

**FILE**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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PUCO

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-ALT
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 a Automated Meter Reading Deployment through an Automatic Adjustment Clause, And for Certain Accounting Treatment.	)	Case No. 06-1453-UNC

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**JOINT MOTION TO REOPEN THE RECORD, JOINT MOTION FOR WAIVER  
OF CERTAIN REQUIREMENTS OF OHIO ADM. CODE 4901-1-34(B),  
AND JOINT MOTION FOR A PROCEDURAL SCHEDULE  
BY  
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL  
THE CITY OF CLEVELAND,  
OHIO PARTNERS FOR AFFORDABLE ENERGY,  
THE NEIGHBORHOOD ENVIRONMENTAL COALITION, THE  
EMPOWERMENT CENTER OF GREATER CLEVELAND,  
CLEVELAND HOUSING NETWORK, AND THE CONSUMERS  
FOR FAIR UTILITY RATES**

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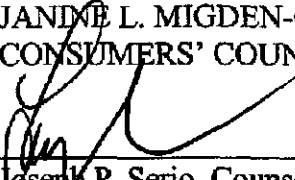
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The Office of the Ohio Consumers' Counsel ("OCC"), the City of Cleveland, the Ohio Partners for Affordable Energy, and a citizens coalition comprised of the Neighborhood Environmental Coalition, the Empowerment Center of Greater Cleveland, the Cleveland Housing Network, and the Consumers for Fair Utility Rates ("Citizens Coalition") (collectively "Joint Advocates"), pursuant to Ohio Adm. Code 4901-1-12 and 4901-1-34(B), on behalf of the 1.1 million residential consumers in the East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company") service territory, moves the Public Utilities Commission of Ohio ("PUCO" or "Commission") to reopen this proceeding in which the PUCO considered a distribution rate increase for DEO. The Commission should reopen the record for the limited purpose of taking additional evidence in the form of the updated cost-of-service study ("COSS") that DEO filed with the PUCO on January 13, 2009. The revised COSS includes an analysis of the implication of straight fixed variable ("SFV") rate design on the residential and non-residential customers of the general sales service ("GSS") customer class, respectively.

In addition, pursuant to Ohio Adm. Code 4901-1-12 and 4901-1-38(B), the Commission should waive the requirement of Ohio Adm. Code 4901-1-34(B) that Joint Advocates' Motion to Reopen the Record be filed prior to the issuance of a final order. Finally, pursuant to Ohio Adm. Code 4901-1-12 the Joint Advocates move the Commission to establish a procedural schedule to hear evidence and arguments, and then rule, on how to deal with the verifiable and quantifiable harm that residential customers are experiencing under the SFV rate design as demonstrated in the revised COSS. The reasons supporting Joint Advocates' Motions are set forth in the attached Memorandum in Support.

Respectfully submitted,

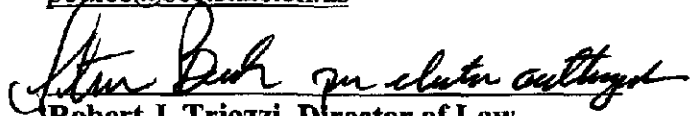
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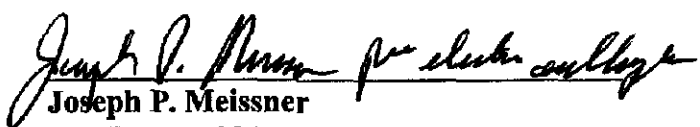
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**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East	)	
Ohio Gas Company d/b/a Dominion East	)	Case No. 07-829-GA-AIR
Ohio for Authority to Increase Rates for its	)	
Gas Distribution Service.	)	
In the Matter of the Application of the East	)	
Ohio Gas Company d/b/a Dominion East	)	Case No. 07-830-GA-ALT
Ohio for Approval of an Alternative Rate	)	
Plan for its Gas Distribution Service.	)	
In the Matter of the Application of the East	)	
Ohio Gas Company d/b/a Dominion East	)	Case No. 07-831-GA-AAM
Ohio for Approval to Change Accounting	)	
Methods.	)	
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	)	Case No. 08-169-GA-ALT
Infrastructure Replacement Program Through	)	
an Automatic Adjustment Clause, And for	)	
Certain Accounting Treatment.	)	
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Ohio for Approval of Tariffs to Recover	)	
Certain Costs Associated with a Automated	)	Case No. 06-1453-UNC
Meter Reading Deployment through an	)	
Automatic Adjustment Clause, And for	)	
Certain Accounting Treatment.	)	

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**MEMORANDUM IN SUPPORT**

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**I. BACKGROUND**

On July 20, 2007, DEO filed a Pre-Filing Notice of its intent to, among other things, increase rates for the natural gas distribution service that is provided through its gas pipelines.

