ONE WEEK PRIOR TO SCHEDULED READ.

CurrDate

mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

ACCOUNT NO:
+0000000000000
SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState
METER NO: *UVar1*

Subject: It Is Time For A Meter Reading of the Outside Meter
It is time again for us to read the gas meter located outside of your house or building. However, our meter reader has reported problems getting to the meter. As a result, we have had to estimate your gas use for several months now. Even if you have reported your own meter readings, the Public Utilities Commission of Ohio's (PUCO) service standards require Dominion East Ohio to read the gas meter at least once every 12 months. This helps us to make sure your bill is accurate and to inspect the gas meter to make sure it is working the way it should.

You must permit a company representative to read and inspect the meter. This can be accomplished either by:

- Granting our meter reader access to the meter. Please note that the dates when our meter reader will be in your area are printed at the top of your bill.
- Scheduling a meter reading appointment, please call *PhonCallCen*, *HoursCalCenter*

If we don't hear from you and we still cannot reach the meter, the PUCO permits us to shut off service until you let us read and inspect the meter. The last thing we want to do is to shut-off your service, which would not only inconvenience you, but would cost you an additional $UVAR11 to restore your service. Even if your account is paid in full we can still disconnect you if we are unable to read and inspect the meter at least once in a twelve month period.

While we continue to make attempts to read the meter, your actions preventing us from reading the meter could result in large backbills requiring you to pay large sums for gas used but not billed and/or properly metered.

We would appreciate your prompt cooperation.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr117

PROPOSED
OUTSIDE METER – WITH NO READ REASON CODE

REMINDER TO BE SENT WHEN THERE HAS NOT BEEN A READ FOR 12 MONTHS DUE TO METER OBSTRUCTION. SENT ONE WEEK PRIOR TO SCHEDULED READ.

*CurrDate*mail label line 1
mail label line 2
mail label line 3
mail label line 4
mail label line 5
mail label line 6

ACCOUNT NO:
+0000000000000
SERVICE ADDRESS:
Addr Service Street
AddrServ.CityState

Subject: Your Gas Service Could Be Shut Off to the Outside Gas Meter
This is your last warning before Dominion East Ohio issues a shut-off notice on your bill because you have not allowed us to get to the gas meter. Our meter reader has reported problems getting to the meter. As a result, we have had to estimate your gas use for several months now. Even if you have reported your own meter readings, the Public Utilities Commission of Ohio's (PUCO) service standards require Dominion East Ohio to read the gas meter at least once every 12 months. This helps us to make sure your bill is accurate and to inspect the gas meter to make sure it is working the way it should.

We have made several attempts to read the meter and to contact you:

DATE	CONTACT TYPE [THIS INFO WILL BE VARIABLES 1-10]
10/07/06	DOOR NOTICE
12/07/06	CALL
02/07/07	LETTER
04/07/07	LETTER
06/07/07	LETTER

Unfortunately, our lack of access prevents us from ensuring that our equipment is operating properly and accurately.

We need your help. We ask that you schedule a meter reading appointment by calling *PhonCallCen* *HoursCalCenter* as soon as possible.

If we don't hear from you and we still cannot reach the meter, the PUCO permits us to shut off service until you let us read and inspect the meter. The last thing we want to do is shut-off your service, which would not only inconvenience you, but would cost you an additional $UVAR11 to restore your service. While we continue to make attempts to read the meter, your actions preventing us from reading the meter could result in large backbills requiring you to pay large sums for gas used but not billed and/or properly metered.

Please give this matter your immediate attention.

Sincerely,
Signature1CallCenter
Signature2CallCenter

lmr118

NO ACCESS SHUTOFF

ADDRESS
CITY, STATE ZIP

Account Number	Date Prepared	Next Meter Reading
00000000000000	September 18, 2006	11/14 - 11/17/2006

For questions about Dominion East Ohio charges call 330-746-7611. Avoid an estimate-enter a read between 10/17 & 5 p.m. on 10/19/2006 at www.dom.com

****** THIS IS A SHUT-OFF NOTICE ******
FOR NOT LETTING US GET TO OUR METER.

SHUT-OFF NOTICE FOR NOT LETTING US GET TO OUR METER

Dominion East Ohio has made repeated attempts to read and inspect our gas meter. Because you have not given us access to our meter, we will turn off gas service no sooner than 8 a.m. on [DATE] or any business day thereafter. **We will take this action regardless of your account balance.**

You can avoid a loss of service if you call us before [DATE] and arrange a day for us to read and inspect our meter. If we shut off gas service, you must schedule an appointment and you will be charged a fee of $XX.XX, which will appear on the bill after we restore service.

Please detach and return this coupon with a check made payable to Dominion East Ohio. Please see reverse side for mailing address change instructions.

Removing Yourself from Customer Listing
We are required to include your name, address and usage information on a list of eligible customers that is made available to other retail natural gas suppliers or governmental aggregators. If you do not wish to be included on this list, please call Dominion East Ohio at 1-800-362-7557 or write us at P.O. Box 26666, Richmond, VA 23261-6666, or complete the appropriate form on the www.dom.com web site.

XXXXX
XXXXX
XXXXXXXXX

DOMINION EAST OHIO
PO BOX 26785
RICHMOND VA 23261-6785

NEW COMBINED SHUTOFF

ADDRESS
CITY, STATE ZIP

Account Number Date Prepared	Next Meter Reading	
00000000000000 September 18, 2006	11/14 - 11/17/2006	For questions about Dominion East Ohio charges call 330-746-7611. Avoid an estimate-enter a read between 10/17 & 5 p.m. on 10/19/2006 at www.dom.com.

Current Gas Amount	65.10
Past Due Gas Amount	188.24
Total Payment Due by October 4, 2006	**$253.34**

**** THIS IS A SHUT-OFF NOTICE **** FOR NOT PAYING AND FOR NOT LETTING US GET TO OUR METER.

NOTICE #1 – FOR NOT PAYING

You are not currently on a payment plan.

YOUR ACCOUNT IS PAST DUE. Unless Dominion East Ohio receives your past due payment of $188.24 in full by October 4, 2006, the company can shut off your gas service. Partial payment will not protect you from shutoff unless you arrange one of the following payment plans with us in advance, if eligible:

Current Plus - You pay your current charges, and make one of up to six equal payments of the past-due amount, each month.

