Large Filing Separator Sheet

Case Number : 07-829-GA-AIR
07-830-GA-ALT
07-831-GA-AAM

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
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OF

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Robert Edelstein	DEO Exhibit 7.0
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Michael J. Vilbert	DEO Exhibit 9.0

Witness	Schedule sponsored	Subject of Schedule
Jeffrey A. Murphy		*Mr. Murphy's testimony describes the Company and its operations and the factors related to the request for an increase in rates. His testimony also summarizes the major issues and proposals addressed in DEO's Application, including the Company's request to implement an alternative rate plan.*
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	G-2.1	Projected plant in service by major property grouping (both scenarios)
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	S-1	Most recent five-year capital expenditures budget (2008–12)
	S-2.1	Most recent forecasted income statement (2008–12)
	S-2.2	Most recent forecast of balance sheet items (2008–12)
	S-2.3	Most recent forecasted elements of change in financial position (2008–12)
	S-3	Proposed notice for newspaper publication
	S-4.1; 4.2	Executive summary of management practices, procedure and organization
	Alt. Reg. Exhibits	Information required by Section 4901:1-19-05, Ohio Administrative Code

Witness	Schedule sponsored	Subject of Schedule
Vicki H. Friscic		*Ms. Friscic's testimony addresses C schedules, and certain B and D schedules.*
	B-5.1	Miscellaneous working capital items
	B-6.2	Contributions in aid of construction by accounts and sub-accounts
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Witness	Schedule sponsored	Subject of Schedule
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	C-11.2	Comparative income statement for the most recent five calendar years
	C-12.1	Revenue statistics - total company

Witness	**Schedule sponsored**	**Subject of Schedule**
	C-12.2	Revenue statistics - jurisdictional
	C-12.3	Sales statistics - total company
	C-12.4	Sales statistics - jurisdictional
	C-13	Analysis of reserve for uncollectible accounts
	D-5	Comparative financial data
	PCD-5	Comparative financial data (parent company)

Witness	Schedule sponsored	Subject of Schedule
Sylvia P. Green		*Ms. Green's testimony concerns the value of DEO's plant in service, as well as depreciation-related matters.*
	B-2	Plant in service summary by major property groupings
	B-2.1	Plant in service by accounts and sub-accounts
	B-2.2	Adjustments to plant in service
	B-2.3	Gross additions, retirements and transfers
	B-2.4	Lease property
	B-2.5	Property excluded from rate base
	B-3	Reserve for accumulated depreciation
	B-3.1	Adjustments to the reserve for accumulated depreciation
	B-3.2	Depreciation accrual rates and jurisdictional reserve balances by accounts
	B-3.3	Depreciation reserve, accruals, retirements, and transfers
	B-3.4	Depreciation reserve and expense for lease property

Witness	Schedule sponsored	Subject of Schedule
Robert D. Taylor		*Mr. Taylor's testimony concerns tax-related rate base items and operating income issues.*
	B-6	Other rate base items summary (tax related)
	B-6.1	Adjustments to other rate base items (tax related)
	C-4	Adjusted jurisdictional federal income taxes
	C-4.1	Development of jurisdictional federal income taxes before adjustments

Witness	Schedule sponsored	Subject of Schedule
Larry J. Rice		*Mr. Rice's testimony concerns DEO's annual operating revenue at current and proposed rates.*
	E-4	Class and schedule revenue summary
	E-4.1	Annualized test year revenues at proposed rates vs. most current rates

Witness	Schedule sponsored	Subject of Schedule
Cliff Andrews		*Mr. Andrews' testimony concerns DEO's class cost of service study.*
	E-3.2	Cost of service study

Witness	Schedule sponsored	Subject of Schedule
Ronald Edelstein		*Mr. Edelstein's testimony concerns proposed operations and maintenance expenses to fund research and development programs.*
	C-3.7	GTI program funding

Witness	**Schedule sponsored**	**Subject of Schedule**
Daniel M. Ives		*Mr. Ives' testimony concerns the Company's proposed treatment of pension-related expenses and assets.*
	C-3.26	Pension credit

Witness	Schedule sponsored	Subject of Schedule
Michael J. Vilbert		*Mr. Vilbert's testimony concerns the Company's cost of capital and requested rate of return.*
	D-1	Rate of return summary
	D-2	Embedded cost of short-term debt
	D-3	Embedded cost of long-term debt
	D-4	Embedded cost of preferred stock
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	PCD-2	Embedded cost of short-term debt (parent company)
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COI-1381321v3

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DIRECT TESTIMONY OF
JEFFREY A. MURPHY
ON BEHALF OF
DOMINION EAST OHIO

X Management policies, practice and organization

X Operating income

X Rate base

___ Allocations

___ Rate of return

X Rates and tariffs

___ Other

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Direct Testimony of

Jeffrey A. Murphy

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Jeffrey A. Murphy. I am employed by The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") as its Director, Pricing and Regulatory Affairs. My business address is 1201 East 55th Street, Cleveland, Ohio 44103-1028.

Q2. Please summarize your education and work experience.

A2. I graduated from The University of Akron in 1980 with a Bachelor of Arts in Economics and in 1981 with a Master of Arts in Economics with a concentration in Quantitative Methods. In 1988, I graduated from Baldwin Wallace College with an Executive Masters of Business Administration with a focus on Systems Management. I joined the Babcock & Wilcox Company in 1981 and held various positions involving econometric forecasting, cost analysis and pricing. In 1986, I joined The East Ohio Gas Company (now DEO) and have since held a variety of positions in the planning, rates, financial analysis, gas supply and transportation services areas. I have also served as a part-time faculty member of The University of Akron in the Department of Economics.

Q3. Please summarize your responsibilities as Director, Pricing and Regulatory Affairs.

A3. My present duties include oversight of DEO's regulatory affairs and transportation services. In overseeing the Company's regulatory affairs, I am responsible for all of DEO's regulatory filings before the Public Utilities Commission of Ohio ("PUCO" or "Commission") and the Federal Energy Regulatory Commission ("FERC"). I also act as the Company's principle liaison with those bodies and with other regulatory process stakeholders. In order to effectively represent DEO in that role, I interact with all levels of management across a variety of functional areas so as to understand the primary commercial, operational and administrative issues facing the Company. In overseeing the transportation services portion of the Company's business, I am responsible for the administration of the Energy Choice and traditional transportation programs and for related services such as gas pooling and unbundled storage.

Q4. Have you previously testified before the Commission?

A4. Yes, in the over fifteen years that I have been involved in the Company's rate and regulatory affairs area, I have testified in numerous Commission proceedings, including, most recently, Phase 1 of DEO's plan to exit the traditional GCR merchant function, Case No. 05-474-GA-ATA, and DEO's most recent GCR proceeding, Case No. 05-219-GA-GCR. I also testified in the Company's last two rate cases, Case No. 90-395-GA-AIR on behalf of the River Gas Company and Case No. 93-2006-GA-AIR on behalf of the East Ohio Gas Company, where the Company's current base rates were established. In addition to providing formal testimony in those and other proceedings, I also supervised the filing of numerous adjustments to those rates in response to changes ranging from the Senate Bill 287 revision to utility property assessments to the implementation of gross–receipts-tax and uncollectibles-expense adjustment mechanisms.

Q5. What is the purpose of your testimony?

A5. My testimony provides a description of the Company and its operations and the factors related to the request for an increase in rates. I also provide a summary of the major issues and proposals addressed in DEO's Application, including the Company's request to implement an alternative rate plan. I am also sponsoring the following schedules:

A-1	Overall financial summary
A-2	Calculation of mirrored CWIP revenue sur-credit rider
B-1	Jurisdictional rate base summary
B-4	Construction work in progress
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S-2.3	Most recent forecasted elements of change in financial position (2008–12)
S-3	Proposed notice for newspaper publication

S-4.1, 4.2 Executive summary of management practices, procedure and organization

Q6. Were each of these schedules prepared by you or under your direction and supervision?

A6. Yes.

II. COMPANY BACKGROUND

Q7. As Director of Pricing and Regulatory Affairs, are you generally familiar with the business, facilities and operations of the Company?

A7. Yes.

Q8. Are you also generally familiar with the books and records of the Company?

A8. Yes.

Q9. Please summarize the history of the Company.

A9. The predecessors of what is now known as DEO began providing natural gas to customers in northeastern Ohio over one hundred years ago. In the 1940s, Consolidated Natural Gas ("CNG") became the parent company of DEO following DEO's divestiture from the Standard Oil Company. In mid-1994, DEO merged with its then sister company based in Marietta, Ohio, the River Gas Company, pursuant to an application approved by the Commission in Case No. 94-971-GA-UNC. Several years later in 1996, DEO merged with the West Ohio Gas Company, its remaining Ohio sister company based in Lima, after Commission approval of the companies' merger application in Case No. 96-991-GA-UNC. In 2000, Dominion Resources, Inc. ("DRI") purchased CNG. On June 30, 2007, CNG merged into DRI, making DEO a first-tier subsidiary of DRI. DEO is still based in Cleveland, is the largest gas distribution subsidiary of DRI, and is one of Ohio's largest natural gas distribution companies. DEO serves more than 1.2 million residential, commercial, and industrial customers in approximately 400 eastern and western Ohio communities. It operates more than 19,000 miles of natural gas transmission, distribution and gathering lines in a service area covering more than 4,700 square miles.

Q10. What is the relationship between DEO and Dominion Resources Services, Inc.?

A10. Dominion Resources Services, Inc. ("Service Company") is an affiliate of DEO that provides shared services to all DRI subsidiaries and business units. The Service Company's primary focus is on providing cost-effective business services in ways that are consistent with the operating goals and business plans of the operating companies it serves. Functions within the Services Company include Corporate Secretary; External Affairs; Shared Services (Fleet, Facilities Management and Supply Chain Management); Information Technology and Telecommunications; Human Resources; Legal; Six Sigma; and Treasury and Financial. Those areas, and others such as Credit Services housed in the DRI Delivery organization, provide critical support and combine efficiencies of scale and organization with an understanding of business unit needs to provide administrative services at a lower cost than were each company to internally staff or externally acquire the labor and other resources needed to perform those duties.

DEO and the Service Company are parties to a service agreement ("Service Company Agreement") that specifies that services and associated cost allocations involved in their business relationship. The Service Company Agreement is included in the Company's S-4.1 submission and indicates that the Service Company will provide Accounting; Auditing; Information Technology, Electronic Transmission and Computer Services; Software Pooling; Employee Benefits/Pension Investment; Human Resources; Risk Management; Medical; Supply Chain; Tax; Corporate Secretary; Investor Relations;

Environmental Compliance; Customer Services; Treasury/Finance and External Affairs services, among others. Cost are assigned to the business units electing to receive services based on allocation factors such as the number of employees on the previous December 31, number of payments processed during the preceding year ended December 31, number of employee and annuitant accounts as of the preceding December 31 and total capitalization recorded at the preceding December 31, among others. Those factors are applied to the appropriate costs in order to properly recognize each business unit's proportionate utilization of Service Company resources.

III. OVERVIEW OF THE APPLICATION

Q11. Why has the Company proposed a rate increase?

A11. The proposed rates are designed to produce the additional revenues needed to meet the revenue requirements of the Company. Since DEO's last rate case, Case No. 93-2006-GA-AIR, the Company has experienced increased operating expenses and has substantially increased its investment in jurisdictional rate base. The proposed rates are intended to yield revenues sufficient to recover test year operating expenses and to produce a just and reasonable return on rate base. In particular, the Company seeks an increase in rates to earn a return of and on capital expenditures and recover the increase in operating expenses required to allow the Company to maintain a high level of service to its customers.

Q12. Please summarize the Company's Application.

A12. As shown on Schedule A-1, DEO has requested a base rate revenue increase of approximately $75 million in order to achieve a return on its rate base closer to that which the Company believes is just and reasonable. The requested base rate increase is

DEO's first since 1994 and would increase the average residential bill by approximately 4%, or less than $4.50 per month, based on usage of just over 8 mcf/month. DEO is also requesting Commission approval of other changes such as:

- The installation of automated meter reading (AMR) equipment for all of its customers over a five-year period, which will provide actual meter readings each month, along with a means to recover the depreciation, incremental property taxes and post in-service carrying costs associated with the deployment.
- A potential increase of $5.5 million per year spending on customer conservation programs. The Company would initially increase dollars spent on conservation programs from the current level of $3.5 million per year to $6 million per year. If the program exceeds approved targets, the Company would then expand it by an additional $1 million in each of the next three years.
- A Sales Reconciliation Rider ("SRR") that would recover the difference between actual base rate revenues and approved test year revenues adjusted to reflect changes in the number of customers for the affected rate schedules.
- A change in the application of the gross receipts tax ("GRT") rider, which is currently applied only to gas cost charges billed under the GSS and LVGSS rate schedules. The proposed GRT Rider will apply to all of the charges billed by DEO on all rate schedules, excluding charges billed on behalf of Energy Choice suppliers that may be subject to applicable sales tax rates and charges billed to customers that are statutorily exempted from the payment of gross receipts taxes.
- Implementation of uniform rates for the combined East Ohio and West Ohio systems, reflecting the 1996 merger of the two companies that to this point have continued to have different base rates for the same type of service.

DEO's overall revenue requirement also reflects an adjustment of test year operating expenses to address the cash working capital impact of a pension expense credit that, under law, cannot be used as a source of funds for operations in any way.

Q13. What other witnesses will be sponsoring testimony on behalf of DEO?

A13. Vicki Friscic, Manager, Regulatory and Pricing of DEO, is sponsoring testimony predominantly concerning the operating-income, C schedules, as well as other matters.

Sylvia Green, Manager of Fixed Asset Accounting for the Service Company, is sponsoring testimony concerning the value of DEO's plant in service as well as depreciation-related matters.

Robert Taylor, Managing Director - Corporate Taxation for DRI, is sponsoring testimony concerning tax-related rate base items and operating income issues.

Larry Rice, Senior Transportation Analyst within DEO's Transportation Services Department, is sponsoring testimony concerning DEO's annual operating revenue at current and proposed rates.

Cliff Andrews, Business Development Manager for DEO, is sponsoring testimony concerning DEO's class cost of service study.

Ronald Edelstein, of the Gas Technology Institute, is sponsoring testimony concerning proposed operations and maintenance expenses to fund research and development programs.

Daniel Ives, a Managing Director of Lukens Energy Group, a unit of Black & Veatch Corporation, is sponsoring testimony concerning the Company's proposed treatment of pension-related expenses and assets.

Michael Vilbert, a principal with the Brattle Group, is sponsoring testimony concerning the Company's cost of capital and requested rate of return.

Q14. Has the Company obtained any waivers in connection with the Standard Filing Requirements?

A14. Yes. In its August 15, 2007 Entry in this case, the Commission granted DEO's request for waiver from the following requirements:

(1) The provisions of Chapter II (C)(32) requiring monthly managerial reports providing results of operations and comparison of actual to forecast for the test year and the twelve months immediately preceding the test year;

(2) The provisions of Chapter II (C)(37) and (C)(44) requiring the filing of federal and state income tax returns;

(3) The provisions of Section C (D)(5) which require DEO to report actual rate case expense incurred in DEO's most recent rate case;

(4) The provisions of Section C (F)(3) requiring test year and future periods in Schedules C-12.1 through 12.4 to be reported by residential, commercial and industrial classes; and

(5) The provisions of Section F (B) requiring a projected net earnings summary by FERC account.

Q15. Has the Company supplied the notices required by the Standard Filing Requirements?

A15. Yes. On July 20, 2007, in accordance with Appendix A, Chapter 1, General Instruction (A) of the Standard Filing Requirements, DEO notified, in writing, the mayor and legislative authority of each municipality of its intent to file an Application and of the proposed rates. On the same date, in accordance with General Instruction (B), DEO filed with the Commission its Notice of Intent to File an Application to Increase Rates for Gas Distribution Service, along with the required exhibits. These notices were provided more than 30 days before the filing of DEO's Application

Q16. Has the Company also complied with the notice requirements for its alternative rate plan proposal?

A16. Yes. On July 20, 2007, in accordance with Section 4901:1-19-05(A)(1), Ohio Administrative Code, DEO notified in writing the Commission and the mayor and legislative authority of each municipality included in its application of its intent to file an application for an alternative rate plan. On July 23, 2007, in accordance with the same rule, DEO notified in writing the Office of the Ohio Consumers' Counsel, each party to DEO's last general rate case, and each party to Phase 1 of DEO's exit-merchant-function case (Case No. 05-474-GA-ATA) of its intent to file an application for an alternative rate plan. These notices were provided more than 30 days before the filing of DEO's Application

IV. A SCHEDULES (OVERALL FINANCIAL SUMMARY)

Q17. Please describe the information contained on Schedule A-1.

A17. Schedule A-1 displays DEO's test year earnings relative to rate base under current rates and identifies the proposed revenue increase needed to provide an opportunity to generate earnings closer to the rate of return on rate base requested by the Company in its Application. The rate of return shown on Schedule A-1 is 8.59%. As noted in Mr. Vilbert's testimony and discussed later in this section of my testimony, a revision to the embedded cost of long-term debt changed that figure to 8.72%. The overall rate of return generated by the proposed rates is 8.52%. The test year used by the Company is calendar year 2007 with three months of actual data, and the date certain used to value rate base is March 31, 2007. The Commission approved this test year in its August 15, 2007 Entry in this proceeding. The 4.31% rate of return on the Company's $1,071,881,705 investment in jurisdictional rate base generated under current rates results in a revenue deficiency of $74,085,178. The proposed rates would increase operating revenues by $75,007,378.

Q18. Will the Company earn above its requested rate of return because the requested revenue increase exceeds the revenue deficiency?

A18. No. As also indicated on Schedule A-1, the proposed rates include changes that will affect the amount of money credited back to customers through the Transportation Migration Rider – Part B. The net effect of those changes is to reduce the base revenue increase retained by the Company to $72,465,751.

Q19. Please explain how Transportation Migration Rider – Part B affects the requested rate increase.

A19. Transportation Migration Rider – Part B reflects the costs associated with operational balancing and other reconciliation adjustments charged to DEO's sales and Energy Choice customers. Certain revenues charged to other customer classes, such as those for Volume Banking Service and an adjustment for storage migration embedded in storage service rates, are used to reduce the costs that would otherwise be collected through the rider. The combined effect of DEO's proposed changes to the revenues charged to other classes and credited to sales and Energy Choice customers through the rider is $2,541,627. Although reflected in rates, those dollars will not be retained by the Company as base revenues. Instead, the money will be returned to the sales and Energy Choice classes to reduce the costs that they would otherwise be obligated to pay. It is that crediting mechanism which led DEO to show the adjusted revenue increase information on Schedule A-1.

Q20. What does Schedule A-1 indicate with regard to the adequacy of DEO's current rates and charges for gas service?

A20. Schedule A-1 demonstrates that present rates provide a rate of return of 4.31%. Thus, the rates presently being charged for gas service are now unjust, unreasonable, and insufficient to yield reasonable compensation for the cost of providing that service, including a return on the Company's property that is used and useful in furnishing gas service to its customers. The new rates set forth in the proposed tariff schedules would allow DEO the opportunity to earn a return of 8.52%, which is considerably closer to the rate of return that is justified based on the parent company cost of capital indicated in Schedule PCD-1. DEO witness Michael Vilbert provides testimony regarding DEO's cost of capital and requested rate of return.

Q21. In his testimony, Mr. Vilbert describes a minor revision to DEO's parent company cost of capital. Does that have an effect on the revenue increase that DEO is requesting?

A21. No. The revision described by Mr. Vilbert is related to information on Schedule PCD-3 that is not required by the Standard Filing Requirements. As noted in his testimony, the proposed adjustment to the embedded cost of long-term debt calculated on Schedule PCD-3 has not been addressed in prior DEO rate cases. As a result, the Company is not sure how the Commission will ultimately reflect the adjustment in the return on rate base granted in this proceeding. Nonetheless, the revised PCD schedules provide all of the information needed by the Commission, Staff and other parties to fully evaluate the

Company's requested rate of return on jurisdictional rate base and ultimately its need for rate relief.

Attachment JAM-1.1 contains the following revised schedules affected by the change:

- Schedule A-1 - Overall Financial Summary
- Schedule B-1 - Jurisdictional Rate Base Summary
- Schedule B-5 - Allowance for Working Capital (including WPB-5.1)
- Schedule C-1 - Jurisdictional Proforma Income Statement
- Schedule C-2 - Adjusted Test Year Operating Income
- Schedule C-4 - Adjusted Jurisdictional Federal Income Taxes
- Schedule C-4.1- Development of Jurisdictional Federal Income Taxes
- Schedule D-1 - Rate of Return Summary
- Schedule D-3 - Embedded Cost of Long-Term Debt (updated with coupon rates)
- Schedule D-4 - Embedded Cost of Preferred Stock
- Section E-3.2 - Cost of Service Study

Those schedules indicate that the revision would increase the Company's total revenue requirements by $1,933,933, or 0.17% of total revenue requirements. It should also be noted that the proposed revenue increase shown on Schedule A-1 generates an 8.52% return on rate base, which is below the initial rate of return recommended by the Company and remains below the rate of return indicated by the revised cost of capital information as well. DEO is not proposing any changes to the rates included in its pre-filing notice or its Application. As a result, the remainder of my testimony continues to refer to the data contained in the Company's initial Application.

Q22. Mr. Vilbert's testimony also discusses various risks that confront the natural gas industry. Does DEO face any unique risks?

A22. Yes. In his testimony, Mr. Vilbert describes several important business risks facing the natural gas distribution industry that affect its overall cost of capital. It is important for the Commission to also consider the unique risks facing DEO, such as:

- Economic risks related to the state of the economy within DEO's service territory, the ability of major customers to relocate production elsewhere, and the financial health of those customers, many of which face ongoing structural problems due to the age of their production facilities and other legacy costs.

- Capital and operating expense risks such as those related to transmission pipeline integrity management and an upcoming notice of proposed rulemaking from the Pipeline and Hazardous Materials Safety Administration regarding distribution pipeline integrity management programs.

- Regulatory risks such as those related to the potential impact from the Commission's current riser investigation and its recently enacted Ohio minimum gas service standards, which entail increased service levels in a variety of areas.

- Weather-related risks that will not be mitigated by the proposed sales reconciliation rider, which is limited to addressing conservation-related impacts on base revenues.

- Gas supply risks related to DEO's ongoing role as the provider of last resort and the ability of the Commission to place the Company back in its traditional GCR role if the merchant function exit transition does not go as well as planned.

Q23. Please describe the information that is shown on Schedule A-2.

A23. Schedule A-2 provides the calculation of the mirrored CWIP revenue sur-credit rider, were one to be requested. The schedule is not applicable to DEO because no CWIP amounts were included in rates in prior cases.

V. B SCHEDULES (RATE BASE AND RELATED MATTERS)

Rate Base Overview

Q24. Please briefly describe Schedule B-1.

A24. Schedule B-1 is the summary of the rate base, used and useful as of the March 31, 2007 date certain, proposed by the Company in this proceeding and is the summary of other underlying schedules in Section B. The rate base consists of jurisdictional plant in service less the reserve for accumulated depreciation; a working capital allowance reflecting certain average monthly balances funded by investors and the average amount of capital needed to bridge the gap between the time when expenditures are made to provide service and the time when funds are received for that service; and other rate base items that include, among other things, the accumulated deferred income taxes related to accelerated depreciation.

Q25. Please describe the information shown on Schedules B-4, B-4.1 and B-4.2.

A25. Those schedules are intended to provide information regarding any construction projects in progress that a company is seeking to include in its proposed rate base. The schedules are not applicable to DEO because the Company is not requesting the inclusion of any CWIP in rate base.

Working Capital

Q26. Please explain Schedule B-5.

A26. Schedule B-5 shows the proposed allowance for working capital calculated at test year levels. In addition to a cash component based on the Company's lead-lag study, the proposed allowance includes thirteen-month balances ending March 31, 2007, for Account 154 for DEO's materials and supplies inventory, excluding the portion held for additions and new construction, and Account 142.2 for Percentage Income Payment Plan ("PIPP") receivables under twelve months old. Offsetting those balances is the thirteen-month balance for Account 235 for customer deposits, which represents a non-investor supplied source of funding.

PIPP Receivables Balance

Q27. Please discuss the PIPP receivables balance shown on Schedule B-5.

A27. The Account 142.2 balance for PIPP receivables is $123,385,458. This large average balance is attributable to the dramatic rise in the cost of natural gas and in the number of PIPP customers over the last several years. The high price of natural gas is driven primarily by factors related to the national market, while the increase in the number of PIPP customers is generally driven by local factors such as Cleveland's status as the poorest large city in America in two of the past four years. According to the U.S. Bureau of the Census, American Community Survey, 2005, for example, 32.4% of the city's residents were living below the federal poverty level. Although DEO last adjusted its PIPP rider rate effective with bills rendered on or after February 7, 2006, the Company has not seen a commensurate decrease in the balance of PIPP arrearages that have yet to age to the point they are eligible for collection through the rider mechanism.

Q28. Has DEO considered options to reduce the PIPP receivables balance?

A28. Yes, DEO has identified several options that would over time reduce the balance of Account 142.2. These options include a further increase in the PIPP rider rate, a reduction in the aging period before PIPP arrearages are eligible for recovery, providing alternative or supplemental funding sources, and seeking more fundamental changes to the PIPP program. As discussed in my testimony concerning Schedule C-3.15, DEO is proposing to supplement amounts provided by PIPP rider revenues with funds received through a proposed revenue sharing mechanism, which is intended to reduce the account balance and the need for subsequent increases in the PIPP rider rate. DEO considered a reduction in the 12-month aging period for PIPP arrearages before rider collection, but did not pursue the option due to the tremendous increase in the PIPP rider rate that would have to accompany such a change. As to more fundamental changes, DEO is currently participating in discussions sponsored by the Ohio Department of Development to explore potential changes in the PIPP program.

Lead/Lag Study

Q29. How did the Company determine the cash component of its proposed working capital allowance?

A29. DEO performed a lead-lag study that quantified the cash working capital required to pay its day-to-day operating expenses during the period that the Company provides service before receiving payment for that service. To be more precise, the "lag" portion of the lead-lag study quantifies the revenue lag between the time that service is provided to customers and the time that it collects cash from those customers for the service rendered. The "lead" portion of the study measures the period of time between the Company's receipt of a good or service and the date at which it pays for that particular good or service. Not every expense item results in a lead since there may be some in which a pre-payment occurs, such as insurance.

Q30. What information did DEO use to conduct its lead-lag study?

A30. DEO calculated the lag and lead days using calendar year 2006 data because it provided the most recent 12-month actual period available when the company began conducting the study, which took several months. After the various lag and lead days were determined, they were applied to the appropriate test year revenue and expense elements to yield a cash working capital figure that is consistent with test year operating income.

Q31. How were the revenue and expense categories in the study selected?

A31. The categories are based on logical classifications of similar types of revenues and expenses. Those categories and the resulting calculation of lead and lag days are set forth in the work papers included in Attachment JAM-1.2 to my testimony.

Q32. Please discuss the calculation of the revenue lag days.

A32. DEO's total operating revenues were segregated into two primary revenue groups, which are handled through two different billing systems. The revenue lag consists of three different components: the service period lag, the billing lag and the collection lag. The service period lag is the average period of time a customer takes service before a bill is rendered. All companies that have twelve billing periods in a year have a standard 15.2-day service period lag. The billing period lag is the amount of time between when a meter is read and when the Company mails a bill. The collection lag measures the number of days on average that it takes customers to pay the Company after the bill is mailed. The collection lag was measured using the accounts receivable turnover method utilizing the average daily accounts receivable balances from the Customer Care System ("CCS") for smaller, predominantly low-pressure accounts and the Special Billing System ("SBS") for larger, predominantly high-pressure accounts.

Q33. How were Percentage of Income Payment Plan ("PIPP") billings and receivables treated in the lead-lag study?

A33. All PIPP revenues and balances were deducted from the billing and accounts receivable data used in the study due to their inclusion as a thirteen-month balance in another component of the working capital allowance.

Q34. What was the revenue lag for the customers served under the CCS and SBS billing systems used in this study?

A34. Customer billed through the CCS system had an average revenue lag of 49.4 days, and customers billed through the SBS system took an average of 68.9 days between the time service was provided and payment to the Company. The combined weighted average revenue lag for all customers is 52.9 days.

Q35. What is the source of the difference in the revenue lag of the two billing systems?

A35. The only difference in revenue lag between the systems is the billing lag. Customers billed out of SBS have a billing lag of 20.4 days on average, while the customers billed out of CCS have only 0.9 days on average between the time a meter is read and the time a bill is mailed.

Q36. Please explain why there is such a large difference in the two billing lags.

A36. DEO's transportation and pooling programs, used exclusively by customers billed through the SBS system, include an imbalance trading feature that requires the Company to delay billing the companies and end users involved until the imbalance trading period ends. That imbalance trading period, which provides marketers and end users an opportunity to reduce or eliminate imbalances by "trading" volumes with one another, typically ends on the 17th of each month. However, if a customer's meter were read on the 25th of the prior month, DEO has to delay billing the customer until it determines the final imbalance volume after the trading period closes. That feature is unique and enables customers to avoid significant charges associated with imbalance volumes, yet it does impose a cost in that it increases the SBS billing lag beyond what it would be otherwise.

Q37. Which component of the revenue lag contributes most to the average revenue lag of 52.9 days?

A37. The only component of the revenue lag not specifically addressed thus far is the collection lag, or the period of time between when the Company mails the bills and actually receives a cash payment. DEO's average collection lag is a lengthy 33.3 days.

Q38. What factors affect DEO's collection lag?

A38. DEO's substantial collection lag is attributable to the high level of receivables relative to billings caused by customers not paying their bill in full on a timely basis. One of the reasons that DEO has proposed a late payment charge in this case is to improve customer payment patterns over time. Those patterns, however, are not likely to change overnight, and DEO still faces a customer base that is in economically dire straits, as has been well-publicized in the local and even national media, and by various consumer and low income groups that frequently participate in Commission proceedings. Recent local stories in the *Cleveland Plain Dealer* include the following:

August 30, 2006

- "For the second time in three years, Cleveland has been named the poorest big city in America." "For those living in the eight counties around Cleveland, median household income dropped by $1,778 over the last five years." "Cleveland's median household income – just above $24,000 – was a little more than half the national average."

July 18, 2007

- "Foreclosures in Cuyahoga County are the highest in Ohio and more than half of those are in the city of Cleveland." "So many homes are in foreclosure that the national media regularly refer to Northeast Ohio as the epicenter of the growing national problem."

August 29, 2007

- "Cleveland saw median household income rise more than $1,700. Yet, even with the increase to $26,535, it still ranked lowest among the nation's biggest cities." "Youngstown also had the lowest median household income - $21,850 – of any American city with at least 65,000 residents."

While DEO appreciates the opportunity to serve the greater Cleveland area, it recognizes that doing so comes with challenges, some of which are reflected in a revenue lag that results in a larger working capital requirement to operate the business.

Q39. Please describe how the Company determined the lead days within the various expense categories used in the study.

A39. In general, DEO measured the days between the mid-point of the service period, often the date material was received, to the day that the bill for that good or service was paid by the Company. The details regarding the data used and the calculations employed are more fully set forth in Attachment JAM-1.2.

Q40. Why was the uncollectibles expense assigned the same number of lead days as the revenue lag?

A40. Assigning the revenue lag days to the uncollectible expense has the effect of zeroing out the net cash working capital associated with that cost element. Doing so is consistent with the overall determination of the revenue lag figure as well as the fact that the uncollectible expense rider recovers those costs separately from base rates.

Q41. How are payments for taxes reflected in the lead-lag study?

A41. The various tax expense leads were based on the corresponding statutory requirement regarding their payment. In order to determine the lead days, the mid-point of the applicable service period was identified and compared to the required payment date.

Q42. How were the capital cost components measured?

A42. The interest expense lead on long-term debt was based on the interest payments required under the Company's long-term notes. The common equity component of DEO's cost of capital was assigned zero days, reflecting the shareholders' entitlement to these funds as the service is rendered to customers.

Other Adjustments to Cash Working Capital

Q43. How did the Company handle the working capital requirement associated with the collection of commodity charges billed to customers on behalf of Energy Choice suppliers?

A43. DEO had to handle the Energy Choice related portion of the cash working capital requirement separately from other elements because those dollars are not included in the revenues and expenses in the test year income statement. If DEO had no Energy Choice program in place, the commodity charges billed to customers presently participating in the program would be included in GCR-related revenues and expenses. As it stands, however, those payments are treated under accounting rules as convenience payments, which are not shown on the income statement. In order to determine the associated working capital effect, the Company had to separately consider the time between its payment to Energy Choice suppliers and the receipt of that amount from customers.

Q44. Why is there a lag between the period that suppliers are paid and the time customers pay for the corresponding supply?

A44. Beginning in Case No. 98-593-GA-COI, the Commission has consistently ruled that LDCs are required to purchase the receivables of suppliers participating in Choice programs. In approving DEO's General Terms and Conditions of Energy Choice Pooling Service, the Commission approved the payment remittance process set forth in those terms and conditions, which state:

> As described in "Billing Rules for Energy Choice Pooling Customer," East Ohio agrees to purchase the accounts receivable generated under this billing agreement. Accordingly, East Ohio shall remit one hundred percent (100.0%) of the value of such receivables, less any unpaid Supplier balances, by writing a check or executing a wire transfer weekly for accounts billed from CCS and monthly for accounts billed from SBS. Such payments shall be made approximately two weeks after the accounts have been billed.

Q45. What impact does the purchase of those receivables have on DEO's cash working capital requirement?

A45. Even though billings on behalf of Energy Choice suppliers do not appear in test year operating income, the purchase of supplier receivables imposes a working capital requirement similar to payments for wholesale supplies of natural gas for system supply. The Company is obligated to pay its wholesale suppliers of natural gas regardless of whether it ultimately receives payment for that gas from its customers. Purchasing Energy Choice receivables results in DEO treating its retail suppliers in the same manner.

The billing and remittance process approved by the Commission requires DEO to remit the entire amount billed on behalf of the supplier to the supplier "approximately two week after the accounts have been billed." That period is well short of the 52.9 day revenue lag and thus imposes a substantial working capital requirement on the Company, which it quantified by accumulating the average daily payment processed on each day during calendar year 2006 multiplied by the length of time between payment remittance to the supplier and payment receipt from the customer.

VI. C SCHEDULES (OPERATING INCOME AND RELATED MATTERS)

Operating Income Overview

Q46. Please describe Schedule C-1.

A46. Schedule C-1 is a jurisdictional income statement that reflects all of the test year adjustments identified in the C-3 schedules as well as the pro forma test year income statement based on the proposed rates indicated in Section E. Schedule C-1 summarizes: (1) the Company's adjusted revenues and expenses at current rates as shown on Schedule C-2; (2) the revenue and expense effects of the proposed rates; and (3) the resulting pro forma income based on those proposed rates. Schedule C-1 essentially summates the applicable detailed data contained in other schedules in the same section as well as the applicable schedules in E-4.

Q47. Are you testifying about all of the test year adjustments shown on Schedule C-1?

A47. No. DEO witnesses Vicki Friscic and Daniel Ives will address specific adjustments in Schedule C-3 and its subsidiary schedules, which are summarized in Schedule C-1.

Q48. Please explain the adjustment shown on Schedule C-3.9.

A48. The C-3.9 adjustment is related to a FAS-106 curtailment loss incurred in connection with a 1995 work force reduction program. The adjustment amount excludes that portion of the curtailment loss associated with an acceleration of the FAS-106 transition obligation, which was amortized using the schedule authorized in DEO's last rate case, Case No. 93-2006-GA-AIR.

Q49. What is the nature of the unrecovered weatherization adjustment identified on Schedule C-3.10?

A49. In DEO's last rate case, Case No. 93-2006-GA-AIR, the Commission approved a Stipulation and Recommendation generally based on the Staff Report of Investigation, which included an adjustment for recovery of certain deferred weatherization expenses and associated carrying charges. The adjustment shown in Schedule C-3.10 reflects weatherization expenses deferred in excess of the amount that was amortized and the carrying charges associated with that amortization.

Q50. Please explain the over-recovered Order 636 transition costs that the company proposes to allocate to transportation customers in Schedule C-3.11.

A50. In Case No. 94-164-GA-UNC, the Commission approved a Stipulation and Recommendation that specified the manner in which gas supply restructuring ("GSR") costs incurred as a result of FERC's Order 636 restructuring would be allocated to sales and transportation customers. The costs allocated to sales customers were trued-up through the GCR mechanism. Due to GSR refunds received from interstate pipelines after DEO ceased collecting the costs from transportation customers, the Company over-recovered costs from the transportation class. The credit to expense reflected in Schedule C-3.11 reflects DEO's proposal to credit those costs and the associated interest in base rates over three years.

Q51. Please briefly describe the pension credit adjustment reflected in Schedule C-3.26.

A51. This adjustment involves a $47.7 million credit to test year unadjusted operating expense that is attributable to DEO's over-funded pension trust. Ratepayers did not contribute to the over-funding of that trust because no pension expense was included in rates during the time that the over-funding occurred. Even though the over-funding results in an accounting credit to expense, there is no corresponding cash flow to the Company because, under the Employee Retirement Income Security Act ("ERISA"), the assets of a retirement plan are held for the exclusive purpose of providing benefits to plan participants and are not available for use by the employer. The proposed adjustment addresses the situation by removing the pension credit from test year expenses and excluding the approximately $400 million of pension assets on the Company's books net of the associated accumulated deferred income taxes. DEO witness Mr. Ives is sponsoring testimony in support of DEO's proposed adjustment.

Revenue Sharing Adjustment

Q52. Please explain the revenue sharing adjustment shown in Schedule C-3.15.

A52. As indicated in WPC-3.15 included in Attachment JAM-1.3 to my testimony, DEO is proposing to share commodity exchange and firm receipt point revenues with customers under the following tiered structure:

$0 - $5,000,000	85% credited to customers / 15% retained by DEO
Over $5,000,000 - $10,000,000	80% credited to customers / 20% retained by DEO
Over $10,000,000	75% credited to customers / 25% retained by DEO

Commodity exchanges include offerings such as off-system sales and all similar transactions. The firm receipt option enables transportation customers and marketers to designate specific receipt points and volumes for firm delivery into DEO's system. The test year revenue associated with those two offerings projected at the time of the pre-filing notice was $13,695,727, which would result in $11,021,795, or approximately 81.5% of the total, being shared with customers under the tiered sharing mechanism. DEO furthers proposes to credit those revenues toward amounts that would otherwise be recovered through the PIPP rider mechanism in order to mitigate the effect of higher gas cost and increased PIPP customers described previously.

Q53. Does the revenue sharing mechanism alter the effect of the approximately $75 million increase in base revenues requested by the Company?

A53. Yes, the $75 million in base rate relief requested by the Company is offset to a considerable extent by the proposed mechanism. The combined effect of the revenue sharing proposal and the Transportation Migration Rider – Part B adjustment described in my testimony supporting Schedule A-1 is shown on Schedule E-3.2, page 6 of 16. That page adjusts the $75 million base rate increase downward to $61.4 million to reflect the $11.0 million credit from the commodity exchange and firm receipt point revenue sharing and the $2.5 million additional credit from Transportation Migration Rider – Part B. As a result, 18% of the requested base rate increase will ultimately be returned to customers via another mechanism.

Uncollectible Expense Adjustment

Q54. Please explain the adjustment shown on Schedule C-3.24.

A54. DEO proposes to implement a late payment charge and credit all payments received from the charge toward amounts that would otherwise be recovered through its uncollectibles expense adjustment mechanism. By crediting late payment charge receipts in that manner, DEO is able to offset a portion of the costs associated with unpaid bills, and parties in the case avoid the debate over the appropriate amount of revenue that should be credited to the cost of service. Schedule C-3.24 reflects the elimination of forfeited discount revenue (a form of late payment changes) that would be credited back to customers in its entirety if the proposed late payment charge is approved.

AMR and DSM Adjustments

Q55. Please explain the adjustments reflected in Schedules C-3.27 and C-3.28.

A55. The adjustments reflected in those schedules are related to an AMR and DSM funding proposal that will provide significant benefits to DEO's customers if approved. Schedule C-3.27 represents the elimination of the ratepayer-funded expenditures for the Company's existing low-income weatherization program. That program will be incorporated into the expanded DSM program which, along with DEO's proposed AMR deployment, will be funded by the amortization of its over-accrued depreciation reserve.

Depreciation Reserve; AMR/DSM Funding Proposal

Q56. Please discuss the Company's depreciation reserve.

