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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Authority to Increase Rates
for its Gas Distribution Service.**

Case No. 07-829-GA-AIR

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of an Alternative
Rate Plan for its Gas Distribution Service**

Case No. 07-830-GA-ALT

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval to Change
Accounting Methods**

Case No. 07-831-GA-AAM

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of Tariffs to
Recover Certain Costs Associated with a
Pipeline Infrastructure Replacement
Program Through an Automatic
Adjustment Clause, And for Certain
Accounting Treatment**

Case No. 08-169-GA-ALT

**In the Matter of the Application of The
East Ohio Gas Company d/b/a Dominion
East Ohio for Approval of Tariffs to
Recover Certain Costs Associated with
Automated Meter Reading Deployment
Through an Automatic Adjustment Clause,
and for Certain Accounting Treatment**

Case No. 06-1453-GA-UNC

**OBJECTIONS TO THE PIR STAFF REPORT OF INVESTIGATION
OF THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO**

In accordance with R.C. 4909.19, Rule 4901-1-28 of the Ohio Administrative Code, and
the Entry of July 10, 2008, The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO")
submits its Objections to the Staff Report of Investigation of the Pipeline Infrastructure

Replacement Application in Case No. 08-169-GA-ALT, dated June 12, 2008 ("PIR Staff Report").¹

OBJECTIONS TO THE PIR STAFF REPORT

Objection No. 31: DEO objects to Staff's recommendation that DEO not assume ownership of and responsibility for effectively coated existing customer-owned service lines that are tied into new mains unless these lines are leaking, unsafe, bare steel, ineffectively coated, or copper. Staff's recommendation is more costly, less efficient for DEO, less convenient for ratepayers, does not eliminate any risk of over-recovery, and could pose operational issues. (PIR Staff Report 3.)

Objection No. 32: DEO objects to Staff's failure to recommend that DEO take ownership of and responsibility for a customer-owned service line every time an existing service line is separated from a mainline and a pressure test of the service line is required before the service line can be returned to service. This approach is a quicker and less complicated way for DEO to attain ownership of and responsibility for the maximum number of service lines, which will benefit customers.

Objection No. 33: DEO objects to Staff's failure to recommend how DEO should treat meters that are located in customers' yards rather than next to their houses (i.e., "yard meters"). In situations where an existing service line connected to a yard meter is separated from the mainline, the PIR Staff Report should have instructed and provided cost recovery for DEO (1) to move yard meters from the yard to the appropriate house wall; (2) to replace the house line and

¹ For ease of reference, DEO is continuing the numbering from its Objections to the Staff Report in Case No. 07-829-GA-AIR (consol.) in its Objections to the PIR Staff Report. Thus, these objections begin with Objection No. 31.

curb-to-meter service line if they are steel; and (3) to pressure test, retie, and take ownership of and responsibility for the service lines.

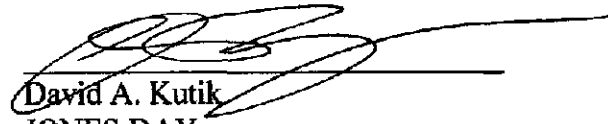
Objection No. 34: DEO objects to Staff's failure to recognize the additional costs associated with new curb-to-meter service line installations and repairs or replacements of existing service lines, including risers, in its calculation of capped charges for the PIR Cost Recovery Charge for General Sales/Energy Choice Transportation Service customers. As noted in paragraph 12 of the Application, DEO's estimated costs of the PIR program did not include the cost associated with those investments because customers would bear such costs if DEO does not assume ownership of and responsibility for curb-to-service meters.

Objection No. 35: DEO objects to Staff's failure to recognize in its calculation of capped charges for the PIR Cost Recovery Charge for General Sales/Energy Choice Transportation Service customers that the cost estimates submitted by DEO in support of the estimated rider charges were stated in 2007 dollars. To the extent that the capped charges do not take into account the effects of inflation on program costs, such charges will limit annual expenditures, lengthen the duration of the program, or both.

Objection No. 36: DEO objects to Staff's failure to recommend inclusion of all ongoing pipeline infrastructure investment as part of the PIR program. DEO understands and appreciates the fact that Staff's proposed capped charges may accommodate the inclusion of a portion of those investments in the PIR Cost Recovery Charge. However, the exclusion of some or potentially all of DEO's ongoing investments in pipeline replacements and relocations, system improvements, pressure regulation, pipeline integrity and environmental compliance will not

yield the benefits associated with less frequent rate cases that the inclusion of all of those investments would provide.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Objections to the PIR Staff Report of Investigation of The East Ohio Gas Company d/b/a Dominion East Ohio was sent by electronic mail to the following parties on this 25th day of July, 2008.



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