Percentage of Income Payment Plan (PIPP) - Income-eligible customers pay 10% of their monthly gross household income. Call the Ohio Department of Development at 1-800-282-0880 for an application or for the location of the nearest Community Action Agency.

One-Third Option - Between November 1 and April 15, customers can pay one third of their total bill to avoid a shutoff of service.

If the company shuts off your gas service for nonpayment, you must pay a reconnection fee of up to $20.00 in addition to the past-due amount. Also, you must pay a security deposit of $1.00 or have a creditworthy guarantor.

Payment Methods. Pay your over-due balance through BillMatrix day or night with an electronic check, ATM/debit card with a Pulse, Star, NYCE or Accell logo or a Visa, MasterCard, or Discover credit card. Contact BillMatrix by phone at 1-800-573-1153 or online through www.dom.com. BillMatrix charges a convenience fee of $3.95 for each transaction. You may also pay in person at an authorized payment center. For the payment location nearest you, visit www.dom.com or call Dominion East Ohio at the number in the top right corner of this bill. Authorized payment agents charge a service fee of $0.74 for each transaction.

Energy Assistance. If you meet income requirements, you might qualify for financial aid or weatherization services. To learn more, call the Ohio Department of Development, Office of Community Services, at 1-800-282-0880 or contact us.

Medical Certificate. A medical certification delays a shutoff when it would be especially dangerous to the health of a permanent member of your household. It allows you time to get financial help or make payment arrangements. It does not reduce the amount you owe. You can get a medical certification form by calling 1-800-950-7989. A licensed medical professional must sign the form. You can apply by phone, provided that Dominion East Ohio receives the written notification within seven days. If gas service is off, return the signed form within 21 days to restore service. Be sure to give your health care provider permission to release your medical information to us.
Failure to pay all charges for non-regulated Dominion Products & Services may result in termination of your contract.

NOTICE #2 – FOR NOT LETTING US GET TO OUR METER

Dominion East Ohio has made repeated attempts to read and inspect our gas meter. Because you have not given us access to our meter, we will turn off gas service no sooner than 8 a.m. on [DATE] or any business day thereafter. **We will take this action regardless of your account balance.**

You can avoid a loss of service if you call us before [DATE] and arrange a day for us to read and inspect our meter. If we shut off gas service, you must schedule an appointment and you will be charged a fee of $XX.XX, which will appear on the bill after we restore service.

Please detach and return this coupon with a check made payable to Dominion East Ohio. Please see reverse side for mailing address change instructions.

Removing Yourself from Customer Listing
We are required to include your name, address and usage information on a list of eligible customers that is made available to other retail natural gas suppliers or governmental aggregators. If you do not wish to be included on this list, please call Dominion East Ohio at 1-800-362-7557 or write us at P.O. Box 26666, Richmond, VA 23261-6666, or complete the appropriate form on the www.dom.com web site.

XXXXX
XXXXX
XXXXXXXXX

DOMINION EAST OHIO
PO BOX 26785
RICHMOND VA 23261-6785

EXHIBIT

14

FILE

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PUCO

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 to Adjust its Automated Meter Reading Cost Recovery Charge and Related Matters.	)))))	Case No. 09-1875-GA-RDR

COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

JANINE L. MIGDEN-OSTRANDER
OHIO CONSUMERS' COUNSEL

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(614) 466-8574 – Telephone
serio@occ.state.oh.us
sauer@occ.state.oh.us

March 29, 2010

DEO Ex. 6

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 to Adjust its Automated Meter Reading Cost Recovery Charge and Related Matters.	)))))	Case No. 09-1875-GA-RDR

COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

Pursuant to a March 5, 2010 Entry ("March 5 Entry") by the Attorney Examiner in this docket, Staff and intervenors are required to file any comments in this proceeding by March 29, 2010.[1] By April 2, 2010, the East Ohio Gas Company d/b/a Dominion East Ohio ("Dominion" or "the Company") is required to file a statement informing the Public Utilities Commission of Ohio ("PUCO" or "the Commission") whether the issues raised in the comments have been resolved.[2] If the issues are not resolved, then the case is set for evidentiary hearing on Friday, April 9, 2010.

II. RESERVATION OF RIGHTS

At this time, OCC's Comments on the Application are preliminary in nature. OCC reserves the right to file additional comments and to file expert testimony on any

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[1] March 5 Entry at 2.

[2] March 5 Entry at 2.

matters not resolved by April 2, 2010, in the settlement process set forth in the Attorney Examiner's Entry.

III. BURDEN OF PROOF

The burden of proof regarding the Application rests upon Dominion. In a hearing regarding a proposal that does involve an increase in rates, R.C. 4909.19 provides that, "[a]t any hearing involving rates or charges sought to be increased, the burden of proof to show that the increased rates or charges are just and reasonable shall be on the public utility."[3] Inasmuch as the Automated Meter Reading ("AMR") program is an outgrowth of Dominion's 2007 Rate Case, Dominion in this case bears the burden of proof. Therefore, neither OCC nor any other intervenor bears any burden of proof in this case.

IV. COMMENTS

On March 1, 2010, Dominion filed an Application in this docket, asking for approval and adjustment to its AMR Cost Recovery Charge to $0.49 per month per customer.[4] The Application was made as a result of the Stipulation and Recommendation agreed to by the parties in the recent Dominion Rate Case.[5] Like Dominion's Pipeline Infrastructure Replacement Program ("PIR"), the AMR program was designed to accelerate the Company's actions and provide the Company with accelerated cost

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[3] Also R.C. 4909.18.

[4] Application at 4.

[5] *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, Opinion and Order (October 15, 2009) ("Dominion Rate Case").

recovery from customers in exchange for residential customers getting accelerated benefits in the form of better service, better safety and cost savings.[6]

Through the first two years of the AMR program there can be no dispute that the Company has received from customers the benefit of accelerated cost recovery of its investment in AMR's. However, the benefits that were supposed to accrue to residential customers have not been as apparent. In order to recognize the benefits for residential customers that were supposed to be inherent in the AMR program, OCC recommends the following adjustments to Dominion's proposed AMR Rider rate.