A56. Like all utilities, DEO has a depreciation reserve account on its balance sheet that reflects the accumulated depreciation recorded for its plant and equipment. Because the average useful life of DEO's pipelines and other assets has been increasing, DEO has built up an over-accrued depreciation reserve over the years of approximately $105 million. In prior rate cases, the Commission has reduced the Company's rate base by any over-accrued depreciation reserves to ensure that customers' rates properly reflect the depreciation expenses that they have historically paid in base rates.

Q57. What treatment is DEO requesting for over-accrued depreciation in this proceeding?

A57. In order to adjust its depreciation reserve to the proper amount, DEO proposes to reduce its future depreciation expenses over a ten-year period. Adjustments to depreciation reserves are typically made over multiple years because over-accruals gradually accumulate over a period of many years. DEO will use a corresponding amount to fund the deployment of AMR equipment throughout its system and increase its DSM expenditures to support customer conservation programs. The amortization of DEO's $105 million over-accrual over a decade will generate combined funding for AMR and DSM of approximately $10.5 million per year, or more precisely the $10,540,020 shown in Schedule C-3.28.

Q58. How will the amortization of the over-accrued depreciation reserve be applied to DEO's proposed AMR deployment program?

A58. DEO proposes to use half of the annual amount, or $5,270,010 per year, to fund the depreciation, taxes and return on investment associated with the five-year AMR deployment program described in the Company's application in Case No. 06-1453-GA-UNC in which it requested Commission approval of a mechanism to recover those costs. DEO will request the Commission to consolidate that application into this base rate proceeding. Because the total cost of DEO's AMR deployment is estimated to be $100 million to $110 million, the funding provided by the over-accrued depreciation reserve will not be sufficient to recover all of its costs. To the extent that the funding is insufficient, DEO will seek base rate or rider recovery of the remaining cost in accordance with the process described in the aforementioned application.

Q59. Please describe the portion of the funding that will be applied to the Company's proposed DSM program.

A59. DEO will devote $5,270,010 per year of the depreciation reserve over-accrual amortization to DSM program spending. DSM programs cover such items as home weatherization, high-efficiency-furnace rebates and home energy audits that enable customers to reduce energy usage and lower their gas bills. DEO currently spends $3.5 million per year on low-income customer weatherization programs. Of that total, $2.5

million is included in customers' base rates and $1.0 million is funded by the Company with no recovery from customers. Under its proposal, DEO will maintain its $1.0 million annual funding level. To that will be added the approximately $5 million per year funded by half of the over-accrued depreciation reserve, resulting in total DSM program spending of $6.0 million annually.

Q60. How does DEO propose to implement its DSM program?

A60. DEO proposes to form a DSM stakeholder group made up of Staff, the Office of Ohio Consumers' Counsel, Ohio Partners for Affordable Energy and other stakeholders to select an independent DSM program administrator, jointly design and oversee administration of the program, determine income eligibility and establish DSM program targets. If the targets established by the stakeholder group are met, DSM funding could increase another $1.0 million per year over a period of three years for a total funding level of approximately $9 million. The increased funding would be provided by an adjustment to General Sales Service and Energy Choice Transportation Service volumetric rates using the latest year's weather-normalized volumes to determine the exact dollar-per-mcf adjustment.

Q61. Is the Company's proposal to increase DSM funding conditioned on approval of other provisions of the Company's Application?

A61. Yes. The increased DSM funding and the possibility of expanding that funding in future years is contingent on DEO receiving approval for its proposed decoupling mechanism, which is similar to that approved by the PUCO for Vectren Energy Delivery of Ohio in Case No. 05-1444-GA-UNC. Such a mechanism is designed to offset the negative impact that customer conservation would otherwise have on the Company's earnings.

Absent approval of the decoupling mechanism, DEO would propose to fund its DSM program at the current $2.5 million ratepayer funded level and to shift $2.5 million of the over-accrued depreciation reserve amortization to fund AMR.

Other Adjustments to Operating Income

Q62. Please explain why the Company eliminated certain non-recurring storage revenues as indicated in Schedule C-3.29

A62. In 2006, DEO began to evaluate capital investments to more effectively sustain base storage withdrawals throughout the winter season by increasing storage capacity without increasing the migration of gas from the Company's storage fields. In order to assess the feasibility of those potential investments, which would be in the tens of millions of dollars, DEO developed a pilot program to assess the impact on the migration of gas from its storage fields due to increasing storage capacity and sustaining higher base storage withdrawals throughout the winter season.

The pilot program involved the injection of increased quantities of gas into DEO's on-system storage during the latter part of the 2006-2007 injection season and the withdrawal of increased quantities of gas throughout the following winter season that were offset by corresponding reductions of the daily amount of gas delivered to its system by an upstream pipeline. The pilot program ended as scheduled on March 31, 2007. The results of the pilot program and its potential impact on migration will be assessed as part of the inventory verification analysis conducted via shut-in tests prior to the upcoming withdrawal season.

Because the pilot program has been terminated and future long-term service offerings of that type must be accompanied by substantial multi-year capital investments that are not included in date certain rate base, exclusion of the associated revenues properly reflects the pilot program's non-recurring nature and synchronizes test year operating income with date certain rate base.

Q63. Why did the Company adjust other post-employment benefits ("OPEB") expense as shown in Schedule C-3.30?

A63. After the initial budget for OPEB expenses was developed and incorporated into unadjusted test year expenses, the Company received an updated actuarial study. That study indicated that the calendar year 2007 OPEB expense would be $1,732,789 less than the 3 months actual/9 months estimated data used to develop the unadjusted test year expense level. As a result, DEO reduced that element of test year expense to more accurately reflect its ongoing cost of service.

Q64. Please describe the adjustment shown in Schedule C-3.31.

A64. The adjustment shown on Schedule C-3.31 reflects the accounting treatment of a storage migration credit that is built into the Company's current rates for storage service. Currently, $0.035 per mcf of seasonal storage injection and withdrawal fees is credited to gas cost. Because the test year gas cost revenues are set equal to test year expenses, that credit is not properly reflected in operating income. In order to reflect the income impact of that crediting mechanism, the Company showed the resulting credit amount as an additional operating expense.

VII. E SCHEDULES (TARIFF CHANGES)

Overview of Tariffs

Q65. Please describe Schedules E-1, E-2 and E-3.

A65. Schedules E-1 and E-2 contain copies of the proposed and current rate schedules and other tariff sections, which have been underscored to highlight those items being changed between the present and proposed versions. Schedule E-3 contains the narrative rationale for all of the changes that are proposed. Because the scoring used in Schedules E-1 and E-2 does not reflect all of the changes on a single document, Schedule E-3 also includes a scored version of the proposed tariffs showing both deletions and additions with the coding required in the Standard Filing Requirements.

Q66. What are the Company's overall objectives with regard to its proposed rate schedules and the related terms and conditions of service?

A66. DEO has several objectives for its proposed tariff:

- Better align rates within a given customer class with the cost to serve that class and introduce uniform rates for the East Ohio/West Ohio systems.
- Better reflect the current cost associated with activities identified in the Rules and Regulations.
- Support other initiatives such as decoupling the link between gas usage and meeting revenue requirements.
- Increase the consistency of its terms and conditions applicable to similar services.
- Update provisions to reflect practices that may have changed since the tariffs were last updated.

Q67. What are the principal changes proposed for DEO's General Sales Service ("GSS") and Large Volume General Sales Service ("LVGSS") rate schedules?

A67. As with all of the proposed rate schedules, the West Ohio versions were deleted in order to provide uniform rates across DEO's system. The volumetric rates in the remaining

GSS and LVGSS rate schedules were updated to bring the sales class return on rate base into greater alignment with the rate of return requested by the Company. The reconnection fee for GSS accounts was also updated to reflect DEO's customer service labor rates applied to the standard scheduling time allotted for reconnects. In addition to minor language changes and clarifications, references to transportation service that are no longer necessary due to the Energy Choice program were deleted. Finally, references to new tariffs that would be applicable to the sales rate schedules were added.

Q68. What changes are proposed for the Energy Choice Transportation Service ("ECTS") and Large Volume Energy Choice Transportation Service ("LVECTS") rate schedules?

A68. As explained in more detail in Schedule E-3, the primary changes proposed for the Energy Choice rate schedules are those needed to maintain rate and rider parity with the companion sales rate schedules and to clarify and update certain terms of service. Such parity is important to support the competitive retail commodity market that has flourished on DEO's system.

Q69. Are there more numerous changes proposed for the traditional transportation service rate schedules and the associated General Terms and Conditions of Transportation Service?

A69. Yes. Those changes are described in considerable detail in the narrative rationale in Schedule E-3. However, while there are considerably more changes made to the rate schedules and terms and conditions of service, the underlying structure of DEO's transportation program remains intact. The principle change is a reduction in rates to better align the class's return on rate base with the overall return requested by the Company. References to several riders have been added based on their proposed applicability. The remaining changes are, for the most part, intended to update and clarify the terms of service and to make them more consistent with those of other transportation-related programs such as DEO's Full Requirements and Energy Choice pooling services.

Q70. Please describe the changes that DEO is proposing to its Firm Storage Service ("FSS") rate schedule.

A70. As indicated in the narrative rationale, there are a variety of changes proposed to the FSS rate schedule. Some of the more notable are highlighted below:

- The proposed language enables pool operators to acquire storage service under the FSS rate schedule for their own account rather than doing so only as agent for an end use transportation service customer or as part of a pooling service agreement.
- The reference to advance nominations was deleted based on DEO's decision to no longer provide the type of storage service that requires advance nominations. As a result, the Seasonal Service described in proposed rate schedule effectively replaces the Enhanced Seasonal Service described in the prior version and reflects the following changes:
  - In order to conduct storage operations in a manner that is more consistent with the capabilities of its storage facilities, DEO proposes to modify the operating parameters to match those of the storage capacity assigned to Energy Choice and Standard Service Offer suppliers. Those parameters reflect the fact that DEO's ability to inject and withdraw gas from its on-system storage changes throughout the storage season based on the level of inventory.
  - The proposed terms contemplate daily injection and withdrawal limitations in the event that the Company experiences operating conditions where daily storage management is necessary.
  - The proposed terms require the complete withdrawal of inventory by the March 31 end of the storage withdrawal season to avoid additional gas migration that may occur if large volumes of gas remain in storage at that time.
  - The proposed terms indicate that DEO may implement a storage operational flow order during which it could require the storage service customer to make winter period re-injections or withdrawals in order to support system operations and maintain system integrity.

The FSS rates were adjusted to: (1) bring the return on rate base for the customer class covered by the rate schedule into greater alignment with the system-wide return on rate base; (2) reflect an updated estimate of the cost associated with gas migration from storage that accompanies the provision of seasonal storage service; and (3) reflect the applicability of the Gross Receipts Tax rider to the service. Despite the change in rates and the terms and conditions of service, DEO's Firm Storage Service continues to provide substantial value given its all-in rate compared to historical spreads between injection and withdrawal season natural gas prices.

Rider Changes

Q71. Did the Company propose to revise any of its existing riders?

A71. Yes. A full explanation of the proposed rider changes can be found in Schedule E-3. The most significant change involves the applicability of the GRT Rider.

Q72. Please describe the proposed change in the applicability of the GRT Rider.

A72. The Applicability section of the proposed GRT Rider tariff states that it is "[a]pplicable to all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules. Further, this Rider shall not be billed to those Customers statutorily exempted from the payment of gross receipts taxes." That coverage is much broader than the existing rider, which applies only to "gas cost charges billed by East Ohio under rate schedules GSS and LVGSS." Whereas the current GRT Rider applies only to SSO commodity costs, the proposed rider applies to all charges billed by the Company except for those billed on behalf of Energy Choice suppliers or to customers that are not obligated to pay the tax.

Q73. Why did DEO propose to change the GRT Rider's applicability?

A73. By applying the GRT Rider to all rates and charges, DEO and its customers are assured that the amount of GRT expense included in the company's rates do not over- or under-recover the resulting liability. In addition, applying the GRT Rider in the manner proposed will make prospective calculations of other riders and rates more straightforward because parties will not have to also consider the GRT implications.

Q74. How did DEO reflect the GRT Rider's effect on the Other Revenues shown in Schedule E-4?

A74. Most of the Other Revenues shown in Schedule E-4 are derived from pooling and related services provided to marketers or, as in the case of commodity exchanges or firm receipt point revenues, are based on the total price that a market will bear for a particular service at a particular time. The Company recognizes that its charges for pooling services, while cost-of-service based when first approved, are better viewed as value-of-service based at the present time. Because the underlying value of its pooling and related services will not change as a result of the rate case, DEO concluded that the most equitable approach was to reduce each Energy Choice Pooling Service fee by the GRT Rider effect so that the total fee after its imposition would remain unchanged. DEO will seek approval to make similar changes to the Commission-approved contracts for non-Energy Choice pooling services upon approval of the proposed GRT Rider.

Q75. Do you have any other comments regarding the proposed GRT Rider?

A75. Yes. Although a similarly applicable GRT Rider has been approved for Vectren Energy Delivery of Ohio, there does not appear to be a standard methodology that the Commission has settled upon to determine the appropriate rate. DEO calculated its proposed rate by dividing the adjusted test year GRT expense by adjusted test year revenues excluding those applicable to customers statutorily exempt from payment of gross receipts taxes. Due to the portion of total revenues that are not subsequently received as a taxable receipt, the resulting rate is below the statutory rate of 4.75%, even though the calculation factored in the tax-on-tax effect. DEO believes that it would be helpful for the Commission to establish a standard methodology that would enable parties to develop a proposed GRT Rider rate on a more consistent basis.

New Riders

Q76. Please describe the new riders that the Company has proposed in its Application.

A76. The first of the two new riders proposed by DEO is an AMR Cost Recovery Charge, which would initially be set at $0.000 per mcf. The charge is intended to recover the depreciation, incremental property taxes and post in-service carrying charges associated with the Company's proposed five-year AMR deployment that are not recovered in another manner, such as through the amortization of DEO's over-accrued deprecation reserve described previously. The amount to be recovered by the proposed charge is a function of the pace and cost of deployment, the magnitude of meter reading savings achieved as a result of the program, and amounts that are recovered in another manner. DEO proposes to implement the charge as an addition to the otherwise applicable monthly service charge for customers receiving service under the Company's sales and

Energy Choice rate schedules as well as the General Transportation Service ("GTS") and Transportation Service for Schools ("TSS") rate schedules. Further details regarding periodic updates of the rate and other provisions are contained in the Company's application filed in Case No. 06-1453-GA-UNC which, as indicated, DEO will request the Commission to consolidate with this proceeding. The other new rider proposed by the Company under the alternative regulation provisions of Section 4929.05, Ohio Revised Code, is the SRR.

Q77. Please describe the SRR.

A77. Simply stated, the SRR will provide the company the opportunity to collect the revenue requirement that will be ordered by the Commission in this rate case. The proposed mechanism will permit recovery of the difference between the Company's weather-normalized actual base revenues and those approved in this case, as adjusted for customer additions. As such, it will enable DEO to promote energy efficiency by decoupling the link between gas consumption and the company's ability to meets its revenue requirements. The proposed rider will apply only to the company's sales and Energy Choice customer classes because gas consumption by the traditional transportation customer class is heavily influenced by market and economic considerations, which may outweigh broader energy conservation trends in the class.

Q78. Has the Commission previously considered the merits of such a mechanism?

A78. Yes. The Commission has already considered such a rider in Case No. 05-1444-GA-UNC involving Vectren Energy Delivery of Ohio ("VEDO"). In its June 27, 2007, Supplemental Opinion and Order in the case, the Commission noted the factors that it considered in approving the mechanism, such as:

> The Commission continues to believe that it is in the public interest, in order to promote energy efficiency, to decouple the link between gas consumption and the company's ability to meet its revenue requirements. As we stated in the Opinion and Order in this proceeding, the Commission believes that the linking of gas consumption with the public utility's ability to meet its revenue requirements is counterproductive to energy efficiency. Further, as we stated in the Opinion and Order, we continue to believe that recovering fixed cost, such as those related to the distribution system, through the SRR would eliminate the counterproductive impact of VEDO promoting conservation. (Opinion and Order at 16). Therefore, the Commission finds that the SRR, which would decouple the link between gas consumption by consumers and the company's ability to meet revenue requirements, is in the public interest. (Supplemental Opinion and Order at 18-19)

Q79. Is approval of an SRR mechanism consistent with other policy statements regarding energy efficiency objectives?

A79. Yes. Approval of such a mechanism would be consistent with a resolution adopted by the National Association of Regulatory Utility Commissioners ("NARUC") Board of Directors on August 2, 2006, supporting the National Action Plan on Energy Efficiency. One of the key elements of that plan was to "[m]odify prices to align utility incentives with the delivery of cost-effective energy efficiency and modify ratemaking practices to promote energy efficiency investments." Approval of DEO's proposed SRR and increased DSM spending would also be consistent with the state policy to "encourage innovation and market access for cost-effective supply- and demand-side natural gas services and goods," as stated in Section 4929.02(A)(4), Ohio Revised Code.

Q80. What factors led DEO to propose an SRR mechanism?

A80. Like other utilities, DEO's average weather-normalized use per customer ("UPC") declined at a moderate rate of 1-2% per year until prices began to rise substantially, culminating in a year-over-year UPC decline of over 6% when prices reached their all-time peak during the 2005-2006 winter in the aftermath of hurricanes Katrina and Rita. While the conservation rate has since declined, the potential for future price-induced conservation remains and would be exacerbated should the Commission approve the Company's expanded DSM funding, which over three years could increase 157% from $3.5 million to $9.0 million. Absent an SRR mechanism, DEO would be ill-served by continuing its current DSM spending level, much less increase it by such a large percentage.

As noted in the Alt. Reg. Exhibit B included in the Application, moving to a straight fixed variable rate design would address the problem of declining UPC more effectively by permitting much greater recovery of fixed charges in a demand rate rather than a usage charge. However, that rate design is inconsistent with the Commission's historical approach to calculating customer related cost, which significantly understates the amount of costs that do not vary with usage. Under the circumstances, the SRR represents an acceptable means to achieve an outcome consistent with traditional rate of return regulation within the historical rate design approach utilized by the Commission.

Changes to Rules and Regulations

Q81. Please describe the general changes that DEO is proposing to its Rules and Regulations for gas service.

A81. Each change proposed in the Company's Rules and Regulations is explained in considerable detail in Schedule E-3. In general terms, the proposed changes are intended to:

- Clarify the Company's and customers' rights and obligations in the rendition and receipt of gas service under the Company's tariffs.
- Improve consistency with the newly enacted minimum gas service standards and strengthen credit and collection provisions where appropriate.

- Adjust charges to better reflect current costs and cost causality by customers. New charges described in the narrative rationale include the late payment fee, a returned item fee, a collection fee and an investigation fee.

Q82. Does DEO plan to ease the transition to a late payment fee?

A82. Yes. As noted in the provisions of the late payment fee, late payment charges will not be assessed to PIPP customers or those participating in the PIPP arrearage-crediting program. In addition, late payment charges will not be assessed to customers participating in a short-term payment plan or the budget billing plan provided they make the minimum payment required under the plan by the bill due date. Those provisions ensure that customers on approved payment plans will not be charged additional amounts as long as they meet their obligations under the plan.

To further ease the transition to a late payment fee, the proposed provisions will not take effect until 180 days after new tariffs are approved in this case. Until that time, the previously approved late payment charge provisions will remain in place. The 180-day period corresponds to the company's default 1/6 payment plan and affords customers ample opportunity to reduce or eliminate delinquent amounts and thus reduce or avoid any additional charges associated with the late payment fee.

Q83. Please explain why the Company is not proposing to make any changes to the monthly service charges currently in effect for the East Ohio division of DEO.

A83. As indicated previously, DEO considered the option to completely modify its rate design to provide greater fixed cost recovery in a demand rate using a straight fixed variable or similar rate design. The Company performed an assessment of its monthly service charges using the various accounts that Staff has used with few changes since 1978. The assessment revealed that, without a change to more accurately reflect the Company's unvarying costs that occur as a result of customer connections to the system regardless of usage, the accounts would not support an increase in the monthly service charges. Given the low probability that Staff would embrace a change in a methodology that it has used for nearly thirty years, the Company decided to concentrate instead on obtaining approval of a mechanism that would improve the chances of obtaining its base revenue requirement. That ultimately led DEO to seek approval of the SRR.

Q84. Please describe the information shown in Schedule E-5.

A84. Schedule E-5 is an exhibit that was included in the Company's pre-filing notice which presents typical bills for each schedule of user at various consumption levels under both current and proposed rates.

VIII. F SCHEDULES (PROJECTED FINANCIAL DATA)

Q85. Please describe the information presented in the various Section F schedules that you are sponsoring.

A85. Section F includes projected financial data for operating income, rate base and capital structure for a one-year period beginning nine months after the application filing date. Since the Company's Application was filed in August 2007, the period used for the forecast was the 12-month period beginning June 2008. The projected data is prepared under two scenarios—one assuming no rate increase and the other assuming that 100% of the requested increase is granted. Schedules F-1 and F-1A show projected operating earnings, while Schedules F-2 and 2A show the projected jurisdictional rate base as of May 31, 2009, under the two scenarios. DEO combined Schedules F-2.1 and F-2.1A for the projected plant in service data because it concluded that capital spending would not be materially affected in the short term by the rate case outcome due to the capital budgeting process in place within Dominion. Schedules F-3 and F-3A display the capital structure information, and Schedules F-4 and F-4A show the resulting changes in financial position under the two sets of assumptions.

Q86. What are some of the major assumptions used to prepare the schedules in Section F?

A86. For the most part, the forecasts reflect the general assumptions used in the latest plans for 2008 and 2009. The major non-tax differences from those plans involved how the volumes were priced (*i.e.*, at either current or proposed rates) and the level of other O&M and depreciation expense. The latter differences are caused by expense levels that will be affected by the rate case outcome such as the treatment of the over-accrued depreciation reserve, the level of DSM and GTI spending, and the amortization of several regulatory assets and liabilities. Some expenses, such as those related to the PIPP and uncollectible expense adjustment mechanisms, were not deemed to be affected by the rate case and thus are the same under both scenarios. Certain taxes, such as property taxes and the Senate Bill No. 287 excise tax, remain unchanged as well. The level of revenues and earnings affects others, such as the gross receipts tax and the federal income tax. With regard to financing, items such as long-term debt retirements are identical under both scenarios, while earnings affect short-term borrowing requirements.

IX. G SCHEDULES (ALTERNATIVE RATE PLAN)

Q87. What is the purpose of the Section G schedules?

A87. Pursuant to Rules 4901:1-19-05(C)(2)(h) and (i), Ohio Administrative Code, a company filing an alternative rate plan under Section 4929.05, Ohio Revised Code, is required to submit the projected financial data contained in Section F throughout the proposed term of the rate plan under the assumptions that the plan is adopted and not adopted. Section G thus fulfills a purpose that is similar to Section F in that it examines projected financial outcomes under scenarios where a company's request is granted and not granted. In the case of Section G, however, the difference is whether the alternative rate plan is adopted, not whether the requested rate relief is granted.

Q88. How did the Company approach the task of projecting financial outcomes under those scenarios?

A88. In developing the financial projections under the two scenarios, DEO first had to determine the term of its proposed alternative rate plan, which is comprised of the SRR mechanism. In examining a recent longer-term financial forecast, it appeared that the Company would likely file its next rate application by 2010 for rates to be effective in 2011 regardless of whether the SRR is approved. Unplanned events could delay or expedite the Company's next rate case filing, and approval of the SRR would generally lead to fewer rate cases over time. However, as a simplifying assumption, the Company determined that 2008 through 2010 is a reasonable term over which to consider the effects of its proposed rate plan.

After determining the period in question, the Company then considered the appropriate perspective that should be used in developing the alternative scenarios. Because the information is being presented in the context of a base rate proceeding, DEO concluded that the most appropriate perspective was that of the ratemaking process. Thus, certain items such as interest expense were calculated based on the rate setting process rather than a projection based on financial modeling. Such a view provides a better understanding of the resulting impact of rate plan approval from a regulatory perspective.

Another outcome of that decision was to use the working capital allowance proposed for this case throughout the proposed term of the rate plan. That simplifying assumption was necessitated in part by the absence of projected lead-lag study results and was also intended to provide a consistent regulatory perspective over the forecast horizon.

The assumptions listed on Schedule G-1, page 2 of 2, provide additional details into the Company's approach in developing the financial forecast over the 2008 through 2010 period. As noted in the third assumption in the aforementioned schedule, the plan volumes do not reflect the incremental impact of the proposed expansion of DEO's DSM program. Without any knowledge of the program that the proposed DSM stakeholder group will design, DEO was unable to estimate the potential impact on weather-normalized use per customer. The other assumptions listed on the schedule are intended to highlight other elements of the financial forecast that influenced its outcome.

Q89. What was the difference in the projected income under the two scenarios?

A89. Based on the assumptions set forth on Schedule G-1, page 2 of 2, and the footnotes included in the other schedules in Section G, the net income under the two scenarios over the proposed term of the rate plan are as follows:

Scenario	2008	2009	2010
Alternative Rate Plan Adopted	$81.5 million	$72.4 million	$61.7 million
Alternative Rate Plan Not Adopted	$81.5 million	$70.7 million	$58.5 million

Given the probable timing of rates being approved in the case, DEO made the simplifying assumption that the SRR would remain at $0.000 per mcf in 2008. While a regulatory asset would be established to track the impact of the SRR mechanism, the relatively minimal adjustments expected for the last several months of 2008 were not reflected in the projections developed for Section G. The above net income figures do not reflect the typical test year adjustments that would be included in a base rate application. Hence, returns on rate base that would be calculated using the information presented on Schedules G-1 and G-1A are not indicative of the returns that would be utilized in the rate setting process. Furthermore, because the plan volumes do not reflect the incremental impact of the proposed expansion of DEO's DSM program, the difference between the two forecasts understates the effect of the alternative rate plan.

X. S SCHEDULES (BUDGETING, MANAGEMENT POLICIES)

Q90. Please describe the information shown in Schedules S-1 and S-2.1, 2.2 and 2.3.

A90. Schedule S-1 displays the Company's most recent five-year capital expenditures budget for projects by functional area. DEO's long-term capital budgeting process is performed by major categories and, with few exceptions, does not include a forecast of projects' start and completion dates or AFDC recognition. Many of the budgeted amounts represent the accumulation of smaller capital expenditures needed to maintain the performance of plant and equipment or extend its useful life. As a result, the schedule displays the aggregation of expenditures by categories within each functional area.

Schedules S-2.1, 2.2 and 2.3 reflect the Company's most recent financial forecast utilizing current rates to derive the income statement, balance sheet and statement of changes in financial position as required by the Standard Filing Requirements. Because those requirements indicate that schedules are to be based on a company's most recent five-year financial forecast, the underlying assumptions and resulting projections differ from the data presented in Section G, which was developed expressly to meet the alternative rate plan provisions set forth in Rules 4901:1-19-05(C)(2)(h) and (i), Ohio Administrative Code.

Q91. What is Schedule S-3?

A91. Schedule S-3 is the Company's proposed notice for newspaper publication that discloses the substance of its Application. The proposed notice includes all of the information and disclosures required by Rule 4901-7-01, Appendix A, Chapter II, (B)(7), Ohio Administrative Code.

Q92. Please describe the information contained in Schedule S-4.1.

A92. Schedule S-4.1 is an executive summary of the corporate processes used by the board of directors and corporate officers. This schedule discusses various elements of DEO's processes, including policy and goal setting, strategic planning, the structure of the Dominion organization, the processes through which decisions are reached, how control is maintained of the corporation, and communication methods within and without the Company.

Q93. Please describe the information contained in Schedule S-4.2.

A93. Schedule S-4.2 is an executive summary of DEO's management policies, practices and organization that it utilizes to meet the corporate goals that are determined by senior management. This schedule describes how these policies are implemented and manifested in the context of various functional areas of DEO's operations.

Q94. In your experience, have DEO's management practices and procedures been adequate and efficient to carry out the Company's corporate goals and objectives?

A94. Yes. Those goals and objectives focus on providing adequate, safe, cost-effective and efficient gas service to customers. DEO's long-standing efforts to manage its costs were instrumental in its ability to provide stable base rates in the thirteen-year period since 1994. The Company's Application in this proceeding seeks to expand benefits to customers in such areas as system-wide AMR deployment and expanded DSM programs, while ensuring that investors in the company receive an appropriate return on their investment in the used and useful rate base needed to provide service. The Commission's approval of the requested rate relief will support the continued financially stability of the Company and ensure that customers will continue to receive the safe, cost-effective and high-quality gas service that they deserve.

Q95. Does this conclude your testimony?

A95. Yes.

COI-1381363v3

Attachment JAM-1.1

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Overall Financial Summary
For the Twelve Months Ended December 31, 2007

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

Schedule A-1
Page 1 of 1
Witness Responsible:
J. A. Murphy

Line No.	Description	Supporting Schedule Reference		Jurisdictional Proposed Test Year	
1	Rate Base as of Date Certain	B-1	$	1,071,769,127	
2	Current Operating Income	C-1	$	46,392,944	
3	Earned Rate of Return (2 / 1)			4.33%	
4	Requested Rate of Return	D-1		8.72%	
5	Required Operating Income (1 x 4)		$	93,458,268	
6	Operating Income Deficiency (5 - 2)		$	47,065,324	
7	Gross Revenue Conversion Factor	C-10		1.61518	
8	Revenue Deficiency (6 x 7)		$	76,019,111	
9	Revenue Increase Requested Before Mirrored Revenue Offset	E-4	$	75,007,378	
10	Adjusted Operating Revenues	C-1	$	1,053,896,931	
11	Revenue Requirements (9 + 10)		$	1,128,904,309	
12	Revenue Increase Requested After Impact of Transportation Migration Rider - Part B Credit	E-4	$	72,465,751	(a)

(a) $2,541,627 of the total requested revenue increase will be applied as a credit to the Transportation Migration Rider - Part B. Accordingly, Dominion East Ohio will recognize a net revenue increase of $72,465,751, as will be described in the testimony of Jeffrey A. Murphy.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Jurisdictional Rate Base summary
As of March 31, 2007

Data: Actual
Type of Filing: Revised
Work Paper Reference Nos.:

Witness Responsible:
J. A. Murphy

Line No.	Rate Base Component	Supporting Schedule Reference	Company Proposed Amount
1	Plant in service	B-2	$ 1,939,317,268
2	Reserve for accumulated depreciation	B-3	(852,185,473)
3	Net plant in service (1 + 2)		1,087,131,795
4	Construction work in progress 75% complete	B-4	-
5	Working capital allowance	B-5	157,331,875
6	Contributions in aid of construction	B-6.2	-
7	Other rate base items	B-6	(172,694,543)
8	Jurisdictional rate base (3) through (7)		$ 1,071,769,127

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Allowance for Working Capital
As of March 31, 2007

Data: Actual
Type of Filing: Revised
Work Paper Reference Nos.: WPB-5.1, WPB-5.2

Schedule B-5
Page 1 of 1
Witness Responsible:
J. A. Murphy

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Working Paper Reference No.		Total Company	Allocation %		Jurisdiction
1 2 3 4	CASH COMPONENT	The Cash Component is calculated based on the most recent lead/ lag study. Dominion East Ohio performed a comprehensive study covering all items affecting the operating income statement for the 12 months ended December 31, 2006.	WPB-5.1	$	55,727,422	100%	$	55,727,422
5	AVERAGE MONTHLY BALANCES							
6 7 8 9	Materials and Supplies	The materials and supplies balance is the 13-month average of Account No. 154 for the period ended March 31, 2007, adjusted to reflect the elimination of materials and supplies held for additions and new construction.	WPB-5.2	$	2,278,708	100%	$	2,278,708
10 11 12	Percentage of Income Payment Plan (PIPP)	The percentage of Income Payment Plan balance is the 13-month average of Account No.142.2, PIPP accounts receivable under 12 months old for the period ended March 31, 2007.	WPB-5.2	$	123,385,458	100%	$	123,385,458
13	GROSS WORKING CAPITAL ALLOWANCE			$	181,391,588		$	181,391,588
14	OFFSETS TO WORKING CAPITAL							
15 16	Customer Deposits	The customer deposits offset is the 13-month average balance of Account No. 235 for the period ended March 31, 2007.	WPB-5.2	$	(24,059,713)	100%	$	(24,059,713)
17	WORKING CAPITAL ALLOWANCE			$	157,331,875		$	157,331,875

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Jurisdictional Proforma Income Statement
For the Twelve Months Ended December 31, 2007

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

Witness Responsible:
J. A. Murphy

Line No.	Description	Adjusted Revenue & Expenses	Proposed Increase	Proforma Revenue & Expenses
1	Operating Revenues	$ 1,053,896,931	$ 75,007,378	$ 1,128,904,309
2	Operating Expenses			
3	Operating & Maintenance	854,355,340	2,541,626	856,896,966
4	Depreciation	48,661,472	-	48,661,472
5	Taxes - Other	99,774,589	3,409,954	103,184,543
6	Operating Expenses Before Income Taxes	1,002,791,401	5,951,580	1,008,742,981
7	Income Taxes	4,712,586	24,169,529	28,882,115
8	Total Operating Expenses	1,007,503,987	30,121,109	1,037,625,096
9	Net Operating Income	$ 46,392,944	$ 44,886,269	$ 91,279,213
10	Rate Base	$ 1,071,769,127		$ 1,071,769,127
11	Rate of Return	4.33%		8.52%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Adjusted Test Year Operating Income
For the Twelve Months Ended December 31, 2007

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC 2.1 Unadj

Schedule C-2
Page 1 of 1
Witness Responsible:
V. H. Friscic

Line No.	Description	Unadjusted Revenue & Expenses	Adjustments	Adjusted Revenue & Expenses
1	Operating Revenues:			
2	Base Revenues	$ 337,572,199	$ (13,774,631)	$ 323,797,568
3	Gas Cost revenues	521,728,732	(56,995,032)	464,733,700
4	Riders	210,095,451	15,985,181	226,080,632
5	Other Operating Revenues	75,958,881	(36,673,850)	39,285,031
6	Total Operating Revenues	1,145,355,263	(91,458,332)	1,053,896,931
7	Operating Expenses:			
8	Purchased Gas	509,175,362	(44,441,662)	464,733,700
9	Gas Cost Related Riders	28,676,193	7,294,563	35,970,756
10	Uncollectibles Expense Riders	147,570,834	(6,917,885)	140,652,949
11	Other Operation & Maintenance	154,733,816	58,264,118	212,997,934
12	Total Operation and Maintenance	840,156,206	14,199,134	854,355,340
13	Depreciation	57,844,882	(9,183,410)	48,661,472
14	Tax Related Riders	53,608,925	(4,151,999)	49,456,926
15	Taxes Other Than Income Tax	50,942,031	(624,368)	50,317,663
16	Operating Expenses Before Fed Income Taxes	1,002,552,044	239,357	1,002,791,401
17	Federal Income Taxes	36,806,777	(32,094,191)	4,712,586
18	Total Operating Expenses	1,039,358,821	(31,854,834)	1,007,503,987
19	Net Operating Income	$ 105,996,442	$ (59,603,498)	$ 46,392,944

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Adjusted Jurisdictional Federal Income Taxes
For the Twelve Months Ended December 31, 2007

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC-4.1, WPC-4.2, WPC-4.3

Schedule C-4

Witness Responsible:
R. D. Taylor

		At Current Rates			At Proposed Rates	
Line No.	Description	Unadjusted (1)	Schedule C-3 Adjustments (2)	Adjusted (3)	Proforma Adjustments (4)	Proforma (5)
1	Operating Income Before F.I.T.	142,803,219	(91,697,689)	51,105,530	69,055,798	120,161,328
2	Reconciling Items:					
3	Interest charges	(35,261,204)	0	(35,261,204)	0	(35,261,204)
4	Tax Depreciation	56,986,180	0	56,986,180	0	56,986,180
5	Book Depreciation	57,844,882	(9,183,410)	48,661,472	0	48,661,472
6	Excess of Tax Over Book Depreciation	858,702	(9,183,410)	(8,324,708)	0	(8,324,708)
7	Other Reconciling Items (WPC-4.1 / 4.2)	(140,031,816)	52,179,630	(87,852,186)	201,282	(87,650,904)
8	Total Reconciling Items (3 + 6 + 7)	(174,434,318)	42,996,220	(131,438,098)	201,282	(131,236,816)
9	Taxable Income (1 + 8)	(31,631,099)	(48,701,469)	(80,332,568)	69,257,080	(11,075,488)
10	Federal Income Taxes @ 35%	(11,070,885)	(17,045,514)	(28,116,399)	24,239,978	(3,876,421)
11	Investment Tax Credits	0	0	0	0	0
12	Federal Income Taxes Current (10 + 11)	(11,070,885)	(17,045,514)	(28,116,399)	24,239,978	(3,876,421)

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Adjusted Jurisdictional Federal Income Taxes
For the Twelve Months Ended December 31, 2007

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC-4.1, WPC-4.2, WPC-4.3

Witness Responsible:
R. D. Taylor

		At Current Rates			At Proposed Rates	
Line No.	Description	Unadjusted (1)	Schedule C-3 Adjustments (2)	Adjusted (3)	Proforma Adjustments (4)	Proforma (5)
13	Deferred Income Taxes:					
14	Tax Depreciation	56,986,180	0	56,986,180	0	56,986,180
15	Book Depreciation	57,844,882	(9,183,410)	48,661,472	0	48,661,472
16	Excess of Tax Over Book Depreciation	(858,702)	9,183,410	8,324,708	0	8,324,708
17	Depreciation Deferred Income Tax @ 35%	(300,546)	3,214,194	2,913,648	0	2,913,648
18	Investment Tax Credit Deferred	0	0	0	0	0
19	Amortization of Prior Years ITC	(549,818)	0	(549,818)	0	(549,818)
20	Investment Tax Credit - Net	(549,818)	0	(549,818)	0	(549,818)
21	Other Tax Deferrals (WPC-4.3)	139,222,932	(52,179,630)	87,043,302	(201,282)	86,842,020
22	Other Deferred Income Tax @ 35%	48,728,026	(18,262,871)	30,465,156	(70,449)	30,394,707
23	Total Deferred Income Taxes (17 + 20 + 22)	47,877,662	(15,048,677)	32,828,986	(70,449)	32,758,537
24	Total Federal Income Taxes (12 + 23)	36,806,777	(32,094,191)	4,712,587	24,169,529	28,882,116

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Development of Jurisdictional Federal Income Taxes Before Adjustments
For the Twelve Months Ended December 31, 2007

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC-4.1, WPC-4.2, WPC-4.3

Witness Responsible:
R. D. Taylor

Line No.	Description	Total Utility (1)	Allocation % (2)	Jurisdiction (3)	Allocation Code/ Explanation (4)
1	Operating Income Before F.I.T.	142,803,219	100	142,803,219	
2	Reconciling Items:				
3	Interest charges	(35,261,204)	100	(35,261,204)	
4	Tax Accelerated Depreciation	56,986,180	100	56,986,180	
5	Book Depreciation	57,844,882	100	57,844,882	
6	Excess of Tax Over Book Depreciation	858,702		858,702	
7	*Other Reconciling Items (WPC-4.1 / 4.2)*	(140,031,816)	100	(140,031,816)	
8	Total Reconciling Items (3 + 6 + 7)	(174,434,318)		(174,434,318)	
9	Taxable Income (1 + 8)	(31,631,099)		(31,631,099)	
10	Federal Income Taxes @ 35%	(11,070,885)		(11,070,885)	
11	Investment Tax Credits	0	100	0	
12	*Federal Income Taxes Current (10 + 11)*	(11,070,885)		(11,070,885)	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Development of Jurisdictional Federal Income Taxes Before Adjustments
For the Twelve Months Ended December 31, 2007

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Revised
Work Paper Reference Nos.: WPC-4.1, WPC-4.2, WPC-4.3

Witness Responsible:
R. D. Taylor

Line No.	Description	Total Utility (1)	Allocation % (2)	Jurisdiction (3)	Allocation Code/ Explanation (4)
13	Deferred Income Taxes:				
14	Tax Depreciation	56,986,180	100	56,986,180	
15	Book Depreciation	57,844,882	100	57,844,882	
16	Excess of Tax Over Book Depreciation	(858,702)		(858,702)	
17	Depreciation Deferred Income Tax @ 35%	(300,546)		(300,546)	
18	Investment Tax Credit Deferred	0	100	0	
19	Amortization of Prior Years ITC	(549,818)	100	(549,818)	
20	Investment Tax Credit - Net	(549,818)		(549,818)	
21	Other Tax Deferrals (WPC-4.3)	139,222,932	100	139,222,932	
22	Other Deferred Income Tax @ 35%	48,728,026		48,728,026	
23	Total Deferred Income Taxes (17 + 20 + 22)	47,877,662		47,877,662	
24	Total Federal Income Taxes (12 + 23)	36,806,777		36,806,777	