A. Operation and Maintenance Savings

Dominion is required to pass back to consumers savings related to O&M expenses that are attributable to the installation of AMR devices. The Stipulation and Recommendation stated:

> (6) Any savings relative to a baseline level of O & M expenses associated with leak detection and repair process, Department of Transportation inspections on inside meters that may no longer be necessary if meters are relocated outside, and corrosion monitoring expense shall be used to reduce the fiscal year-end regulatory asset eligible for recovery through the PIR Cost Recovery Charge. DEO shall work with Staff and OCC to develop an appropriate baseline for those expenses and parties reserved the right to seek Commission resolution in the event the parties differ regarding the appropriate baseline.[7]

Similar language also appeared in the October 15, 2009 Opinion and Order which stated:

> (f) Any savings relative to a baseline level of operation and maintenance expenses associated with leak detection and repair processes, department of transportation inspections of inside meters that may no longer be necessary if meters are relocated

[6] *In re DEO Rate Case*, Case No. 07-829-GA-AIR, et al., Second Supplemental Testimony of Jeffrey Murphy at 20, 23 (June 23, 2008); See also Opinion and Order at 12 (October 15, 2008).

[7] DEO Rate Case, Stipulation and Recommendation at 10.

> outside, and corrosion monitoring expense shall be used to reduce the fiscal year-end regulatory asset eligible for recovery through the PIR Cost Recovery Charge. DEO shall work with Staff and OCC to develop an appropriate baseline for those expenses and parties reserved the right to seek Commission resolution in the event the parties differ regarding the appropriate baseline for those expenses.[8]

The language in the Stipulation and Recommendation and the Opinion and Order contemplated that any savings from the Call Center or meter reading expenses resulting from the AMR program would be credited against expenses in order to reflect some of the savings touted in support of the AMR program.[9] More specifically, Dominion witness Jeff Murphy, Director, Rates and Gas Supply, testified that AMR deployment would provide cost savings, including "lower rates over time," in addition to reduced "time, labor and other costs."[10] Mr. Murphy also testified that the Company would:

> compare its annual meter reading operating and maintenance ("O&M") expense to a base year, which the Staff has recommended to be 2007. Any savings relative to that base year will be used to reduce the year-end regulatory asset **in order to provide customers the benefit of any meter-reading cost reductions achieved as a result of the AMR deployment.**[11]

Despite this language and the anticipated and projected savings, Dominion's Application claims that O&M savings have been achieved only in the Meter Reading expense category, and Call Center expenses have increased, yielding no savings.[12] Such an outcome was not contemplated by the parties agreeing to the AMR program.

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[8] *In re DEO Rate Case*, Case No. 07-829-GA-AIR, et al., Opinion and Order at 10.(October 15, 2008)

[9] *In re DEO Rate Case*, Case No. 07-829-GA-AIR, et al., Stipulation and Recommendation at 10 (August 22, 2008).

[10] DEO Rate Case, Second Supplemental Direct Testimony of Jeffrey A. Murphy at 20-23.

[11] DEO Rate Case, Second Supplemental Direct Testimony of Jeffrey A. Murphy at 24. (Emphasis added).

[12] Application at Schedule 11.

1. Meter Reading Savings

In the Application, the Company identified a reduction in meter reading expenses for 2009 amounting to approximately $681,000 in cost savings.[13] While a demonstration of savings is a step in the right direction, it falls woefully shy of the Company's savings estimates that were made at the time of Dominion's rate case.

In response to Staff Data Requests in Dominion's Rate Case, the Company estimated that O&M meter reading expense savings would total $6,000,000 in 2012 with full deployment.[14] The Application indicates that the AMR program is approximately 60 percent complete as of December 31, 2009.[15] Inasmuch as the AMR project is now approximately 60 percent complete, it is not unreasonable to expect savings to equal approximately 60 percent of the Company-projected total. Applying the 60 percent project completion level to the $6,000,000 in Company-estimated total savings results in O&M meter reading savings of $3.6 million in 2009, instead of the $681,000[16] presented by the Company.

In the alternative, OCC recommends that the PUCO rely on the Company's estimate of O&M cost savings of $900,000 for 2009[17] in place of the $681,000.

[13] Application at Schedule 11.

[14] *In re Dominion Rate Case,* Case No. 07-829-GA-AIR, et al., Dominion Response to Staff Date Request 02-12 (Preparer of Response William Armstrong). (See Attachment 1).

[15] Application at 3

[16] Id.

[17] *In re Dominion Rate Case,* Case No. 07-829-GA-AIR, et al., Dominion Response to Staff Date Request 02-12 (Preparer of Response William Armstrong). (See Attachment 1).

2. Call Center Expenses

Instead of generating O&M savings, the Company's Call Center expenses continue to increase dramatically over the baseline level. In 2008, the Call Center expenses exceeded the 2007 baseline by approximately $1.6 million.[18] Further, the Application claims that Call Center expenses in 2009 now exceed the base line by nearly $2.0 million or another $400,000 increase over 2008.[19] This trend of higher costs[20] was not contemplated to be a part of the AMR program and has had the effect of fundamentally altering the balance of benefits from the AMR program. With the installation of AMR devices nearly 60 percent complete and Call Center costs skyrocketing, it appears unlikely that customers will ever see the savings to Call Center expenses that were contemplated.[21]

In response to Staff Data Requests in Dominion's Rate Case, the Company estimated that the total O&M Call Center savings would be $765,000 in 2012 after full deployment.[22] With deployment approximately 60 percent complete it is not unreasonable to expect 60 percent of the total estimated savings to be achieved by this point. Applying the 60 percent project completion level to the Company-estimated total savings of $765,000 results in O&M Call Center savings of $471,000 in 2009, instead of the cost increase claimed by the Company.[23]

[18] 2008 Dominion AMR Application at Schedule 12 (February 27, 2009).

[19] Application at Schedule 11.

[20] The Application lacks any explanation or justification for this dramatic and unanticipated cost increase.

[21] *In re Dominion Rate Case,* Case No. 07-829-GA-AIR, et al., Dominion Response to Staff Date Request 06-11 (Preparer of Response Carrie Fanelly) (See Attachment 2).

[22] Id.

[23] Id.

In the alternative, OCC recommends that the PUCO reject the Company's calculation of no Call Center savings and instead rely on the Company's own O&M savings estimate of $194,000 for 2009 as the appropriate O&M Call Center savings.

The PUCO recently addressed the matter of accelerated savings in accelerated cost recovery programs in the Dominion Pipeline Infrastructure Replacement case, Case No. 09-458-GA-RDR, where the PUCO ruled:

> Therefore, the Commission concluded that, **because immediate customer savings were articulated as a goal of the PIR program**, the O&M baseline savings should be calculated using only the savings from each category of expenses.[24]

In order to provide similar immediate savings to residential customers regarding Call Center expenses, the PUCO should reject the unanticipated and unexplained cost increases and instead establish a minimum cost savings level to Call Center costs using Dominion's estimates in order to restore some semblance of balance to the AMR program. The promise of reduced O&M Call Center expenses was an important quid pro quo that is not being achieved or provided to customers.

The dramatic cost increases now claimed for Call Center expenses were never contemplated or even discussed during the Rate Case which gave rise to the AMR program. Rather, residential customers agreed to accelerate (meaning pay for) AMR installation and cost recovery in exchange for savings not only for meter reading costs, but also for Call Center costs.[25]

[24] *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio to Adjust its Pipeline Infrastructure Replacement Program Cost Recovery Charge and Related Matters*, Case No. 09-458-GA-RDR, Entry on Rehearing (February 11, 2010) at 5. (Emphasis added.)

[25] *In re DEO Rate Case*, Case No. 07-829-GA-AIR, et al., Stipulation and Recommendation at 10 (August 22, 2008).

To the extent that the Call Center costs continue to increase for customers, these costs have the impact of fundamentally altering the balance of benefits from the AMR program. If the AMR program is to continue on an accelerated basis -- with the Company accelerating its cost recovery -- then the PUCO must restore the balance by either eliminating Call Center costs that were not contemplated by the AMR Stipulation or by ordering a minimum level of Call Center savings.

B. AMR Funding

OCC inquired as to what efforts the Company was making to seek infrastructure funding resulting from the American Recovery and Reinvestment Act of 2009, and OCC is waiting for Dominion's response to discovery. The Commission should require Dominion to document its efforts to obtain stimulus funding by providing parties with all applications for stimulus funds, and identifying the projects that Dominion believes qualify for such funding. Any failure on the part of Dominion to apply for stimulus funding for which the Company qualifies should result in a reduction to the AMR Rider rate by treating all potential unapplied for stimulus dollars as a reduction to the current year's maintenance expense.

V. CONCLUSION

The Company's implementation of the AMR program contemplated an accelerated cost recovery opportunity for the Company and better, more convenient service for the customer. In addition, customers were promised decreased Operation and Maintenance expenses. Because Call Center O&M savings have not materialized, the Commission should order the Company to honor this important quid pro quo and determine an alternative method for calculating and delivering the O&M savings that consumers are entitled to receive.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
OHIO CONSUMERS' COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the *Comments of the Office of the Ohio Consumers' Counsel* was served via Electronic Mail upon the following persons on this 29th day of March, 2010.

Joseph P. Serio
Assistant Consumers' Counsel

SERVICE

Stephen Reilly
Anne Hammerstein
Attorney General's Office
Public Utilities Section
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Mark A. Whitt
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Columbus, Ohio 43215

Attachment 1

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Response to Data Requests

Requesting Party:
PUCO

Data Request Set:
Peter Baker

Question Number:	**Subpart:**
02	12

Request Date:	**Due Date:**
10/17/2007	11/02/2007

Topic:
AMR

Question:
Using 2006 meter-reading O&M expense as a baseline and assuming the schedule provided in response to Item 7 above, please estimate the Company's annual meter-reading O&M savings.

Answer:
The Company does not expect to realize material savings until a sufficient quantity of complete routes are automated for mobile reading. The Company has calculated the following savings based on potential meter reading headcount reductions in the future. It should be noted that the Company expects many of those positions to be redeployed to other areas of the Company.

2009 - $ 900,000
2010 - $ 1,300,000
2011 - $ 2,950,000
2012 - $ 6,000,000

Preparer Of Response:	**Date Prepared:**
William Armstrong	11/01/2007 03:14:09 PM EDT

Attachments:
No

Attachment 2

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Response to Data Requests

Requesting Party:
PUCO

Data Request Set:
Peter Baker

Question Number:	**Subpart:**
6	11

Request Date:	**Due Date:**
12/07/2007	12/21/2007

Topic:
AMR

Question:
Unless otherwise noted, the following items relate to DEO's response to Staff Data Request # 4.

11. With respect to Subpart 12, please develop a similar analysis of the annual customer communication costs (relating to its MDSS-required meter access plan) that DEO would avoid after completion of its 5-year AMR installation program.

Answer:
Please see the attached cost analysis.

Preparer Of Response:	**Date Prepared:**
Carrie Fatully	12/21/2007 10:07:22 AM EST

Attachments:
Yes
Attachment Names:
PUCO DR #6.11 Cust Communications Cost Savings- AMR.doc

Cost Saving of the AMR Deployment Plan for Call Center Operations

Assumptions

1. The largest cost saving comes from installing ERT indexes on inside meters.
2. Based on several years of statistical data, customers with inside meters call us 1.036 times per year on average, while customers with outside meters call us .65 times per year on average for billing and meter service related inquiries.
3. When ERT devices are installed on the inside meters, inside-meter call patterns will more closely resemble outside-meter call patterns. (Many calls from customers with inside meters relate to bills that resulted from estimated reads. Estimated reads generally result from lack of access to the meter. Because DEO will be able to obtain "actual" reads on ERT meters, as well as outside meters, the cause of many calls from inside-meter customers will be eliminated.) One behavior pattern that will not change is the call volume patterns related to required DOT inspection.
4. Dominion East Ohio has 1,290,000 meters; 43% are located inside, and 57% are located outside.
5. In addition to the behavioral changes of the customers with inside meters, billing calls related to high bill complaints will decrease as well as handle times around those bills. This reduction will decrease the call volume for the billing related calls by 10% based on sample call data.
6. Dominion will reduce the number of letters sent to customers with inside meters requesting access to read their meters.
7. Dollars saved are at the end of full deployment and in today's dollars.