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Cash Working Capital Allowance

Revised WPB-5.1
Prepared 9/12/2007

			Adjusted Revenues & Expenses	Days Lag	Weighted Dollar Days	Working Capital Requirements
(1)	Revenue Lag Allowance	WPB-5.1a	$ 930,511,472	52.90	49,224,056,869	$ 134,860,430
(2)	PIPP Revenues		123,385,458	-	-	-
(3)	Total Revenue Lag Allowance (1) + (2)	C-2	1,053,896,930			134,860,430
	Operation & Maintenance Expenses					
(4)	Gas Purchases	C-2/WPB-5.1h	464,733,700	39.70	18,449,927,890	50,547,748
(5)	Payroll	C-8/WPB-5.1l	73,428,182	27.54	2,022,211,306	5,540,305
(6)	Uncollectibles - PIPP	C-2	92,898,153	-	-	-
(7)	Uncollectibles - Non-PIPP	WPC-3.4/C-2.1.4	47,905,151	52.90	2,534,182,488	6,942,966
(8)	Benefits	C-9/WPB-5.1k	14,554,257	12.60	183,383,638	502,421
(9)	Benefits - OPEB	C-9	6,314,722	172.64	1,090,173,606	2,986,777
(10)	Insurance	C-2.1.5/WPB5.1n	146,000	(160.90)	(23,491,400)	(64,360)
(11)	Claims	C-2.1.5/WPB5.1m	3,635,941	26.80	97,443,219	266,968
(12)	Other O&M Expenses	C-2	150,739,264	40.07	6,040,604,667	16,549,602
(13)	Subtotal O&M Expenses (4) through (11)		854,355,340			83,272,426
(14)	Depreciation	C-2	48,661,472	-	-	-
	Federal & State Income Taxes					
(15)	Current Income Taxes	C-4/WPB-5.1o	(28,116,399)	37.88	(1,064,908,612)	(2,917,558)
(16)	Deferred Income Taxes	C-4	33,378,804	-	-	-
(17)	Net ITC	C-4	(549,818)	52.90	(29,085,372)	(79,686)
(18)	Subtotal Income Taxes (14) through (16)	C-4	4,712,587			(2,997,244)
	Taxes Other Than Income Taxes:	WPC-2.1.6 and				
(19)	Property Tax	WPB-5.1r	18,596,398	289.43	5,382,355,473	14,746,179
(20)	Gross Receipts	WPB-5.1u	46,281,331	103.75	4,801,688,091	13,155,310
(21)	Excise Tax	WPB-5.1s	26,812,059	90.13	2,416,570,878	6,620,742
(22)	Payroll Taxes	WPC-2.1.6	5,613,220	27.54	154,588,079	423,529
(23)	PUCO & OCC Maintenance	WPB-5.1v	2,003,629	210.58	421,924,195	1,155,957
(24)	Sales & Use Taxes	WPB-5.1t	467,952	31.01	14,511,192	39,757
(25)	Subtotal Other Taxes (18) through (23)	C-2	99,774,589			36,141,474
(26)	Interest Expense	C-4/WPB-5.1p	35,261,204	90.46	3,189,728,514	8,738,982
(27)	Preferred Stock		-		-	-
(28)	Return On Common Equity		11,131,738	-	-	-
(29)	Subtotal Capital Structure Items (25) through (28)	C-2	46,392,942			8,738,982
(30)	Expense Lag Allowance (12) + (13) + (17) + (24) + (28)		$ 1,053,896,930			125,155,638
(31)	Net Revenue/Expense Lag					9,704,792
(32)	Supplier Billings	WPB-5.1e-g				46,022,630
(33)	**Total Cash Working Capital (3) - (29) + (30)**					**$ 55,727,422**

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Rate of Return Summary

Date of Capital Structure: March 31, 2007
Type of Filing: Revised
Work Paper Reference Nos.:

Schedule PCD-1
Page 1 of 1
Witness Responsible:
M. Vilbert

Line No.	Class of Capital	Reference	Amount	% of Total	(%) Cost	Weighted Cost (%)
1	Long-Term Debt	D-3	$ 16,467,054,606	54.33%	6.05%	3.29%
2	Preferred Stock	D-4	251,495,616	0.83%	6.25%	0.05%
3	Common Equity		13,592,347,823	44.84%	12.00%	5.38%
4	Total Capital		$ 30,310,898,045			8.72%
5	Accumulated Deferred Investment Tax Credit		$ 32,610,491			
6	Accumulated Deferred Income Taxes (Accelerated Amortization)		$ -			
7	Accumulated Deferred Income Taxes (Other Property)		$ 5,613,175,736			

Note: Data provided is for Dominion Resources, Inc. - Consolidated

Date of Long-Term Debt: March 31, 2007
Type of Filing: Revised
Work Paper Reference Nos.:

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Embedded Cost of Long-Term Debt

Schedule PCD-3
Page 1 of 2
Witness Responsible:
M. Vilbert

Line No.	Debt Issue Type, Coupon Rate	Date Issued (Mo/Day/Yr) (A)	Maturity Date (Mo/Day/Yr) (B)	Coupon Rate (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized (Discount) or Premium (F)	Unamortized Debt Expense (G)	Unamortized Gain (Loss) on Reacq. Debt (H)	Carrying Value (I=E+F-G+H)	Other Related Unamortized Costs* (J)	Full Carrying Value (K=E+F-G+H+J)	Annual Interest Cost (L)	
1	Dominion Resources Inc., Consolidated													
2	7.83% JSD - Institutional	12/8/1997	12/1/2027	7.830%	$ 257,732,000	$ 257,732,000	$ -	$ 14,475,162	$ -	$ 243,256,838	$ -	$ 243,256,838	$ 20,442,319	
3	8.4% JSD - Institutional	1/12/2001	1/15/2031	8.400%	257,732,000	257,732,000	(2,701,497)	2,416,229	-	252,614,274	-	252,614,274	21,715,670	
4	7.8% JSD - Retail	10/23/2001	10/31/2041	7.800%	206,185,576	206,185,575	-	6,483,265	-	199,702,310	-	199,702,310	16,117,265	
5	7.375% JSD - Retail	8/23/2002	7/30/2042	7.375%	412,371,150	412,371,150	-	12,751,220	-	399,619,930	-	399,619,930	30,463,939	
6	Possum - Bank	8/22/2000	8/22/2007	6.160%	84,537,650	146,719,418	-	556,881	-	146,162,537	-	146,162,537	10,374,430	
7	Possum - Equity	8/22/2000	8/22/2007	7.110%	12,515,250	12,515,250	-	-	-	12,515,250	-	12,515,250	889,834	
8	Possum - Hatteras CP	8/22/2000	8/22/2007	6.170%	282,947,100	210,765,332	-	-	-	210,765,332	-	210,765,332	13,004,221	
9	MTN F02	11/25/1998	11/25/2008	5.730%	120,000,000	120,000,000	-	237,356	-	119,762,644	-	119,762,644	7,019,428	
10	92-D Mtg Bond	7/14/1992	7/1/2007	7.625%	215,000,000	215,000,000	(8,850)	64,218	(584,170)	214,352,762	(23,587)	214,329,175	18,067,179	
11	LOR 89-A ($5M) Mtg Bond	3/6/1992	2/1/2019				-	-	-	-	-	-	18,422	
12	LOR 89-A ($15M) Mtg Bond	9/30/1993	2/1/2019				-	-	-	-	-	-	64,537	
13	LOR 89-A ($11M) Mtg Bond	11/3/1993	2/1/2019				-	-	-	-	-	-	47,327	
14	DallasTown Mortgage (X)	1/1/1980	12/8/2008	12.500%	6,000,000	4,000,000	-	-	-	4,000,000	-	4,000,000	500,000	
15	98-A KINCAID	4/28/1998	6/15/2020	7.330%	265,900,000	213,492,218	-	2,740,508	-	210,751,710	-	210,751,710	15,929,626	
16	Louisa 84	12/28/1984	12/1/2008	3.849%	60,000,000	60,000,000	-	-	-	60,000,000	(32,661)	59,967,339	2,328,982	**
17	Prince William 86	10/8/1986	8/1/2016	3.710%	11,200,000	11,200,000	-	-	-	11,200,000	184	11,200,184	415,500	**
18	Grant 86	11/20/1986	8/1/2016	3.760%	7,400,000	7,400,000	-	-	-	7,400,000	(94,941)	7,305,059	288,412	**
19	Louisa 87	12/9/1987	12/1/2015	3.830%	18,000,000	18,000,000	-	-	(229,276)	17,770,724	(47,306)	17,723,418	721,313	**
20	Halifax 92	11/24/1992	11/1/2027	3.896%	56,000,000	56,000,000	-	-	-	56,000,000	(167,784)	55,832,216	2,189,951	**
21	Grant 94	3/30/1994	9/1/2024	3.680%	19,500,000	19,500,000	-	-	(76,285)	19,423,715	(102,110)	19,321,605	727,843	**
22	Grant 96	2/29/1996	3/1/2026	3.740%	24,500,000	24,500,000	-	-	-	24,500,000	(205,860)	24,294,140	927,182	**
23	Louisa 94	1/20/1994	1/1/2024	5.450%	19,500,000	19,500,000	-	-	(249,155)	19,250,845	(333,443)	18,917,402	1,083,562	**
24	Louisa 97	4/8/1997	4/1/2022	2.350%	10,000,000	10,000,000	-	-	-	10,000,000	(143,386)	9,856,614	244,658	**
25	Louisa 00	9/19/2000	9/1/2030	2.350%	30,000,000	30,000,000	-	-	-	30,000,000	(60,597)	29,939,403	707,568	**
26	Louisa 01	2/28/2001	3/1/2031	4.350%	50,000,000	50,000,000	-	-	-	50,000,000	(130,224)	49,869,776	2,160,446	**
27	Chesterfield 87C (post fix)	9/10/1987	12/1/2007	4.950%	15,000,000	15,000,000	-	-	(14,360)	14,985,640	(6,521)	14,979,119	773,353	**
28	Chesterfield 87B (post fix)	6/4/1987	6/1/2017	5.875%	35,000,000	35,000,000	-	-	-	35,000,000	(112,333)	34,887,667	2,064,333	**
29	Chesterfield 87A (post fix)	6/4/1987	6/1/2017	5.875%	40,000,000	40,000,000	-	-	(823,154)	39,176,846	(128,985)	39,047,861	2,417,483	**
30	Chesterfield 85 (post fix)	11/13/1985	10/1/2009	5.500%	40,000,000	40,000,000	-	-	-	40,000,000	(38,436)	39,961,564	2,214,370	**
31	York 85 (post fix)	11/21/1985	7/1/2009	5.500%	70,000,000	70,000,000	-	-	-	70,000,000	(56,149)	69,943,851	3,873,489	**
32	Chesapeake 85 (post fix)	11/12/1985	2/1/2009	5.250%	30,000,000	30,000,000	-	-	-	30,000,000	(10,439)	29,989,561	1,597,280	**
33	Louisa 85 (post fix)	12/16/1985	12/1/2008	5.250%	62,000,000	62,000,000	-	-	-	62,000,000	(39,549)	61,960,451	3,277,751	**
34	Mecklenburg IDA Bonds	8/18/2004	10/15/2017	6.500%	24,500,000	24,500,000	641,521	-	-	25,141,521	-	25,141,521	1,540,624	
35	Pittsylvania 94B	11/29/2004	1/1/2010	7.650%	5,400,000	2,800,000	105,263	-	-	2,905,263	-	2,905,263	161,858	
36	Brayton 2006	2/13/2006	2/1/2036	5.000%	47,000,000	47,000,000	-	1,344,172	-	45,655,828	-	45,655,828	2,370,208	
37	05-D Sr Notes	9/28/2005	9/28/2007	5.660%	1,000,000,000	1,000,000,000	-	767,043	-	999,232,957	-	999,232,957	56,888,067	
38	DCI Fin48 Debt	2/17/2005	1/16/2017	5.690%	385,000,000	385,000,000	-	-	-	385,000,000	-	385,000,000	21,906,600	
39	06-B Sr Notes	11/14/2006	11/14/2008	5.540%	400,000,000	400,000,000	-	902,228	-	399,097,772	-	399,097,772	22,208,069	
40	00-A Sr Notes	6/26/2000	6/15/2010	8.125%	700,000,000	700,000,000	(279,852)	1,960,582	-	697,760,767	1,733,877	699,494,644	57,016,424	
41	93-B Debentures (post mod)	12/16/1993	12/1/2013	6.625%	150,000,000	150,000,000	(1,390,795)	326,713	-	148,282,492	(1,809,814)	146,472,678	10,664,096	
42	01-A Sr Notes	4/17/2001	4/16/2011	6.850%	500,000,000	500,000,000	(326,207)	1,752,840	-	497,918,953	-	497,918,953	34,702,606	
43	01-C Sr Notes	10/25/2001	11/1/2011	6.250%	450,000,000	450,000,000	(376,762)	1,723,836	-	447,899,402	-	447,899,402	28,520,890	
44	LDNG Sr Notes	11/1/2001	12/1/2007	6.875%	200,000,000	200,000,000	409,227	-	-	200,409,227	-	200,409,227	11,530,724	
45	02-B Sr Notes	6/27/2002	6/30/2012	5.250%	500,000,000	500,000,000	(553,079)	2,164,637	-	497,282,264	780,919	498,063,203	31,587,809	
46	02-C Sr Notes	9/16/2002	9/17/2012	5.700%	520,000,000	520,000,000	(221,025)	2,112,737	(39,322,956)	478,343,282	17,848,157	496,191,439	24,979,484	
47	98-A Debentures (post swap uw)	10/23/1998	10/15/2010	6.000%	200,000,000	200,000,000	(636,041)	557,679	-	198,806,280	11,638,416	210,444,696	9,445,374	
48	02-E Sr Notes	12/16/2002	12/15/2032	6.750%	300,000,000	300,000,000	(689,488)	2,636,109	-	296,674,403	-	296,674,403	20,297,792	
49	02-D Sr Notes	12/16/2002	12/15/2009	5.125%	300,000,000	300,000,000	(573,502)	866,329	-	298,560,169	(183,983)	298,376,186	15,942,932	
50	03-B Sr Notes	2/13/2003	2/15/2008	4.125%	400,000,000	400,000,000	(92,263)	492,610	-	399,415,128	-	399,415,128	17,190,591	
51	03-A Sr Notes	2/28/2003	3/1/2013	4.750%	400,000,000	400,000,000	(410,001)	1,818,650	-	397,771,349	-	397,771,349	19,326,880	
52	03-E Sr Notes	3/6/2003	3/15/2033	6.300%	300,000,000	300,000,000	(82,529)	2,584,917	-	297,332,553	-	297,332,553	18,940,562	
53	03-D Sr Notes	3/6/2003	3/15/2013	5.000%	300,000,000	300,000,000	(386,541)	1,340,752	-	298,272,708	-	298,272,708	15,249,255	
54	03-F Sr Notes (2015 Put)	7/24/2003	8/1/2033	5.250%	510,000,000	510,000,000	(3,286,431)	2,814,565	-	503,919,005	6,388,243	510,307,247	26,393,708	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Embedded Cost of Long-Term Debt

Data of Long-Term Debt: March 31, 2007
Type of Filing: Revised
Work Paper Reference Nos.:

Schedule PCD-3
Page 2 of 2
Witness Responsible:
M. Vilbert

Line No.	Debt Issue Type, Coupon Rate	Date Issued (Mo/Day/Yr) (A)	Maturity Date (Mo/Day/Yr) (B)	Coupon Rate (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized (Discount) or Premium (F)	Unamortized Debt Expense (G)	Unamortized Gain (Loss) on Reacq. Debt (H)	Carrying Value (I=E+F-G+H)	Other Related Unamortized Costs* (J)	Full Carrying Value (K=E+F-G+H+J)	Annual Interest Cost (L)
55	03-A Sr Notes	12/1/2003	3/1/2014	5.000%	200,000,000	200,000,000	(937,016)	1,074,866	-	197,988,099	(132,811)	197,855,288	10,258,458
56	03-C Sr Notes	12/9/2003	12/15/2015	5.250%	200,000,000	200,000,000	(1,146,304)	1,127,951	1,152,149	198,877,894	-	198,877,894	10,602,143
57	03-B Sr Notes	12/9/2003	12/15/2010	4.800%	230,000,000	230,000,000	(820,578)	871,773	-	228,307,649	-	228,307,649	10,773,676
58	CAPES	12/12/2003	12/15/2038	4.100%	225,000,000	225,000,000	(11,572)	587,649	-	224,400,778	4,701,563	229,102,342	13,588,759
59	04-A Sr Notes	1/15/2004	1/15/2016	5.200%	200,000,000	200,000,000	(56,172)	1,223,026	-	198,720,802	-	198,720,802	10,507,005
60	Remarketed 00-E Notes	9/15/2004	9/15/2014	7.195%	250,000,000	250,000,000	-	-	-	250,000,000	2,568,818	252,568,818	17,465,396
61	04-A Sr Notes	11/18/2004	12/1/2014	5.000%	400,000,000	400,000,000	(1,015,402)	2,346,111	-	396,639,488	(967,141)	395,672,347	20,451,165
62	04-A Sr Notes (Mack Exchange)	11/22/2004	10/15/2017	7.250%	105,800,000	90,200,000	8,626,704	-	-	98,826,704	-	98,826,704	4,863,962
63	96-A Debentures (2006 Put) (Post Amort of	10/21/1996	10/15/2026	6.875%	160,000,000	160,000,000	1,108,540	-	-	161,108,540	-	161,108,540	10,325,332
64	97-A Debentures (Post Amort of FV)	12/15/1997	12/15/2027	6.800%	300,000,000	300,000,000	(2,121,526)	2,486,996	-	295,391,478	(5,747,148)	289,644,330	21,122,250
65	98-B Debentures (Post Amort of FV)	12/13/1998	12/1/2008	6.625%	150,000,000	150,000,000	(39,066)	161,636	-	149,799,298	(504,389)	149,294,909	10,426,766
66	Rosemary 6.625% Notes	2/8/2006	2/15/2016	6.625%	62,336,321	48,543,664	1,374,849	-	-	49,918,513	-	49,918,513	3,954,602
67	05-A Sr Notes	6/20/2005	12/15/2010	4.750%	300,000,000	300,000,000	(229,615)	1,404,398	-	298,365,987	-	298,365,987	14,657,617
68	05-B Sr Notes	6/20/2005	6/15/2035	5.950%	300,000,000	300,000,000	-	2,762,599	-	297,237,401	-	297,237,401	17,887,580
69	05-B Sr Notes (Reopen)	7/14/2005	6/15/2035	5.950%	200,000,000	200,000,000	3,519,103	1,784,478	-	201,734,626	-	201,734,625	11,676,849
70	05-C Sr Notes	7/14/2005	7/15/2015	5.150%	500,000,000	500,000,000	(703,837)	3,014,587	-	496,281,575	(2,471,855)	493,809,720	26,516,223
71	06-A Sr Notes	1/13/2006	1/15/2016	5.400%	450,000,000	450,000,000	(1,053,938)	2,762,791	-	446,183,271	-	446,183,271	24,658,943
72	06-B Sr Notes	1/13/2006	1/15/2036	6.000%	550,000,000	550,000,000	(1,124,768)	4,902,386	-	543,972,847	-	543,972,847	33,089,417
73	Remarketed 02-A Sr Notes	2/21/2006	5/16/2009	5.687%	329,906,750	330,000,000	-	-	-	330,000,000	-	330,000,000	18,803,972
74	06-A Sr Notes	11/14/2006	11/15/2016	5.600%	250,000,000	250,000,000	(19,432)	1,631,961	-	248,348,607	(6,884,684)	241,463,843	15,106,791
75	03-G Sr Notes (Converts)	12/11/2003	12/15/2023	2.125%	220,000,000	229,000	-	-	-	229,000	-	229,000	7,269
76	04-C Sr Notes (Converts)	12/22/2004	12/15/2023	2.125%	219,258,000	219,701,000	-	-	-	219,701,000	-	219,701,000	4,703,802
77	Fort Story	12/15/2004	1/15/2026	7.250%	144,996	136,900	-	-	-	136,900	(1)	136,899	9,925
78	Fort Eustis	12/15/2004	1/15/2025	7.250%	297,215	280,619	-	-	-	280,619	(1)	280,618	20,346
79	Fort Monroe	2/17/2005	3/17/2025	7.250%	2,133,076	2,023,450	-	-	-	2,023,450	(8)	2,023,442	146,701
80	Fort Lee	4/1/2005	4/1/2032	7.250%	6,156,544	5,999,215	-	-	-	5,999,215	-	5,999,215	434,943
81	06-A JSN	6/23/2006	6/30/2066	7.500%	300,000,000	300,000,000	(1,016,138)	4,828,716	-	294,155,147	-	294,155,147	22,523,647
82	06-B JSN	9/29/2006	9/30/2066	6.300%	500,000,000	500,000,000	(837,958)	7,853,090	-	491,308,952	-	491,308,952	31,521,066
	Totals				$ 16,801,055,627	$ 16,590,026,731	$ (7,343,796)	$ 106,705,261	$ (40,147,207)	$ 16,441,830,535	$ 25,224,071	$ 16,467,054,606	$ 996,833,660

Embedded Cost of Long-Term Debt (L / I) 6.08%
Full Embedded Cost of Long-Term Debt (L / K) 6.05%

Note: Data provided is for Dominion Resources, Inc. - Consolidated

* Other Related Unamortized Costs may include one or more of the following: Preissuance Hedge Loss/Gain, Embedded Option Receipt/Payment, and/or Swap Termination Gain/Loss.
** Put Bonds are amortized to Put Date.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Embedded Cost of Preferred Stock

Date of Preferred Stock: March 31, 2007
Type of Filing: Revised
Work Paper Reference Nos.:

Schedule PCD-4

Witness Responsible:
M. Vilbert

Line No.	Dividend Rate, Type, Par Value	Date Issued (A)	Dollar Amounts Outstanding at Par Value ($) (B)	Premium or (Discount) (C)	Issue Expense (D)	Gain (Loss) on Reacquired Stock (E)	Net Proceeds (F=B+C-D+E)	Annual Dividends (G)
1	$5.00 Preferred Stock	5/25/1944	$ 10,667,700	$ 1,493,478	$ 301,912	$ 190,656	$ 12,049,922	$ 533,385
2	$4.04 Preferred Stock	3/14/1950	1,292,600	29,342	212,844	185,293	1,294,391	52,221
3	$4.20 Preferred Stock	3/14/1951	1,479,700	36,993	204,313	174,081	1,486,460	62,147
4	$4.12 Preferred Stock	12/14/1955	3,253,400	56,284	243,727	180,309	3,246,266	134,040
5	$4.80 Preferred Stock	8/1/1962	7,320,600	-	554,141	418,888	7,185,347	351,389
6	$7.05 Preferred Stock	7/8/1993	50,000,000	-	570,801	(1,194,065)	48,235,134	3,525,000
7	$6.98 Preferred Stock	8/18/1993	60,000,000	-	627,748	(2,590,002)	56,782,250	4,188,000
8	Flex MMP 2002 Series	12/12/2002	125,000,000	(1,909,154)	1,875,000	-	121,215,846	6,875,000
9	Issuance Cost re: Flex MMP 2002 Series		(1,916,654)					
10	Totals		$ 257,097,346	$ (293,058)	$ 4,590,486	$ (2,634,840)	$ 251,495,616	$ 16,721,182
11	Embedded Cost of Preferred Stock (G / F)							6.25%

Note: Data provided is for Dominion Resources, Inc. - Consolidated

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Embedded Cost of Long-Term Debt

Date of Long-Term Debt: March 31, 2007
Type of Filing: Revised
Work Paper Reference Nos.:

Witness Responsible:
M. Vilbert

Line No.	Debt Issue Type, Coupon Rate	Date Issued (Mo/Day/Yr) (A)	Maturity Date (Mo/Day/Yr) (B)	Coupon Rate (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized (Discount) or Premium (F)	Unamortized Debt Expense (G)	Unamortized Gain (Loss) on Reacq. Debt (H)	Carrying Value (I=E+F-G+H)	Annual Interest Cost (J)
1	The East Ohio Gas Company										
2	I-89-C EOG	11/1/1989	9/30/2019	8.950%	20,000,000	20,000,000	-	-	-	20,000,000	1,790,000
3	I-90-C EOG	12/21/1990	11/30/2015	7.400%	5,000,000	3,250,000	-	-	-	3,250,000	240,495
4	I-90-B EOG	12/21/1990	11/30/2015	7.400%	30,000,000	19,500,000	-	-	-	19,500,000	1,442,969
5	I-93-J EOG	12/31/1993	11/30/2013	6.800%	662,800	662,800	-	-	-	662,800	45,070
6	I-93-I EOG	12/31/1993	11/30/2013	6.800%	11,282,000	11,282,000	-	-	-	11,282,000	767,176
7	I-94-B EOG	3/31/1994	11/30/2013	6.800%	901,200	901,200	-	-	-	901,200	61,282
8	I-94-D EOG	5/31/1994	11/30/2013	6.800%	1,100,000	1,100,000	-	-	-	1,100,000	74,800
9	I-94-C EOG	5/31/1994	11/30/2013	6.800%	16,000,000	16,000,000	-	-	-	16,000,000	1,088,000
10	I-94-J EOG	12/30/1994	12/30/2014	8.750%	2,250,000	2,250,000	-	-	-	2,250,000	198,875
11	I-97-E EOG	1/31/1997	11/30/2008	6.750%	1,203,200	1,203,200	-	-	-	1,203,200	81,216
12	I-97-D EOG	1/31/1997	11/30/2008	6.750%	3,436,700	3,436,700	-	-	-	3,436,700	231,977
13	I-97-J EOG	12/30/1997	12/15/2027	6.950%	40,000,000	40,000,000	-	-	-	40,000,000	2,779,997
14	I-99-A EOG	3/30/1999	9/30/2010	6.200%	80,000,000	80,000,000	-	-	-	80,000,000	4,960,000
15	I-06-A EOG	10/2/2006	10/1/2016	6.340%	477,000,000	477,000,000	-	-	-	477,000,000	30,241,829
	Totals				688,835,900	678,585,900	-	-	-	678,585,900	44,001,686
	Embedded Cost of Long-Term Debt (J / I)										6.503%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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

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Witness: C. Andrews

ALLOCATION FACTORS

#	Allocator	Basis	RATE SCHEDULE GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage	SYSTEM TOTAL
	INPUT ALLOCATORS							
1	Total Throughput	Mcf	143,308,810 56.3%	8,994,640 3.5%	51,962,159 20.4%	50,368,814 19.8%	0 0.0%	254,624,423 100.0%
2	Winter Throughput	Mcf	104,876,988 64.3%	6,337,343 3.9%	27,989,383 17.2%	23,982,134 14.7%	0 0.0%	163,185,848 100.0%
3	October-April Throughput	Mcf	123,713,181 62.0%	7,579,939 3.8%	36,181,255 18.1%	31,952,258 16.0%	0 0.0%	199,426,633 100.0%
4	On-system Sales	Mcf	49,141,601 96.4%	1,821,342 3.6%	0 0.0%	0 0.0%	0 0.0%	50,962,943 100.0%
5	Peak Day Requirements	Mcf	1,736,191 72.1%	101,758 4.2%	337,307 14.0%	231,768 9.6%	0 0.0%	2,407,024 100.0%
6	Excess Peak Day Requirement	Mcf	1,343,564 78.6%	77,116 4.5%	194,972 11.4%	93,771 5.5%	- 0.0%	1,709,422 100%
7	Winter Storage Requirement	Mcf	34,209,376 63.4%	2,014,273 3.7%	1,018,477 1.9%	- 0.0%	16,757,874 31.0%	54,000,000 100.0%
8	Excess Peak Storage Requirement	Mcf	454,034 62.9%	26,550 3.7%	10,458 1.4%	- 0.0%	231,343 32.0%	722,384 100.0%
9	Gathering Throughput	Mcf	11,238,676 28.5%	705,385 1.8%	21,309,109 54.1%	6,155,946 15.6%	0 0.0%	39,409,116 100.0%
10	Number of Customers	# of Customers	1,207,801 99.6%	2,248 0.2%	2,910 0.2%	78 0.0%	0 0.0%	1,213,037 100.0%
11	Transportation Customers	# of Customers	791,547 99.4%	1,769 0.2%	2,910 0.4%	78 0.0%	0 0.0%	796,304 100.0%
12	Industrial Customers	# of Customers	633 39.5%	148 9.2%	757 47.2%	65 4.1%	0 0.0%	1,603 100.0%
13	Customers, Low Pressure	# of Customers	838,450 99.7%	1,682 0.2%	817 0.1%	0 0.0%	0 0.0%	840,949 100.0%
14	Customers, Regulated Pressure	# of Customers	369,351 99.3%	566 0.2%	2,093 0.6%	78 0.0%	0 0.0%	372,088 100.0%
15	Revenue @ Current Rates (excludes EC gas cost/sales tax)	Whole Dollars	$915,063,064 86.8%	$38,632,131 3.7%	$69,806,971 6.6%	$19,680,354 1.9%	$10,714,409 1.0%	$1,053,896,930 100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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

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ALLOCATION FACTORS

#	Allocator	Basis	RATE SCHEDULE					SYSTEM TOTAL
			GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage	
	INPUT ALLOCATORS							
16	Base Rate Revenue	Whole Dollars	$257,319,653 79.5%	$9,886,536 3.1%	$41,695,124 12.9%	$14,898,255 4.6%	$0 0.0%	$323,797,568 100.0%
17	Non-Tax Rider Revenue	Whole Dollars	$162,230,959 86.2%	$9,624,007 5.4%	$14,337,592 8.1%	$431,148 0.2%	$0 0.0%	$176,623,705 100.0%
18	Tax-related Rider Revenue	Whole Dollars	$43,846,087 88.7%	$1,650,724 3.3%	$2,786,310 5.6%	$1,173,805 2.4%	$0 0.0%	$49,456,926 100.0%
19	Other Revenue	Whole Dollars	$13,594,079 34.6%	$809,451 2.1%	$10,987,946 28.0%	$3,179,146 8.1%	$10,714,409 27.3%	$39,285,031 100.0%
20	Purchased Gas Cost/Revenue (SSO)	Whole Dollars	$448,072,288 96.4%	$16,661,412 3.6%	$0 0.0%	$0 0.0%	$0 0.0%	$464,733,700 100.0%
21	Non-Gas Cost Revenue	Whole Dollars	$466,990,777 79.3%	$21,970,719 3.7%	$69,806,971 11.8%	$19,680,354 3.3%	$10,714,409 1.8%	$569,163,230 100.0%
22	Uncollectible Expense (PIPP + UER)	Whole Dollars	$122,657,303 87.2%	$7,698,483 5.5%	$10,297,164 7.3%	$0 0.0%	$0 0.0%	$140,652,949 100.0%
23	PIP Rider Revenue	Whole Dollars	$81,012,470 87.2%	$5,084,670 5.5%	$6,801,012 7.3%	$0 0.0%	$0 0.0%	$92,898,153 100.0%
24	Gas Cost Riders	Whole Dollars	$29,573,656 82.2%	$1,925,524 5.4%	$4,040,428 11.2%	$431,148 1.2%	$0 0.0%	$35,970,758 100.0%
26	Revenue @ Proposed Rates (From Proposed Rate Design Calc)	Whole Dollars	$992,055,913 87.9%	$40,295,636 3.6%	$65,908,072 5.8%	$19,015,070 1.7%	$11,629,616 1.0%	$1,128,904,306 100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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ALLOCATION FACTORS

#	Allocator	Basis	RATE SCHEDULE GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage	SYSTEM TOTAL
	INTERNALLY GENERATED ALLOCATORS							
25	O&M @ Current Rates	Whole Dollars	$174,282,593	$6,322,976	$17,914,594	$10,259,949	$5,217,822	$212,997,934
			81.8%	2.5%	8.4%	4.8%	2.4%	100.0%
27	Gross Plant	Whole Dollars	$1,474,612,059	$67,444,063	$226,801,702	$134,362,509	$46,096,945	$1,939,317,268
			76.0%	3.0%	11.7%	6.9%	2.4%	100.0%
28	Other General Plant	Whole Dollars	$41,130,263	$1,679,775	$6,642,444	$3,937,984	$1,351,086	$54,741,551
			75.1%	3.1%	12.1%	7.2%	2.5%	100.0%
29	Net Plant	Whole Dollars	$820,836,067	$33,145,199	$130,193,999	$78,013,267	$24,943,273	$1,087,131,795
			75.5%	3.0%	12.0%	7.2%	2.3%	100.0%
30	Rate Base	Whole Dollars	$821,480,883	$38,583,824	$125,066,869	$65,176,558	$21,461,993	$1,071,769,127
			76.6%	3.6%	11.7%	6.1%	2.0%	100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

Data: 3 Months Actual & 9 Months Estimated
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Work Paper Reference Nos.:

Witness: C. Andrews

OPERATING INCOME SUMMARY

AT CURRENT RATES	Rate Schedule/Class					
	System Total	GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage
OPERATING REVENUE ($):						
Base Rate Revenues	$323,797,568	$257,319,653	$9,886,536	$41,695,124	$14,896,255	$0
Gas Cost Revenues	$464,733,700	$448,072,288	$16,661,412	$0	$0	$0
Gas Cost Rider Revenue	$35,970,756	$29,573,656	$1,925,524	$4,040,428	$431,148	$0
Non-Tax Related Rider Revenue	$140,652,949	$122,657,303	$7,698,483	$10,297,164	$0	$0
Tax Related Rider Revenue	$49,456,926	$43,846,087	$1,650,724	$2,786,310	$1,173,805	$0
Other Revenue	$39,285,031	$13,594,079	$809,451	$10,987,946	$3,179,146	$10,714,409
TOTAL OPERATING REVENUE	$1,053,896,930	$915,063,064	$38,632,131	$69,806,971	$19,680,354	$10,714,409
OPERATING EXPENSES ($)						
Gas Cost	$464,733,700	$448,072,288	$16,661,412	$0	$0	$0
Gas Cost Related Riders	$35,970,756	$29,573,656	$1,925,524	$4,040,428	$431,148	$0
Non-Tax Related Rider Expense	$140,652,949	$122,657,303	$7,698,483	$10,297,164	$0	$0
Other Operation and Maintenance Expense	$212,997,934	$174,282,593	$5,322,976	$17,914,594	$10,259,949	$5,217,822
Depreciation Expense	$48,661,472	$41,470,683	$938,999	$3,863,879	$2,275,397	$112,512
Tax-Related Rider Expense	$49,456,926	$43,846,087	$1,650,724	$2,786,310	$1,173,805	$0
Other Taxes	$50,317,663	$39,471,333	$1,662,531	$5,675,703	$2,478,341	$1,029,756
Federal Income Taxes	$4,712,587	($4,526,278)	$579,784	$7,289,382	$158,836	$1,210,862
TOTAL OPERATING EXPENSES	$1,007,503,987	$894,847,665	$36,440,434	$51,867,461	$16,777,475	$7,570,952
NET OPERATING INCOME	$46,392,942	$20,215,399	$2,191,697	$17,939,511	$2,902,878	$3,143,457
RATE BASE	$1,071,769,127	$821,480,883	$38,583,824	$125,065,869	$65,176,558	$21,461,993
RATE OF RETURN - AT CURRENT RATES	4.33%	2.46%	5.68%	14.34%	4.45%	14.65%
RECOMMENDED RATE OF RETURN	8.72%	8.72%	8.72%	8.72%	8.72%	8.72%
REVENUE CONVERSION FACTOR	1.61518	1.61518	1.61518	1.61518	1.61518	1.61518
REVENUE DEFICIENCY	$76,019,114	$83,049,049	$1,894,307	($11,360,821)	$4,491,045	($2,054,467)

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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

Witness: C. Andrews

OPERATING INCOME SUMMARY

AT PROPOSED RATES	Rate Schedule/Class					
	System Total	GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage
OPERATING REVENUE ($):						
Base Rate Revenues	$372,916,985	$313,144,842	$10,555,275	$35,682,950	$13,533,917	$0
Gas Cost Revenues	$464,733,700	$448,072,288	$16,661,412	$0	$0	$0
Gas Cost Rider Revenue	$35,666,596	$29,573,656	$1,925,524	$3,736,268	$431,148	$0
Non-Tax Related Rider Revenue	$140,652,950	$122,657,303	$7,698,483	$10,297,164	$0	$0
Tax Related Rider Revenue	$76,503,344	$65,612,120	$2,681,120	$5,687,403	$2,010,796	$511,904
Other Revenue	$38,430,733	$12,995,704	$773,821	$10,504,287	$3,039,209	$11,117,712
TOTAL OPERATING REVENUE	$1,128,904,306	$992,055,913	$40,295,636	$65,908,072	$19,015,070	$11,629,616
OPERATING EXPENSES ($)						
Gas Cost	$464,733,700	$448,072,288	$16,661,412	$0	$0	$0
Gas Cost Related Riders	$35,666,596	$29,573,656	$1,925,524	$3,736,268	$431,148	$0
Non-Tax Related Rider Expense	$140,652,950	$122,657,303	$7,698,463	$10,297,164	$0	$0
Other Operation and Maintenance Expense	$215,843,721	$174,460,727	$5,308,674	$17,781,485	$10,228,936	$8,065,901
Depreciation Expense	$48,661,472	$41,470,683	$938,999	$3,863,879	$2,275,397	$112,512
Tax-Related Rider Expense	$76,503,344	$65,612,120	$2,681,120	$5,687,403	$2,010,796	$511,904
Other Taxes (Excludes GRT)	$26,681,199	$20,757,330	$779,167	$2,859,400	$1,686,124	$600,178
Federal Income Taxes	$28,882,115	$21,290,662	$1,116,256	$6,048,135	($78,479)	$505,542
TOTAL OPERATING EXPENSES	$1,037,625,096	$923,894,766	$37,107,635	$50,273,734	$16,552,921	$9,796,038
NET OPERATING INCOME	$91,279,210	$68,161,144	$3,188,001	$15,634,337	$2,462,149	$1,833,578
RATE BASE	$1,071,769,127	$821,480,883	$38,583,824	$125,065,869	$65,176,558	$21,461,993
RATE OF RETURN - AT PROPOSED RATES	8.52%	8.30%	8.26%	12.50%	3.78%	8.54%
GROSS RECEIPTS TAX RIDER RATE	4.6044%					

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

Data: 3 Months Actual & 9 Months Estimated
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Witness: C. Andrews

OPERATING INCOME SUMMARY

Item	Rate Schedule/Class					
	System Total	GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	Storage
PROPOSED RATES vs. CURRENT RATES						
OPERATING REVENUE ($):						
Base Rate Revenues	$49,119,417	$55,825,189	$668,739	($6,012,174)	($1,362,338)	$0
Gas Cost Revenues	$0	$0	$0	$0	$0	$0
Gas Cost Rider Revenue	($304,160)	$0	$0	($304,160)	$0	$0
Non-Tax Related Rider Revenue	$0	$0	$0	$0	$0	$0
Tax Related Rider Revenue	$27,046,418	$21,766,033	$1,030,396	$2,901,093	$836,991	$511,904
Other Revenue	($854,298)	($598,374)	($35,630)	($483,659)	($139,937)	$403,303
TOTAL OPERATING REVENUE	$75,007,377	$76,992,848	$1,663,506	($3,898,900)	($665,284)	$915,207
% CHANGE FROM CURRENT RATES	7.1%	8.4%	4.3%	-5.6%	-3.4%	8.5%
OPERATING EXPENSES ($)						
Gas Cost	$0	$0	$0	$0	$0	$0
Gas Cost Related Riders	($304,160)	$0	$0	($304,160)	$0	$0
Non-Tax Related Rider Expense	$0	$0	$0	$0	$0	$0
Other Operation and Maintenance Expense	$2,845,787	$178,134	($18,302)	($133,110)	($31,013)	$2,848,078
Depreciation Expense	$0	$0	$0	$0	$0	$0
Tax-Related Rider Expense	$27,046,418	$21,766,033	$1,030,396	$2,901,093	$836,991	$511,904
Other Taxes (Excludes GRT)	($23,638,464)	($18,714,003)	($883,364)	($2,816,303)	($793,217)	($429,577)
Federal Income Taxes	$24,169,528	$25,816,939	$536,472	($1,241,247)	($237,316)	($705,319)
TOTAL OPERATING EXPENSES	$30,121,109	$29,047,103	$667,201	($1,593,727)	($224,555)	$2,225,086
NET OPERATING INCOME	$44,886,268	$47,945,745	$996,304	($2,305,173)	($440,729)	($1,309,879)
Revenue Sharing Impact (Allocated on PIPP Rider Revenue)	($11,021,795)	($9,611,632)	($603,265)	($806,898)	$0	$0
Migration Rider B Credit Impact (Allocated on SSO/Choice Volumes)	($2,541,627)	($2,391,525)	($150,102)	$0.00	$0.00	$0.00
Net Change in Total Operating Revenue	$61,443,955	$64,989,691	$910,139	($4,705,798)	($665,284)	$915,207
% CHANGE FROM CURRENT RATES	5.8%	7.1%	2.4%	-6.7%	-3.4%	8.5%
Impact per Customer Per Month		$4.46	$33.74	($134.76)	($710.77)	
Impact per MCf		$0.45	$0.10	($0.09)	($0.01)	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
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SUMMARY OF OTHER O&M EXPENSES

		RATE SCHEDULES					
Account	Item	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage
	AT CURRENT RATES						
750-769	Production & Gathering	$3,346,288	$954,293	$59,895	$1,809,389	$522,711	$0
814-837	Storage	$8,303,903	$4,957,476	$290,557	$125,305	$0	$2,930,565
850-867	Transmission	$7,699,707	$5,481,597	$322,341	$1,108,113	$787,656	$0
870-894	Distribution	$63,181,372	$50,099,728	$2,022,350	$6,593,518	$4,465,776	$0
901-905	Customer Accounts	$31,964,633	$31,696,438	$50,739	$170,427	$30,952	$16,077
907-910	Customer Service & Information	$9,414,016	$8,173,872	$345,085	$623,556	$175,796	$95,707
911-916	Sales	$482,939	$419,319	$17,703	$31,988	$9,018	$4,910
920-935	Administrative & General	$88,605,076	$72,499,870	$2,214,306	$7,452,298	$4,268,039	$2,170,563
	TOTAL O & M @ CURRENT RATES:	$212,997,934	$174,282,593	$5,322,976	$17,914,594	$10,259,949	$5,217,822
	AT PROPOSED RATES						
750-769	Production	$3,346,288	$954,293	$59,895	$1,809,389	$522,711	$0
813	Other Gas Supply Expense	$2,845,787	0	0	0	0	$2,845,787
814-837	Storage	$8,303,903	$4,957,476	$290,557	$125,305	$0	$2,930,565
850-867	Transmission	$7,699,707	$5,481,597	$322,341	$1,108,113	$787,656	$0
870-894	Distribution	$63,181,372	$50,099,728	$2,022,360	$6,593,518	$4,465,776	$0
901-905	Customer Accounts	$31,964,633	$31,696,438	$50,739	$170,427	$30,952	$16,077
907-910	Customer Service & Information	$9,414,016	$8,272,827	$336,028	$549,612	$158,568	$96,980
911-916	Sales	$482,939	$424,396	$17,238	$28,195	$8,135	$4,975
920-935	Administrative & General	$88,605,076	$72,573,972	$2,207,525	$7,396,925	$4,255,138	$2,171,517
	TOTAL O & M @ PROPOSED RATES:	$215,843,721	$174,460,727	$5,306,674	$17,781,485	$10,228,936	$8,065,901
	DIFFERENCE	$2,845,787	$178,134	-$16,302	-$133,110	-$31,013	$2,848,078

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
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OTHER O&M EXPENSE DETAILS

Account	Item	RATE SCHEDULES: SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	Allocation Basis
	AT CURRENT RATES							
750-769	**Production & Gathering**	$3,346,288	$854,293	$59,895	$1,809,389	$622,711	$0	9 Gathering Throughput
814-837	Storage							
	Other Gas Supply Expense	$437,045	$0	$0	$0	$0	$437,045	Applicable only to Storage Class
	Commodity Related (33.113%)	$2,604,920	$1,650,235	$97,167	$49,131	$0	$808,387	7 Winter Storage Requirements
	Capacity Related (66.887%)	$5,261,938	$3,307,241	$193,390	$76,175	$0	$1,685,132	8 Excess Peak Storage Requirements
	Total Storage	$8,303,903	$4,957,476	$290,557	$125,305	$0	$2,930,565	
850-867	Transmission							
	Commodity Related (33.185%)	$2,555,148	$1,438,099	$90,261	$521,338	$505,449	$0	1 Total Throughput
	Capacity Related (66.815%)	$5,144,559	$4,043,498	$232,080	$586,774	$282,207	$0	6 Excess Peak Day Requirements
	Total Transmission	$7,699,707	$5,481,597	$322,341	$1,108,113	$787,656	$0	
870-894	Distribution							Customer Related:
	Customer Related	$16,720,961	$16,648,786	$30,987	$40,113	$1,075	$0	10 Ferc 878-9, 892-3: Number of Customers
	Customer Related-Industrial	$351,728	$138,892	$32,474	$166,100	$14,262	$0	12 Ferc 876, 890, Industrial Customers
	Customer Related-Transportation	-$682,975	$0	$0	-$346,772	-$336,203	$0	1 GTS/DTS Transportation Volumes Only
	Commodity Related (33.185%)	$15,527,812	$8,739,430	$548,522	$3,168,209	$3,071,651	$0	1 Total Throughput
	Capacity Related (66.815%)	$31,263,846	$24,572,621	$1,410,366	$3,565,869	$1,714,890	$0	6 Excess Peak Day Requirements
	Total Distribution	$63,181,372	$50,099,728	$2,022,350	$6,593,518	$4,485,776	$0	
901-905	Customer Accounts							
902,903	Meter Reading/Customer Records	$22,108,846	$22,013,414	$40,972	$53,038	$1,422	$0	10 # of Customers
904	Uncollectible Accounts - Non Tracker	$150,354	$0	$0	$104,746	$29,531	$16,077	15 % of GTS/TSS, DTS/OS, Storage Revenue
	AMR Deployment Expense	$5,270,010	$5,247,600	$9,767	$12,643	$0	$0	10* # of Customers (* all but DTS)
	DSM program, Deposits	$4,435,424	$4,435,424	$0	$0	$0	$0	GSS/ECTS Customers Only
	Total Customer Accounts	$31,964,633	$31,696,438	$50,739	$170,427	$30,952	$16,077	
907-910	**Customer Service & Information**	$9,414,016	$8,173,872	$345,085	$623,556	$175,796	$95,707	15 Revenue @ Current Rates
911-916	**Sales**	$482,939	$419,319	$17,702	$31,988	$9,018	$4,910	15 Revenue @ Current Rates
920-935	Administrative & General							Calculated as indicated:
	Production Related	$2,383,562	$679,743	$42,663	$1,288,828	$372,327	$0	Production Share of O&M
	Storage Related	$5,914,873	$3,631,212	$206,964	$89,255	$0	$2,087,442	Storage Share of O&M
	Transmission Related	$5,484,504	$3,904,544	$229,604	$789,309	$561,048	$0	Transmission Share of O&M
	Distribution Related	$74,822,137	$64,284,371	$1,735,075	$5,284,906	$3,334,664	$83,121	Dist. + Customer/Info/Sales Share of O&M
	Total Administrative & General	$88,605,076	$72,499,870	$2,214,306	$7,452,298	$4,268,039	$2,170,563	
	TOTAL OTHER O & M EXPENSES *(AT CURRENT RATES)*	$212,997,934	$174,282,593	$8,322,976	$17,914,594	$10,259,949	$5,217,822	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
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OTHER O&M EXPENSE DETAILS

Account	Item	RATE SCHEDULES						Allocation Basis
		SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	
	AT PROPOSED RATES							
750-769	Production & Gathering	$3,346,283	$964,293	$59,895	$1,800,389	$522,711	$0	9 Gathering Throughput
813	Other Gas Supply Expense	$2,845,787	0	0	0	0	$2,845,787	Applicable only to Storage Class
814-837	Storage							
	Other Gas Supply Expense	$437,045	$0	$0	$0	$0	$437,045	Applicable only to Storage Class
	Commodity Related (33.113%)	$2,604,920	$1,860,235	$97,167	$49,131	$0	$808,387	7 Winter Storage Requirements
	Capacity Related (66.887%)	$5,261,938	$3,307,241	$193,390	$76,175	$0	$1,685,132	5 Excess Peak Storage Requirements
	Total Storage	$8,303,903	$4,957,476	$290,557	$125,305	$0	$2,930,565	
850-867	Transmission							
	Commodity Related (33.185%)	$2,555,148	$1,438,099	$90,261	$521,338	$505,449	$0	1 Total Throughput
	Capacity Related (66.815%)	$5,144,559	$4,043,498	$232,080	$586,774	$282,207	$0	6 Excess Peak Day Requirements
	Total Transmission	$7,699,707	$5,481,597	$322,341	$1,108,113	$787,656	$0	
870-894	Distribution							Customer Related:
	Customer Related	$16,720,961	$16,648,786	$30,987	$40,113	$1,075	$0	10 Ferc 878-9, 892-3: Number of Customers
	Customer Related-Industrial	$351,728	$138,892	$32,474	$166,100	$14,262	$0	12 Ferc 876, 890, Industrial Customers
	Customer Related-Transportation	-$682,975	$0	$0	-$346,772	-$336,203	$0	1 GTS/DTS Transportation Volumes Only
	Commodity Related (33.185%)	$15,527,812	$8,739,430	$548,522	$3,168,209	$3,071,651	$0	1 Total Throughput
	Capacity Related (66.815%)	$31,263,846	$24,572,621	$1,410,366	$3,565,869	$1,714,990	$0	6 Excess Peak Day Requirements
	Total Distribution	$63,181,372	$50,099,728	$2,022,350	$6,593,518	$4,465,776	$0	
901-905	Customer Accounts							
902,903	Meter Reading/Customer Records	$22,108,846	$22,013,414	$40,972	$53,038	$1,422	$0	10 # of Customers
904	Uncollectible Accounts - Non Tracker	$160,354	$0	$0	$104,746	$29,531	$16,077	16 % of GTS/TSS, DTS/OS, Storage Revenue
	AMR Deployment Expense	$5,270,010	$5,247,600	$9,767	$12,643	$0	$0	10* # of Customers (* all but DTS)
	DSM program, Deposits	$4,435,424	$4,435,424	$0	$0	$0	$0	GSS/ECTS Customers Only
	Total Customer Accounts	$31,964,633	$31,696,438	$50,739	$170,427	$30,952	$16,077	
907-910	Customer Service & Information	$9,414,616	$8,272,827	$336,928	$549,612	$158,688	$96,980	26 Revenue @ Proposed Rates
911-916	Sales	$482,939	$424,396	$17,236	$28,195	$8,135	$4,975	26 Revenue @ Proposed Rates
920-935	Administrative & General							Calculated as:
	Production Related	$2,383,562	$679,743	$42,663	$1,288,828	$372,327	$0	Production Share of O&M
	Storage Related	$5,914,873	$3,531,212	$206,964	$89,255	$0	$2,087,442	Storage Share of O&M
	Transmission Related	$5,484,504	$3,904,544	$229,604	$789,309	$561,048	$0	Transmission Share of O&M
	Distribution Related	$74,822,137	$64,458,473	$1,728,294	$5,229,633	$3,321,763	$84,075	Dist. + Customer/Info/Sales Share of O&M
	Total Administrative & General	$88,605,076	$72,573,972	$2,207,525	$7,396,925	$4,255,138	$2,171,517	
	TOTAL OTHER O & M EXPENSES (AT PROPOSED RATES)	$215,843,721	$174,460,727	$5,306,674	$17,781,485	$10,228,936	$8,085,901	

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

Item	SYSTEM TOTAL	RATE SCHEDULES GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	#	Allocation Basis
PRODUCTION								
Commodity Related	$1,136,547	$324,120	$20,343	$614,546	$177,536	$0	9	Gathering Throughput
TOTAL PRODUCTION DEPRECIATION	$1,136,547	$324,120	$20,343	$614,546	$177,536	$0		
STORAGE								
Commodity Related (33.113%)	-$612	-$388	-$23	-$12	$0	-$190	7	Winter Storage Requirements
Capacity Related (66.887%)	-$1,236	-$777	-$45	-$18	$0	-$396	8	Excess Peak Storage Requirements
TOTAL STORAGE DEPRECIATION	-$1,848	-$1,165	-$68	-$29	$0	-$586		
TRANSMISSION								
Commodity Related (33.185%)	$98,153	$55,243	$3,467	$20,027	$19,416	$0	1	Total Throughput
Capacity Related (66.815%)	$197,621	$155,326	$8,915	$22,540	$10,841	$0	6	Excess Peak Day Requirements
TOTAL TRANSMISSION DEPRECIATION	$295,774	$210,568	$12,382	$42,567	$30,257	$0		
DISTRIBUTION								
Customer: Services, All Pressures	$549,382	$547,010	$1,018	$1,318	$35	$0	10	# of Customers
Customer: Services, Low Pressure	$7,689,344	$7,666,494	$15,380	$7,470	$0	$0	13	# of Customers, Low Pressure
Customer: Services, Regulated Pres.	$8,120,686	$8,075,564	$9,310	$34,428	$1,283	$0	14	# of Customers, Regulated Pressure
Customer: Meters & Regulators	$4,000,668	$3,983,399	$7,414	$9,597	$257	$0	10	# of Customers
Customer Related, Industrial	$185,733	$73,343	$17,148	$87,711	$7,531	$0	12	Industrial Customers
Commodity Related (33.185%)	$4,851,880	$2,730,756	$171,393	$989,951	$959,780	$0	1	Total throughput
Capacity Related (66.815%)	$9,768,823	$7,676,057	$440,689	$1,114,205	$535,873	$0	6	Excess Peak Day Requirements
TOTAL DISTRIBUTION DEPRECIATION	$33,166,416	$28,754,623	$662,352	$2,244,681	$1,504,760	$0		
SUBTOTAL DEPRECIATION	$34,596,889	$29,288,147	$695,009	$2,901,766	$1,712,552	-$586		
GENERAL PLANT:								
Customer Related General Plant	$4,777,079	$4,758,459	$8,853	$11,460	$307	$0	10	# of Customers
Other General Plant:								Calculated as:
Production Related	$154,561	$44,078	$2,766	$83,573	$24,143	$0		Production Share of Plant
Storage Related	$0	$0	$0	$0	$0	$0		Set to zero
Transmission Related	$40,223	$28,636	$1,684	$5,789	$4,115	$0		Transmission Share of Plant
Distribution Related	$4,510,348	$3,910,382	$90,074	$305,257	$204,634	$0		Dist.,Customer/Info/Sales Share of Plant
Sub-Total Other General Plant	$4,705,131	$3,983,095	$94,525	$394,619	$232,892	$0		Sub Total
TOTAL GENERAL PLANT DEPRECIATION	$9,482,210	$8,739,554	$103,377	$406,079	$233,200	$0		
INTANGIBLE PLANT DEPR.	$4,582,373	$3,442,983	$140,813	$558,034	$329,648	$113,098	28	Other General Plant
TOTAL DEPRECIATION EXPENSE	$48,661,472	$41,470,683	$939,999	$3,863,879	$2,275,397	$112,512		

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TAXES

Item			RATE SCHEDULES					
	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	#	Allocation Basis
Taxes - Other (Current Rates)								
Public Utilities Excise (Gross Receipts) Tax	$23,636,484	$18,735,064	$881,437	$2,800,565	$789,550	$429,848	21	Non Gas Cost Revenue
Real and Personal Property	$18,596,398	$14,140,272	$550,839	$2,174,836	$1,288,422	$442,030	27	Gross Plant
Payroll	$5,613,220	$4,592,939	$140,279	$472,110	$270,385	$137,507	25	Total O&M Expense
PUCO/OCC Maintenance	$2,003,629	$1,739,683	$73,446	$132,714	$37,416	$20,370	15	Revenue @ Current Rates
Other	$467,952	$263,376	$16,530	$95,478	$92,568	$0	1	Total Throughput
TOTAL TAXES - OTHER	$50,317,683	$39,471,333	$1,662,531	$5,675,703	$2,478,341	$1,029,756		
Taxes - Other (Proposed Rates)								
Real and Personal Property	$18,596,398	$14,140,272	$550,839	$2,174,836	$1,288,422	$442,030	10	Gross Plant
Payroll	$5,613,220	$4,592,939	$140,279	$472,110	$270,385	$137,507	17	Total O&M Expense
PUCO/OCC Maintenance	$2,003,629	$1,760,744	$71,518	$116,977	$33,749	$20,641	26	Revenue @ Proposed Rates
Other	$467,952	$263,376	$16,530	$95,478	$92,568	$0	1	Total Throughput
TOTAL TAXES - OTHER	$26,681,199	$20,757,330	$779,167	$2,859,400	$1,685,124	$600,178		
Note: GRT is included in Tax Related Rider Expense under proposed rates								
Income Taxes at Current Rates								
Net Operating Income Before FIT	$51,105,529	$15,689,122	$2,771,481	$25,228,893	$3,061,715	$4,354,319		Calculated
Less Reconciling Items	-$131,438,098	-$99,942,494	-$3,893,296	-$15,371,587	-$9,106,479	-$3,124,241	27	Gross Plant
Taxable Income	-$80,332,569	-$84,253,372	-$1,121,816	$9,857,306	-$6,044,765	$1,230,078		Calculated
Current Income Taxes (@ 35%)	-$28,116,399	-$29,488,680	-$392,636	$3,450,057	-$2,115,668	$430,527		Taxable Income x 35%
Deferred Income Taxes	$33,378,804	$25,380,472	$988,706	$3,903,626	$2,312,597	$793,403	27	Gross Plant
Investment Tax Credit	-$549,818	-$418,069	-$16,286	-$84,301	-$38,093	-$13,069	27	Gross Plant
Total Federal Income Taxes	$4,712,587	-$4,526,278	$579,784	$7,269,382	$158,836	$1,210,862		Calculated
Income Taxes at Proposed Rates								
Net Operating Income Before FIT	$120,161,326	$89,451,806	$4,304,257	$21,682,473	$2,383,670	$2,339,121		Calculated
Less Reconciling Items	($131,236,816)	($99,789,444)	($3,887,334)	($15,348,047)	($9,092,534)	($3,119,457)		Gross Plant
Taxable Income	-$11,075,490	($10,337,638)	$416,922	$6,334,425	($6,708,864)	($780,336)		Calculated
Current Income Taxes (@ 35%)	-$3,876,422	($3,618,173)	$145,923	$2,217,049	($2,348,102)	($273,118)		Taxable Income x 35%
Deferred Income Taxes	$33,308,355	$25,326,904	$986,619	$3,895,387	$2,307,716	$791,729		Gross Plant
Investment Tax Credit	-$549,818	($418,069)	($16,286)	($84,301)	($38,093)	($13,069)		Same as Current Rates
Total Federal Income Taxes	$28,882,115	$21,290,662	$1,116,256	$6,028,135	($78,479)	$505,542		Calculated
Difference in Pre-Tax Income	$69,055,796	$73,762,684	$1,532,776	($3,546,421)	($678,045)	($2,015,198)		Proposed minus Current (Pre-
Difference in Federal Income Taxes	$24,169,528	$25,816,939	$536,472	($1,241,247)	($237,316)	($705,319)		Proposed FIT minus Current F

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
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Witness: C. Andrews

RATE BASE SUMMARY

Item		RATE SCHEDULES					#	Allocation Basis
	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage		
TOTAL GAS PLANT IN SERVICE	$1,939,317,268	$1,474,812,059	$57,444,053	$226,801,702	$134,362,509	$46,096,946		See page13
TOTAL DEPRECIATION RESERVE	-$852,186,473	-$653,776,002	-$24,298,855	-$96,607,703	-$56,349,242	-$21,153,671		See page 14
TOTAL NET CWIP	$0	$0	$0	$0	$0	$0		N/A
TOTAL WORKING CAPITAL	$157,331,875	$131,957,767	$10,553,869	$15,068,368	-$871,842	$623,613		See page 16
LESS: RATE BASE DEDUCTIONS	-$172,694,543	-$131,312,942	-$5,115,344	-$20,198,497	-$11,964,866	-$4,104,893	27	Gross Plant
TOTAL RATE BASE	$1,071,769,127	$821,480,883	$38,583,824	$125,065,869	$66,176,558	$21,461,993		

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
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Schedule E-3.2
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GAS PLANT IN SERVICE

Item	RATE SCHEDULES						Allocation Basis
	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	
PRODUCTION							
TOTAL PRODUCTION PLANT	$90,787,405	$26,890,716	$1,625,007	$48,090,132	$14,181,550	$0	9 Gathering Throughput
STORAGE							
Commodity Related (33.113%)	$37,909,008	$24,015,618	$1,414,057	$714,990	$0	$11,764,339	7 Winter Storage Requirements
Capacity Related (66.887%)	$76,576,190	$48,129,783	$2,814,378	$1,108,558	$0	$24,523,471	8 Excess Peak Storage Requirement
TOTAL STORAGE PLANT	$114,485,195	$72,145,401	$4,228,435	$1,823,548	$0	$36,287,811	
GAS STORED UNDERGROUND							
Commodity Related (33.113%)	$7,576,566	$4,863,170	$286,347	$144,786	$0	$2,382,283	7 Winter Storage Requirements
Capacity Related (66.887%)	$15,506,703	$9,746,296	$569,912	$224,483	$0	$4,966,011	8 Excess Peak Storage Requirements
TOTAL GAS STORED UNDERGROUND	$23,183,269	$14,609,467	$856,259	$369,269	$0	$7,348,293	
TRANSMISSION							
Commodity Related (33.185%)	$69,353,554	$39,033,865	$2,449,923	$14,150,516	$13,719,251	$0	1 Total Throughput
Capacity Related (66.815%)	$139,637,117	$109,751,368	$6,299,273	$15,926,628	$7,659,846	$0	6 Excess Peak Day Requirements
TOTAL TRANSMISSION PLANT	$208,990,671	$148,785,238	$8,749,196	$30,077,143	$21,379,096	$0	
DISTRIBUTION							
Customer: Services, All Pressures	$13,734,641	$13,675,257	$26,453	$32,848	$883	$0	10 # of Customers
Customer: Services, Low Pressure	$134,429,088	$134,029,613	$268,874	$130,601	$0	$0	13 # of Customers, Low Pressure
Customer: Services, Regulated Pres.	$153,014,652	$151,889,109	$232,768	$860,709	$32,076	$0	14 # of Customers, Regulated Pressure
Customer: Meters & Regulators	$129,746,737	$129,186,693	$240,447	$311,254	$8,343	$0	10 # of Customers
Customer Related, Industrial	$7,206,173	$2,845,607	$665,323	$3,403,040	$292,203	$0	12 Industrial Customers
Commodity Related (33.185%)	$296,147,573	$166,679,047	$10,461,451	$60,424,313	$58,582,762	$0	1 Total Throughput
Capacity Related (66.815%)	$596,266,388	$468,650,636	$26,898,614	$68,008,514	$32,708,422	$0	6 Excess Peak Day Requirements
TOTAL DISTRIBUTION PLANT	$1,330,545,152	$1,066,956,164	$38,792,920	$133,171,380	$91,624,689	$0	
TOTAL P, S, T & D PLANT	$1,767,991,711	$1,328,368,981	$54,251,817	$214,531,472	$127,186,337	$43,636,104	
GENERAL PLANT							
Customer Related General Plant	$71,620,369	$71,311,224	$132,727	$171,813	$4,605	$0	10 # of Customers
Other General Plant:							Allocated on % of Functional Plant
Production Related	$2,811,011	$801,643	$50,314	$1,519,956	$439,097	$0	Production Share of Plant
Storage Related	$3,544,755	$2,233,806	$130,923	$56,462	$0	$1,123,564	Storage Share of Plant
Storage Gas Related	$717,814	$452,347	$26,512	$11,434	$0	$227,522	Storage Gas Share of Plant
Transmission Related	$6,470,886	$4,606,772	$270,898	$931,265	$661,952	$0	Transmission Share of Plant
Distribution Related	$41,197,085	$33,036,695	$1,201,126	$4,123,327	$2,836,935	$0	Dist.,Customer/Info/Sales Share of Plant
Sub-Total Other General Plant	$54,741,551	$41,130,263	$1,679,775	$6,642,444	$3,937,984	$1,351,086	
TOTAL GENERAL PLANT	$126,361,920	$112,441,487	$1,812,502	$6,814,257	$3,942,589	$1,351,086	
CUSTOMER SOFTWARE/INTANG PLANT	$44,963,636	$33,783,591	$1,379,734	$5,455,973	$3,234,583	$1,109,755	28 Other General Plant
TOTAL PLANT	$1,939,317,266	$1,474,612,059	$57,444,053	$226,801,702	$134,362,509	$46,096,945	

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

	RATE SCHEDULES							
Item	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	#	Allocation Basis
PRODUCTION								
TOTAL PRODUCTION RESERVE	$36,285,888	$10,347,995	$649,482	$19,620,332	$5,668,079	$0	9	Gathering Throughput
STORAGE								
Commodity Related (33.113%)	$18,580,301	$11,770,760	$693,070	$350,437	$0	$5,766,043	7	Winter Storage Requirements
Capacity Related (66.887%)	$37,532,209	$23,589,800	$1,379,408	$543,336	$0	$12,019,664	8	Excess Peak Storage Requirements
TOTAL STORAGE PLANT	$56,112,510	$35,360,561	$2,072,478	$893,774	$0	$17,785,707		
GAS STORED UNDERGROUND								
Commodity Related (33.113%)	$0	$0	$0	$0	$0	$0		N/A
Capacity Related (66.887%)	$0	$0	$0	$0	$0	$0		N/A
TOTAL GAS STORED UNDERGROUND	$0	$0	$0	$0	$0	$0		
TRANSMISSION								
Commodity Related (33.185%)	$33,765,050	$19,003,791	$1,192,755	$6,889,234	$6,679,271	$0	1	Total Throughput
Capacity Related (66.815%)	$67,982,879	$53,432,885	$3,066,826	$7,753,941	$3,729,227	$0	6	Excess Peak Day Requirements
TOTAL TRANSMISSION PLANT	$101,747,929	$72,436,675	$4,259,581	$14,643,175	$10,408,498	$0		
DISTRIBUTION								
Customer: Services, All Pressures	$10,884,630	$10,837,647	$20,171	$26,112	$700	$0	10	# of Customers
Customer: Services, Low Pressure	$82,370,541	$82,125,765	$164,751	$80,025	$0	$0	13	# of Customers, Low Pressure
Customer: Services, Regulated Pres.	$60,198,835	$59,756,026	$91,571	$338,619	$12,619	$0	14	# of Customers, Regulated Pressure
Customer: Meters & Regulators	$25,301,415	$25,192,203	$46,889	$60,697	$1,627	$0	10	# of Customers
Customer Related, Industrial	$3,522,186	$1,390,857	$325,192	$1,663,316	$142,821	$0	12	Industrial Customers
Commodity Related (33.185%)	$98,942,891	$55,687,462	$3,495,170	$20,187,760	$19,572,498	$0	1	Total Throughput
Capacity Related (66.815%)	$199,212,574	$156,576,225	$8,986,828	$22,721,642	$10,927,882	$0	6	Excess Peak Day Requirements
TOTAL DISTRIBUTION PLANT	$480,433,073	$391,566,186	$13,130,571	$45,078,170	$30,658,146	$0		
TOTAL PROD, STO, TRANS, & DIST	$674,579,400	$509,711,406	$20,112,112	$80,235,451	$46,734,724	$17,785,707		
GENERAL PLANT								
Customer Related General Plant	$42,994,110	$42,808,529	$79,677	$103,140	$2,766	$0	10	# of Customers
Other General Plant:								Allocated on % of Functional Reserve
Production Related	$1,456,642	$415,119	$26,055	$787,088	$227,380	$0		Production Share of Reserve
Storage Related	$2,251,005	$1,418,521	$83,139	$35,855	$0	$713,490		Storage Share of Reserve
Storage Gas Related	$0	$0	$0	$0	$0	$0		Storage Gas Share of Reserve
Transmission Related	$4,081,711	$2,905,864	$170,877	$587,424	$417,546	$0		Transmission Share of Reserve
Distribution Related	$19,273,013	$15,708,037	$526,745	$1,808,362	$1,229,880	$0		Dist.,Customer/Info/Sales Share of Res
Sub-Total Other General Plant	$27,061,371	$20,447,540	$806,816	$3,218,719	$1,874,806	$713,490		
TOTAL GENERAL PLANT	$70,055,481	$63,256,069	$886,492	$3,321,859	$1,877,571	$713,490		
INTANGIBLE PLANT	$28,100,470	$21,113,390	$882,279	$3,409,764	$2,021,484	$693,552	28	Other General Plant
OTHER RESERVES	$79,450,122	$59,695,137	$2,437,972	$9,640,629	$5,716,463	$1,960,922	28	Other General Plant
TOTAL DEPRECIATION RESERVE	$852,185,473	$653,776,002	$24,298,855	$96,607,703	$56,349,242	$21,153,671		

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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Work Paper Reference Nos.:

NET PLANT IN SERVICE

Account	Item	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage
			RATE SCHEDULES				
325-339	PRODUCTION						
	NET PRODUCTION PLANT	$54,501,516	$15,542,721	$975,524	$28,469,800	$8,513,472	$0
350-358	STORAGE						
	Commodity Related (33.113%)	$19,328,704	$12,244,866	$720,987	$364,553	$0	$5,998,296
	Capacity Related (66.887%)	$39,043,981	$24,539,982	$1,434,970	$565,222	$0	$12,503,808
	TOTAL STORAGE PLANT	$58,372,685	$36,784,850	$2,155,957	$929,774	$0	$18,502,104
117	GAS STORED UNDERGROUND						
	Commodity Related (33.113%)	$7,676,586	$4,863,170	$286,347	$144,786	$0	$2,382,283
	Capacity Related (66.887%)	$15,506,703	$9,746,296	$569,912	$224,483	$0	$4,966,011
	TOTAL GAS STORED UNDERGROUND	$23,183,289	$14,609,467	$856,259	$369,269	$0	$7,348,293
365-372	TRANSMISSION						
	Commodity Related (33.185%)	$35,588,504	$20,030,074	$1,257,168	$7,261,281	$7,039,980	$0
	Capacity Related (66.815%)	$71,654,238	$58,318,483	$3,232,447	$8,172,686	$3,930,621	$0
	TOTAL TRANSMISSION PLANT	$107,242,742	$78,348,558	$4,489,616	$15,433,968	$10,970,600	$0
374-388	DISTRIBUTION						
	Customer: Services, All Pressures	$2,849,911	$2,837,610	$5,281	$6,837	$183	$0
	Customer: Services, Low Pressure	$52,058,647	$51,903,848	$104,123	$50,576	$0	$0
	Customer: Services, Regulated Pres.	$92,815,817	$92,133,084	$141,186	$522,090	$19,457	$0
	Customer: Meters & Regulators	$104,445,322	$103,994,490	$193,558	$250,558	$6,716	$0
	Customer Related, Industrial	$3,683,987	$1,454,750	$340,131	$1,739,724	$149,382	$0
	Commodity Related (33.185%)	$197,204,682	$110,991,585	$6,966,260	$40,236,553	$39,010,284	$0
	Capacity Related (66.815%)	$397,053,814	$312,074,614	$17,911,788	$45,286,872	$21,780,539	$0
	TOTAL DISTRIBUTION PLANT	$850,112,079	$675,389,979	$25,662,349	$88,093,210	$60,966,541	$0
	NET P, S, T & D PLANT	$1,093,412,311	$818,675,574	$34,139,705	$134,296,021	$80,450,613	$25,850,397
389-399	GENERAL PLANT						
	Customer Related General Plant	$26,626,259	$26,502,696	$53,050	$68,673	$1,841	$0
	Other General Plant:						
	Production Related	$1,355,369	$386,524	$24,260	$732,869	$211,717	$0
	Storage Related	$1,293,750	$815,285	$47,784	$20,607	$0	$410,074
	Storage Gas Related	$717,814	$452,347	$26,512	$11,434	$0	$227,522
	Transmission Related	$2,389,175	$1,700,908	$100,021	$343,841	$244,406	$0
	Distribution Related	$21,924,072	$17,327,659	$674,383	$2,314,975	$1,607,055	$0
	Sub-Total Other General Plant	$27,680,180	$20,682,722	$872,959	$3,423,725	$2,063,177	$637,596
	TOTAL GENERAL PLANT	$56,306,439	$49,185,418	$926,010	$3,492,398	$2,065,018	$637,596
303	NET INTANGIBLE PLANT	$16,663,167	$12,670,201	$517,456	$2,046,209	$1,213,098	$416,203
108	OTHER RESERVES	-$79,450,122	-$59,695,137	-$2,437,972	-$9,640,629	-$5,715,463	-$1,960,922
	NET PLANT	$1,087,131,795	$820,836,057	$33,145,199	$130,193,999	$78,013,287	$24,943,273

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
CASE NO. 07-0829-GA-AIR
COST OF SERVICE STUDY

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WORKING CAPITAL ALLOWANCE

Item	RATE SCHEDULES						#	Allocation Basis
	SYSTEM TOTAL	GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage		
CASH COMPONENTS								
Operating Revenues	$134,880,430	$117,094,781	$4,943,506	$8,932,750	$2,518,369	$1,371,054	15	Revenue @ Current Rates
Purchased Gas Cost Expense	($50,547,748)	($48,735,534)	($1,812,214)	$0	$0	$0	20	PGC Expense
Uncollectible Expense	($8,942,966)	($8,054,658)	($380,016)	($508,293)	$0	$0	22	Uncollectible Expense
Other O& M Expenses	($25,781,713)	($21,095,528)	($644,304)	($2,168,420)	($1,241,886)	($631,576)	25	Total O&M
Federal Income Taxes	$2,997,244	($2,876,760)	$366,747	$4,636,107	$101,021	$770,118		Total FIT, p. 11 (line 41)
Other Taxes	($36,141,474)	($28,350,922)	($1,194,140)	($4,076,665)	($1,780,108)	($739,639)		Total Other Taxes, P. 11 (line 17)
Capital Structure Items	($8,738,982)	($6,598,346)	($266,440)	($1,046,573)	($627,115)	($200,508)	29	Net Plant
Supplier Billings	$46,022,630	$43,304,655	$2,717,975	$0	$0	$0		GSS/ECTS, LVGSS/LVECTS
TOTAL CASH COMPONENT	$55,727,422	$46,686,670	$3,733,115	$5,768,906	($1,029,719)	$569,449		
AVERAGE MONTHLY BALANCES								
Materials & Supplies	$2,278,708	$1,732,677	$87,497	$286,493	$157,877	$54,164	27	Gross Plant
Customer Deposits	($24,069,713)	($24,069,713)	$0	$0	$0	$0		Res. Customer Revenue
PIPP WORKING CAPITAL COMPONENT	$123,385,458	$107,599,134	$8,753,356	$9,032,968	$0	$0	23	PIPP Rider Revenue
TOTAL AVERAGE MONTHLY BALANES:	$101,604,453	$85,272,098	$8,820,853	$9,299,461	$157,877	$54,164		
TOTAL WORKING CAPITAL	$157,331,875	$131,957,767	$10,553,969	$15,068,368	($871,842)	$623,613		

Attachment JAM-1.2

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Cash Working Capital Allowance

WPB-5.1
Prepared 8/15/2007

			Adjusted Revenues & Expenses	Days Lag	Weighted Dollar Days	Working Capital Requirements
(1)	Revenue Lag Allowance	WPB-5.1a	$ 930,511,472	52.90	49,224,056,869	$ 134,860,430
(2)	PIPP Revenues		123,385,458	-	-	-
(3)	Total Revenue Lag Allowance (1) + (2)	C-2	1,053,896,930			134,860,430
	Operation & Maintenance Expenses					
(4)	Gas Purchases	C-2/WPB-5.1h	464,733,700	39.70	18,449,927,890	50,547,748
(5)	Payroll	C-9/WPB-5.1i	73,428,152	27.54	2,022,211,306	5,540,305
(6)	Uncollectibles - PIPP	C-2	92,898,153	-	-	-
(7)	Uncollectibles - Non-PIPP	WPC-3.4/C-2.1.4	47,905,151	52.90	2,534,182,488	6,942,966
(8)	Benefits	C-9/WPB-5.1k	14,554,257	12.60	183,383,638	502,421
(9)	Benefits - OPEB	C-9	6,314,722	172.64	1,090,173,606	2,986,777
(10)	Insurance	C-2.1.5/WPB5.1n	146,000	(160.90)	(23,491,400)	(64,360)
(11)	Claims	C-2.1.5/WPB5.1m	3,635,941	26.80	97,443,219	266,968
(12)	Other O&M Expenses	C-2	150,739,264	40.07	6,040,604,667	16,549,602
(13)	Subtotal O&M Expenses (4) through (11)		854,355,340			83,272,426
(14)	Depreciation	C-2	48,661,472	-	-	-
	Federal & State Income Taxes					
(15)	Current Income Taxes	C-4/WPB-5.1o	(27,930,116)	37.89	(1,057,853,144)	(2,898,228)
(16)	Deferred Income Taxes	C-4	33,378,804	-	-	-
(17)	Net ITC	C-4	(549,818)	52.90	(29,085,372)	(79,686)
(18)	Subtotal Income Taxes (14) through (16)	C-4	4,898,870			(2,977,914)
	Taxes Other Than Income Taxes:	WPC-2.1.6 and				
(19)	Property Tax	WPB-5.1r	18,596,398	289.43	5,382,355,473	14,746,179
(20)	Gross Receipts	WPB-5.1u	46,281,331	103.76	4,801,888,091	13,156,310
(21)	Excise Tax	WPB-5.1s	26,812,058	90.13	2,416,570,878	6,620,742
(22)	Payroll Taxes	WPC-2.1.6	5,613,220	27.54	154,588,079	423,529
(23)	PUCO & OCC Maintenance	WPB-5.1v	2,003,629	210.58	421,924,195	1,155,957
(24)	Sales & Use Taxes	WPB-5.1t	467,952	31.01	14,511,192	39,757
(25)	Subtotal Other Taxes (18) through (23)	C-2	99,774,588			36,141,474
(26)	Interest Expense	C-4/WPB-5.1p	34,728,967	90.46	3,141,582,365	8,607,075
(27)	Preferred Stock		-		-	-
(28)	Return On Common Equity		11,477,692	-	-	-
(29)	Subtotal Capital Structure Items (25) through (28)	C-2	46,206,659			8,607,075
(30)	Expense Lag Allowance (12) + (13) + (17) + (24) + (28)		$ 1,053,896,930			125,043,061
(31)	Net Revenue/Expense Lag					9,817,369
(32)	Supplier Billings	WPB-5.1e-g				46,022,630
(33)	Total Cash Working Capital (3) - (29) + (30)					$ 56,840,000

Dominion East Ohio
Calculation Of Revenue Lag
For The Twelve Months Ended December 31, 2006

Description	Revenue Amount	Service Period Lag	Billing Lag	Payment Lag	Individual Revenue Lag	Composite Revenues
Tarriff Revenues - CCS System	874,312,642	15.2	0.9	33.3	49.4	43,218,050,373
Tarriff Revenues - SBS System						
Broker	52,925,424	15.2	20.4	33.3	68.9	3,647,923,232
End Use	145,544,438	15.2	20.4	33.3	68.9	10,031,755,889
InterCompany Revenues	6,312,531	15.2	-	25.0	40.2	253,763,746
Miscellaneous Revenues						
Sales of Product Extr Misc	151,595	-	-	10.0	10.0	1,515,950
Oils Sales	621,528	-	-	15.0	15.0	9,322,920
Rental Property	49,219	15.2		(10.0)	5.2	255,939
Calculated Revenue Lag	**1,079,917,378**				**52.9**	**57,162,588,048**
PIPP Revenues	123,735,290					
SSO Storage	105,680,077					
-						
Subtotal Revenues	1,309,332,745					
Revenues Per FERC Form 2	1,257,042,745					
Unbilled Revenues	52,290,000					