Call Volume Impacts/ Customer Communications

1. Inside Meters Call Reduction: This equates to 556,000 customers (with inside meters), calling at an average of 1.036 times per customer per year, or 576,033 calls. Change in behavior results in 556,000 customers calling .65 times per year. This represents an overall yearly reduction of 216,633 calls. Installation of ERT devices will not preclude the need to gain access to carry out DOT inspections, however; thus, DOT inspections will still require an estimated 91,173 customer calls per year. This results in a net reduction in calls for inside meters of 123,460.
2. Bi-monthly Reads to Monthly Call Reduction: Last year, Dominion handled 418,459 billing calls in Ohio from customers with outside meters. Assuming a call volume equivalent (handle times and reduced volume) reduction of 10%, we expect to experience an additional reduction of 41,846 calls.
3. Total Call Volume Reduction: 165,306 calls
4. Total Letter Communication Volume Reduction: 81,906 letters

Cost Savings Results from Reductions Above

1. Cost Savings associated with call volume reduction is 10 FTEs for a total savings of $657,945 including benefits.
2. Phone bill savings would amount to $99,183.
3. Letter savings $30,334.
4. Total AMR annual savings $784,472 after full deployment with monthly meter reading schedule

EXHIBIT

DEO Ex. 7 179

The Public Utilities
Commission of Ohio

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Public Utilities Commission of Ohio

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

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

Case No. 07-829-GA-AIR
Case No. 07-830-GA-ALT
Case No. 07-831-GA-AAM
Case No. 06-1453-GA-UNC

www.PUCO.ohio.gov
(800) 686-PUCO

AUTOMATED METER READING PROPOSAL

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

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

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

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

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

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

- AMR provides the most cost-effective way for DEO to comply with the new meter reading requirements.[5]

- AMR would enable DEO to read its meters monthly (instead of every other month) and thereby match each month's usage against its corresponding monthly commodity rate changes.

- Monthly meter readings would provide more accurate information for use in transferring service at a given premise from one customer to another.

- Because AMR reads are obtained by employees who drive along a route with data collectors installed in their vehicles, customers would no longer have to cope with inconvenient intrusions into their home or business to read the meter.

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

Recommendations

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

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

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

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

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

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

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

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

EXHIBITS

DEO EX. 13

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company dba 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 dba 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 dba 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 dba 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 dba Dominion East Ohio for Approval of Tariffs to Recover Certain Costs Associated with Automated Meter Reading and for Certain Accounting Treatment.	:	Case No. 06-1453-GA-UNC

PREFILED TESTIMONY
OF

PETER K. BAKER

SERVICE MONITORING & ENFORCEMENT DEPARTMENT
RELIABILITY & SERVICE ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

Staff Exhibit _____

August 1, 2008

1. Q. Please state your name and business address.

A. My name is Peter K. Baker. My address is 180 E. Broad Street, Columbus, Ohio, 43215-3793.

2. Q. Who is your employer?

A. I am employed by the Public Utilities Commission of Ohio.

3. Q. What is your present position with the Public Utilities Commission of Ohio and what are your duties?

A. I am a section chief in the Reliability and Service Analysis Division of the Service Monitoring and Enforcement Department. My section analyzes reliability and service quality performance, and enforces reliability, service quality, and consumer protection rules for electric, gas, and water utilities.

4. Q. Would you briefly state your educational background and work history?

A. I have bachelor's degrees in Psychology (1967) and Philosophy (1971) from the University of Oklahoma, and a 1987 bachelor's degree in Business Administration (with major in Accounting) from Franklin University. From 1972 to 1986, I was employed by Dowell Division of Dow Chemical Company (an oil field service operation later called Dowell Schlumberger) where I functioned as clerk/dispatcher and administrative assistant. In 1987, I joined the PUCO, where I worked as an analyst and coordinator in the Performance Analysis Division of the Utilities Department. In December of 1994, I was promoted to Administrator in the Consumer Services Department (now called the Service Monitoring and Enforcement Department), and assigned to the Compliance Division (now the Facilities and Operations Field Division). In that organization, I enforced electric, gas, and telephone service quality, customer service, and consumer protection rules. In 1997, I was transferred to the Service Quality and Analysis Division (now called the Reliability and Service Analysis Division), and in 2000, I was promoted to my current position and duties.

5. Q. What is the purpose of your testimony is this case?

A. My testimony addresses filed objections relating Dominion East Ohio's (DEO's) proposal to install automatic meter reading (AMR) devices on all customer meters and recover associated costs through an AMR Cost Recovery Charge.[1] More specifically, my testimony addresses The Office of the Ohio Consumers' Counsel's (OCC's) Objection G, Ohio Partners for Affordable Energy's (OPAE's) Objections VI, VII, and X, and the Citizens Coalition's[2] Objection 1.

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1 DEO's AMR proposal is discussed on pages 41 through 43 of the Staff Report.

2 "The Citizens Coalition" refers collectively to the Neighborhood Environmental Coalition, The Empowerment Center of Greater Cleveland, the Cleveland Housing Network, and the Consumers for Fair Utility Rates.

6. Q. What was OCC's objection to DEO's AMR proposal?

A. OCC's primary objection concerned DEO's plan to install AMR devices on all meters. OCC argued it would be more economical for DEO to restrict AMR deployment to inside meters.