WPB-5.1b
9-Jul-2007

Dominion East Ohio
Elimination of SOS Storage Sales

	Bill Date	Payment Amount	Payment Date	Payment Lag	Composite
SSO Storage	20-Oct-06	26,419,690	07-Nov-06	18.0	475,554,424
	20-Oct-06	8,806,566	14-Nov-06	25.0	220,164,154
	20-Oct-06	17,613,124	15-Nov-06	26.0	457,941,226
	20-Oct-06	35,227,572	16-Nov-06	27.0	951,144,456
	20-Oct-06	17,613,124	21-Nov-06	32.0	563,619,970
		105,680,077			2,668,424,229
Composit Payment Lag			25.25		
Days Per Year		365			
Average Daily Balance		289,534			
Average Daily Balance * Payment Lag		7,310,751			

WPB-5.1c
9-Jul-07

Dominion East Ohio
Calculation of Payment Lag Based On Average Daily Receivables Balances
Based On the Year 2006

		Amount
	Average Daily Receivables	
1	Average Daily Accounts Receivables (See Average Daily Receivables worksheet)	763,013,163
2	Less: PIPP Contra (See Average Daily Receivables worksheet)	590,149,691
3	Average Daily Accounts Receivables - SBS (See SBS daily balances 2006 & billing lag file)	20,976,585
4	Less: SSO Storage - Non Recurring (See Eliminate SSO Storage worksheet)	7,310,751
5	Total Average Receivables (line 1-2+3-4)	186,529,306
	Revenues Related to Average Receivables	
6	Total Revenues	1,257,042,741
7	Less: Unbilled Revenues	(52,290,000)
8	PIPP Revenues	123,735,290
9	Non-Recurring SSO Storage Revenues	105,680,077
10	InterCompany Revenues	6,312,531
11	*Sales of Product Extr Misc*	49,219
12	Oils Sales	151,595
13	Rental Property	621,528
14	Total Related Billed Revenues (line 6-7-8-9-10-11-12-13)	1,072,782,501
15	Billings on Behalf of Suppliers (See Supplier Billings II file)	969,863,239
16	Total Billings (line 14 + 15)	2,042,645,740
17	Average Daily Billings (line 16 / 365)	5,596,290
18	Revenue Payment Lag (line 5/ line 17)	33.33

WPB-5.1d
9-Jul-07

Calculation of SBS Billing Lag/Payment Lag
For the Twelve Months Ended December 31, 2006

Month	Bill Lag	Amount	Weighted Amount		Weighted Lag	Amount	Weighted Amount	
Jan-06	22.0	22,400,211.16	492,446,702.84		29.2	19,536,536.72	570,466,872.22	
Feb-06	19.2	23,601,527.83	453,118,449.07		33.1	20,251,860.59	670,336,585.53	
Mar-06	21.6	20,803,794.84	450,383,035.30		29.8	18,571,942.52	553,443,887.10	
Apr-06	19.8	13,884,451.14	276,110,965.96		33.8	11,909,503.31	402,541,211.88	
May-06	20.7	10,344,911.51	214,353,306.98		34.8	8,777,639.25	305,461,845.90	
Jun-06	19.8	7,934,754.67	157,326,944.99		30.5	6,730,159.26	205,269,857.43	
Jul-06	19.4	7,660,150.92	148,418,601.85		35.8	5,945,859.98	212,861,786.57	
Aug-06	21.1	7,401,944.47	156,174,752.70		29.1	6,205,682.29	180,585,354.64	
Sep-06	18.1	7,845,860.42	142,083,121.67		26.4	6,425,346.23	169,629,114.07	
Oct-06	19.3	10,018,508.55	193,741,778.24		26.3	8,453,717.64	222,332,773.93	
Nov-06	21.4	15,163,929.50	324,836,972.41		26.6	12,527,515.72	333,231,918.15	
Dec-06	19.9	17,880,813.38	355,949,233.70		27.2	15,899,666.42	432,470,926.62	
		164940858	3363941866	20.39		141235428.9	4258632134	30.15

WPB-5.1e
9-Jul-07

Dominion East Ohio
Working Capital Requirements From Supplier Billings
Twelve Months Ending December 31, 2006

	(000's)
CCS Billing	$47,410
SBS Billing	(1,387)
Total Working Capital	$46,023

CCS

WPB-5.1f
9-Jul-07

CCS Supplier Billing Cash Working Capital Requirements

Bill Date	100%	Amt Paid	Date Pymt Requested	Days Until Supplier Paid	Days Until Recovered From Customer	Avg Daily Billings	CWC Requirements
1/3/2006	$8,394,536.12	$8,310,590.76	1/19/2006	16.0	33.33	22,998.73	398,588.40
1/4/2006	$11,160,207.88	$11,048,605.80	1/19/2006	15.0	33.33	30,575.91	560,483.62
1/5/2006	$6,871,623.54	$6,802,907.30	1/19/2006	14.0	33.33	18,826.37	363,930.37
1/6/2006	$10,101,932.64	$10,000,913.30	1/19/2006	13.0	33.33	27,676.53	562,688.39
1/9/2006	$5,979,696.33	$5,919,899.37	1/26/2006	17.0	33.33	16,382.73	267,544.52
1/10/2006	$10,097,398.92	$9,996,424.93	1/26/2006	16.0	33.33	27,664.11	479,443.54
1/11/2006	$6,327,470.88	$6,264,196.17	1/26/2006	15.0	33.33	17,335.54	317,775.78
1/12/2006	$12,266,746.09	$12,144,078.63	1/26/2006	14.0	33.33	33,607.52	649,663.28
1/13/2006	$5,259,919.16	$5,207,319.96	1/26/2006	13.0	33.33	14,410.74	292,983.09
1/17/2006	$9,326,216.00	$9,232,953.84	2/2/2006	16.0	33.33	25,551.28	442,826.32
1/18/2006	$6,250,231.10	$6,187,728.79	2/2/2006	15.0	33.33	17,123.92	313,896.68
1/19/2006	$9,248,587.35	$9,156,101.48	2/2/2006	14.0	33.33	25,338.60	489,817.55
1/20/2006	$6,851,973.57	$6,783,453.84	2/2/2006	13.0	33.33	18,772.53	381,662.21
1/23/2006	$9,778,548.81	$9,680,763.32	2/9/2006	17.0	33.33	26,790.54	437,513.39
1/24/2006	$6,161,508.32	$6,099,893.24	2/9/2006	16.0	33.33	16,880.84	292,560.03
1/25/2006	$8,832,745.65	$8,744,418.19	2/9/2006	15.0	33.33	24,199.30	443,594.72
1/26/2006	$5,869,610.76	$5,810,914.64	2/9/2006	14.0	33.33	16,081.13	310,862.43
1/27/2006	$9,336,243.28	$9,242,880.84	2/9/2006	13.0	33.33	25,578.75	520,038.68
1/30/2006	$6,142,259.20	$6,080,836.61	2/16/2006	17.0	33.33	16,828.11	274,817.94
1/31/2006	$7,292,578.02	$7,219,652.24	2/16/2006	16.0	33.33	19,979.67	346,265.35
2/1/2006	$4,746,026.20	$4,698,565.94	2/16/2006	15.0	33.33	13,002.81	238,353.08
2/2/2006	$8,452,361.61	$8,367,837.99	2/16/2006	14.0	33.33	23,157.16	447,648.37
2/3/2006	$4,495,352.15	$4,450,398.62	2/16/2006	13.0	33.33	12,316.03	250,395.89
2/6/2006	$6,387,838.51	$6,323,960.12	2/23/2006	17.0	33.33	17,500.93	285,805.69
2/7/2006	$3,985,367.18	$3,945,513.51	2/23/2006	16.0	33.33	10,918.81	189,232.75
2/8/2006	$7,243,224.37	$7,170,792.13	2/23/2006	15.0	33.33	19,844.45	363,766.40
2/9/2006	$5,620,339.05	$5,564,135.66	2/23/2006	14.0	33.33	15,398.19	297,660.67
2/10/2006	$7,063,675.19	$6,993,038.43	2/23/2006	13.0	33.33	19,352.53	393,454.22
2/13/2006	$6,384,183.57	$6,320,341.73	3/2/2006	17.0	33.33	17,490.91	285,642.16
2/14/2006	$7,153,696.28	$7,082,159.32	3/2/2006	16.0	33.33	19,599.17	339,670.99
2/15/2006	$5,247,157.26	$5,194,685.69	3/2/2006	15.0	33.33	14,375.77	263,520.69
2/16/2006	$9,569,982.49	$9,474,282.67	3/2/2006	14.0	33.33	26,219.13	506,839.07
2/17/2006	$5,235,721.79	$5,183,364.56	3/2/2006	13.0	33.33	14,344.44	291,635.27
2/20/2006	$8,495,241.26	$8,410,288.85	3/9/2006	17.0	33.33	23,274.63	380,095.44
2/21/2006	$5,626,548.06	$5,570,282.58	3/9/2006	16.0	33.33	15,415.20	267,159.11
2/22/2006	$9,919,576.33	$9,820,380.57	3/9/2006	15.0	33.33	27,176.92	498,177.11
2/23/2006	$6,786,427.78	$6,718,563.50	3/9/2006	14.0	33.33	18,592.95	359,418.29
2/24/2006	$8,815,274.97	$8,727,122.23	3/9/2006	13.0	33.33	24,151.44	491,020.19
2/27/2006	$6,336,385.16	$6,273,021.31	3/16/2006	17.0	33.33	17,359.96	283,503.55
2/28/2006	$7,677,098.89	$7,600,327.90	3/16/2006	16.0	33.33	21,033.15	364,523.13
3/1/2006	$6,756,268.81	$6,688,706.12	3/16/2006	15.0	33.33	18,510.33	339,310.71
3/2/2006	$9,734,994.55	$9,637,644.61	3/16/2006	14.0	33.33	26,671.22	515,578.33
3/3/2006	$6,418,313.54	$6,354,130.41	3/16/2006	13.0	33.33	17,584.42	357,506.89
3/6/2006	$9,813,071.61	$9,714,940.89	3/23/2006	17.0	33.33	26,885.13	439,058.01
3/7/2006	$5,480,915.34	$5,426,106.19	3/23/2006	16.0	33.33	15,016.21	260,244.19
3/8/2006	$9,319,833.97	$9,226,635.63	3/23/2006	15.0	33.33	25,533.79	468,057.08
3/9/2006	$4,546,340.85	$4,500,877.44	3/23/2006	14.0	33.33	12,455.73	240,780.29
3/10/2006	$9,979,641.40	$9,879,844.98	3/23/2006	13.0	33.33	27,341.48	555,876.64
3/13/2006	$7,158,935.37	$7,087,346.02	3/30/2006	17.0	33.33	19,613.52	320,306.23
3/14/2006	$8,588,032.93	$8,502,152.60	3/30/2006	16.0	33.33	23,528.86	407,775.99
3/15/2006	$5,162,367.11	$5,110,743.44	3/30/2006	15.0	33.33	14,143.47	259,262.39
3/16/2006	$8,719,382.32	$8,632,188.50	3/30/2006	14.0	33.33	23,888.72	461,790.15
3/17/2006	$4,139,641.58	$4,098,245.15	3/30/2006	13.0	33.33	11,341.48	230,582.44

CCS

WPB-5.1f
9-Jul-07

CCS Supplier Billing Cash Working Capital Requirements

Bill Date	100%	Amt Paid	Date Pymt Requested	Days Until Supplier Paid	Days Until Recovered From Customer	Avg Daily Billings	CWC Requirements
3/20/2006	$8,212,679.38	$8,130,552.59	4/6/2006	17.0	33.33	22,500.49	367,453.01
3/21/2006	$4,476,191.36	$4,431,429.45	4/6/2006	16.0	33.33	12,263.54	212,538.00
3/22/2006	$9,618,641.75	$9,522,455.33	4/6/2006	15.0	33.33	26,352.44	483,063.69
3/23/2006	$5,629,158.87	$5,572,867.28	4/6/2006	14.0	33.33	15,422.35	298,127.78
3/24/2006	$7,705,745.63	$7,628,688.18	4/6/2006	13.0	33.33	21,111.63	429,218.22
3/27/2006	$6,346,820.70	$6,283,352.49	4/13/2006	17.0	33.33	17,388.55	283,970.46
3/28/2006	$7,957,686.76	$7,878,109.89	4/13/2006	16.0	33.33	21,801.88	377,845.97
3/29/2006	$5,139,689.60	$5,088,292.70	4/13/2006	15.0	33.33	14,081.34	258,123.49
3/30/2006	$7,854,573.02	$7,776,027.29	4/13/2006	14.0	33.33	21,519.38	415,988.69
3/31/2006	$4,367,116.84	$4,323,445.68	4/13/2006	13.0	33.33	11,964.70	243,253.05
4/3/2006	$7,823,727.60	$7,745,490.32	4/20/2006	17.0	33.33	21,434.87	350,050.47
4/4/2006	$4,254,106.22	$4,211,565.16	4/20/2006	16.0	33.33	11,655.09	201,992.98
4/5/2006	$5,469,904.55	$5,415,205.50	4/20/2006	15.0	33.33	14,986.04	274,707.42
4/6/2006	$3,126,023.55	$3,094,763.31	4/20/2006	14.0	33.33	8,564.45	165,558.39
4/7/2006	$5,078,224.41	$5,027,442.16	4/20/2006	13.0	33.33	13,912.94	282,862.50
4/10/2006	$4,225,732.48	$4,183,475.16	4/27/2006	17.0	33.33	11,577.35	189,068.40
4/11/2006	$5,519,973.91	$5,464,774.17	4/27/2006	16.0	33.33	15,123.22	262,098.77
4/12/2006	$4,503,762.82	$4,458,725.19	4/27/2006	15.0	33.33	12,339.08	226,186.23
4/13/2006	$5,269,072.58	$5,216,381.85	4/27/2006	14.0	33.33	14,435.82	279,057.13
4/17/2006	$3,065,365.62	$3,034,711.96	5/4/2006	17.0	33.33	8,398.26	137,151.08
4/18/2006	$6,033,442.80	$5,973,108.37	5/4/2006	16.0	33.33	16,529.98	286,479.24
4/19/2006	$2,802,067.72	$2,774,047.04	5/4/2006	15.0	33.33	7,676.90	140,724.36
4/20/2006	$4,718,070.49	$4,670,889.78	5/4/2006	14.0	33.33	12,926.22	249,875.32
4/21/2006	$2,599,435.90	$2,573,441.53	5/4/2006	13.0	33.33	7,121.74	144,791.34
4/24/2006	$6,042,211.67	$5,981,789.55	5/11/2006	17.0	33.33	16,554.00	270,341.60
4/25/2006	$2,348,996.36	$2,325,506.40	5/11/2006	16.0	33.33	6,435.61	111,534.78
4/26/2006	$3,785,702.65	$3,747,845.62	5/11/2006	15.0	33.33	10,371.79	190,124.09
4/27/2006	$1,670,380.50	$1,653,676.70	5/11/2006	14.0	33.33	4,576.38	88,465.58
4/28/2006	$2,986,522.67	$2,956,657.44	5/11/2006	13.0	33.33	8,182.25	166,352.49
5/1/2006	$1,548,260.43	$1,532,777.83	5/18/2006	17.0	33.33	4,241.81	69,272.51
5/2/2006	$3,201,192.35	$3,169,180.43	5/18/2006	16.0	33.33	8,770.39	151,998.65
5/3/2006	$1,956,500.33	$1,936,935.33	5/18/2006	15.0	33.33	5,360.27	98,258.60
5/4/2006	$3,311,724.77	$3,278,607.52	5/18/2006	14.0	33.33	9,073.22	175,393.37
5/5/2006	$1,299,978.92	$1,286,979.12	5/18/2006	13.0	33.33	3,561.59	72,410.21
5/8/2006	$2,438,831.76	$2,414,443.44	5/25/2006	17.0	33.33	6,681.73	109,118.60
5/9/2006	$1,631,487.66	$1,615,172.78	5/25/2006	16.0	33.33	4,469.83	77,466.11
5/10/2006	$2,716,195.94	$2,689,033.98	5/25/2006	15.0	33.33	7,441.63	136,411.74
5/11/2006	$1,375,237.86	$1,361,485.48	5/25/2006	14.0	33.33	3,767.77	72,834.44
5/12/2006	$2,437,236.72	$2,412,864.36	5/25/2006	13.0	33.33	6,677.36	135,756.68
5/15/2006	$1,707,053.06	$1,689,982.53	6/1/2006	17.0	33.33	4,676.86	76,377.24
5/16/2006	$2,585,937.05	$2,560,077.68	6/1/2006	16.0	33.33	7,084.76	122,785.17
5/17/2006	$1,190,101.22	$1,178,200.21	6/1/2006	15.0	33.33	3,260.55	59,768.80
5/18/2006	$3,235,095.22	$3,202,744.27	6/1/2006	14.0	33.33	8,863.27	171,334.97
5/19/2006	$1,321,721.08	$1,308,503.86	6/1/2006	13.0	33.33	3,621.15	73,621.27
5/22/2006	$3,725,524.48	$3,688,269.24	6/8/2006	17.0	33.33	10,206.92	166,688.01
5/23/2006	$1,829,623.41	$1,811,327.18	6/8/2006	16.0	33.33	5,012.67	86,873.97
5/24/2006	$3,160,181.47	$3,128,579.66	6/8/2006	15.0	33.33	8,658.03	158,709.41
5/25/2006	$2,326,629.73	$2,303,363.42	6/8/2006	14.0	33.33	6,374.33	123,221.42
5/26/2006	$3,048,519.65	$3,018,034.44	6/8/2006	13.0	33.33	8,352.11	169,805.79
5/30/2006	$1,382,537.97	$1,368,712.59	6/15/2006	16.0	33.33	3,787.78	65,645.51
5/31/2006	$2,075,332.62	$2,054,579.29	6/15/2006	15.0	33.33	5,685.84	104,226.55
6/1/2006	$1,929,359.15	$1,910,065.57	6/15/2006	14.0	33.33	5,285.92	102,181.44
6/2/2006	$2,767,089.49	$2,739,418.61	6/15/2006	13.0	33.33	7,581.07	154,129.83

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Bill Date	100%	Amt Paid	Date Pymt Requested	Days Until Supplier Paid	Days Until Recovered From Customer	Avg Daily Billings	CWC Requirements
6/5/2006	$2,187,915.88	$2,166,036.72	6/22/2006	17.0	33.33	5,994.29	97,892.08
6/6/2006	$2,431,719.33	$2,407,402.14	6/22/2006	16.0	33.33	6,662.24	115,462.62
6/7/2006	$1,388,183.35	$1,374,301.52	6/22/2006	15.0	33.33	3,803.24	69,716.80
6/8/2006	$2,085,598.91	$2,064,742.92	6/22/2006	14.0	33.33	5,713.97	110,456.11
6/9/2006	$1,442,747.34	$1,428,319.87	6/22/2006	13.0	33.33	3,952.73	80,362.56
6/12/2006	$2,075,667.58	$2,054,910.90	6/29/2006	17.0	33.33	5,686.76	92,869.85
6/13/2006	$1,463,059.71	$1,448,429.11	6/29/2006	16.0	33.33	4,008.38	69,468.83
6/14/2006	$1,832,162.09	$1,813,840.47	6/29/2006	15.0	33.33	5,019.62	92,014.13
6/15/2006	$1,224,284.33	$1,212,041.49	6/29/2006	14.0	33.33	3,354.20	64,839.74
6/16/2006	$2,096,824.55	$2,075,856.31	6/29/2006	13.0	33.33	5,744.72	116,795.36
6/19/2006	$1,542,386.78	$1,526,962.91	7/6/2006	17.0	33.33	4,225.72	69,009.71
6/20/2006	$1,947,217.67	$1,927,745.49	7/6/2006	16.0	33.33	5,334.84	92,457.57
6/21/2006	$1,235,273.73	$1,222,920.99	7/6/2006	15.0	33.33	3,384.31	62,037.44
6/22/2006	$1,906,654.58	$1,887,588.04	7/6/2006	14.0	33.33	5,223.71	100,978.98
6/23/2006	$1,197,088.65	$1,185,117.77	7/6/2006	13.0	33.33	3,279.69	66,679.11
6/26/2006	$1,800,096.33	$1,782,095.37	7/13/2006	17.0	33.33	4,931.77	80,540.20
6/27/2006	$849,645.91	$841,149.45	7/13/2006	16.0	33.33	2,327.80	40,342.79
6/28/2006	$1,588,849.10	$1,572,960.61	7/13/2006	15.0	33.33	4,353.01	79,794.56
6/29/2006	$1,055,951.74	$1,045,392.22	7/13/2006	14.0	33.33	2,893.02	55,924.62
6/30/2006	$1,268,611.64	$1,255,925.51	7/13/2006	13.0	33.33	3,475.65	70,663.02
7/3/2006	$827,289.73	$819,016.83	7/20/2006	17.0	33.33	2,266.55	37,014.73
7/5/2006	$1,279,226.79	$1,266,434.52	7/20/2006	15.0	33.33	3,504.73	64,244.83
7/6/2006	$844,973.45	$836,523.72	7/20/2006	14.0	33.33	2,315.00	44,750.92
7/7/2006	$1,114,396.92	$1,103,252.95	7/20/2006	13.0	33.33	3,053.14	62,073.09
7/10/2006	$1,249,194.93	$1,236,702.98	7/27/2006	17.0	33.33	3,422.45	55,891.68
7/11/2006	$1,442,343.29	$1,427,919.86	7/27/2006	16.0	33.33	3,951.63	68,485.18
7/12/2006	$905,945.80	$896,886.34	7/27/2006	15.0	33.33	2,482.04	45,498.06
7/13/2006	$953,564.98	$944,029.34	7/27/2006	14.0	33.33	2,612.51	50,502.08
7/14/2006	$834,027.65	$825,687.38	7/27/2006	13.0	33.33	2,285.01	46,456.23
7/17/2006	$1,694,765.04	$1,677,817.39	8/3/2006	17.0	33.33	4,643.19	75,827.45
7/18/2006	$985,037.30	$975,186.93	8/3/2006	16.0	33.33	2,698.73	46,771.43
7/19/2006	$1,325,806.77	$1,312,548.70	8/3/2006	15.0	33.33	3,632.35	66,584.15
7/20/2006	$664,660.75	$658,014.14	8/3/2006	14.0	33.33	1,820.99	35,201.32
7/21/2006	$1,566,993.80	$1,551,323.87	8/3/2006	13.0	33.33	4,293.13	87,283.22
7/24/2006	$771,648.08	$763,931.60	8/10/2006	17.0	33.33	2,114.10	34,525.20
7/25/2006	$2,103,562.18	$2,082,526.56	8/10/2006	16.0	33.33	5,763.18	99,881.10
7/26/2006	$978,982.24	$969,192.42	8/10/2006	15.0	33.33	2,682.14	49,166.07
7/27/2006	($523,067.18)	($517,836.50)	8/10/2006	14.0	33.33	(1,433.06)	(27,702.34)
7/28/2006	$649,972.72	$643,473.00	8/10/2006	13.0	33.33	1,780.75	36,204.17
7/31/2006	$1,336,607.34	$1,323,241.27	8/17/2006	17.0	33.33	3,661.94	59,802.70
8/1/2006	$901,240.87	$892,228.46	8/17/2006	16.0	33.33	2,469.15	42,792.62
8/2/2006	$1,765,819.34	$1,748,161.15	8/17/2006	15.0	33.33	4,837.86	88,682.29
8/3/2006	$914,350.99	$905,207.48	8/17/2006	14.0	33.33	2,505.07	48,425.25
8/4/2006	$1,092,004.18	$1,081,084.13	8/17/2006	13.0	33.33	2,991.79	60,825.79
8/7/2006	$548,782.21	$543,294.39	8/24/2006	17.0	33.33	1,503.51	24,553.70
8/8/2006	$1,081,280.39	$1,070,467.59	8/24/2006	16.0	33.33	2,962.41	51,341.23
8/9/2006	$812,722.30	$804,595.08	8/24/2006	15.0	33.33	2,226.64	40,816.22
8/10/2006	$765,716.78	$758,059.61	8/24/2006	14.0	33.33	2,097.85	40,553.38
8/11/2006	$819,264.16	$811,071.53	8/24/2006	13.0	33.33	2,244.56	45,633.88
8/14/2006	$1,143,685.07	$1,132,248.22	8/31/2006	17.0	33.33	3,133.38	51,170.94
8/15/2006	$772,248.78	$764,526.29	8/31/2006	16.0	33.33	2,115.75	36,667.83
8/16/2006	$1,240,775.63	$1,228,367.87	8/31/2006	15.0	33.33	3,399.39	62,313.75
8/17/2006	$409,915.01	$405,815.86	8/31/2006	14.0	33.33	1,123.05	21,709.65

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Bill Date	100%	Amt Paid	Date Pymt Requested	Days Until Supplier Paid	Days Until Recovered From Customer	Avg Daily Billings	CWC Requirements
8/18/2006	$1,688,178.13	$1,671,296.35	8/31/2006	13.0	33.33	4,625.15	94,033.32
8/21/2006	$297,545.16	$294,569.71	9/7/2006	17.0	33.33	815.19	13,312.81
8/22/2006	$1,490,004.18	$1,475,104.14	9/7/2006	16.0	33.33	4,082.20	70,748.21
8/23/2006	$624,843.33	$618,594.90	9/7/2006	15.0	33.33	1,711.90	31,380.64
8/24/2006	$1,068,768.68	$1,058,080.99	9/7/2006	14.0	33.33	2,928.13	56,603.42
8/25/2006	$645,675.50	$639,218.74	9/7/2006	13.0	33.33	1,768.97	35,964.81
8/28/2006	$1,090,197.05	$1,079,295.08	9/14/2006	17.0	33.33	2,986.84	48,777.77
8/29/2006	$852,555.52	$844,029.96	9/14/2006	16.0	33.33	2,335.77	40,480.94
8/30/2006	$1,265,623.26	$1,252,967.03	9/14/2006	15.0	33.33	3,467.46	63,561.64
8/31/2006	$995,714.96	$985,757.81	9/14/2006	14.0	33.33	2,727.99	52,734.40
9/1/2006	$1,024,203.47	$1,013,961.44	9/14/2006	13.0	33.33	2,806.04	57,049.22
9/5/2006	$759,055.51	$751,464.95	9/21/2006	16.0	33.33	2,079.60	36,041.39
9/6/2006	$878,923.96	$870,134.72	9/21/2006	15.0	33.33	2,408.01	44,140.98
9/7/2006	$922,349.00	$913,125.51	9/21/2006	14.0	33.33	2,526.98	48,848.84
9/8/2006	$998,964.23	$988,974.59	9/21/2006	13.0	33.33	2,736.89	55,643.37
9/11/2006	$1,001,884.04	$991,865.20	9/28/2006	17.0	33.33	2,744.89	44,826.46
9/12/2006	$1,188,751.32	$1,176,863.81	9/28/2006	16.0	33.33	3,256.85	56,444.15
9/13/2006	$751,507.34	$743,992.27	9/28/2006	15.0	33.33	2,058.92	37,741.91
9/14/2006	$1,316,925.08	$1,303,755.82	9/28/2006	14.0	33.33	3,608.01	69,746.11
9/15/2006	$655,047.86	$648,497.37	9/28/2006	13.0	33.33	1,794.65	36,486.86
9/18/2006	$2,447,681.94	$2,423,205.11	10/5/2006	17.0	33.33	6,705.98	109,514.57
9/19/2006	$480,167.23	$475,365.55	10/5/2006	16.0	33.33	1,315.53	22,799.25
9/20/2006	$940,244.18	$930,841.73	10/5/2006	15.0	33.33	2,576.01	47,220.58
9/21/2006	$770,429.43	$762,725.14	10/5/2006	14.0	33.33	2,110.77	40,802.97
9/22/2006	$1,416,737.13	$1,402,569.76	10/5/2006	13.0	33.33	3,881.47	78,913.76
9/25/2006	$1,331,959.17	$1,318,639.58	10/12/2006	17.0	33.33	3,649.20	59,594.73
9/26/2006	$1,400,683.94	$1,386,677.10	10/12/2006	16.0	33.33	3,837.49	66,507.11
9/27/2006	$1,039,486.93	$1,029,092.06	10/12/2006	15.0	33.33	2,847.91	52,204.71
9/28/2006	$1,495,793.90	$1,480,835.96	10/12/2006	14.0	33.33	4,098.07	79,219.25
9/29/2006	$565,413.43	$559,759.30	10/12/2006	13.0	33.33	1,549.08	31,494.13
10/2/2006	$1,774,210.94	$1,756,468.84	10/19/2006	17.0	33.33	4,860.85	79,382.03
10/3/2006	$1,062,741.96	$1,052,114.55	10/19/2006	16.0	33.33	2,911.62	50,460.99
10/4/2006	$1,530,276.70	$1,514,973.93	10/19/2006	15.0	33.33	4,192.54	76,852.96
10/5/2006	$977,239.75	$967,467.35	10/19/2006	14.0	33.33	2,677.37	51,755.92
10/6/2006	$1,557,183.74	$1,541,611.90	10/19/2006	13.0	33.33	4,266.26	86,736.79
10/9/2006	$1,181,060.61	$1,169,160.14	10/26/2006	17.0	33.33	3,235.78	52,843.20
10/10/2006	$1,055,549.27	$1,044,993.78	10/26/2006	16.0	33.33	2,891.92	50,119.47
10/11/2006	$1,412,001.81	$1,397,881.79	10/26/2006	15.0	33.33	3,868.50	70,913.01
10/12/2006	$1,487,097.59	$1,487,097.59	10/26/2006	14.0	33.33	4,074.24	78,758.68
10/13/2006	$1,551,237.34	$1,551,237.34	10/26/2006	13.0	33.33	4,249.97	86,405.57
10/16/2006	$1,976,689.31	$1,976,689.31	11/2/2006	17.0	33.33	5,415.59	88,441.35
10/17/2006	$1,895,705.94	$1,895,705.94	11/2/2006	16.0	33.33	5,193.71	90,011.69
10/18/2006	$2,413,789.30	$2,413,789.30	11/2/2006	15.0	33.33	6,613.12	121,224.39
10/19/2006	$1,764,495.09	$1,764,495.09	11/2/2006	14.0	33.33	4,834.23	93,450.02
10/20/2006	$3,000,662.19	$3,000,662.19	11/2/2006	13.0	33.33	8,220.99	167,140.07
10/23/2006	$2,747,826.04	$2,747,826.04	11/9/2006	17.0	33.33	7,528.29	122,943.67
10/24/2006	$2,049,246.81	$2,049,246.81	11/9/2006	16.0	33.33	5,614.37	97,302.10
10/25/2006	$2,242,438.94	$2,242,438.94	11/9/2006	15.0	33.33	6,143.67	112,618.90
10/26/2006	$3,356,887.46	$3,356,887.46	11/9/2006	14.0	33.33	9,196.95	177,785.25
10/27/2006	$1,822,621.35	$1,822,621.35	11/9/2006	13.0	33.33	4,993.48	101,521.95
10/30/2006	$4,515,777.04	$4,515,777.04	11/16/2006	17.0	33.33	12,371.99	202,045.61
10/31/2006	$2,835,209.29	$2,835,209.29	11/16/2006	16.0	33.33	7,767.70	134,621.08
11/1/2006	$4,355,790.82	$4,355,790.82	11/16/2006	15.0	33.33	11,933.67	218,754.83

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Bill Date	100%	Amt Paid	Date Pymt Requested	Days Until Supplier Paid	Days Until Recovered From Customer	Avg Daily Billings	CWC Requirements
11/2/2006	$2,343,283.72	$2,343,283.72	11/16/2006	14.0	33.33	6,419.96	124,103.44
11/3/2006	$3,698,544.60	$3,698,544.60	11/16/2006	13.0	33.33	10,133.00	206,012.87
11/6/2006	$3,583,470.60	$3,583,470.60	11/22/2006	16.0	33.33	9,817.73	170,149.94
11/7/2006	$3,887,987.85	$3,887,987.85	11/22/2006	15.0	33.33	10,652.02	195,261.01
11/8/2006	$3,353,961.15	$3,353,961.15	11/22/2006	14.0	33.33	9,188.93	177,630.27
11/9/2006	$4,950,579.92	$4,950,579.92	11/22/2006	13.0	33.33	13,563.23	275,752.57
11/10/2006	$2,993,664.22	$2,993,664.22	11/22/2006	12.0	33.33	8,201.82	174,952.10
11/13/2006	$5,552,308.57	$5,552,308.57	11/30/2006	17.0	33.33	15,211.80	248,422.27
11/14/2006	$3,342,861.00	$3,342,861.00	11/30/2006	16.0	33.33	9,158.52	158,725.34
11/15/2006	$5,405,376.60	$5,405,376.60	11/30/2006	15.0	33.33	14,809.25	271,466.72
11/16/2006	$3,249,248.81	$3,249,248.81	11/30/2006	14.0	33.33	8,902.05	172,084.56
11/17/2006	$6,316,736.93	$6,316,736.93	11/30/2006	13.0	33.33	17,306.13	351,848.96
11/20/2006	$4,912,893.25	$4,912,893.25	12/7/2006	17.0	33.33	13,459.98	219,813.45
11/21/2006	$5,968,112.14	$5,968,112.14	12/7/2006	16.0	33.33	16,350.99	283,377.22
11/22/2006	$3,928,121.69	$3,928,121.69	12/7/2006	15.0	33.33	10,761.98	197,276.60
11/23/2006	$0.00	$0.00	12/7/2006	14.0	33.33	-	-
11/24/2006	$0.00	$0.00	12/7/2006	13.0	33.33	-	-
11/27/2006	$6,153,726.49	$6,153,726.49	12/14/2006	17.0	33.33	16,859.52	275,331.01
11/28/2006	$4,102,463.87	$4,102,463.87	12/14/2006	16.0	33.33	11,239.63	194,792.72
11/29/2006	$6,444,408.86	$6,444,408.86	12/14/2006	15.0	33.33	17,655.91	323,648.60
11/30/2006	$3,680,482.51	$3,680,482.51	12/14/2006	14.0	33.33	10,083.51	194,923.28
12/1/2006	$6,372,776.40	$6,372,776.40	12/14/2006	13.0	33.33	17,459.66	354,970.42
12/4/2006	$4,513,819.77	$4,513,819.77	12/21/2006	17.0	33.33	12,366.63	201,958.04
12/5/2006	$4,926,862.88	$4,926,862.88	12/21/2006	16.0	33.33	13,498.25	233,936.74
12/6/2006	$4,472,758.71	$4,472,758.71	12/21/2006	15.0	33.33	12,254.13	224,629.15
12/7/2006	$5,841,689.17	$5,841,689.17	12/21/2006	14.0	33.33	16,004.63	309,383.67
12/8/2006	$3,668,018.22	$3,668,018.22	12/21/2006	13.0	33.33	10,049.36	204,312.51
12/11/2006	$7,419,303.69	$7,419,303.69	12/28/2006	17.0	33.33	20,326.86	331,955.67
12/12/2006	$5,646,196.18	$5,646,196.18	12/28/2006	16.0	33.33	15,469.03	268,092.04
12/13/2006	$6,141,610.44	$6,141,610.44	12/28/2006	15.0	33.33	16,826.33	308,441.57
12/14/2006	$4,885,493.99	$4,885,493.99	12/28/2006	14.0	33.33	13,384.92	258,742.29
12/15/2006	$7,724,803.02	$7,724,803.02	12/28/2006	13.0	33.33	21,163.84	430,279.74
12/18/2006	$7,439,923.15	$7,439,923.15	1/4/2007	17.0	33.33	20,383.35	332,878.23
12/19/2006	$6,325,993.87	$6,325,993.87	1/4/2007	16.0	33.33	17,331.49	300,370.11
12/20/2006	$6,026,977.18	$6,026,977.18	1/4/2007	15.0	33.33	16,512.27	302,684.50
12/21/2006	$9,124,353.42	$9,124,353.42	1/4/2007	14.0	33.33	24,998.23	483,237.96
12/22/2006	$5,757,924.09	$5,757,924.09	1/4/2007	13.0	33.33	15,775.13	320,722.49
12/25/2006	$0.00	$0.00	1/11/2007	17.0	33.33	-	-
12/26/2006	$0.00	$0.00	1/11/2007	16.0	33.33	-	-
12/27/2006	$7,778,951.73	$7,778,951.73	1/11/2007	15.0	33.33	21,312.20	390,671.49
12/28/2006	$5,520,194.06	$5,520,194.06	1/11/2007	14.0	33.33	15,123.82	292,356.86
12/29/2006	$7,997,763.07	$7,997,763.07	1/11/2007	13.0	33.33	21,911.68	445,483.91
	942,760,010	935,727,011					47,409,764.45

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12/15/05	$4,143,102.94	$4,101,671.92	2/7/2006	54.0	33.33	$11,351	($234,614.41)
01/15/06	$4,106,060.76	$4,065,000.15	3/6/2006	50.0	33.33	$11,249	($187,518.87)
02/15/06	$4,235,845.88	$4,193,487.41	4/7/2006	51.0	33.33	$11,605	($205,051.05)
03/15/06	$4,043,937.03	$4,003,497.66	5/5/2006	51.0	33.33	$11,079	($195,761.03)
04/15/06	$2,434,465.80	$2,410,121.14	6/6/2006	52.0	33.33	$6,670	($124,518.67)
05/15/06	$1,365,137.49	$1,351,486.12	7/10/2006	56.0	33.33	$3,740	($84,784.81)
06/15/06	$821,186.14	$812,974.27	8/7/2006	53.0	33.33	$2,250	($44,252.06)
07/15/06	$614,885.59	$608,736.73	9/8/2006	55.0	33.33	$1,685	($36,504.18)
08/15/06	$576,030.81	$570,983.60	10/9/2006	55.0	33.33	$1,578	($34,197.47)
09/15/06	$695,193.76	$688,070.55	11/8/2006	54.0	33.33	$1,905	($39,367.23)
10/15/06	$1,338,892.43	$1,338,892.43	12/6/2006	52.0	33.33	$3,668	($68,482.01)
11/15/06	$2,728,490.02	$2,728,490.02	1/5/2007	51.0	33.33	$7,475	($132,082.18)
12/01/06							
	$27,103,228.65						($1,387,133.95)

EOG / Local & Interstate Actuals Reconciliation
Production Month:
Accounting Month:

Gas Purchase Expense Lead

Local Production		
A/P System Supply	0.00	Payment of local (Ohio) gas supply is on the 20th of each month.
Total Local		

Interstate	Payments/Accruals 1136390 Clearing		Service Period	Payment Lead	Expense Lead	Composite Expense
Amerada Hess Corp.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Anadarko	30,237,282.80	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,215,538,769
Aquila Energy	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
BP Energy	23,952,404.12	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	962,886,646
Cabot Oil & Gas	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Cargill, Inc.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
CenterPoint Energy	11,320,956.69	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	455,102,459
Chevron Texaco	21,863,310.27	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	878,905,073
Cinergy	259,146.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	10,417,669
CMS Marketing	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Commerce Energy	762,006.34	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	30,632,655
Coenergy Trading	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Concord Energy LLC	746.57	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	30,012
ConocoPhillips	3,341,860.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	134,342,772
Constellation NewEnergy	19,300.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	775,860
Coral Energy Resources	30,299,452.26	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,218,037,981
Delta Energy LLC	36,000.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,447,200
Direct Energy Services	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
DTE Energy	22,636,443.45	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	909,985,027
Duke Energy	1,926,119.80	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	77,430,016
Dynegy Marketing	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Eagle Energy Partners	14,196,781.80	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	570,701,020
Econnergy Energy Co.	17,693.25	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	711,269
Egan Hub Partners	579,600.00	Egan storage demand/transport charges are paid on 20th of each month.	15.2	20.0	35.2	15,868,960
El Paso	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
EnCana (Formerly PanCanadian)	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Energy America LLC	12,700,983.68	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	510,579,544
Energy Cooperative of Ohio	79,539.44	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	3,197,485
HESS Corp	44,487,150.99	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,788,383,470
Entergy-Koch(Axia Energy)	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Exelon Energy	322,688.60	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	12,972,082
Exxon Mobile Corp.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
First Energy Solutions	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Ford Motor Company	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Gatherco	32.56	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,309
Interstate Gas Supply, Inc.	13,858,130.70	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	557,096,854
Lakeshore Energy	311,584.01	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	12,525,677
Louis Dreyfus Energy	39,854,231.64	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,602,140,112
Metromedia Energy, Inc.	38,886.65	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,563,243
Mid American Energy	2,851.85	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	114,644
Mirant	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
MXEnergy	5,114,398.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	205,598,800
New Jersey Natural Gas	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Nicor Energy LLC	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
NJR Energy Services	8,658,710.88	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	348,080,177
Noble	6,276,677.44	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	252,322,433
Occidental	13,734,612.43	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	552,131,420
ONEOK Energy	45,950,118.87	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	1,847,194,779
Pacificorp Power Marketing (PPM Energy)	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Peoples Energy Services Corp.	123,837.09	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	4,978,251
Phillips Petroleum	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Plymouth Inventory	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Proliance Energy	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Reliant	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Sempra	368,440.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	14,811,288
Sequent Energy Management	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Shell Energy	77,361,434.87	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	3,109,929,682
Sig Corp	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Southwest Energy LP	1,018,204.91	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	40,931,837
SouthStar Energy Services	11,099,584.97	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	446,203,316
Sprague Energy Corp.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Superior Natural	24,710,486.05	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	993,361,539
Stand Energy Corp.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Tenaska Gas Storage, LLC.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Tenaska Mktg	23,099,150.04	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	928,585,832
Texaco	*0.00*	*Gas supplier - paid on the 25th of each month*	*15.2*	*25.0*	*40.2*	-
The New Power Co.	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Total Gas & Power	6,381,827.84	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	256,563,499
TXU	1,836,589.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	73,830,878
U S Power & Gas	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Utility Resource Solutions, LP	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Vectren Retail Source	3,319,420.60	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	133,440,708
Volunteer Energy Service	58,789.42	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	2,363,335
Western Gas Resources	5,809,331.57	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	233,535,129
Woodward Marketing LLC	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
WPS Energy Services Inc.	4,041,155.23	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	162,454,440
ANR	976,157.72	*ANR pipeline payments are made on the 23rd of each month.*	*15.2*	23.0	38.2	*37,289,226*
Columbia Gas	4,462,719.72	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	152,625,014
Columbia Gulf	520,387.40	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	17,797,249
Crossroads	154,311.27	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	5,277,446
KNG Energy (Agent for NCGT)	0.00	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	-
North Coast Gas Transmission	310,500.00	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	10,619,100
Panhandle	825,024.52	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	28,215,839
TETCO	648,257.75	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	22,170,415
TGP	3,848,937.34	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	131,633,657
Trunkline	0.00	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	-
TXG	134,531.88	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	4,600,990
Williams	0.00	*Pipeline - paid on the 18th-20th of each month.*	15.2	19.0	34.2	-
Out of balance	0.00		15.2	19.0	34.2	-
DTI	0.00	Pipeline - paid on the 18th-20th of each month.	15.2	19.0	34.2	-
Total Interstate	523,753,386.91					

EOG / Local & Interstate Actuals Reconciliation
Production Month:
Accounting Month:

Gas Purchase Expense Lead

Local Production		
A/P System Supply	0.00	Payment of local (Ohio) gas supply is on the 20th of each month.
Total Local		

Interstate	Payments/Accruals 1136390 Clearing		Service Period	Payment Lead	Expense Lead	Composite Expense

Difference Local/ Interstate Book vs. Paid

	Payments/Accruals 1136390/1136391 Clearing		Service Period	Payment Lead	Expense Lead	Composite Expense
DTI (1133210)	32,724,559.37	DTI: Demand charges in blue are paid on the 11th of each month; transport charges in green are paid the 18th-20th of each month.	15.2	19.0	34.2	1,119,179,930
VPEM (1133100)	0.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	-
Dom Hope (1133260)	775,891.00	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	31,190,818
Dom Retail (1133280)	12,580,289.23	Gas supplier - paid on the 25th of each month	15.2	25.0	40.2	505,727,627
	569,834,108.51				39.73	22,641,794,471

Dominion East Ohio
Calculation of Expense Lead on Payroll

	Amount	Lead Days	Weighted Average
Biweekly B-5	1,697,575	14.66	24,890,614
Biweekly B-2	62,872,454	21.28	1,338,061,034
Monthly	17,338,977	9.36	162,343,973
	81,909,006	18.62	1,525,295,622
Accrued Vacation (1)	7,252,204	52.90	383,641,592
Incentive Payroll			
-Monthly	2,421,252	240.03	581,172,189
B-5	150,112	240.66	36,126,323
Total	91,732,574	27.54	2,526,235,725

(1) Thirteen month average balance

Allocation of Accrued Vacation

Biweekly B-5	2,006,301	2.2%	158,614
Biweekly B-2	68,269,730	74.4%	5,397,276
Monthly	21,456,543	23.4%	1,696,314
	91,732,574		7,252,204

Dominion East Ohio
Calculation of Expense Lead for Other O&M Expenses

Description	Amounts	Expense Lead	Composite Expense
Accounts Payable	21,238,296	44.2	938,772,021
Accounts Receivable	679,265	52.9	35,955,095
Convenience Payment (1)	64,398	10.0	643,981
Accrual Entry	(12,605,827)	52.9	(667,256,324)
InterCompany	51,556,775	40.2	2,072,582,374
Inventory/Purchases	11,178,253	43.8	489,620,748
Payroll	1,273,715	27.5	35,077,014
Other	(37,238)	44.2	(1,645,973)
Totals	73,347,638	39.6	2,903,748,936

Dominion East Ohio
Calculation of Expense Lead for Benefits

Description	Expenses	Lead Days	Composite Expenses
Medical			
Convenience Payment			
Medical	8,243,970	7.0	78,730,806
Express Scripts	3,023,623	12.0	36,283,476
InterCompany	(14,116)	40.2	(567,463)
Accounts Payable	5,061	44.2	223,706
Accrual	4,240	52.9	224,433
Life Insurance			
Convenience Payments	211,536	24.2	5,119,171
Accruals	(22,242)	52.9	(1,177,322)
Savings Plan			
Payroll	2,376,910	18.6	44,262,415
Dental/Vision			
Convenience Payment	882,275	-	-
InterCompany	(53,271)	40.2	(2,141,494)
Disability			
Convenience Payments (1)	132,883	-	-
Accruals	487,911	52.9	25,826,286
Admin Fees			
Convenience Payments	222,425	30.4	6,767,238
Accounts Payable	(2,295)	44.2	(101,443)
Other Benefits			
Accounts Payable	27,273	44.2	1,205,517
Convenience Payment	26,769	30.4	814,442
Payroll	47,503	18.6	884,593
Totals w/o Pension & OPEB	15,600,455	12.6	196,354,361
OPEB (1)	26,109,345		
Pension	(49,391,601)		

(1) Maintains $375,000 escrow account

OPEB

07/01/06	12/21/06	172.5	22,494,168	3,880,243,980
07/01/06	12/22/06	173.5	3,578,162	620,811,107
		172.6	26,072,330	4,501,055,087

WPB-5.1I
9-Jul-07

Dominion East Ohio
Calculation of Expense Lead for Inventory Transactions

Description	Amount	Expense Lead	Composite Expenses
Accounts Payable	1,912,324	44.2	84,528,263
Accrual Entries	2,030,322	52.9	107,469,759
InterCompany	(10,983)	40.2	(441,517)
Inventory Purchasing	7,333,790	44.2	324,167,100
Inventory Issues	508,740	-	-
Totals	11,774,193	43.8	515,723,605

WPB-5.1m
9-Jul-07

Dominion East Ohio
Calculation of Expense Lead for Claims

Description	Amount	Expense Lead	Composit Expenses
Accounts Payable	577,839	44.2	25,541,554
Accounts Receivable	(1,528,951)	52.9	(80,931,003)
Convenience Payments (1)	1,497,852	-	-
Accrual Entry	2,187,984	52.9	115,815,182
InterCompany	1,108,369	40.2	44,556,434
Other	(77,914)	52.9	(4,124,173)
Totals	3,765,179	26.8	100,857,995

(1) Maintains escrow account of $375,000

WPB-5.1n
9-Jul-07

Dominion East Ohio Gas
Calculation of Expense Lead for Insurance

Description	Amount	Expense Lead	Composite Expenses
Accounts Payable	173,099	44.2	7,651,296
Convenience Payment *	(8,375)	10.0	(83,750)
Accrual Entry	1,658,393	(180.0)	(298,510,740)
InterCompany	(12,123)	40.2	(487,345)
Totals	1,810,994	(160.9)	(291,430,538)

* Convenience Payment Average (See Benefits)			
Composit Benefit	12,743,481	10.0	127,715,133

WPB-5.1o
9-Jul-07

Dominion East Ohio
Calculation Of Current Income Tax Expense Lead
For The Twelve Months Ended December 31, 2006

Description	Quarter MidPoint	Payment Date	Lead Days	Percentage	Composite Exp Lead Days
First Quarter	14-Feb-06	15-Apr-06	60.0	25%	15.00
Second Quarter	15-May-06	15-Jun-06	30.5	25%	7.63
Third Quarter	15-Aug-06	15-Sep-06	31.0	25%	7.75
Fourth Quarter	15-Nov-06	15-Dec-06	30.0	25%	7.50
Composite Expense Lead					37.88

WPB-5.1p
9-Jul-07

Dominion East Ohio
Calculation of Expense Lead on Interest On Long-Term Debt

	Amount	Expense Lead	Weighted Composite
Senior Notes			
Semi-Annual	168,712,500	91.25	15,395,015,625
Debt Premium	(4,714,636)	52.94	(249,607,793)
Debt Discount	3,461,795	-	-
Swap Transactions	4,753,146	91.25	433,724,573
Total	172,212,805	90.46	15,579,132,405

Long-Term Debt:					
93-B Debentures	$ 150,000,000	6.625%	9,937,500	10,651,406	713,906
96-A Debentures	150,000,000	6.875%	10,312,500	10,325,115	12,615
96-B Debentures	150,000,000	6.625%	9,937,500	10,418,383	480,883
97-A Debentures	300,000,000	6.800%	20,400,000	21,109,546	709,546
98-A Debentures	200,000,000	6.000%	12,000,000	9,473,192	(2,526,808)
01-A Senior Notes	500,000,000	6.850%	34,250,000	34,694,810	444,810
01-C Senior Notes	450,000,000	6.250%	28,125,000	28,514,654	389,654
LDNG Sr Notes	200,000,000	6.875%	13,750,000	11,562,172	(2,187,828)
03-A Senior Notes	200,000,000	5.000%	10,000,000	10,255,137	255,137
04-A Senior Notes	400,000,000	5.000%	20,000,000	20,455,244	455,244
Subtotal Coupon Payment			168,712,500		
Subtotal Premium					(4,714,636)
Subtotal Discount					3,461,795
SWAP Transactions' Annualized (Gain)/Loss					
Unamortized Discount (Net of Premium)					

WPB-5.1q
9-Jul-07

Dominion East Ohio
Lead Lag Study - Accounts Payable Sample

	Vendor Name	Dollar Amount	Days	Average Daily	Working Capital Effect	
1	Southern Cross Corp	3,510.00	72.0	9.62	692.38	252,720
2	Ohio Edison	800.32	24.5	2.19	53.72	19,608
3	McJunction Corp	452.64	121.0	1.24	150.05	54,769
4	City of Lima Utilities Dept.	78.70	29.5	0.22	6.36	2,322
5	City of Green	480.00	45.5	1.32	59.84	21,840
6	Suever Stoned Company	10.00	25.0	0.03	0.68	250
7	Ohio Edison	59.53	28.5	0.16	4.65	1,697
8	Mid-American Security Service	1,396.50	19.0	3.83	72.69	26,534
9	Lubes Inc	32.91	33.0	0.09	2.98	1,086
10	Osborne Concrete and Stone	258.91	36.0	0.71	25.54	9,321
11	CE Compenergy	210.17	45.0	0.58	25.91	9,458
12	Marlowes Beverage	223.50	53.0	0.61	32.45	11,846
13	Black Box Reseeler	962.25	53.0	2.64	139.72	50,999
14	City of Hubbard	4.00	48.5	0.01	0.53	194
15	AEP	16.91	39.5	0.05	1.83	668
16	Great lakes	69.88	7.0	0.19	1.34	489
17	Heiser Sand and gravel	110.40	9.0	0.30	2.72	994
18	Cleveland Concrete	3,830.40	44.0	10.49	461.75	168,538
19	Praxair Distribution	102.30	82.0	0.28	22.98	8,389
20	Advance Hydrolics	200.00	12.0	0.55	6.58	2,400
21	Tristate Measurement	665.50	20.0	1.82	36.47	13,310
22	Alltel	3,977.17	65.0	10.90	708.26	258,516
23	Hudsib Global Resources	396.00	65.0	1.08	70.52	25,740
24	Tyco fire & security	4,302.00	(353.0)	11.79	(4,160.56)	(1,518,606)
25	Hexagram Inc.	173.48	24.0	0.48	11.41	4,164
26	Heiser Sand and gravel	127.29	14.0	0.35	4.88	1,782
27	Cintas	5.10	7.0	0.01	0.10	36
28	Illuminating Company	172.41	27.0	0.47	12.75	4,655
29	Ohio Edison	45.27	21.5	0.12	2.67	973
30	CCI	150.00	(8.0)	0.41	(3.29)	(1,200)
31	Illuminating Company	2.84	20.5	0.01	0.16	58
32	AEP	16.26	31.5	0.04	1.40	512
33	Andrew Dever & Sons	3,652.19	22.0	10.01	220.13	80,348
34	Shear Comfort Landscape	625.00	30.0	1.71	51.37	18,750
35	Illuminating Company	16.55	28.0	0.05	1.27	463
36	Illuminating Company	3.92	25.0	0.01	0.27	98
37	Paulding Putnam Electric Coop	27.11	29.0	0.07	2.15	786
38	Xerox	6,488.35	58.5	17.78	1,039.91	379,568
39	Linde Gas LLc	28.47	42.0	0.08	3.28	1,196
40	Bernard Hodes Group	566.20	48.0	1.55	74.46	27,178
41	Ohio Edison	68.38	26.5	0.19	4.96	1,812
42	Ohio Edison	28.75	26.0	0.08	2.05	748
43	Illuminating Company	28.36	27.5	0.08	2.14	780
44	Center for Occupational Medicine	50.00	85.0	0.14	11.64	4,250
45	Black Box	631.25	15.0	1.73	25.94	9,469
46	AEP	19.37	29.5	0.05	1.57	571
47	Ohio Edison	9,738.60	28.5	26.68	760.41	277,550
48	Adelphia	356.27	(16.0)	0.98	(15.62)	(5,700)
49	Tristate Measurement	990.00	37.0	2.71	100.36	36,630
50	Ohio Edison	39.14	25.0	0.11	2.68	979
51	Ohio Edison	24.88	20.5	0.07	1.40	510
52	Guida's Cleaning	97.50	20.0	0.27	5.34	1,950
53	Carrol Electric Cooperative	18.00	25.5	0.05	1.26	459
54	Concerta	44.00	192.0	0.12	23.15	8,448
55	Illuminating Company	112.38	56.0	0.31	17.24	6,293
56	Sander Electric Co.	5,200.00	21.0	14.25	299.18	109,200
57	Guernsey-Muskingum Electric Coop	171.44	18.0	0.47	8.45	3,086
58	Cleveland Public Power	106.94	21.5	0.29	6.30	2,299
59	Lear Fire Equipment	42.50	42.0	0.12	4.89	1,785
60	Van Ru	306.97	39.0	0.84	32.80	11,972
61	Van Ru	177.06	39.0	0.49	18.92	6,905
62	Clear Water Systems	163.00	29.0	0.45	12.95	4,727
63	AEP	14.72	37.5	0.04	1.51	552
64	Bernard Hodes Group	991.50	30.0	2.72	81.49	29,745

WPB-5.1q
9-Jul-07

Dominion East Ohio
Lead Lag Study - Accounts Payable Sample

	Vendor Name	Dollar Amount	Days	Average Daily	Working Capital Effect		
65	Pipeline Automation Systems	1,755.60	29.0	4.81	139.49		50,912
66	AVI Food Systems	395.50	8.0	1.08	8.67		3,164
67	Mcmaster Carr	784.29	15.0	2.15	32.23		11,764
68	JTK Renatal & Construction	72.00	9.0	0.20	1.78		648
69	Shear Comfort Landscape	12,318.62	46.0	33.75	1,552.46		566,657
70	Mushrush Utility Contracting	168.00	22.0	0.46	10.13		3,696
71	Corrosion Corrections	7,049.03	22.0	19.31	424.87		155,079
72	Mushrush Utility Contracting	180.00	26.0	0.49	12.82		4,680
73	H. M/ Miller Construction	12,213.87	120.0	33.46	4,015.52		1,465,664
74	Arvile Oilfield	3,732.25	45.0	10.23	460.14		167,951
75	Exxon Mobil Oil Corp	4,688.00	15.0	12.84	192.66		70,320
76	Ryan Environmental	639.50	24.0	1.75	42.05		15,348
77	Van RU	870.98	17.0	2.39	40.57		14,807
78	1127 Construction Inc	165.11	23.0	0.45	10.40		3,798
79	Corp Collectio Services	69.11	31.0	0.19	5.87		2,142
80	Norgas	36.00	35.0	0.10	3.45		1,260
81	Mushrush Utility Contracting	336.00	29.0	0.92	26.70		9,744
82	Mcmaster Carr	472.07	11.0	1.29	14.23		5,193
83	Commercial Microbilogy	2,700.00	46.0	7.40	340.27		124,200
84	Arvilla Oilfield	562.50	36.0	1.54	55.48		20,250
85	Hexagram Inc.	94.15	24.0	0.26	6.19		2,260
86	NCO Financials Systems	6,706.57	39.0	18.37	716.59		261,556
87	Impact Landscapping	300.00	28.0	0.82	23.01		8,400
88	Industrial Scientific	69,000.00	68.0	189.04	12,854.79		4,692,000
89	Mushrush Utility Contracting	66.50	7.0	0.18	1.28		466
90	The Illuminating Company	33.08	22.0	0.09	1.99		728
91	Siemans	106.99	136.0	0.29	39.86		14,551
92	The Illuminating Company	312.30	18.0	0.86	15.40		5,621
93	Venture Products	429.11	16.0	1.18	18.81		6,866
94	The Illuminating Company	147.87	31.5	0.41	12.76		4,658
95	Star Measurement Services	87.75	71.0	0.24	17.07		6,230
96	Three z inc	2,729.92	15.0	7.48	112.19		40,949
97	Black Box Resale	920.00	46.0	2.52	115.95		42,320
98	Ohio Edison	81.70	28.0	0.22	6.27		2,288
99	Ohio Cat	206.35	22.0	0.57	12.44		4,540
100	Clear Water Systems	18.00	24.0	0.05	1.18		432
101	NCO Financials Systems	8,343.87	31.0	22.86	708.66		258,660
	Totals	192,464.02			23,307.58	44.20	8,507,268

Dominion East Ohio
Property Tax Expense Lead

PROPERTY TAXES

							Payment for 1st half 2005			
20060104	KO	1900000110	OHPROP05-CUYAHOGA COUNTY TREASURER	01/03/2006	01/04/2006	2,691,752.44	"	03/31/05	278.5	805,353,055
20060116	KO	1900001022	OHPROP05-LUCAS COUNTY TREASURER	01/15/2006	01/16/2006	9,300.56	"	03/31/05	290.5	2,701,813
20060116	KO	1900001023	OHPROP05-KNOX COUNTY TREASURER	01/15/2006	01/16/2006	5,772.34	"	03/31/05	290.5	1,676,865
20060122	KO	1900001420	OHPROP05-ASHTABULA COUNTY TREASURER	01/21/2006	01/22/2006	176,978.67	"	03/31/05	296.5	52,474,176
20060122	KO	1900001421	OHPROP05-FULTON COUNTY TREASURER	01/21/2006	01/22/2006	7,685.20	"	03/31/05	296.5	2,278,662
20060124	KO	1900001483	OHPROP05-VAN WERT COUNTY TREASURER	01/23/2006	01/24/2006	39,996.72	"	03/31/05	298.5	11,939,021
20060124	KO	1900001484	OHPROP05-GEAUGA COUNTY TREASURER	01/23/2006	01/24/2006	159,401.09	"	03/31/05	298.5	47,581,225
20060124	KO	1900001485	OHPROP05-PAULDING COUNTY TREASURER	01/23/2006	01/24/2006	1,591.90	"	03/31/05	298.5	475,182
20060124	KO	1900001486	OHPROP05-SANDUSKY COUNTY TREASURER	01/23/2006	01/24/2006	61,283.88	"	03/31/05	298.5	18,293,238
20060126	KO	1900001626	OHPROP05-ALLEN COUNTY TREASURER	01/25/2006	01/26/2006	140,059.09	"	03/31/05	300.5	42,087,757
20060126	KO	1900001627	OHPROP05-HOCKING COUNTY TREASURER	01/25/2006	01/26/2006	6,328.87	"	03/31/05	300.5	1,901,826
20060126	KO	1900001628	OHPROP05-LORAIN COUNTY TREASURER	01/25/2006	01/26/2006	52,497.41	"	03/31/05	300.5	15,775,472
20060126	KO	1900001629	OHPROP05-HANCOCK COUNTY TREASURER	01/25/2006	01/26/2006	785.25	"	03/31/05	300.5	235,968
20060126	KO	1900001630	OHPROP05-ERIE COUNTY TREASURER	01/25/2006	01/26/2006	69,664.52	"	03/31/05	300.5	20,934,188
20060130	KO	1900001953	OHPROP05-SHELBY COUNTY TREASURER	01/29/2006	01/30/2006	5,068.36	"	03/31/05	304.5	1,543,316
20060131	KO	1900001958	OHPROP05-LAKE COUNTY TREASURER	01/30/2006	01/31/2006	309,144.83	"	03/31/05	305.5	94,443,746
20060131	KO	1900001959	OHPROP05-HOLMES COUNTY TREASURER	01/30/2006	01/31/2006	9,655.75	"	03/31/05	305.5	2,949,832
20060131	KO	1900001960	OHPROP05-AUGLAIZE COUNTY TREASURER	01/30/2006	01/31/2006	29,976.61	"	03/31/05	305.5	9,157,854
20060131	KO	1900001961	OHPROP05-HARDIN COUNTY TREASURER	01/30/2006	01/31/2006	5,949.23	"	03/31/05	305.5	1,817,490
20060131	KO	1900001962	OHPROP05-LAKE COUNTY TREASURER	01/30/2006	01/31/2006	6.24	"	03/31/05	305.5	1,906
20060131	KO	1900001963	OHPROP05-MEDINA COUNTY TREASURER	01/30/2006	01/31/2006	79,554.54	"	03/31/05	305.5	24,303,912
20060201	KO	1900001969	OHPROP05-FAIRFIELD COUNTY TREASURER	01/31/2006	02/01/2006	1,687.71	"	03/31/05	306.5	517,283
20060201	KO	1900001970	OHPROP05-STARK COUNTY TREASURER	01/31/2006	02/01/2006	825,387.91	"	03/31/05	306.5	252,975,264
20060202	KO	1900001973	OHPROP05-TAX COLLECTOR OF NOBLE COUNTY	02/01/2006	02/02/2006	22,879.81	"	03/31/05	307.5	7,035,542
20060202	KO	1900001974	OHPROP05-PUTNAM COUNTY TREASURER	02/01/2006	02/02/2006	20,808.39	"	03/31/05	307.5	6,398,580
20060204	KO	1900002118	OHPROP05-SUMMIT COUNTY TREASURER	02/03/2006	02/04/2006	1,328,574.85	"	03/31/05	309.5	411,193,916
20060207	KO	1900002156	OHPROP05-PORTAGE COUNTY OF	02/06/2006	02/07/2006	339,919.02	"	03/31/05	312.5	106,224,694
20060209	KO	1900002174	OHPROP05-MERCER COUNTY TREASURER	02/08/2006	02/09/2006	34,297.74	"	03/31/05	314.5	10,786,639
20060209	KO	1900002175	OHPROP05-GUERNSEY COUNTY TREASURER	02/08/2006	02/09/2006	60,360.14	"	03/31/05	314.5	18,983,264
20060209	KO	1900002176	OHPROP05-CARROLL COUNTY TREASURER	02/09/2006	02/09/2006	72,328.66	"	03/31/05	314.5	22,747,426
20060209	KO	1900002177	OHPROP05-BELMONT COUNTY TREASURER	02/09/2006	02/09/2006	149,382.68	"	03/31/05	314.5	46,980,853
20060209	KO	1900002178	OHPROP05-WAYNE COUNTY TREASURER	02/09/2006	02/09/2006	239,396.48	"	03/31/05	314.5	75,290,193
20060210	KO	1900002181	OHPROP05-WOOD COUNTY TREASURER	02/09/2006	02/10/2006	47,835.44	"	03/31/05	315.5	15,092,081
20060213	KO	1900002192	OHPROP05-HARRISON COUNTY TREASURER	02/12/2006	02/13/2006	119,481.17	"	03/31/05	318.5	38,054,753
20060214	KO	1900002831	OHPROP05-TREASURER OF TUSCARAWAS	02/13/2006	02/14/2006	243,697.70	"	03/31/05	319.5	77,861,415
20060214	KO	1900002832	OHPROP05-MUSKINGUM COUNTY TREASURER	02/13/2006	02/14/2006	14,775.58	"	03/31/05	319.5	4,720,798
20060214	KO	1900002833	WVPROP05-WEST VIRGINIA STATE AUDITORS OF	02/13/2006	02/14/2006	20,039.74	"	03/31/05	319.5	6,402,697
20060217	KO	1900002867	OHPROP05-COLUMBIANA COUNTY TREASURER	02/16/2006	02/17/2006	47,390.07	"	03/31/05	322.5	15,283,298
20060219	KO	1900003300	OHPROP05-VINTON COUNTY TREASURER	02/18/2006	02/19/2006	894.47	"	03/31/05	324.5	290,256
20060221	KO	1900003339	OHPROP05-TRUMBULL COUNTY TREASURER	02/20/2006	02/21/2006	272,789.04	"	03/31/05	326.5	89,065,622
20060222	KO	1900003341	OHPROP05-COSHOCTON COUNTY TREASURER	02/21/2006	02/22/2006	313.68	"	03/31/05	327.5	102,730
20060222	KO	1900003342	OHPROP05-ASHLAND COUNTY TREASURER	02/21/2006	02/22/2006	15,367.66	"	03/31/05	327.5	5,032,909
20060222	KO	1900003343	OHPROP05-RICHLAND COUNTY TREASURER	02/21/2006	02/22/2006	2,920.97	"	03/31/05	327.5	956,618

Dominion East Ohio
Property Tax Expense Lead

PROPERTY TAXES

							Payment for 1st half 2005			
20060223	KO	1900003356	OHPROP05-WASHINTON COUNTY TREASURER	02/22/2006	02/23/2006	98,187.69	"	03/31/05	328.5	32,254,656
20060303	KO	1900004347	OHPROP05-MORGAN COUNTY TREASURER	03/02/2006	03/03/2006	7,459.76	"	03/31/05	336.5	2,510,209
20060314	KO	1900004879	OHPROP05-MONROE CO. TREASURER	03/13/2006	03/14/2006	32,150.99	"	03/31/05	347.5	11,172,469
20060322	KO	1900005561	OHPROP05-MAHONING COUNTY TREASURER	03/21/2006	03/22/2006	576,597.16	8,857,358.21	03/31/05	355.5	204,980,290
20060605	KO	1900011156	OHPROP05-GUERNSEY COUNTY TREASURER	06/04/2006	06/05/2006	60,360.14	Payment for 2nd	09/30/05	248.0	14,969,315
20060605	KO	1900011157	OHPROP05-ASHTABULA COUNTY TREASURER	06/04/2006	06/05/2006	176,978.71	"	09/30/05	248.0	43,890,720
20060605	KO	1900011158	OHPROP05-KNOX COUNTY TREASURER	06/04/2006	06/05/2006	5,772.34	"	09/30/05	248.0	1,431,540
20060606	KO	1900011165	OHPROP05-MUSKINGUM COUNTY TREASURER	06/05/2006	06/06/2006	14,775.58	"	09/30/05	249.0	3,679,119
20060622	KO	1900012854	OHPROP05-SANDUSKY COUNTY TREASURER	06/21/2006	06/22/2006	61,281.67	"	09/30/05	265.0	16,239,643
20060622	KO	1900012855	OHPROP05-LORAIN COUNTY TREASURER	06/21/2006	06/22/2006	52,497.41	"	09/30/05	265.0	13,911,814
20060627	KO	1900012873	OHPROP05-GEAUGA COUNTY TREASURER	06/26/2006	06/27/2006	159,401.09	"	09/30/05	270.0	43,038,294
20060627	KO	1900012874	OHPROP05-VAN WERT COUNTY TREASURER	06/26/2006	06/27/2006	39,957.20	"	09/30/05	270.0	10,788,444
20060627	KO	1900012875	OHPROP05-ASHLAND COUNTY TREASURER	06/26/2006	06/27/2006	15,367.66	"	09/30/05	270.0	4,149,268
20060628	KO	1900013307	OHPROP05-CUYAHOGA COUNTY TREASURER	06/27/2006	06/28/2006	2,891,818.47	"	09/30/05	271.0	783,682,805
20060629	KO	1900013319	OHPROP05-ALLEN COUNTY TREASURER	06/28/2006	06/29/2006	140,031.09	"	09/30/05	272.0	38,088,456
20060629	KO	1900013320	OHPROP05-HANCOCK COUNTY TREASURER	06/28/2006	06/29/2006	785.25	"	09/30/05	272.0	213,588
20060629	KO	1900013321	OHPROP05-MEDINA COUNTY TREASURER	06/28/2006	06/29/2006	79,554.54	"	09/30/05	272.0	21,638,835
20060629	KO	1900013322	OHPROP05-WOOD COUNTY TREASURER	06/28/2006	06/29/2006	47,835.43	"	09/30/05	272.0	13,011,237
20060629	KO	1900013323	OHPROP05-HOCKING COUNTY TREASURER	06/28/2006	06/29/2006	6,328.87	"	09/30/05	272.0	1,721,453
20060629	KO	1900013324	OHPROP05-TAX COLLECTOR OF NOBLE COUNTY	06/28/2006	06/29/2006	22,879.81	"	09/30/05	272.0	6,223,308
20060629	KO	1900013325	OHPROP05-ERIE COUNTY TREASURER	06/28/2006	06/29/2006	69,664.52	"	09/30/05	272.0	18,948,749
20060629	KO	1900013326	OHPROP05-TREASURER OF TUSCARAWAS	06/28/2006	06/29/2006	243,662.70	"	09/30/05	272.0	66,276,254
20060701	KO	1900013351	OHPROP05-AUGLAIZE COUNTY TREASURER	06/30/2006	07/01/2006	29,974.81	"	09/30/05	274.0	8,213,043
20060702	KO	1900013352	OHPROP05-PORTAGE COUNTY OF	07/01/2006	07/02/2006	339,919.02	"	09/30/05	275.0	93,477,731
20060704	KO	1900013379	OHPROP05-LAKE COUNTY TREASURER	07/03/2006	07/04/2006	309,151.04	"	09/30/05	277.0	85,634,838
20060704	KO	1900013380	OHPROP05-RICHLAND COUNTY TREASURER	07/03/2006	07/04/2006	2,920.97	"	09/30/05	277.0	809,109
20060704	KO	1900013381	OHPROP05-BELMONT COUNTY TREASURER	07/03/2006	07/04/2006	149,382.68	"	09/30/05	277.0	41,379,002
20060704	KO	1900013382	OHPROP05-STARK COUNTY TREASURER	07/03/2006	07/04/2006	837,176.26	"	09/30/05	277.0	231,897,824
20060704	KO	1900013383	OHPROP05-COSHOCTON COUNTY TREASURER	07/03/2006	07/04/2006	313.68	"	09/30/05	277.0	86,889
20060705	KO	1900013384	OHPROP05-FULTON COUNTY TREASURER	07/04/2006	07/05/2006	7,685.20	"	09/30/05	278.0	2,136,486
20060705	KO	1900013385	OHPROP05-WAYNE COUNTY TREASURER	07/04/2006	07/05/2006	239,313.69	"	09/30/05	278.0	66,529,206
20060705	KO	1900013386	OHPROP05-VINTON COUNTY TREASURER	07/04/2006	07/05/2006	894.47	"	09/30/05	278.0	248,663
20060705	KO	1900013387	OHPROP05-MERCER COUNTY TREASURER	07/04/2006	07/05/2006	34,295.74	"	09/30/05	278.0	9,534,216
20060705	KO	1900013388	OHPROP05-MONROE CO. TREASURER	07/04/2006	07/05/2006	32,150.99	"	09/30/05	278.0	8,937,975
20060705	KO	1900013389	OHPROP05-HARDIN COUNTY TREASURER	07/04/2006	07/05/2006	5,939.39	"	09/30/05	278.0	1,651,150
20060705	KO	1900013390	OHPROP05-SHELBY COUNTY TREASURER	07/04/2006	07/05/2006	5,068.36	"	09/30/05	278.0	1,409,004
20060705	KO	1900013391	OHPROP05-PAULDING COUNTY TREASURER	07/04/2006	07/05/2006	1,583.90	"	09/30/05	278.0	440,324
20060705	KO	1900013392	OHPROP05-FAIRFIELD COUNTY TREASURER	07/04/2006	07/05/2006	1,687.71	"	09/30/05	278.0	469,183
20060705	KO	1900013393	OHPROP05-PUTNAM COUNTY TREASURER	07/04/2006	07/05/2006	20,808.39	"	09/30/05	278.0	5,784,732
20060707	KO	1900013608	OHPROP05-MORGAN COUNTY TREASURER	07/06/2006	07/07/2006	7,459.76	"	09/30/05	280.0	2,088,733
20060711	KO	1900013876	OHPROP05-SUMMIT COUNTY TREASURER	07/10/2006	07/11/2006	1,328,574.74	"	09/30/05	284.0	377,315,226
20060711	KO	1900013877	OHPROP05-HARRISON COUNTY TREASURER	07/10/2006	07/11/2006	119,481.17	"	09/30/05	284.0	33,932,652
20060713	KO	1900014139	OHPROP05-HOLMES COUNTY TREASURER	07/12/2006	07/13/2006	9,655.75	"	09/30/05	286.0	2,761,545

Dominion East Ohio
Property Tax Expense Lead

PROPERTY TAXES							Payment for 1st half 2005			
20060716	KO	1900014367	OHPROP05-LUCAS COUNTY TREASURER	07/15/2006	07/16/2006	9,300.56	"	09/30/05	289.0	2,687,862
20060718	KO	1900014372	OHPROP05-CARROLL COUNTY TREASURER	07/17/2006	07/18/2006	72,328.86	"	09/30/05	291.0	21,047,698
20060720	KO	1900014807	OHPROP05-WASHINTON COUNTY TREASURER	07/19/2006	07/20/2006	98,187.69	"	09/30/05	293.0	28,768,993
20060721	KO	1900014841	OHPROP05-TRUMBULL COUNTY TREASURER	07/20/2006	07/21/2006	272,789.04	"	09/30/05	294.0	80,199,978
20060721	KO	1900014842	OHPROP05-MAHONING COUNTY TREASURER	07/20/2006	07/21/2006	576,597.16	"	09/30/05	294.0	169,519,565
20060810	KO	1900016374	OHPROP05-COLUMBIANA COUNTY TREASURER	08/09/2006	08/10/2006	47,390.07	8,648,983.38	09/30/05	314.0	14,880,482
						17,306,341.59				5,014,565,908
20060824	KO	1900017663	WVPROP06-WEST VIRGINIA STATE AUDITORS OF	08/23/2006	08/24/2006	22,733.48	On gas Inventory stored in W Va	07/01/06	54.0	1,227,608
20061216	KO	1900026209	LAPROP06-ACADIA PARISH	12/15/2006	12/16/2006	2,737.97	On gas Inventory stored in Louisiana	07/01/06	168.0	459,979
			Total Payments			17,331,813.04				5,016,273,495
									289.43	
			Current year activity			(1,459,383.07)				
			Balance 12/31/2006			$ (18,842,435.52)				

Note: The liability account 2299130 - Other Deferred Credit - Misc - Ohio Property Tax is established as of December 31 of the preceding year by debiting a deferred asset and credit the liability. Thes accounts are relieved monthly as accruals are recorded for the current year.

WPB-5.1s

9-Jul-07

Dominion East Ohio
Excise Tax Expense Lead

Payment Date		Service Period	Payment Lead	Expense Lead	Composite Exp
02/17/06	7,468,045.00	46.00	48.0	94.00	701,996,230
05/12/06	11,857,428.00	45.00	42.0	87.00	1,031,596,236
08/15/06	4,563,160.00	45.50	46.0	91.50	417,529,140
11/14/06	2,125,588.00	46.00	45.0	91.00	193,428,508
	26,014,221.00				2,344,550,114
				90.13	

WPC-5.1t

9-Jul-07

Dominion East Ohio
Sales and Use Tax Expense Lead

SALES AND USE TAX							Service Period			
20060119	KN	1900001122	OHUSET05	01/17/2006	01/19/06	67,044.68	15.2	19.0	34.2	2,292,928
20060216	KN	1900002848	OHUSET06	02/13/2006	02/16/06	45,687.27	15.2	16.0	31.2	1,425,443
20060317	KN	1900005404	OHUSET06	03/15/2006	03/17/06	35,982.57	15.2	17.0	32.2	1,158,639
20060510	KN	1900009243	OHUSET06	05/08/2006	05/10/06	44,735.72	15.2	10.0	25.2	1,127,340
20060615	KN	1900012116	ohuset06	06/13/2006	06/15/06	45,317.94	15.2	15.0	30.2	1,368,602
20060718	KN	1900014387	OHUSET06	07/17/2006	07/18/06	53,589.25	15.2	18.0	33.2	1,779,163
20060810	KN	1900015982	ohuset06	08/10/2006	08/10/06	41,982.44	15.2	10.0	25.2	1,057,957
20060913	KN	1900019316	ohuset06	09/12/2006	09/13/06	47,774.81	15.2	13.0	28.2	1,347,250
20061018	KN	1900020783	ohuset06	10/16/2006	10/18/06	43,524.16	15.2	18.0	33.2	1,445,002
20061115	KN	1900023928	ohuset06	11/14/2006	11/15/06	53,168.84	15.2	15.0	30.2	1,605,699
20061219	KN	1900025636	ohuset06	12/18/2006	12/19/06	74,638.36	15.2	19.0	34.2	2,552,632
			Total Expense Paid			553,446.04				17,160,655
									31.01	

WPB-5.1u
9-Jul-07

Dominion East Ohio
Gross Receipts Tax Expense Lead

Amount Paid	Service Period	Quarter End Date	Pay date	Payment lead	Expense Lead	Composite Exp
(3,148,960.92)	0	-	0	-	-	-
12,433,543.19	46.00	12/31/2005	02/10/2006	41.00	87.00	1,081,718,258
21,910,845.93	45.00	3/30/2006	06/13/2006	75.00	120.00	2,629,301,512
17,064,708.87	45.50	6/30/2006	08/08/2006	39.00	84.50	1,441,967,900
11,461,890.70	46.00	9/30/2006	11/14/2006	45.00	91.00	1,043,032,054
59,722,027.77						6,196,019,722
					103.75	

Dominion East Ohio
PUCO & OCC Maintenance Expense Lead

Fees & Assessments Payments Summary:

	Payment Date	Amount	Mid Point of Service Period	Expense Lead	Composit Exp
PUCO - Annual Assessment					
Based on prior year Intrastate Gross Revenues	05/01/2006	746,698.63	12/31/05	121.00	90,350,534
	09/27/2006	1,086,475.16	12/31/05	270.00	293,348,293
		1,833,173.79			
Ohio Consumers' Counsel - Annual Assessment					
Based on prior year Intrastate Gross Revenues	05/30/2006	177,377.02	12/31/05	150.00	26,606,553
	09/26/2006	227,687.57	12/31/05	268.00	61,020,269
		405,064.59			
				210.58	

Dominion East Ohio

WPC-3.15
July 13, 2007

Calculation of the C-3.15 Adjustment for the Commodity Exchange/Firm Receipt Point Option Revenue Sharing Mechanism - Original Filing

Description:

DEO is proposing to share Commodity Exchange and Firm Receipt Point Revenues with customers under the following tiered structure:

$0 to $5,000,000	15%	retained by DEO;	85%	credited to customers
Over $5,000,000 to $10,000,000	20%	retained by DEO;	80%	credited to customers
Over $10,000,000	25%	retained by DEO;	75%	credited to customers

The Unadjusted Test Year Revenues for the two revenue streams to be combined and shared are as follows:

Commodity Exchange Revenue	$	5,966,247	Source: Preliminary unadjusted test year revenue worksheet
Firm Receipt Point Option Revenue	$	7,729,480	Source: Preliminary unadjusted test year revenue worksheet
Total	$	13,695,727	

The portion of Test Year Revenue to be retained by DEO is as follows:

Tier	% Shared		Amount Shared
$0 to $5,000,000	15%	$	750,000
Over $5,000,000 to $10,000,000	20%	$	1,000,000
Over $10,000,000	25%	$	923,932
Total		$	2,673,932

The resulting C-3.15 adjustment to Other Revenues is as follows:

Unadjusted Test Year Revenues	$	13,695,727
Adjusted Test Year Revenues	$	2,673,932
C-3.15 Adjustment	**$**	**(11,021,795)**

Note: The portion of the applicable revenues retained by DEO equals:

Unadjusted Test Year Revenues	*$*	*13,695,727*
Portion Retained by DEO	*$*	*2,673,932*
% Retained by DEO		*19.52%*

DEO EXHIBIT 2.0

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

DIRECT TESTIMONY OF
VICKI H. FRISCIC
ON BEHALF OF
DOMINION EAST OHIO

___ Management policies, practice and organization

X Operating income

X Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other

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Direct Testimony of

Vicki H. Friscic

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Vicki H. Friscic. I am employed by The East Ohio Gas Company, d/b/a Dominion East Ohio ("DEO" or "Company"), as Manager Regulatory & Pricing, reporting directly to Jeffrey Murphy. My business address is 1201 East 55th Street, Cleveland, Ohio 44103-1028.