7. Q. How do you respond to this objection?

A. I believe OCC's objection fails to consider the many non-quantifiable benefits (for all DEO customers) of monthly meter reading, which full AMR deployment makes possible. Although DEO's (standard service offer) commodity rate fluctuates on a monthly basis, DEO currently reads meters on a bi-monthly basis (every other month). DEO's bi-monthly meter reading does not provide an accurate matching of gas quantities used with commodity rates charged. This fact is significant because commodity rates are currently at historic highs, fluctuate widely, and constitute a high percentage of the customer's total gas bill.[3]

8. Q. How would partial AMR deployment affect DEO customers?

A. Partial deployment would essentially create two classes of customers, in that customers with AMR devices would receive an actual meter reading

[3] This situation also affects the 60 percent of DEO's Choice customers whose commodity rates fluctuate from month to month.

every month while customers without AMR devices would receive no actual meter reading at all. This situation has to do with the nature of bi-monthly meter reading. Accordingly, for months when the meter is not read, the customer receives an estimated bill, and for months when the meter is read, the customer receives a true-up bill reflecting a blend of usage for the prior two months. Although bi-monthly meter reading does reflect actual usage over the two-month period as a whole, it does not reflect the actual usage for either of those two months taken individually. By contrast, with full AMR deployment and monthly meter reading, all DEO customers will receive every month a bill indicating their actual usage that coincides with that month's commodity rate.

9. Q. Does full deployment of AMR devices produce other customer benefits?

A. Yes. With full AMR deployment, DEO will not only install data-collector units in vehicles that drive the meter-reading routes, but will also install these units in service vehicles and therefore will perform off-cycle meter readings much more frequently for customers moving in and out during the interval between regularly-scheduled meter reading dates. Choice customers also will benefit by receiving an actual meter reading on the date they switch from one provider to another and thus receive gas bills that accurately reflect the usage from both the old and new supplier. Monthly meter reading with full AMR deployment also reduces the time it takes to identify defective meters, because it would require only two consecutive months of zero usage (compared to four months with bi-monthly meter reading) to trigger a dead-meter investigation. This shorter detection period will result in fewer back-billing complaints from affected customers. Finally, AMR eliminates the human errors associated with visually reading the meter dial and manually recording the reading.

10. Q. Does DEO receive operational benefits from full AMR deployment?

A. Yes, with full AMR deployment, meter readers will no longer need to walk the routes, read the meter dials, and physically record the meter readings. Instead, the meter reader drives the route and automatically records meter readings that are transmitted by radio signal from the AMR device on the meter to a data-collection unit in the vehicle. By contrast, if DEO were to restrict AMR deployment to inside meters, its meter readers would have to continue walking the majority of routes, because 60 percent of them have a mixture of inside and outside meters. Another operational benefit is improved safety because meter readers would no longer need to walk the routes and enter customer property. Call center expense would also be reduced because of fewer customer inquiries about meter reading issues (*e.g.* high-bill complaints due to estimated bills), meter reading expense would be reduced because fewer meter readers are needed with full AMR deployment, and automated detection of meter tampering will decrease lost revenue from unbilled usage. Finally, DEO has a history of meter reading problems and associated back-billing issues (discussed in Staff witness Barbara Bossart's testimony), which Staff expects will be eliminated after full AMR deployment.

11. Q. Can you summarize your position with respect to OCC's objection?

A. I believe the customer and operational benefits of full AMR deployment justify recovering its cost through the AMR Cost Recovery Charge as specified in the Staff Report.

12. Q. Does OCC have other concerns?

A. Yes, OCC maintains that the AMR Cost Recovery Charge should reflect not only the savings related to reduced meter reading expenses but should also reflect other savings related to reduced call center, fraud, theft, and any other operations and maintenance expenses expected to be reduced in the future as the result of AMR deployment.

13. Q. Do you agree with OCC?

A. Yes, I agree that any resulting savings should be reflected in the AMR Cost Recovery Charge.

14. Q. Also relating to the resulting savings, OCC witness Trevor Roycroft maintains in his testimony that Staff should have selected a different baseline year (other than 2007) for calculating savings resulting from AMR deployment. Do you agree with this position?

A. No, I believe that 2007 is the appropriate baseline year. 2007 data is more reliable since it represents the test year expenses that were subject to audit in the rate case.

15. Q. Mr. Roycroft also argued that DEO's savings estimates should be used in combination with future comparisons against baseline-year expenses to calculate savings offsets to the AMR Cost Recovery Charge. Do you agree with this position?

A. Yes, I believe DEO should commit to its savings estimates, and I agree with OCC that if actual savings is less than estimated savings, then the higher estimate should be used to reduce the AMR Cost Recovery Charge.

16. Q. Are you ready to discuss OPAE's objections now?

A. Yes, in its Objection VI, OPAE argues that since AMR technology eliminates the need for manual disconnection and reconnection of a customer's gas service, DEO should eliminate charges that relate to service disconnection and reconnection.

17. Q. How do you respond to this objection?

A. OPAE's argument is based on a misunderstanding of AMR technology. Although AMR devices enable remote meter reading, they do not enable remote service turn-on or turn-off. Since DEO will continue to perform these activities manually, the Company will still need charges to recover their cost.

18. Q. In its Objection VII, OPAE maintains that DEO's tariff should require monthly meter readings. Do you agree?

A. Although DEO has committed to perform monthly meter readings, it will not be able to adopt this practice for all customers until it completes the five-year AMR deployment process. Until that time, I believe it is premature to include such a requirement in its tariff. I do recommend, however, that after AMR deployment is complete, DEO should file a revised tariff containing a monthly meter reading requirement.

19. Q. In its Objection X, OPAE maintains that AMR cost recovery should be subject to the "used and useful" standard. Do you agree?

A. Yes, I do.

20. Q. The Citizens Coalition, in its Objection 1, expresses concern about customers being prematurely disconnected for nonpayment (via AMR technology)

without receiving sufficient prior notice. How do you respond to this concern?

A. As I stated above in my response to OPAE's Objection VI, AMR technology does not have the capability to remotely disconnect service, and therefore should not cause the premature-disconnection problems that OPAE describes.

21. Q. Is there anything else you wish to discuss?

A. Yes, in his Second Supplemental Direct Testimony, Jeffrey Murphy states that DEO now estimates the cost of system-wide AMR deployment at $126.3 million. I want to clarify the Staff's understanding that this cost estimate is a gross amount, which covers some cost elements which will be excluded from the calculation of DEO's AMR Cost Recovery Charge. These exclusions are listed as follows:

- The cost of 18,056 AMR devices that were installed before the March 31, 2007 date certain in this rate case;
- The cost of 40,000 AMR devices installed to replace mechanical remote devices with high failure rates;
- The cost of replacing approximately 82,000 old tin-case meters that are incompatible with the AMR devices (this cost includes the replacement meter and its installation);

- The cost of making any of the estimated 142,000 "discretionary meter changes" which may occur in conjunction with the installation of AMR devices (this cost includes the replacement meter and its installation); and
- The cost of any routine maintenance performed while on site to install an AMR device.

All of the costs listed above should be excluded from the AMR Cost Recovery Charge.

22. Q. Does this conclude your testimony?

A. Yes, it does.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Peter K. Baker, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 1st day of August, 2008.

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EXHIBITS

DEO Ex. 9 13

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Adjust its Automated Meter Reading Cost Recovery Charge to Recover Costs Incurred in 2010.	Case No. 10-2853-GA-RDR

STAFF COMMENTS
AND RECOMMENDATIONS
SUBMITTED ON BEHALF OF THE STAFF OF THE
THE PUBLIC UTILITIES COMMISSION OF OHIO

March 30, 2011

TABLE OF CONTENTS

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 Approval of Tariffs to Adjust its Automated Meter Reading Cost Recovery Charge to Recover Costs Incurred in 2010.	))))))	Case No. 10-2853-GA-RDR

STAFF COMMENTS
AND RECOMMENDATIONS
SUBMITTED ON BEHALF OF THE STAFF OF THE
THE PUBLIC UTILITIES COMMISSION OF OHIO

INTRODUCTION

In accordance with the Public Utilities Commission of Ohio (Commission) Opinion and Order adopting the Stipulation and Recommendation filed in Case No. 07-829-GA-AIR et al., the Commission's Staff has conducted its investigation in the above-referenced matter and hereby submits its findings and recommendations in these comments to the Commission.

These comments were prepared by the Commission's Utilities Department in conjunction with the Service Monitoring and Enforcement Department. Included are findings and recommendations resulting from financial reviews of additions to plant-in-service and The East Ohio Gas Company d/b/a Dominion East Ohio's (DEO or Company) proposed revenue requirement and other matters related to its program to install automated meter reading (AMR) equipment on customer meters throughout its service area and associated AMR Cost Recovery Charge.

Pursuant to the Attorney Examiner's Entry dated March 3, 2011, copies of these comments have been filed with the Commission's Docketing Division.

These comments contain the results of the Staff's investigation, and do not purport to reflect the views of the Commission, nor is the Commission bound in any manner by the representations and/or recommendations set forth herein.

BACKGROUND

DEO is an Ohio corporation engaged in the business of providing natural gas service to approximately 1.2 million customers in northeast, western and southeast Ohio communities.

In its October 15, 2008 Opinion and Order adopting the Stipulation and Recommendation *(2007 Stipulation)* filed by the parties, the Commission authorized DEO to establish an automated adjustment mechanism to recover the costs associated with an Automated Meter Reading (AMR) program.[1] The recovery mechanism in the form of an annual rider is designed to permit the Company to recover its annual costs to install AMR equipment on each of the nearly 1.3 million meters in its system over a five-year period. AMR equipment facilitates billing accuracy and customer convenience by enabling DEO to remotely read customers' meters which contributes to monthly meter reads. This program lessens the need for estimated meter reads and for scheduling

[1] *In re DEO,* Case No. 07-829-GA-AIR et al. (Opinion and Order) (October 15, 2008).

appointments to read inside meters. DEO plans to substantially complete the AMR installations by the end of 2011.

The 2007 Stipulation established a process that called for annual filings in support of increases to the AMR Cost Recovery Charge. The process involves a pre-filing notice being filed in November of each year. The filing must contain schedules with nine months of actual and three months of projected cost and related data in support of the rider increase. Also, a date certain for property valuation of December 31st of the applicable year must be included in the filing. By February 28th of the following year, the Company must then file an application updating the data provided to include a full year of actual data. The process then provides that unless the Staff finds DEO's filing to be unjust or unreasonable or if any other party files an objection that is not resolved by DEO, then the Staff will recommend Commission approval of the Company's Application. If approved by the Commission, the resulting increase to the AMR rider will take effect with the first billing cycle following the Commission order.

On March 3, 2011, the Attorney Examiner issued an Entry granting motions to intervene by the Office of the Ohio Consumers Counsel (OCC) and Ohio Partners for Affordable Energy (OPAE) and establishing a procedural schedule for this case as follows:

(a) March 30, 2011 – Deadline for filing of motions to intervene.

(b) March 30, 2011 – Deadline for Staff and interveners to file comments on the application.

(c) April 6, 2011 – Deadline for DEO to file a statement, informing the Commission whether the issues raised in the comments have been resolved.

(d) April 7, 2011 – Deadline for expert testimony by all parties and Staff.

(e) April 8, 2011 – Deadline for filing any stipulation resolving some or all of the issues raised.

(f) April 11, 2011 – Hearing date if some or all issues raised in the comments are not resolved.

2010 IMPLEMENTATION PROGRESS

The year 2010 was the fourth year of DEO's five-year AMR program. During 2010, DEO installed 257,020 AMR devices. Table 1 below lists the number of AMRs that DEO installed during each of the years 2006[2] through 2010. This table indicates that by the end of 2010 DEO had installed AMRs on 999,741 meters, which constitutes 78 percent of its 1,275,033 total customer-premise meter population.

Table 1 - DEO AMR Installations

Year	Annual	Cumulative	% of Total Meters
2006	524		
2007	131,480	132,004	10%
2008	278,582	410,586	32%
2009	332,135	742,721	58%
2010	257,020	999,741	78%

[2] The AMRs that DEO installed during 2006 were not charged to the AMR Rider, which did not begin until 2007.

COMPANY APPLICATION AND PROPOSED RECOVERY

In accordance with the application process outlined above, on November 30, 2010, DEO pre-filed notice in this case that included preliminary schedules containing nine months of actual and three months of projected cost and related data associated with installation of the AMRs in 2010. On February 28, 2011, DEO filed its Application that updated the schedules that were pre-filed to include a full year of actual data. The Application and supporting schedules propose an annualized revenue requirement of $9,248,582, which when allocated to customers results in a proposed rider rate of $0.64/month.