Q2. Please describe your educational background and work experience.

A2. I graduated from Ohio University in 1980 with a Bachelor of Business Administration degree. In 1980, I joined the accounting firm Price Waterhouse as an auditor, became a licensed CPA in 1982, and was promoted to Audit Manager in 1986. From 1987 to 1989, I worked for Progressive Insurance and held managerial accounting positions with responsibility for accounts payable, billing, cash processing, and internal reporting for Progressive's Financial Services Group. In 1989, I was employed by Pepsi-Cola as Manager, Financial Services for its Northeast Ohio franchise with responsibility for accounts receivable and credit, route sales auditing, and computer operations. From 1993 to 1997, I worked as a CPA for a local firm providing accounting, business consulting, and tax services to small businesses. I was hired by The East Ohio Gas Company ("East Ohio," now DEO) in December 1997 as Manager, Tax and Accounting Services. In 2001, I joined DEO's Pricing and Regulatory Affairs department. I am currently a member of the Ohio Society of CPAs.

Q3. What are your job responsibilities as Manager Regulatory & Pricing?

A3. My current responsibilities include preparing tariff and other regulatory filings, determining the adequacy of rider rates, tracking regulatory cost deferrals and related recoveries, coordinating and providing support for internal and external audits, providing rates-related accounting and tax support, responding to rates-related inquiries, and providing support for any other regulatory matters.

Q4. In your capacity as Manager Regulatory & Pricing, are you generally familiar with the Company's books and records?

A4. Yes.

II. PURPOSE OF TESTIMONY

Q5. What is the purpose of your testimony in this proceeding?

A5. I am responsible for supporting the following schedules in this rate proceeding, which were prepared by me or under my direction and supervision:

Section B: B-5.1, B-6.2, B-7, B-7.1, B-7.2, B-8, and B-9

Section C: All schedules except C-1, C-4, C-4.1, and certain C-3 adjustments

Section D: Schedules D-5 and PCD-5

Q6. Does your testimony include information for the East Ohio and West Ohio divisions of DEO?

A6. Yes. Since The West Ohio Gas Company was merged into East Ohio as of December 31, 1996, combined financial information has been presented.

III. B SCHEDULES

Q7. Please describe Schedule B-5.1.

A7. Schedule B-5.1 provides date certain and 13-month average balances for the non-cash components included in the working capital calculation. These non-cash components include the following:

(1) Customers' deposits offset: The test year average balance of customers' security deposits is ($24,059,713).

(2) Interest on customers' deposits: The amount ($721,791) represents the amount of test year interest that will accrue on and be added to the average balance of test year customers' deposits.

(3) Materials and supplies held for normal operations: DEO's materials and supplies do not include any inventories held for additions and new construction. The test year average balance of materials and supplies in inventory is $2,278,708.

(4) Percentage of Income Payment Plan (PIPP) uncollectibles balance: This amount is the test year average balance of PIPP arrearages under twelve months old. The test year average balance is $123,385,458. This balance is further discussed in the testimony of Jeffrey A. Murphy.

Q8. Please describe Schedule B-6.2.

A8. Schedule B-6.2 is not applicable. Because contributions in aid of construction are netted against gross plant balances shown on Schedule B-2.1, they are not considered a separate other rate base item.

Q9. Schedules B-7, B-7.1, and B-7.2 request jurisdictional allocation factors, jurisdictional allocation statistics, and changes in allocation procedures. Do these schedules apply to DEO?

A9. No. The Company's entire service territory is jurisdictional. DEO does not have any non-jurisdictional utility plant.

Q10. Please describe Schedule B-8.

A10. Schedule B-8 summarizes Gas Received, Sales and Other Deliveries, and Company Use for the twelve months ended March 31, 2007, the date certain. This data is used to calculate the Company's unaccounted-for gas.

Q11. Please describe Schedule B-9.

A11. Where applicable, Schedule B-9 provides the data for each CWIP project which was included in rates effective after April 10, 1985, and which was placed into service between the date certain of the last rate case and the date certain of this rate case. DEO does not have CWIP amounts embedded in current rates, and there are no projects for which mirroring was begun in a prior case and will not be completed by the effective date of rates authorized as a result of this case.

IV. C SCHEDULES

Q12. What is shown on Schedule C-2?

A12. Schedule C-2 is DEO's summary of its jurisdictional adjusted operating income at current rates for the test year. This schedule summarizes the unadjusted test year income and expenses from Schedule C-2.1 in the third column and adjustments to income and expenses from Schedule C-3 in the fourth column. The summarized unadjusted test year income and expense and the related adjustments are summed to arrive at adjusted operating income and expenses, which are shown in the fifth column. Adjusted and unadjusted federal income tax amounts are supported by Schedules C-4 and C-4.1, respectively, which are described in the direct testimony of DEO witness Robert Taylor. The adjusted information shown on Schedule C-2 contains representative levels of revenues at current rates and normal and reasonable levels of expenses associated with providing service to, and meeting the obligation to serve, the Company's customers for the test year.

Q13. Please describe Schedule C-2.1.

A13. Schedule C-2.1 provides details by function and by FERC account number of DEO's test year unadjusted revenues and expenses. The test year income and expenses comprise three months of actual data and nine months of forecasted data. Federal income tax amounts shown have been determined based on the unadjusted test year income and expenses. Because the rates proposed in this proceeding apply to all of the Company's service territories, and all service areas are jurisdictional, no jurisdictional allocations of less than 100% are necessary.

Q14. Please describe the schedules that support the adjustments on Schedule C-2.

A14. The adjustments shown on schedule C-2 are supported by the summary information contained in Schedule C-3 and its corresponding detailed information shown in Schedules C-3.1 through C-3.31. The adjustments described in these latter schedules are made to reflect annualizations, reclassifications, normalizations, additions, and eliminations to derive an income statement for the test year that accurately portrays the financial condition of the Company under current rates and provides an appropriate basis for setting rates. Because the federal income tax effect of each adjustment is shown on

Schedule C-3 and the total tax effect ties to Schedule C-4, there is not a separate adjustment for federal income tax.

Q15. What is the purpose of the adjustment to synchronize date certain revenue and gas cost shown on Schedule C-3.1?

A15. There are timing differences between the purchase of gas from Standard Service Offer ("SSO") suppliers during the calendar month and the amounts billed to SSO customers during the revenue month. The adjustment of $12,494,370 increases 2007 purchased gas costs through March 31, 2007, the date certain, to match amounts billed to customers in the same period in order to eliminate those timing differences from the test year.

Q16. Please describe the adjustment for the sale of storage in place shown on Schedule C-3.2.

A16. In January and February 2007, DEO made sales of stored gas to SSO suppliers totaling $22,758,722, which was recorded as revenue on DEO's books. Offsetting entries totaling $21,677,683 were made to apply the sales proceeds, net of gross receipts tax, as a reduction of costs deferred for recovery through the Transportation Migration Rider - Part B. Since sales of storage to SSO suppliers are not recurring transactions, the adjustment on Schedule C-3.2 removes the sales from test year operating revenue, and removes the offsetting gas cost entries and the related gross receipts tax expense of $1,081,039 accrued on the sales from test year operating expenses.

Q17. What is the operating revenue and cost annualization adjustment shown on Schedule C-3.3?

A17. The adjustment on Schedule C-3.3 is needed to synchronize test year operating revenues and purchased gas costs based on projected test year sales volumes that have been normalized for the effect of weather. The determination of projected test year volumes by rate schedule is described in the direct testimony of DEO witness Larry Rice. The annualized sales volumes were priced using DEO's current base rates to arrive at adjusted base revenues, and at the actual SSO rates for January through June 2007 and projected SSO rates for the remainder of 2007 to arrive at adjusted gas cost revenues. Rider revenues were determined by applying the latest known rates to applicable annualized volumes. Purchased gas costs included in test year operating expenses were adjusted to equal adjusted gas cost revenues.

Q18. Please describe the billed riders adjustment on Schedule C-3.4.

A18. Similar to the adjustment of purchased gas cost expense to match gas cost revenues, the adjustment on Schedule C-3.4 synchronizes operating expenses associated with riders charged by DEO with associated adjusted test year operating revenues. For this purpose, DEO has grouped its rider-related operating expenses in three categories: (1) gas cost related riders, which include volume banking fees, the Transportation Migration Rider – Part A, and the Transportation Migration Rider – Part B; (2) uncollectible expense riders, which include the PIPP Rider and the Uncollectibles Expense Rider; and (3) tax-related riders, which include the natural gas consumption excise tax rider and the gross receipts tax rider.

Q19. What is the gross receipts tax adjustment shown on Schedule C-3.5?

A19. The adjustment on Schedule C-3.5 adjusts total test year gross receipts tax expense to the level of expense to be recognized based on adjusted test year operating revenues reduced for projected non-taxable revenues, taking into account the adjustment on Schedule C-3.2 to total gross receipts tax expense and the adjustment on Schedule C-3.4 to the portion of gross receipts tax expense recovered through the gross receipts tax rider.

Q20. Please explain the charitable contributions adjustment on Schedule C-3.6.

A20. This adjustment removes from operating expenses the amount of test year charitable contributions to be allocated to DEO by Dominion Resources Services Inc. ("Service Company"). Charitable contributions to be incurred directly by DEO are not included in test year operating expenses.

Q21. What is the adjustment for GTI program funding shown on Schedule C-3.7?

A21. The adjustment on Schedule C-3.7 increases test year operating expenses by $600,000 representing DEO's planned annual funding for the Gas Technology Institute's ("GTI") Operational Technology Development program, which is discussed in the direct testimony of DEO witness Ron Edelstein.

Q22. Please describe the rate case expense adjustment shown on Schedule C-3.8.

A22. Schedule C-3.8 shows an increase to test year operating expenses for the incremental costs associated with filing this rate case amortized over three years. The details of those incremental costs are contained in Schedule C-8, which will be described later in this testimony. Such expenses are considered to be incremental since they have not been included in the budgeted amount for FERC account 928, regulatory commission expense, or in any other expense category shown on Schedule C-2.1

Q23. Please explain the depreciation expense adjustment on Schedule C-3.12.

A23. The adjustment on Schedule C-3.12 adjusts test year depreciation and amortization expense to the level of expense determined by applying current depreciation rates to property balances at March 31, 2007, the date certain. The amount of this adjustment is the difference between unadjusted test year total depreciation and amortization expense shown on Schedule C-2.1 and the total depreciation and amortization expense at current rates shown on Schedule B-3.2 "Current."

Q24. What is the depreciation expense adjustment shown on Schedule C-3.13?

A24. This adjustment is needed to reflect total depreciation and amortization expense on date certain property at proposed depreciation rates, which are supported by the latest depreciation study performed by Gannett-Fleming. The results of the latest depreciation study have been provided to Commission Staff as well as the Office of the Ohio Consumers' Counsel ("OCC"), and will be provided to other interested parties in this proceeding upon request. The amount of the adjustment is the difference between total depreciation and amortization expense on date certain property at current rates shown on Schedule B-3.2 "Current" and total depreciation and amortization expense on date certain property at proposed depreciation rates shown on schedule B-3.2 "Proposed." This adjustment matches test year expenses with the used and useful plant valuation at the date certain.

Q25. Please describe the adjustment for interest on customers' deposits on Schedule C-3.14.

A25. Schedule C-3.14 shows an increase to test year operating expenses representing the reclassification of the interest expense associated with customers' security deposits. Interest expenses are not generally included in operating expenses. In the calculation of working capital, however, the thirteen-month average balance of customer deposits is eliminated from rate base as a non-investor supplied source of funds. As a result, this adjustment is made to properly reflect DEO's cost of that funding source in its total cost of service.

Q26. Please explain the property tax expense adjustment shown on Schedule C-3.16.

A26. The adjustment on Schedule C-3.16 is needed to reflect test year property tax expense at the level of expense determined by applying the latest known property tax rates to the assessed value of adjusted jurisdictional property at the date certain, March 31, 2007. As with the depreciation expense adjustments, the property tax expense calculation resulting in this adjustment provides a matching of test year expenses to the used and useful plant valuation at the date certain.

Q27. What is the adjustment for annualized wages, salaries, and benefits shown on Schedule C-3.17?

A27. This adjustment represents the annualized effect of labor cost increases occurring or anticipated to occur during the test year and includes any corresponding increase in overtime and benefits. Consistent with other operations and maintenance expenses, the portion of the labor cost increase that would be capitalized has been excluded. The annualized wages, salaries, and benefits adjustment results in operating expenses that appropriately reflect labor cost increases that are known and measurable and representative of the levels of expense that will be incurred when the proposed rates become effective.

Q28. Please describe the payroll tax adjustment on Schedule C-3.18.

A28. Schedule C-3.18 shows an adjustment to taxes other than income taxes to reflect payroll tax expense commensurate with the adjusted test year labor costs. Included in the calculation of this adjustment are the F.I.C.A. taxes and federal and state unemployment taxes determined by applying current rates to test year taxable wages. As with the adjustment for annualized wages, salaries and benefits, taxes on capitalized labor costs have been excluded.

Q29. Please explain the adjustment for lobbying expense shown on Schedule C-3.19.

A29. Although DEO's test year lobbying expense is not included in operating expenses, test year operating expenses include such costs allocated to DEO by the Service Company. The adjustment on Schedule C-3.19 eliminates costs incurred by the Service Company for political activities.

Q30. What is the PUCO and OCC assessments adjustment on Schedule C-3.20?

A30. This adjustment was made to adjust the annual PUCO maintenance fee and the OCC fund assessment at the level determined by applying historical rates to revenues reported on the 2006 Intrastate Gross Earnings report filed with the Commission. This calculation reflects the level of assessments expected to be levied during this test year.

Q31. Please describe the advertising expense adjustment on schedule C-3.21.

A31. For purposes of setting rates, DEO has excluded all advertising expenses from test year operating expenses, including both the amount expected to be incurred directly by DEO and the amount expected to be allocated to DEO from the Service Company.

Q32. Please explain the adjustment for dues and memberships included on Schedule C-3.22.

A32. A review of dues and memberships expense included in test year allocations from the Service Company identified certain civic and industry dues paid to organizations that do not benefit the customers of DEO. Accordingly, such expenses have been removed from test year operating expenses as shown on Schedule C-3.22. Test year dues and memberships costs that are anticipated to be incurred by DEO include no social or service club dues or other dues to organizations that provide no benefits to DEO's customers and, accordingly, have been included in test year operating expenses.

Q33. What is the public relations expense adjustment shown on Schedule C-3.23?

A33. DEO has excluded from test year operating expenses costs incurred for social and charitable activities since such costs have been held to be non-recoverable in rates. This adjustment includes both costs anticipated to be incurred directly by DEO as well as costs to be allocated to DEO from the Service Company. Also included in the adjustment is employee relations expense allocated from the Service Company.

Q34. Please describe the annual incentive plan expense adjustment on Schedule C-3.25.

A34. The adjustment shown on Schedule C-3.25 adjusts annual incentive plan expense included in test year operating expenses to reflect incentive plan amounts actually paid in 2007.

Q35. Did DEO include a test year adjustment to include costs incurred in connection with the Commission's investigation of natural gas service risers?

A35. No. On February 5, 2007, DEO filed an application in Case No. 07-125-GA-AAM requesting approval to defer costs incurred in connection with the Commission's investigation of natural gas service risers, with the appropriate level of recovery to be addressed in DEO's next base rate case. Because that case is pending before the Commission and no ruling has yet been made, the Company has not included a Schedule C-3 adjustment for such costs. Should the Commission approve DEO's application in that case during the course of this rate case, DEO recommends that the Commission incorporate such costs into the revenue increase authorized for the Company.

Q36. Are there other Schedule C-3 adjustments that you have not explained?

A36. Yes. Other Schedule C-3 adjustments that are not described in this testimony are addressed in the direct testimony of DEO witnesses Jeffrey A. Murphy and Daniel M. Ives.

Q37. Why are there no social or service club dues shown on Schedule C-5?

A37. As indicated in my discussion of Schedule C-3.22, DEO has excluded any amounts related to social or service club dues from adjusted test year operating expenses.

Q38. Why are there no charitable contributions shown on schedule C-6?

A38. As described in my discussion of Schedule C-3.6, DEO's charitable contributions are not included in its operating expenses and DEO has excluded from test year operating expenses any amounts related to charitable contributions allocated from the Service Company.

Q39. Please describe Schedule C-7.

A39. Schedule C-7 provides the unadjusted test year amounts charged to the following FERC accounts shown on Schedules C-2.1, broken down by labor and other expenses: FERC accounts 907 through 910 included in customer service and informational expenses, FERC accounts 911 through 916 included in sales expenses, and FERC account 930.1, general advertising expense.

Q40. Please explain the rate case information shown on Schedule C-8.

A40. This schedule details the estimated rate case expenses for the current case, the estimated rate case expense for the most recent prior case, and the actual and estimated expenses for the next most recent case. The schedule also shows a summary of the amortization of the expenses estimated for this case and actually incurred for the rate case prior to the most recent case. As stated in DEO's motion requesting a waiver of the standard filing requirements in this case regarding Schedule C-8, DEO was unable to locate records of the actual rate case expense in the most recent case, Case No. 93-2006-GA-AIR. The actual expenses incurred for the rate case prior to the most recent case were obtained from Schedule C-8 filed in the most recent case. The Commission approved DEO's waiver request on August 15, 2007. Although DEO's last two rate cases were resolved through stipulations by the parties involved, the estimated expenses for the current case reflect the assumption that the case will be fully litigated.

Q41. Please explain the information presented in Schedules C-9 and C-9.1.

A41. Schedule C-9 details the payroll and payroll-related costs included in unadjusted test year expenses as well as the effect of applicable Schedule C-3 adjustments to those payroll and related costs. The information is further supported by Schedule C-9.1, which analyzes payroll information for the total company and for each of DEO's employee classifications, salaried and hourly. The analyses in Schedule C-9.1 include data for the *most recent five* calendar years as well as for the test year and present the man-hours, labor dollars, employee benefits, payroll taxes, and employee levels. Also included in Schedule C-9.1 are the monthly employee levels for the prior two calendar years and the test year. It should be noted that two versions of the total company data are presented: one that includes DEO's pension benefit credits in total employee benefits and employee benefits expensed and one that excludes the pension benefit credits from these lines of the schedule. The version that excludes the pension benefit credits displays a truer representation of the ratio of employee benefits expensed to total employee benefits and is consistent with the proposed treatment of the test year pension expense credit described in the testimony of Mr. Ives.

Q42. Please explain the Gross Revenue Conversion Factor calculated on Schedule C-10.

A42. The Gross Revenue Conversion Factor, which is used on Schedule A-1 in the determination of the revenue deficiency, is computed by assuming that each dollar increase in operating revenue is offset by an associated increase in uncollectibles expense, state gross receipts excise tax, and federal income tax. In order to calculate the resulting operating income of an incremental revenue dollar, operating revenues are initially assumed to 100% of each incremental dollar. For DEO, since no reduction of that percentage results from increased uncollectibles due to the existence of the Uncollectibles Expense Rider, zero percent is entered onto Line 2 of the calculation. The current gross receipts excise tax rate of 4.75% is then applied to the operating revenues after adjusting for the uncollectibles percentage, with the result of 4.75% shown on Line 4. The reduction associated with federal income taxes is calculated by applying the current marginal tax rate of 35% to operating revenues after reduction for uncollectibles and gross receipts tax. This provides a result of 33.3375%, which is shown on Line 6. Taking into account the reductions on Lines 2, 4, and 6, DEO's incremental operating income is 61.9125% of each incremental operating revenue dollar, as shown on Line 7. The Gross Revenue Conversion Factor of 1.615183 is determined by dividing the incremental revenue percentage of 100 by the operating income percentage of 61.9125.

Q43. Please describe the data presented on Schedule C-11.1 and C-11.2.

A43. Schedule C-11.1 presents comparative balance sheets as of December 31, 2002 through 2006, and as of the date certain, March 31, 2007. The amounts on this schedule were obtained from the Company's books of record as of the applicable dates. Schedule C-11.2 presents the corresponding comparative income statements for the years ending December 31, 2002 through 2006, and for the test year ending December 31, 2007. The amounts on this schedule for the historical years were obtained from the Company's books of record for the applicable calendar year. The amounts provided for the test year correspond to amounts shown as Adjusted Revenues and Expenses on Schedule C-2 through Net Operating Income. Other Income and Deductions was determined using three months actual data and nine months of planned data. Interest charges reflect the amount of interest expense shown on Schedule C-4 less estimated test year AFDC.

Q44. What information is provided on Schedules C-12.1 through C-12.4 ?

A44. These schedules are summaries of revenue and sales statistics for five historical years and five projected years as well as the test year. All historical data was taken from DEO's books of record. The projected data was determined from volumes and customer counts projected for DEO's 2008 – 2012 financial plan, which is currently being developed. The test year data corresponds with the adjusted test year revenues shown on Schedule C-2. Schedule C-12.1 shows total company revenue statistics and Schedule C-12.2 shows the same information as jurisdictional revenue statistics. Schedule C-12.3 shows total company sales statistics and Schedule C-12.4 shows the same information as jurisdictional sales statistics.

Q45. Please describe the information shown on Schedule C-13.

A45. Schedule C-13 provides an analysis of activity in the reserve for uncollectible accounts for the three most recent years and for the test year, including the ratios of net write-offs and the provision for uncollectibles expense to the ending reserve balance. As noted on

Schedule C-13, amounts deferred for collection through the Uncollectibles Expense Rider have been excluded from this analysis.

V. D SCHEDULES

Q46. Please explain the information presented on Schedule D-5.

A46. Schedule D-5 provides comparative financial data for the test year and the ten most recent years for DEO. Balance sheet data used to provide the test year amounts are taken from the Company's financial records as of the date certain, March 31, 2007. Income statement information for the test year corresponds to amounts shown as Adjusted Revenues and Expenses on Schedule C-2 through Net Operating Income. Other Income and Deductions was determined using three months actual data and nine months of planned data. Interest charges reflect the amount of interest expense shown on Schedule C-4, and AFDC is based on a financial estimate. Information for the historical years was obtained from the Company's financial statements.

Q47. What is the information shown on Schedule PCD-5?

A47. Schedule PCD-5 is the parent company version of Schedule D-5. For purposes of this schedule, information for the years 1997 through 1999 is provided for Consolidated Natural Gas Company, and information for the years 2000 through 2007 is provided for Dominion Resources, Inc. Balance sheet information for 2007 is presented as of June 30, 2007, the most recent date for which financial data was available, and income statement information for 2007 is presented for the six months ended June 30, 2007.

Q48. Does this conclude your testimony?

A48. Yes.

COI-1381438v3

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

DIRECT TESTIMONY OF
SYLVIA P. GREEN
ON BEHALF OF
DOMINION EAST OHIO

___ Management policies, practice and organization

_X_ Operating income

_X_ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other

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Direct Testimony of

Sylvia P. Green

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Sylvia P. Green. I am employed as the Manager of Fixed Asset Accounting by Dominion Resources Services, Inc. ("Service Company"). My business address is 701 East Cary Street, Richmond, Virginia 23219.

Q2. Please summarize your educational background and employment experience.

A2. I graduated from Longwood College (currently Longwood University) in Farmville, Virginia in May 1979 with a Bachelor of Science degree in Business Administration with an accounting concentration. In May 1984, I received a Masters of Business Administration degree from the University of Richmond, Richmond, Virginia. In addition, I am currently licensed by the Virginia Board of Accountancy as a Certified Public Accountant. I began work with Virginia Electric and Power Company ("Virginia Electric") in May 1979 as an Assistant Accountant. Since that time I have been employed by either Virginia Electric or the Service Company in various accounting and information technology positions. In March 2005, I transferred from a position of Manager in the Information Technology Department for the Service Company to my current position as Manager of Fixed Asset Accounting.

Q3. In your current position, are you familiar with the books and records of The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company")?

A3. Yes.

II. PURPOSE OF TESTIMONY

Q4. What is the purpose of your testimony in this proceeding?

A4. The purpose of my testimony is to sponsor the following Section B Schedules, which address rate base and adjustments to rate base: B-2, B-2.1, B-2.2, B-2.3, B-2.4, B-2.5, B-3, B-3.1, B-3.2, B-3.3, and B-3.4.

Q5. Were these schedules prepared by you or under your direction and supervision?

A5. Yes.

Q6. Does your testimony include information for the combined operations of DEO's East Ohio and West Ohio divisions?

A6. Yes, it does. For questions regarding detailed transaction data, separate schedules have been prepared to reflect detailed transactions for West Ohio from December 31, 1982 through December 31, 1996; East Ohio from December 31, 1993 through December 31, 1996; and for the combined Company from December 31, 1996 through March 31, 2007, the date certain.

III. B SCHEDULES

Q7. What information is shown on Schedule B-2?

A7. Schedule B-2 is a summary of the Company's plant in service by major property groupings as of March 31, 2007, the date certain. The schedule also summarizes the adjustments made to arrive at the adjusted jurisdictional plant in service by major property groupings as of the date certain. The total adjusted original cost of jurisdictional plant in service as of March 31, 2007, is $1,939,317,268.

Q8. What does Schedule B-2.1 show?

A8. Schedule B-2.1 details, by plant account, the book cost of the plant in service data summarized in Schedule B-2.

Q9. What does Schedule B-2.2 show?

A9. Schedule B-2.2 details the proposed adjustments to plant in service by account number.

Q10. What adjustments have been proposed by the Company?

A10. The Company is proposing six types of adjustments to plant in service. These adjustments remove from plant in service: (1) the acquisition cost of assets no longer in service; (2) costs for asset retirement obligations recorded in accordance with SFAS No. 143; (3) capitalized leasehold improvements not retired upon expiration of the leases; (4) a contribution in aid of construction ("CIAC") paid by DEO; (5) costs associated with the extension of various leases; and (6) a reserve for future gas losses included in underground storage.

Q11. Please describe Schedule B-2.3.

A11. Schedule B-2.3 details, by plant account, the actual book balances at March 31, 2007, as well as the actual additions, retirements and transfers that occurred between December 31, 1982 through December 31, 1996 for West Ohio; December 31, 1993 through December 31, 1996 for East Ohio; and December 31, 1996 through March 31, 2007 for DEO.

Q12. What is shown on Schedule B-2.4?

A12. Schedule B-2.4 is a list of all the leased property and improvements to leased properties that are capitalized and included in the rate base.

Q13. Schedule B-2.5 requests information on property excluded from rate base. Does the Company have any such property?

A13. Yes, the Company has excluded non-utility property with an original cost of $2,559,940.

Q14. Please describe Schedule B-3.

A14. Schedule B-3 details by plant account the Company's depreciation reserve balances, by major property groupings as of March 31, 2007, and the adjustments made to arrive at the total adjusted jurisdictional depreciation reserve at the date certain of $ 852,185,473.

Q15. What is the rationale for the adjustments to the depreciation reserve identified on Schedule B-3.1?

A15. The adjustments on Schedule B-3.1 were made in order to reconcile the depreciation reserve with plant in service in light of the related property adjustments shown on Schedule B-2.2.

Q16. What is shown on Schedule B-3.2?

A16. Schedule B-3.2 sets forth, as of the date certain, jurisdictional plant investment, current and proposed depreciation accrual rates and the calculated current and proposed annual depreciation expense. The current depreciation accrual rates used by DEO became effective January 1, 2001 as approved by the Commission in Case No. 01-2592-GA-UNC, with the exception of the accrual rate for Account 303.03, Miscellaneous Intangible Plant, which became effective January 1, 2003 as approved by the Commission in Case No. 03-2204-GA-AAM.

Q17. Please explain Schedule B-3.3.

A17. Schedule B-3.3 is the summary of depreciation reserve accruals, retirements and transfers which occurred between December 31, 1982 through December 31, 1996 for West Ohio, December 31, 1993 through December 31, 1996 for East Ohio, and December 31, 1996 through March 31, 2007 for DEO.

Q18. Please describe Schedule B-3.4.

A18. Schedule B-3.4 contains the depreciation reserve and amortization expense related to leased property and improvements to leased property disclosed in Schedule B-2.4.

Q19. Does this conclude your testimony?

A19. Yes.

COI-1381047v1

DEO EXHIBIT 4.0

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

DIRECT TESTIMONY OF
ROBERT D. TAYLOR
ON BEHALF OF
DOMINION EAST OHIO

___ Management policies, practice and organization

_X_ Operating income

_X_ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other

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Direct Testimony of

Robert D. Taylor

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. *Please state your name, occupation and business address.*

A1. My name is Robert D. Taylor. I am employed by Dominion Resources Services, Inc. ("Service Company") as Managing Director - Corporate Taxation. My business address is 701 E. Cary Street, Richmond, Virginia 23219.

Q2. Please summarize your educational background and employment experience.

A2. I graduated from Duquesne University (Pittsburgh, PA) in December 1972 with a Bachelor of Arts Degree in Political Science. After graduating from Duquesne, I enrolled in their evening business school taking various accounting, business law and business mathematics courses in preparation for the Pennsylvania Certified Public Accountant's exam. I passed the exam in May 1977. I obtained a Masters of Science Degree in Taxation from Robert Morris College in 1981.

From 1969 through June of 1978, I worked for Sauer, Ahlquist and Associates, a local Pittsburgh CPA firm concentrating in various areas of federal, state and local taxation of individuals, corporations, estates and trusts as well as audits and financial statement compilations. From July 1978 to February 1980, I worked for another local Pittsburgh CPA firm, Crawford, Ellenbogen and Company in the same capacity.

In February of 1980, I joined Consolidated Natural Gas Service Company, Inc. ("CNGS") as Senior Auditor. In September of 1980, I accepted a position in a new department, the Strategic Financial Planning Department as a senior analyst. I was appointed Assistant Treasurer, Finance in CNGS' Corporate Treasury Department in September 1984 and in January 1986 transferred to the Tax Department as Assistant Director, Taxes. Since then, I progressed to Director and to Assistant Vice President, Taxes. After the merger of CNGS' parent company, Consolidated Natural Gas Company, with Dominion Resources, Inc. ("DRI"), I accepted the position of Director - Corporate Taxation with the Service Company and was subsequently promoted to my current position of Managing Director - Corporation Taxation.

Q3. Are you a member of any professional organizations that address tax issues?

A3. Yes. I am a member of the American, Pennsylvania and Virginia Institutes of Certified Public Accountants as well as the Tax Executives Institute. In addition, I am a member of the Tax Committees of the Interstate Natural Gas Association of America ("INGAA") and the American Gas Association ("AGA").

Q4. What are your responsibilities as DRS's Managing Director - Corporate Taxation?

A4. I assist in the management and coordination of the DRI corporate tax function to ensure compliance with all tax laws in accordance with the highest standards of professional competence and integrity. That responsibility entails establishing system-wide policies for tax matters; furnishing tax advice and guidance to system companies; oversight of the federal, state and local audits; engaging in tax research and planning and consulting with outside tax counsel; and engaging in special projects and studies concerning major acquisitions, reorganizations and other business transactions.

II. PURPOSE OF TESTIMONY

Q5. What is the purpose of your testimony in this proceeding?

A5. My testimony addresses the following issues:

- Tax Related Rate Base Items - Schedules B-6 and B-6.1; and
- Tax Related Cost of Service Issues - Schedules C-4 and C-4.1.

Q6. Were these schedules prepared by you or under your direction and supervision?

A6. Yes.

III. TAX RELATED RATE BASE ITEMS – SCHEDULES B-6 AND B-6.1

Q7. Please describe the Investment Tax Credit adjustment to Other Rate Base Items as reflected on Schedule B-6.

A7. Dominion East Ohio's ("DEO") adjustment to FERC Account 255 - Investment Tax Credit reflects the normalization adjustment under former Internal Revenue Code Section 46(f)(2)(B). Under former IRC Sec. 46(f), the benefits of the investment tax credits provided under former IRC Sec. 38 are not available for public utility property if the benefits related to those credits were "flowed through" to the utilities ratepayers in the ratemaking process as an immediate reduction to either rate base or income taxes in the utility's cost of service calculations. In order to receive the benefits of the investment tax credits, DEO elected to ratably flow through (amortize) the investment tax credits in its cost of service federal income tax calculation and not to reflect any adjustments to rate base. Investment tax credits earned prior to 1971 were not subject to the normalization requirements and are reflected as an adjustment to rate base.

Q8. Please describe the Deferred Income Tax adjustments to Other Rate Base Items as reflected on Schedule B-6.

A8. DEO's adjustment to FERC Account 283 - Alternative Minimum Tax eliminates the accumulated deferred taxes impact associated with the Alternative Minimum Tax Credit. DEO computes the current federal income tax expense for ratemaking purposes using the regular tax rate of 35% and not the minimum tax rate of 20%, as reflected in the consolidated federal income tax return.

DEO's adjustment to FERC Account 283 - Bad Debts - PIPP eliminates the accumulated PIPP deferred taxes. PIPP bad debts are recovered through a separate rider and not through base rates.

DEO's adjustment to FERC Account 283 - Bad Debts - Tracker eliminates the accumulated deferred taxes associated with the uncollectibles expense adjustment mechanism. Most of DEO's non-PIPP uncollectibles expense is recovered through a separate rider and not through base rates.

DEO's adjustments to FERC Account 283 - FIN 48 eliminate the impact on accumulated deferred taxes resulting from DEO's adoption of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, effective January 1, 2007. Taking into consideration the uncertainty and judgment involved in the determination and filing of income taxes, FASB Interpretation No. 48 establishes standards for measurement and recognition in financial statements of positions taken by an entity in its income tax returns. Positions taken, or expect to be taken, by an entity in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not recognition threshold, assuming that the position will be examined by taxing authorities with full knowledge of all relevant information. In the case of these adjustments, due to uncertainty about the timing of certain deductions for tax purposes, the application of FASB Interpretation No. 48 resulted in a decrease to DEO's accumulated deferred tax liabilities.

DEO's adjustment to FERC Account 283 - Pension eliminates the accumulated pension deferred taxes. As discussed in the direct testimony of DEO witness Daniel Ives, the FAS 87 impact of accounting for pensions is eliminated for this base rate filing.

DEO's adjustment to FERC Account 190 - UPGA (Unrecovered Purchased Gas Adjustment) eliminates the accumulated UPGA deferred taxes. UPGA is recovered through a separate rider and not through base rates.

Q9. Does DEO normalize temporary differences?

A9. Yes. DEO provides deferred taxes (normalizes) on all temporary differences. The Commission granted the Company authorization to normalize all temporary differences in Case No. 93-2006-GA-AIR.

IV. TAX RELATED COST OF SERVICE ISSUES – SCHEDULES C-4 AND C-4.1

Q10. Please describe Schedule C-4.

A10. Schedule C-4, Adjusted Jurisdictional Federal Income Taxes, shows the calculation of federal income taxes based upon the adjusted and proforma test year revenues and expenses delineated on Schedules C-1, C-2 and C-3. The computation includes the effect of reconciling items related to those revenues and expenses. Deferred taxes have been provided to normalize all temporary differences.

Q11. Please describe Schedule C-4.1.

A11. Schedule C-4.1, Development of Jurisdictional Federal Income Taxes Before Adjustments, shows the calculation of federal income taxes based upon the unadjusted test year revenues and expenses delineated on Schedules C-2 and C-2.1. The computation includes the effect of reconciling items related to those revenues and expenses. Deferred taxes have been provided to normalize all temporary differences.

Q12. Does this conclude your testimony?

A12. Yes.

COI-1381088v3

DEO EXHIBIT 5.0

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

DIRECT TESTIMONY OF
LARRY J. RICE
ON BEHALF OF
DOMINION EAST OHIO

___ Management policies, practice and organization

___ Operating income

___ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

_X_ Other – Cost of Service

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Direct Testimony of

Larry J. Rice

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Larry J. Rice. I am a Senior Transportation Analyst within the Transportation Services Department at Dominion East Ohio ("DEO" or "Company"). My business address is 1201 E. 55th Street, Cleveland, Ohio 44103-1028.

Q2. Please summarize your educational background and business experience.

A2. I graduated from the University of Akron in 1986 with a Bachelor of Science degree in Accounting. I worked for DEO as a Management Intern – General Accounting in 1984 and 1985 and a Management Intern – Planning and Budgeting in 1986. I joined DEO full-time in 1987 and have held various positions over the past twenty years in Planning and Budgeting, Gas Accounting, High Pressure Billing, Revenue Reporting, Rates and Regulatory, Gas Forecasting, Customer Billing and most recently, Transportation Services.

Q3. Please summarize your current job responsibilities relevant to DEO's Application.

A3. In my current position, I am responsible for preparing the volumetric forecast for use in the five-year financial plan, which is based on projected future income statements for Company planning, and the posting of daily targets for the Energy Choice and SSO programs. The daily targets are the estimated daily volumes being consumed at the marketer pool level by its customers. The marketer is then expected to deliver for that day the matching supply onto DEO's system. In the past I have also prepared the volumetric forecast for the Long Term Forecast Report ("LTFR").

II. PURPOSE OF TESTIMONY

Q4. What is the purpose of your testimony?

A4. The purpose of my testimony is to sponsor Schedules E-4 and E-4.1, which summarize revenues by class and by schedule at present and proposed rates.

Q5. Were these schedules prepared by you or under your direction and supervision?

A5. Yes.

III. SCHEDULES E-4 AND E-4.1

Q6. What do Schedules E-4 and E-4.1 show?

A6. Schedule E-4 summarizes the information detailed in Schedule E-4.1 regarding annualized operating revenue at both current and proposed rates. Both schedules are sub-totaled at the Residential and Non-Residential customer level within each rate schedule. Separate sub-totals are provided for DEO's East Ohio and West Ohio divisions, as well as at a total Company level (*i.e.,* East Ohio and West Ohio combined). Schedule E-4 includes line items for Other Revenue and the Migration Rider – Part B impact that are not included in Schedule E-4.1. Mr. Murphy explains the Proposed and Current Other Revenue and Migration Rider – Part B impact in his direct testimony.

Q7. Please explain how the rate blocks shown in Schedule E-4 were established.

A7. I obtained billing records from April 2006 through March 2007 from the Customer Information Systems, the Customer Care System ("CCS") (for predominantly residential and small non-residential customers) and the Special Billing System ("SBS") (for predominantly large non-residential customers.) Each billing record was reviewed and single service fee records (a single service fee record reflects usage for only one revenue month) were processed through a program that allocated the volumes into blocks based on the total usage of the bill. Attachment LJR 5.1 to my testimony identifies the blocks used in Schedule E-4. The blocks were determined by reviewing the Standard Filing Requirements for Schedule E-4 and subsidiary schedules as they apply to the current blocking for all rate schedules. After all records were processed, volume totals for each block for a revenue month were created based on division (East Ohio or West Ohio), rate schedule and account type (residential or non-residential). Next, a percentage of total volumes for each block for the rate schedule and revenue month was determined. This percentage was applied against the test year forecasted volumes for that revenue month to arrive at the number of volumes within that block. All records with multiple service fees were summed to confirm that all volumes for the month were accounted for, but they were not included in the blocking analysis. These records reflect bills that were cancelled and rebilled during the revenue month and show consumption for multiple revenue months. Part of the initial processing of the billing records looked for bills that were eventually cancelled and removed them from the blocking analysis as well.

Q8. How were the volumes in Schedules E-4 and E-4.1 forecasted?

A8. The projected volumes for approximately one hundred of the largest customers were provided at an account level by the Sales Department. The remaining volumes were forecasted at a customer class level by rate schedule. The variables used to determine monthly test year volumes were billing days, heating degree-days ("HDDs"), number of customers, daily base load and heating factor per degree-day. The daily base load and heating factors were based on the most recent twelve months of billing information and were unique to the customer class and rate schedule being forecast. The HDDs used for the test year were determined by reviewing the results of regressions using various years of moving averages and selecting the equation with the highest r-squared. The projected number of customers within a given rate schedule was based on the current composition, month-to-month variation in customer levels, and an annual customer growth rate based on a five-year history. The gas cost and associated sales tax for Energy Choice customers, which is billed on behalf of customers by their supplier, is not included in the revenue shown on the ECTS or LVECTS rate schedules. Firm Storage Service ("FSS") revenue at full margin rates was estimated based on current contract levels and assuming that full contract levels are injected and withdrawn during the storage season.

Q9. Please explain Rate Schedules GTS, GTS-N, DTS and DTS-N.

A9. Schedules GTS and DTS apply to Generation Transportation Service ("GTS") and Daily Transportation Service ("DTS"), respectively. Certain existing customers that will qualify for service under the proposed GTS and DTS schedules currently receive negotiated transportation rates. These negotiated rates are provided to address customer-specific competitive situations. In order to track volumes and revenues separate from accounts charged at standard GTS or DTS rates, a sub-class within each rate schedule was created with a delineation of "–N." By providing separate schedules for customers charged competitive rates, there will be no increase or decrease in revenue as a result of certain customers receiving a negotiated rate. DEO will continue to bill these accounts at present negotiated rates after the proposed rates go into effect.

Q10. Does this conclude your testimony?

A10. Yes, it does.

Blocks Used To Accumulate Volumes

Block	Start	End
01	0.0	0.0
02	0.1	5.0
03	5.1	10.0
04	10.1	25.0
05	25.1	50.0
06	*50.1*	*100.0*
07	100.1	125.0
08	125.1	175.0
09	175.1	200.0
10	200.1	300.0
11	300.1	400.0
12	400.1	500.0
13	*500.1*	*1,000.0*
14	1,000.1	1,500.0
15	1,500.1	2,000.0
16	2,000.1	3,000.0
17	3,000.1	4,000.0
18	4,000.1	5,000.0
19	5,000.1	10,000.0
20	10,000.1	15,000.0
21	15,000.1	20,000.0
22	20,000.1	25,000.0
23	25,000.1	30,000.0
24	30,000.1	40,000.0
25	40,000.1	50,000.0
26	50,000.1	75,000.0
27	75,000.1	100,000.0
28	100,000.1	999,999.9

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 Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

**DIRECT TESTIMONY OF
CLIFF ANDREWS
ON BEHALF OF
DOMINION EAST OHIO**

___ Management policies, practice and organization

___ Operating income

___ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

_X_ Other – Cost of Service

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Direct Testimony of

Cliff Andrews

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Cliff Andrews. I am currently employed as a Business Development Manager for The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company"). My business address is 1201 East 55th Street, Cleveland, Ohio 44103.

Q2. Please summarize your educational background and employment experience.

A2. I graduated from Michigan State University in 1985 with a BA degree in Accounting. I earned a MBA from the Weatherhead School of Management at Case Western Reserve University with a concentration in Finance in 1993. I started working for DEO in 1986 as a contract employee developing software for economic analysis of new market opportunities. I joined DEO in 1987 and since then have held various positions in Marketing, Sales, Planning and Business Development.

Q3. Please summarize your current job responsibilities relevant to DEO's Application.

A3. I am currently responsible for developing annual and long-term throughput and revenue forecasts for the industrial customer segment. Additionally, I am responsible for developing various models for analyzing competition for our existing customer base as well as new opportunities to increase sales. Through my experience in the industry and with the Company, I have developed an understanding of the usage patters of the various customer classes served by DEO and the nature of the costs incurred to serve them.

II. PURPOSE OF TESTIMONY

Q4. What is the purpose of your testimony?

A4. The purpose of my testimony is to support the Schedule E-3.2 class cost of service study submitted in the Company's Application and the related work papers.

Q5. Were the cost of service study and relative workpapers prepared by you or under your supervision?

A5. Yes.

III. CLASS COST OF SERVICE STUDY

Q6. What is the purpose of a cost of service study?

A6. The purpose of a cost of service study is to determine the costs to serve each of the Company's major customer classes so that their respective revenue responsibility and requirements may be established. The study tabulates not only the revenues and expenses attributable to a given customer class, but also that class's share of rate base. Ultimately, a class cost of service study is an important tool used to assist with rate design. The rate of return by customer group indicates whether the revenue provided by the customers in each group recovers the cost to serve those customers. In summary, the cost of service study helps insure that the proposed rates are "cost based," meaning that each class bears its appropriate cost to serve that class.

Q7. What methodology did you use to perform a cost of service study?

A7. I utilized a three-step process generally referred to as functionalization, classification and allocation. In my experience, this is a recognized and accepted methodology for performing a cost of service study in the natural gas industry.

Q8. Please explain the process of functionalization, classification and allocation.

A8. Functionalization is the process of separating expenses and rate base items according to utility function (production/gathering, storage, transmission and distribution). The functional allocation of costs was accomplished through the utilization of the Company's accounting system which tracks costs/plant items in accordance with the FERC uniform system of accounts prescribed for natural gas companies.

Classification identifies the component of utility service being provided. There are at least four basic components to the services rendered by DEO: demand/capacity related, energy/commodity related, customer related, and revenue related. Capacity costs are incurred to meet the maximum demand imposed on the system. Commodity costs vary with the volume of natural gas utilized by customers. Customer-related costs are driven by the number and type of customers served. Finally, certain costs are better allocated on the basis of revenues. Examples of these are certain taxes, the operating revenue portion of working capital, customer information and sales expenditures.

After the costs have been functionalized and classified, the next step is to allocate them among the primary customer classes. This is accomplished through the employment of allocation factors that specify each class's share of a particular cost driver such as peak day requirements, throughput, or number of customers. The appropriate allocation factor is then applied to the respective cost element to calculate the share of cost for each customer class.

Q9. Are there certain costs that do not lend themselves to functional categories?

A9. Yes. Certain cost items such as working capital and taxes are treated separately. Working capital items are segregated into a cash component and several average monthly balance components. Each item within these categories is allocated based on the most appropriate allocation factor. Taxes are segregated into other taxes and federal income taxes, with the major components in each category being allocated in accordance with its underlying nature.

Q10. Are there certain cost items within functional categories that do not lend themselves to classification as capacity, commodity, or customer related?

A10. Yes. For example, general and administrative ("G&A") expenses are not tracked along functional lines. These costs support general activities across functional boundaries. Therefore, they have been allocated proportionally according to the functional share of total non-G&A operations and maintenance ("O&M") expenditures and then allocated to the respective customer classes according to the customer class share of each functional component. The same process is used to allocate general plant related costs including gross plant, accumulated depreciation and depreciation expense. Allocating costs in that manner indicates that both G&A and general plant support functional activities in a proportionate manner.

Q11. How was the breakdown between commodity and capacity determined?

A11. For transmission and certain distribution expenses, the commodity portion was derived by applying the system load factor (33.185%) to the applicable expenditures and/or plant items and were allocated based on total throughput (allocation factor #1). The remaining portion (66.815%) was deemed to be capacity related and was allocated based on excess peak day requirements (allocation factor # 6). For storage and gas stored underground (plant only), the commodity portion of expenditures are based on the average winter storage requirements as a percentage of maximum daily deliverability (33.113%) and are allocated based on winter storage requirement (allocation factor #7). The capacity portion is 66.887% and is allocated based on excess peak storage (day) requirement (allocation factor #8).

Q12. With respect to the classification process, please elaborate on how capacity costs are allocated.

A12. There are several generally accepted methods for allocating and determining capacity costs. The methods that are most applicable to natural gas distribution utilities are: the coincident peak demand method (based on demands of various customer classes at the time of system peak); noncoincident peak demand method (based upon actual peak by class, regardless of time of use); and average and excess peak demand method (based on a two-part formula reflecting average system usage by class and each class' share of peak usage in excess of the average level).

Q13. Which method did the Company employ and why was that selection made?

A13. The average and excess method was employed for allocating capacity and commodity costs because this method provides the best recognition of the load factor characteristics for each class. Certain cost items are directly attributable to the consumption of natural gas by the Company's customers. The average portion of this calculation recognizes these commodity costs. The excess portion, what is left after the average utilization component is factored out, represents plant and associated costs that must be held to meet the peak demands of the various customer classes. The excess portion of required capacity represents the incremental demand a given customer class will place on the Company's system.

Q14. How were customers grouped for purposes of the allocation process?

A14. Customers were grouped according to the tariff schedule under which they are billed. Where rate schedules had customers with similar usage patterns, the tariff schedules were combined as a single class. The groupings utilized for the cost of service study were: (1) General Sales Service ("GSS")/Energy Choice Transportation Service ("ECTS"); (2) Large Volume General Sales Service ("LVGSS")/Large Volume Energy Choice Transportation Service ("LVECTS"); (3) General Transportation Service ("GTS")/Transportation Service for Schools/("TSS"); (4) Daily Transportation Service ("DTS")/Off-System; and (5) Storage (FSS/EFSS/In-Out). In the Company's experience and observation, the groupings selected represent customers with similar usage patterns.

Q15. Please describe allocation factors used in the cost of service study.

A15. Schedule E-3.2, pages 1-3 of 16, lists 30 allocation factors. Factors 1-4 and 9 are volumetric. Factors 5 and 6 describe peak day requirements (Factor 5 is total design peak day, while Factor 6 is excess peak day requirements). Factors 8 and 9 relate to storage. Factor 8 breaks out the total winter storage requirement, while factor 9 shows the allocation of excess peak day storage requirements. Factors 10-14 relate to different measures for the number of customers. Factors 15-24 and 26 show revenue items broken down by customer class. Finally, Factor 25 and 27-30 are composite summaries of items developed in the COS study.

Q16. How were O&M costs allocated?

A16. The following is a summary of how O&M costs are allocated:

- *Production/Gathering*: All costs are allocated on a commodity basis utilizing gathering throughput.
- *Transmission*: Commodity costs are allocated on total throughput, while capacity charges are allocated on excess peak demand.
- *Storage*: Capacity charges are allocated on excess peak storage requirements, while commodity charges allocated on winter storage requirements. Under proposed rates, there are certain Other Gas Supply expenditures (FERC 813) that are allocated only to the Storage customer class.
- *Distribution*: Certain costs are directly assigned and others, such as those related to services, meters and regulators, are allocated on a customer basis. The remaining costs are assigned on a capacity/commodity basis where capacity charges are allocated on excess peak demand and commodity charges are allocated on a total throughput basis.
- *Sales and Customer Information*: These costs are allocated based on total revenue per class.
- *General & Administrative*: Costs are allocated functionally and across customer groupings based on the share of the functional cost.

Q17. How are gross plant, depreciation reserve and depreciation expense items allocated?

A17. Gross plant, depreciation reserve and depreciation expense follow a similar allocation pattern by function as the allocation of O&M expenses, except that no plant-related items are allocated based on revenues

Q18. How are revenues allocated?

A18. Revenues are assigned to each class exactly as they are recognized during the test period. The only exception to the direct assignment is "other revenue," where certain revenue streams are allocated according to relevant allocation factors. The other revenue allocation is detailed in Work Paper WPE-3.2c which, along with the other workpapers used in developing the study, is included with my direct testimony as Attachment CA-6.1.

Q19. Please summarize the workpapers contained in Attachment CA-6.1.

A19. Workpapers WPE-3.2a through WPE-3.2h contain detailed back-up for certain items in the cost of service study. Specifically, the work papers show details on the storage allocators, peak day analysis (including average and excess determination), other revenue allocation, gathering throughput allocation, system load factor, customer-related plant and expense items, allocation of certain accounting adjustments, and number of customers.

IV. SUMMARY OF CONCLUSIONS

Q20. What conclusions are you able to draw from the cost of service study?

A20. The cost of service study shows that the Company's revenue deficiency of approximately $74 million is attributable primarily to the GSS/ECTS customer class. Conversely, the traditional transportation class is contributing more to revenues than the costs associated with that class. Based on these findings, the Company has proposed a rate design that spreads the revenue responsibility more equitably among classes.

Q21. Does this conclude your testimony?

A21. Yes

COI-1381353v2

Attachment CA-6.1

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
STORAGE COST ALLOCATION (WORKPAPER WPE-3.2a)

1. EC/SSO STORAGE

		1	2	3	4	5
		Peak Day Throughput	Peak Day Storage Factor	Max Storage Deliverability	Storage Capacity multiplier	Storage Capacity
A	GSS	1,736,191	34.10%	592,041	51.9	30,726,935
B	LVGSS	101,758	34.10%	34,699	51.9	1,800,903

2. FSS/EFSS/IN-OUT

		6	7	8	
		EFSS	In/Out	Total	
C	Storage Capacity	12,487,000	4,270,874	16,757,874	From DMG
D	Deliverability:	240,597	101,725	342,322	EFSS: 6C/51.9, In/Out per contract
		6C / 51.9	Per Contract		

3. OPERATIONAL BALANCING

		9	
E	Storage Capacity:	4,714,288	54 Bcf less items 5A,5B, and 8C above
F	Deliverability:	110,937	1.08 Bcf less items 3A, 3B, and 8D above

4. ALLOCATION OF OPERATIONAL BALANCING

Non-base Period Volumes (MMcf)		%	Share of OB: Capacity	Peak Day Requirements	%	Share of OB: Deliverability
GSS	123,713	73.9%	3,482,441	1,736,191	79.8%	88,545
LVGSS	7,580	4.5%	213,370	101,758	4.7%	5,190
GTS	36,181	21.6%	1,018,477	337,307	15.5%	17,203
TOTAL*	167,474	100.0%	4,714,288	2,175,256	100%	110,937

* Excludes DTS/Off-System

5. STORAGE ALLOCATION BY CLASS

	A		COS Allocator 7 Winter Storage Requirement B		COS Allocator 8 Excess Peak Day Calculation		
Class	Peak Deliverability	%	Capacity	%	Avg	Excess	Excess %
GSS	680,586	63.0%	34,209,376	63.4%	226,552	454,034	62.9%
LVGSS	39,889	3.7%	2,014,273	3.7%	13,340	26,550	3.7%
GTS	17,203	1.6%	1,018,477	1.9%	6,745	10,458	1.4%
DTS	-	0.0%	-	0.0%	-	-	0.0%
FSS/EFSS	342,322	31.7%	16,757,874	31.0%	110,979	231,343	32.0%
TOTAL	1,080,000	100.0%	54,000,000	100%	357,616	722,384	100.0%
						5B/151	5A - Avg

* Based on Non-base period volumes (October-April)

6. CAPCITY vs. COMMODITY BREAKDOWN

Average	357,615.894	33.113%	Commodity	Average daily storage = 54 Bcf/151 days
Excess	722,384.106	66.887%	Capacity	Total Peak Day storage less average daily storage
Peak	1,080,000	100.0%	Total	(1,080,000 Mcf - 357,616 Mcf = 722,384 Mcf)

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The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Gathering Function Allocation (Work Paper WPE-3.2b)

Virtually all local production meters are dedicated to LPPS pools, with a small number dedicated to FRPS pools.

The post-SSO allocation(*) of volumes nominated out of LPPS pools and the production dedicated to FRPS pools is as follows:

LPPS -> SSO	4,837,352	12.27%	(a)	Source: 6/15/07 and 6/18/07 DMG
LPPS -> ECPS	7,106,709	18.03%	(b)	
LPPS -> FRPS	26,128,611	66.30%		
Production -> FRPS	1,336,444	3.39%		
FRPS Sub-Total	27,465,055	69.69%	(c)	
Total	39,409,116	100.00%		

(*) The post-SSO period is considered representative of post rate case utilization.

During reallocation, FRPS volumes can be redirected to DPS and GPS pools. However, the character of gas is lost when nominated out of a pool.

As a result, potential LPPS use by customers served by DPS and GPS pools must be considered. DTS supply sources are as follows:

Top 80% of End Users 3/06-2/07 Volume				
Interstate Supply	29,433,638	74.16%	of Total Usage	Source: 4/17/07 AMS
Pool Supply	10,258,145	25.84%	of Total Usage	
Total Usage	39,691,783	100.00%		

Applying the Pool Supply percentage above to the total DTS customer usage over the same period of 49,580,792 Mcf yields an adjusted figure of 12,813,910

Per a 6/18/07 e-mail from A. Sanabria, non-interstate GPS pool supplies over the same period were 3,458,954 Mcf

Adding FRPS pool customer usage to the DTS and GPS Pool Supply yields the potential market for LPPS volumes initially allocated to FRPS pools.

GPS Pool Supply	3,458,954	6.05%		Source: 6/15/07 DMG
FRPS Pool Usage	40,897,027	71.54%		
Non-DTS Sub-Total	44,355,981	77.59%	(d)	
DTS Pool Supply	12,813,910	22.41%	(e)	
Total	57,169,891	100.00%		

Gathering function costs can thus be allocated to the following general classes:

									COS Allocator #9 Gathering Throughput
			Throughput (from LJR)			LP Share			
SSO/ECPS									
SSO	12.27%	From (a) above	GSS	143,308,810	94.1%	30.31%	39,409,116		11,236,676
ECPS	18.03%	From (b) above	LVGSS	8,994,840	5.9%	30.31%	39,409,116		705,365
Sub-Total - SSO/ECPS	30.31%	Sum of above (Allocate to GSS/ECPS and LVGSS/LVECTS classes on the basis of test year volumes)							
GTS/TSS									
FRPS	69.69%	From (c) above							
Non-DTS % of Market	77.59%	From (d) above							
GTS/TSS Share	54.07%	Product of above						GTS/TSS	21,309,109
DTS									
FRPS	69.69%	From (c) above							
DTS % of Market	22.41%	From (e) above							
DTS Share	15.62%	Product of above						DTS	6,155,946
Total	100.00%							TOTAL	39,409,116

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The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
OTHER REVENUES (WORK PAPER WPE-3.2c)

Item	System Total	Rate Schedule/Class: GSS/ECTS	LVGSS/LVECTS	GTS/TSS/FRTS	DTS/Off-System	Storage	Allocation Factor Description
Revenue from Storing Gas of Others (FSS)	$10,127,566					$10,127,566	Allocate the entire amount to the Storage Service class
Pooling Fees/Pool-to-Pool Trades	$7,511,274	$5,015,806	$314,812	$1,691,969	$488,684		SSO/Energy Choice - Multiply $0.035 times the volumes in the class GTS/TSS and DTS - Assign on the basis of FRPE/ GPS volumes (to GTS/TSS class) and DPS volumes (to DTS class)
Firm Receipt Point Option/Commodity Exchanges	$2,258,687	$1,969,703	$123,627	$165,357	$0	$0	Allocate on the basis of FIPP rider revenues
Production & Gathering Related Revenues	$15,815,971	$4,517,248	$283,144	$8,553,559	$2,471,020	$0	Allocate on the basis of Gathering Function O&M
Other Gas Revenue - Miscellaneous	$1,662,650	$992,731	$56,184	$25,092	$0	$586,643	Allocate on the basis on Storage Function O&M
Energy Choice Switching Fees	$852,160	$850,948	$1,212				Allocate within the SSO/Energy Choice (GSS/ECTS and LVGSS/LVECTS) using number of customers
Standby Service Charge	$387,516			$387,516			Allocate the entire amount to the GTS/TSS class
Supply Management Fee	$60,000				$60,000		Allocate the entire amount to the DTS class
Remaining Components	$806,006	$463,640	$28,472	$164,453	$159,441	$0	Allocate on the basis of test year volumes
Total	$39,285,031 $39,285,030.80	$13,694,079	$809,451	$10,987,946	$3,179,146	$10,714,409	Note: This total excludes Non-Regulated Gas Sales, which will be set to zero in the revenue annualization adjustment.
Non-FSS Revenue Changes Due to GRT Rider Imposition							
Gross Receipts Tax Rider Rate	4.6044%						
Effective GRT Rate	4.4017%						
Non-FSS Revenues	$29,157,465	$13,694,079	$809,451	$10,987,946	$3,179,146	$586,843	
GRT Billed on Non-FSS Revenues	$1,283,432	$598,374	$35,630	$483,659	$139,937	$25,831	
Non-FSS Revenues Net of GRT	$27,874,033	$12,995,704	$773,821	$10,504,287	$3,039,209	$561,012	
Check	($0)	$0	$0	($8)	$0	($0)	
Revenue from Storing Gas of Others (FSS)	$10,127,566	$0	$0	$0	$0	$10,127,566	
GRT Billed on Proposed FSS Revenues	$466,314	$0	$0	$0	$0	$466,314	
Total FSS Revenue Including GRT	$10,593,880	$0	$0	$0	$0	$10,593,880	
Other Revenues Net of GRT	$38,001,599	$12,995,704	$773,821	$10,504,287	$3,039,209	$10,688,578	
Total GRT Billed on Other Revenues	$1,749,746	$598,374	$35,630	$483,659	$139,937	$492,145	
Check	$0	$0	$0	$0	$0	$0	
Increase in FSS Revenue at Proposed Rates							
Increase in Revenues per FSS Rate Design	$429,134	$0	$0	$0	$0	$429,134	
Increase in Associated GRT	$19,759	$0	$0	$0	$0	$19,759	
C-2 Total for Other Income							

Remaining Components		
Misc. Service Revenues	$	304,317
Sales of Products-Extracted	$	151,500
Incidental Gasoline & Oil Sales	$	316,238
Other Gas Rev - Royalties-Nonaffiliated	$	33,951
	$	806,006

Total from Above	$39,285,031
Return to Customers	$11,021,795
Non-Regulated Gas Sales8	$17,162,930
Non-Regulated Gas Sales-7105-Dominion Retail	$5,595,792
Total Other	$73,065,548

Pooling includes: Pooling Fees (including Troy, VPEM, and Retail) & Pool-Pool xfers.

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The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
ADJUSTMENTS TO O&M EXPENSE (WORK PAPER WPE-3.2d)

ITEM	$ Amount	Function/Allocation Basis
Charitable Contributions	-$123,962	Admin/General
Rate Case Expense	$609,872	Admin/General
Work Force Reduction	$653,333	Admin/General
Lobbying Expense Adj.	-$45,850	Admin/General
Advertising Exp. Adj.	-$538,564	Admin/General
Dues/Member. Exp. Adj.	-$47,918	Admin/General
Public Relations Exp. Adj.	-$557,681	Admin/General
Annual Incentive Plan Adj.	$1,102,593	Admin/General
Pension Credit Adj.	$47,708,829	Admin/General
OPEB Adjustment	-$1,732,789	Admin/General
Annualized Wage,Sal,Ben	$1,176,731	Admin/General
Unrecov. Weatherization	$943,623	Customer Accounts
Interest on Cust. Deposits	$721,791	Customer Accounts
GTI Program Funding	$600,000	Distribution (non customer)
Over Recov. Transition	-$682,975	GTS/DTS only
TOTAL O&M Adjustments	**$49,787,053**	

STATUS			Allocation Basis	Throughput GTS	Throughput DTS	Transition Cost GTS	Transition Cost DTS
DONE	Admin/General	48,204,614	Admin/General (Dist.)				
DONE	Weatherization, Deposits	1,665,414	Customer Accounts (Dist)				
DONE	GTI Program Funding	600,000	Dist non-customer O&M				
DONE	Over Recover Transition	(682,975)	GTS/DTS by Mcf in Dist.	51,952,159	50,368,814	($346,772)	($336,203)
	TOTAL	$49,787,053					

July 18, 2007

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
CUSTOMER RELATED ITEMS (WORKPAPER WPE-3.2e)

CUSTOMER RELATED DISTRIBUTION (PLANT)

Services	Source: B-2.1 Distribution
Services All Pressures: (380.01)	13,734,541
Services, Low Pressure: (380.02)	134,429,088
Services, Regulated Pressure: (380.03)	153,014,652
Meters & Regulators	
Meters-Meters (381.01)	69,226,758
Meters - Recording Gauges (381.02)	3,037,403
Meters - Hexagram (381.03)	12,142,200
Meter Installations - Residential (382.01)	20,602,074
Meter installations - Commercial (382.02)	10,247,655
House regulators-Small (383.01)	8,359,907
House regulators-Largel (383.02)	5,097,607
House Regulator Installation (384)	1,033,133
Total Meters and Regulators	129,746,737
Industrial, Customer Related	
M&R Stations-Industrial (375.02)	152,326
Special Services (380.04)	479,145
Industrial M&R-Meters/Gauges (385.01)	1,317,476
Industrial M&R-Other (385.03)	5,257,225
Total Industrial, Customer Related	7,206,173

CUSTOMER RELATED DISTRIBUTION (RESERVE)

Services	Source: B-3 Distribution
Services All Pressures: (380.01)	10,884,630
Services, Low Pressure: (380.02)	82,370,541
Services, Regulated Pressure: (380.03)	60,198,835
Meters & Regulators:	
Meters - Meters: (381.01)	11,904,681
Meters - Recording Gauges (381.02)	(1,703,929)
Meters - Hexagram (381.03)	7,212,718
Meter Installations - Residential (382.01)	1,866,302
Meter installations - Commercial (382.02)	1,112,408
House regulators-Small (383.01)	2,610,258
House regulators-Largel (383.02)	1,955,334
House Regulator Installation (384)	343,644
Total Meters and Regulators	25,301,415
Industrial Customer Related	
M&R Stations-Industrial (375.02)	65,000
Special Services (380.04)	405,078
Industrial M&R-Meters/Gauges 385.01	485,630
Industrial M&R-Other 385.03	2,566,477
Total Industrial Customer Related	3,522,186

CUSTOMER RELATED DEPRECIATION EXP.

Services	Source: B.3.2 Proposed Distr
Services All Pressures: (380.01)	$548,382
Services, Low Pressure: (380.02)	$7,689,344
Services, Regulated Pressure: (380.03)	$6,120,586
Meters & Regulators	
Meters-Meters (381.01)	$1,869,122
Meters - Recording Gauges (381.02)	$110,865
Meters - Hexagram (381.03)	$809,885
Meter Installations - Residential (382.01)	$457,366
Meter installations - Commercial (382.02)	$227,498
House regulators-Small (383.01)	$310,989
House regulators-Largel (383.02)	$189,631
House Regulator Installation (384)	$25,312
Total Meters & Regulators	$4,000,868
Customer Related, Industrial	
M&R Stations (Industrial) (375.02)	$3,382
Special Services (380.04)	$25,874
Industrial M & R Meters & Gauges (385.01)	$31,356
Industrial M & R Other (385.03)	$125,122
Total Industrial	$185,733

CUSTOMER RELATED DISTRIBUTION O&M EXPENSE

Distribution-General Customer Related	Source: C.2.1.3a
Meter and House Regulator Expe. (878)	$11,957,657
Customer Installations Expenses (879)	$1,106,850
Maintenance, Services (892)	$2,794,650
Maintenance,Meters/House Regs. (893)	$861,804
TOTAL	$16,720,961
Distribution-Industrial Customer Related	
M&R Expenses, Industrial (876)	$195,524
M&R Maintenance, Industrial (890)	$156,204
TOTAL	$351,728

July 16, 2007

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
System Load Factor-Capacity/Commodity (WORKPAPER WPE-3.2f)

Dominion East Ohio
System Load Factor

	Total
Apr-06	17,001,180
May-06	13,858,943
Jun-06	12,541,635
Jul-06	10,012,805
Aug-06	10,552,390
Sep-06	10,917,600
Oct-06	20,026,021
Nov-06	24,453,664
Dec-06	29,704,739
Jan-07	37,779,116
Feb-07	45,110,390
Mar-07	28,732,560
Total	260,691,043
Daily	714,222
Peak	2,152,261
Load Factor	**0.33185**

Commodity:	33.185% (= average system load factor)
Excess Capacity:	66.815% (100% minus avg. system L.F.)
Total:	100.000%

July 18, 2007

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Peak Day (Average/Excess Peak Day) Calculation (WORKPAPER WPE-3.2g)

Dominion East Ohio
Test Year - Peak Day
Forecast in MMcf's

Schedule	Throughput	Avg. Daily
GSS/ECTS	143,308.810	392.627
LVGSS/LVECTS	8,994.640	24.643
GTS/TSS	51,952.159	142.335
DTS/Off-System	50,368.814	137.997
Total	254,624.423	697.601

Peak Day Forecast				Requirements	
Design Day (HDD = 78)			COS Allocator #5		COS Allocator #6
Schedule	Res.	Non-Res	Total Peak Day	Avg.	Excess Peak Day
GSS/ECTS	1,350.279	385.911	1,736.191	392.627	1,343.564
LVGSS/LVECTS	18.175	83.583	101.758	24.643	77.115
GTS/TSS	3.799	333.508	337.307	142.335	194.972
DTS/Off-System	-	231.768	231.768	137.997	93.771
Total	1,372.254	1,034.770	2,407.024	697.601	1,709.422

July 18, 2007

The East Ohio Gas Company d/b/a Dominion East Ohio
Case No. 07-0829-GA-AIR
Customer Counts (WORKPAPER WPE-3.2h)

CUSTOMER COUNT ANALYSIS

Line #	Customer Category	GSS/ECTS	LVGSS/LVECTS	GTS/TSS	DTS/Off-System	TOTAL	Source	COS Allocator
1	Total Customers	1,207,801	2,248	2,910	78	1,213,037	LJR	10
2	Low Pressure	838,450	1,682	817	-	840,949	CCS Billing System	13
3	Regulated Pressure	369,351	566	2,093	78	372,088	Line 1 - Line 2	14
4	Industrial Customer	633	148	757	65	1,603	LJR	11
5	Transportation Customers	791,547	1,769	2,910	78	796,304	LJR	12

DEO EXHIBIT 7.0

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service	)	Case No. 07-829-GA-AIR
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of an Alternative Rate Plan for its Gas Distribution Service	)	Case No. 07-830-GA-ALT
In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval to Change Accounting Methods	)	Case No. 07-831-GA-AAM

DIRECT TESTIMONY OF
RONALD EDELSTEIN
ON BEHALF OF
DOMINION EAST OHIO

___ Management policies, practice and organization

_X_ Operating income

___ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other

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Direct Testimony of

Ronald Edelstein

I. WITNESS IDENTIFICATION AND BACKGROUND

Q1. Please state your name, occupation and business address.

A1. My name is Ronald Edelstein. I am employed by the Gas Technology Institute ("GTI") as Director, State Regulatory Programs. My business address is 1700 South Mount Prospect Road, Chicago, Illinois 60618.

Q2. Please summarize your educational background and professional experience.

A2. I graduated from the University of Florida with a BS in Aerospace Engineering (1969), Rensselaer Polytechnic Institute ("RPI") with an MS in Engineering Science: Solid Mechanics (1972), and another MS from RPI in Engineering Science: Environmental Science & Technology (1977). I began my employment with Pratt & Whitney, working as a structural engineer on gas turbines for 8 years. I then joined Planning Research Company as an engineering consultant to the U.S. Department of Energy for three years. My next employment was with the Solar Energy Research Institute, where I worked as a research and development ("R&D") planner for three years. I joined the Gas Research Institute ("GRI") (now Gas Technology Institute or "GTI") in 1983 as an R&D planner. I have also held positions as Director of Planning and Director of Sales. My current position is Director of State Regulatory Programs. I have been on the Technical Advisory Board of the California Institute for Energy Efficiency, the California Research, Development, and Demonstration Working Group to define public interest R&D, and am currently serving on the Tennessee Home Energy Conservation Task Force focusing on making natural gas more affordable for low-income consumers.

Q3. Have you previously filed testimony before any regulatory commission?

A3. Yes. I have filed testimony before regulatory commissions in the states of Georgia, Kansas, Massachusetts, Michigan, Missouri, Oklahoma, Tennessee, and Virginia.

II. PURPOSE OF TESTIMONY

Q4. What is the purpose of your testimony?

A4. The purpose of my testimony is to summarize the history of GTI and its predecessor GRI, to describe the benefits that natural gas consumers receive from GTI-funded R&D, and to explain why I believe it is reasonable for the Public Utilities Commission of Ohio ("Commission") to allow The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") to make a $600,000 adjustment to test year operations and maintenance ("O&M") expense to fund GTI-sponsored R&D that will directly benefit DEO's customers. These benefits include increased safety, enhanced deliverability, contained costs for distribution O&M, enhanced environmental quality, greater system integrity, and lower energy use and energy bills through high efficiency appliances and equipment

III. HISTORY AND MISSION OF GTI

Q5. What is GTI?

A5. GTI is a not-for-profit corporation and a leading research, development and training organization serving energy markets. GTI's customers include energy industry companies, equipment manufacturers, government agencies and other organizations. Natural gas local distribution companies ("LDCs") and pipeline companies, in agreement with the Federal Energy Regulatory Commission ("FERC"), formed GRI (the predecessor of GTI) in 1977 in the midst of natural gas curtailments and a predicted gas supply shortage. GRI's mission was to plan, manage, and develop financing for a cooperative R&D program addressing improvements in production, transport, storage, and end use of gaseous fuels for the mutual benefit of the natural gas industry and its present and future customers.

Q6. How is GTI funded?

A6. From the time GTI was established in 1977 until recently, GTI was funded through a FERC-authorized surcharge on gas transported over the interstate pipelines. DEO customers have historically supported GTI R&D through upstream suppliers' prices which were in turn charged under DEO's retail cost of gas. The FERC discontinued that charge in mid-2004 and has transferred the funding authority to states. Thus, GTI no longer collects FERC-approved funds, but relies instead on state-based approval of R&D surcharges.

IV. GTI RESEARCH AND DEVELOPMENT

Q7. In what areas does GTI focus its R&D efforts ?

A7. GTI's focus has been on increased-efficiency, lower-emissions equipment for traditional end uses such as residential/commercial space heating and water heating equipment and industrial process heating, steam production, drying, and combined heat and power applications

Q8. What results has GTI had with its research into residential space heating?

A8. Prior to GTI, typical home furnace efficiency was in the range of 60% to 70%. With the introduction of the 96%+ efficiency fully condensing pulse combustion furnace in the 1980's, GTI encouraged manufacturers to develop options for the fully condensing furnace. Today, condensing furnaces with over 90% efficiency account for about 25% of residential furnace sales; the pulse combustion furnace and its derivatives are still the most efficient furnaces on the market.

Q9. How has GTI's research in the area of fully condensing furnaces benefited residential consumers in Ohio?

A9. In Ohio, between 1995 and 2000, over 388,000 fully condensing furnaces were sold to residential consumers. These have benefited Ohio consumers who purchased the devices by net present value of savings of $743 per furnace, even taking into account the higher capital cost of the more-efficient furnaces, compared to a 78% efficient gas furnace. This has saved Ohio residential consumer over $288 million dollars, net present value. Additionally, in 2002 alone over 4 Bcf of reduction in gas load was achieved, resulting in savings to all Ohio consumers because of reduction in gas demand.

Q10. How do these savings compare to the cost of the GTI R&D program during the period when GTI R&D was funded with a FERC surcharge?

A10. Over the same time period, 1995 – 2000, the entire GTI FERC R&D program cost all Ohio residential gas customers $17.10 per customer for the six years indicated, or about $43 million. The benefit-to-cost ratio of just one GTI-developed technology, then, compared to the entire cost of the R&D program, was 6.7 to 1. As shown in Attachment RE-7.1 of my testimony, nationally, the most recent benefit-to-cost ratio for technologies that GTI developed and brought to the marketplace over the last five years of the FERC program is 8 to 1.

Q11. Have GTI's R&D efforts also benefited commercial customers?

A11. Yes. GTI funding has produced a new generation of natural gas engine-driven, absorption, and desiccant-based cooling systems. First-generation single-effect absorption cooling systems had coefficients of performance ("COPs") of 0.6. A higher COP indicates higher efficiency. The COP for new systems developed in part through GTI funding range from 0.8 to 1.2, producing gas savings as well as lowering peak electric loads. In additional, GTI's funding has led to the development of heat pumps with efficiencies ranging from 100-120% (exceeding even the 96% efficiency of the fully condensing furnaces).

Q12. Has GTI's R&D resulted in products that are used in industrial applications?

A12. Yes. GTI-funded advancements in industrial combustion equipment helped increase efficiency and lower emissions from process heating and boiler steam production facilities. For instance, in 2001, GTI demonstrated oscillating combustion on a forging furnace with a 49% decrease in nitrogen oxide ("NOx") emissions and a 3% decrease in fuel usage, while keeping the average carbon emissions below 100 ppm; this technology has applications to a wide range of high-temperature industrial furnaces.

Q13. How have GTI's efforts contributed to safety?

A13. Typically, as new equipment is developed, systemic gaps can cause problems in the areas of safety and reliability. For example, gas furnace corrosion is dependent on vent system design and installation but, typically, the meter and upstream service is handled by the LDC, the furnace by the manufacturer, and the vent system by the installers. As manufacturers began to offer partially condensing furnace designs with 80% to 90% efficiencies, the heat exchanger and vent system began to experience corrosion problems which did not exist in the lower-efficiency furnaces sold before 1981. GRI designed improved heat exchangers and developed vent installation guidelines that minimized the amount of condensation. GRI also developed furnace installation instructions that are included in every mid-efficiency residential furnace sold in the United States and its vent design procedures have been incorporated into the National Fuel Gas Code.

Q14. Are there other examples of safety-related R&D?

A14. Yes. Other safety-related research resulted in the elimination of "false positives" from carbon monoxide monitors and developed scientific data for acceptable NOx levels for indoor air quality. In 1998, GTI introduced a test methodology to evaluate new water heater designs that could reduce or prevent flammable vapor incidents when flammable liquids are improperly stored adjacent to the heater.

Q15. Has GTI engaged in R&D related to gas transmission and distribution systems?

A15. Yes. GTI research has focused on the fundamentals of polyethylene ("PE") pipe, especially fracture mechanics, failure analysis, and joining integrity in an effort to lower the technical risks and increase the confidence in PE pipe. When GTI was created, plastic pipe comprised about 20% of all new distribution mains; today, non-corroding PE, with a cost of about half that of coated steel pipe, comprises over 90% of all new main installations. In addition, most gas mains and services installed in the 1970s used trenching tools, which tore up the surface and subsurface, increasing restoration costs and risked penetrating near-surface utility lines. Six years of GTI research yielded the first set of guided horizontal boring tools, which are now in general use throughout the gas industry, providing substantial O&M cost savings.

Q16. Has GTI R&D improved operational safety?

A16. Yes. For instance, GTI developed the optical methane detector ("OMD"). This device works by directing a laser beam from a vehicle to quickly and reliably scan streets for methane leakage. Many LDCs conduct required leak inspections by a walking survey; the OMD will allow LDCs to convert to driving surveys with a significant reduction in response time and reduction in labor cost. Although the technology continues to develop, DEO has informed me that it already utilizes OMD to perform leak detection in portions of its service territory. GTI's gas transmission R&D introduced low-NOx controls for reciprocating engines and gas turbines used at large compressor stations.

Q17. In what areas is GTI currently focusing on R&D?

A17. GTI's current R&D efforts include the following areas of research intended to provide cost benefits, improve the environment, and promote system safety and integrity:

- Advanced laser-based drilling and fracturing technologies are in the basic research stage and require a substantial amount of funding to carry them forward.

- Totally new sources of natural gas supply may be required to ensure domestic gas supply security. A vast supply resource may be in natural gas hydrates but DOE's basic research has not yet lowered the technical unknowns and risks to permit even exploratory production.

- Pipeline and distribution integrity requirements will enhance the safety of the natural gas system, but R&D is needed on both pigging technology, that is, nondestructive evaluation ("NDE") techniques, and on direct assessment approaches (as an alternative to pigging or hydrostatic testing). Substantial research is needed to enhance the confidence in current NDE techniques used to inspect natural gas pipelines. A substantial portion of the national pipeline system is not "piggable"; that is, valves, bends, turns, reduced-diameter pipe sections, or other obstructions prohibit internal inspection by moving a mechanical device, or "pig", through the pipe. Further, current NDE tools and technologies can detect pipe wall thinning and circumferential flaws but other types of flaws, such as stress corrosion cracking and axial flaws, are very difficult to detect. Only additional R&D can ameliorate these and other issues such as pipeline coatings lifetime determination and microbiologically influenced corrosion.