The Application also includes a calculation of restated 2009 call center costs compared to a 2007 baseline of call center costs in compliance with the Commission's Opinion and Order in Case No. 09-1875-GA-RDR. In its Opinion and Order in that case, the Commission directed DEO to remove six specific items that contributed to an increase in the 2009 call center costs and then compare the resultant amount against the 2007 baseline of call center costs. If there are any savings, the Commission directed DEO to include the savings plus 6.5% carrying costs in this year's Application. The Commission further directed that DEO should not include the six items or any other cost increases unrelated to installation of the AMRs in future calculations of call center savings.

Lastly, pursuant to the Commission's Opinion and Order in Case No. 09-1875-GA-RDR, DEO's Application also includes an AMR Plan detailing the steps and measures that the Company will take to install AMR devices on the remaining meters for active accounts by the end of 2011. In its Opinion and Order, the Commission directed that in its filing this year DEO should "demonstrate how it will achieve the installation of AMR devices on the remainder of its meters by the end of 2011, while deploying the devices in a manner that will maximize savings by allowing rerouting at the earliest possible time."

SUMMARY OF STAFF'S INVESTIGATION

The overall purpose of the Staff's investigation was to determine if the Company's filed exhibits justify the reasonableness of the revenue requirement used as a basis for the proposed increase to the AMR Cost Recovery Charge. The Staff reviewed the Company's Application, schedules, and related documentation and traced it to supporting work papers and to source data. As part of its review, the Staff issued data requests, conducted investigative interviews, and performed independent analyses when necessary. When investigating the Company's operating expenses, the Staff reviewed expenses associated with depreciation, amortization of post in-service carrying charges, property taxes, and reduction in operation and maintenance expenses. For rate base, the Staff verified the existence and the used and useful nature of plant additions through physical inspections and tested the Company's plant accounting system to determine if the information on AMR assets contained in the Company's plant ledgers and supporting continuing property records represented a reliable source of original cost data.

STAFF'S COMMENTS AND RECOMMENDED ADJUSTMENTS

Based upon its investigation, the Staff makes the following comments and recommended adjustments by topic:

AMR Installations –

Table 2 below summarizes the AMR installation status of DEO's meters as of December 31, 2010, and indicates that 243,783 of DEO's active meters still need to have an AMR installed. Since this remainder is well below the number of AMRs that DEO installed during any of the last three years, it would appear that DEO should be able to install AMRs on all of these remaining meters during 2011, the final year of DEO's AMR program.

Table 2 - AMR Status as of December 31, 2010	
Total DEO meter population	1,275,033
AMRs installed to date	999,741
Meter remaining that do not have an AMR	275,292
Inactive meters to be removed (No AMR needed)	31,509
Meters that still need to have an AMR installed	243,783
- Meters accessible without an appointment	141,272
- Meters requiring an appointment for access	102,511

The Staff believes the critical path to achieving this goal is gaining access to the 102,511 inside and other hard-to-access meters that require an appointment to be arranged with the customer. This process is time consuming because it involves a series of attempted contacts and notices that may span a ninety-day period. If the customer does not respond to any of the notices, DEO can disconnect gas service until the customer arranges access for DEO to install the AMR. DEO is prepared to disconnect service in such situations, and estimates that about 5,000 customers may need to be disconnected to gain such access. DEO has a policy, however, not to implement such disconnections during cold weather. Although Staff supports this policy, not making such cold-weather disconnections has the effect of shortening the time period available for installing AMRs on inside meters. Given this situation, if inside meters are not addressed until cold weather arrives and customers do not allow access, then DEO may not have AMRs installed on all inside and other hard-to-access meters by the end of 2011. To minimize such an occurrence, Staff recommends that DEO begin implementing its current meter-access procedures to install AMRs on its inside (and other hard-to-access meters) well before the onset of cold weather.

Plant Additions (Schedule 2) –

- The amount of AMR plant additions charged to the "ERT Purchases"[3] account should be reduced by $8,326,833 to exclude AMR inventory in excess of 100,000 units, the quantity of inventory DEO agreed was reasonable per the stipulation approved in Case No. 09-38-GA-UNC. Although DEO voluntarily excluded its 2009 excess inventory from the AMR Rider in Case No. 09-1875-GA-UNC, it made no such exclusion in its Rider Application for 2010. DEO's rationale for including the excess inventory was that the Company had contracted with its AMR supplier to receive a price discount on condition that DEO purchased, before December 31, 2010, all the AMRs needed to complete its five-year program.

[3] "ERT" stands for "encoder-receive transmitter" and is another term DEO uses for an AMR device. The "ERT Purchases" account is an internal account that DEO uses to record the costs associated with purchasing AMR/ERT devices.

DEO estimates that this arrangement has resulted in savings of $793,890, which is already reflected in the costs as adjusted for excess inventory.

- AMR plant additions charged to the "ERT Purchases" account should be increased by $81,527.52 to correct a duplicate credit (for AMRs installed to replace other AMRs) that DEO recorded in error.
- AMR plant additions charged to the "In House Labor – CCS IT"[4] account should be reduced by $952.19 to correct a duplicate charge for Service Company Information Technology labor (relating to meter-reading route restructuring) that DEO recorded in error.

CONCLUSIONS AND RECOMMENDATIONS

The net effect of the Staff recommended adjustments is a reduction of the Company's proposed revenue requirement from $9,248,582 to 8,252,691. When allocated to DEO's customers, this results in a reduction of the AMR Cost Recovery Charge from a proposed monthly charge of $0.64 to $0.57.

Subject to the Staff's adjustments and recommendations, the Staff supports a Commission finding that the DEO's proposed revenue requirement and customer allocations are just and reasonable and support the proposed increase to the AMR Cost

[4] The "CCS IT" account is an account that DEO uses to record its internal information/technology labor costs associated with its CCS customer billing system.

Recovery Charge. And, with adoption of the Staff's recommended adjustments, the Staff recommends that the Commission approve DEO's Application in this case.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **Staff Comments and Recommendations** was served via electronic mail to the following parties of record on March 30, 2011.

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John H. Jones
Assistant Section Chief

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