On August 30, 2007, DEO filed its Application ("Application") in these cases ("Rate Case"), to increase the rates that customers pay.

Motions to Intervene were filed by the OCC, Stand Energy Corporation ("Stand"), OP&E, Ohio Energy Group ("OEG"), Interstate Gas Supply, Inc. ("IGS"), the City, the Citizens Coalition, Integrys Energy Services, Inc. ("Integrys"), Dominion Retail, Inc. ("Dominion Retail"), Industrial Energy Users-Ohio ("IEU"), Utility Workers Union of America ("Union"), Ohio Oil and Gas Association ("OOGA"), and Direct Energy Services, LLC. ("Direct").

On September 13, 2007, the Company filed the direct testimony of nine Company witnesses and outside experts. On May 23, 2008, the PUCO Staff filed its Staff Report of Investigation ("Staff Report") and the Report of Conclusions and Recommendations on the Financial Audit by Blue Ridge Consulting Services, Inc. ("Blue Ridge Report").

On August 22, 2008, the parties to the cases entered into a Stipulation and Recommendation ("Stipulation") that settled all issues except for the rate design issue involving the fixed monthly customer charge. One issue of particular concern for the Joint Advocates was the Commission's desire to impose the SFV rate design for the GSS customer class which was comprised of both residential and non-residential customers.<sup>1</sup> One provision in the Stipulation intended to address Joint Advocates' concern stated:

DEO shall evaluate the feasibility of separating the residential and nonresidential GSS/ECTS classes for purposes of rate design and will share with the Signatory Parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.<sup>2</sup>

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<sup>1</sup> Joint Application for Rehearing at 10-11 (November 14, 2008).

<sup>2</sup> Stipulation at 11 (August 22, 2008).

In addition to this provision of the Stipulation, the Commission acknowledged concern with implementation of the SFV rate design when it included in its Opinion and Order ("Order") approval of the above referenced Stipulation provision by stating:

DEO shall evaluate the feasibility of separating the residential and non-residential GSS/ECTS classes for purposes of rate design and will share with the signatory parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.<sup>3</sup>

A Joint Application for Rehearing by the Joint Advocates was filed. On December 19, 2008, the Commission issued its Entry on Rehearing further clarifying its position on the COSS study to be filed by stating:

With regard to the rate design, the Commission adopted the first two years of the modified straight fixed variable (SFV) levelized rate design to decouple DEO's revenue recovery from the amount of gas actually consumed, which was proposed by Staff and DEO. Prior to approval of rates for year three and beyond, the Commission directed DEO to complete the cost allocation study required in the stipulation and to provide it to the Commission for consideration.<sup>4</sup>

On January 13, 2009, DEO filed its updated cost-of-service study.

## **II. THE APPLICABLE LAW**

The Commission has authority to reopen proceedings under certain circumstances. Ohio Adm. Code 4901-1-34 states:

(A) The commission, the legal director, the deputy legal director, or an attorney examiner may, upon their own motion or upon

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<sup>3</sup> Order at 10 (October 15, 2008).

<sup>4</sup> Entry on Rehearing at 2 (December 19, 2008). Although the PUCO made this distinction, the O&O did not provide for a process as to how the Cost of Service Study might be addressed.



motion of any person for good cause shown, reopen a proceeding at any time prior to the issuance of a final order.

(B) A motion to reopen a proceeding shall specifically set forth the purpose of the requested reopening. If the purpose is to permit the presentation of additional evidence, the motion shall specifically describe the nature and purpose of such evidence, and shall set forth facts showing why such evidence could not, with reasonable diligence, have been presented earlier in the proceeding.

While the Commission has already issued an Opinion and Order and an Entry on Rehearing in these cases, Joint Advocates' Motion must be considered in conjunction with its Motion to Waive certain requirements of Ohio Adm. Code 4901-1-34(B).

Pursuant to Ohio Adm. Code 4901-1-38(B), the Commission has the authority to waive certain requirements. Ohio Adm. Code 4901-1-38(B) states:

The commission may, upon its own motion or for good cause shown, waive any requirement, standard, or rule set forth in this chapter or prescribe different practices or procedures to be followed in a case.

In this case the Commission should grant the Joint Advocates' Motion to waive the requirement of Ohio Adm. Code 4901-1-34(B) that the Motion to Reopen the Proceedings be filed prior to the issuance of a final order.

Both Motions should be granted by the Commission because good cause exists for the Commission to waive the regulation that requires a proceeding be reopened "prior to the issuance of a final order" and good cause exists for reopening the record for the limited purpose of admitting the updated COSS into evidence in these cases.

Furthermore, the Commission should establish a procedural schedule to hear evidence and arguments, and then rule, on the inter-class subsidy issues illuminated by DEO's updated COSS filing in order to mitigate the verifiable harm that DEO's residential

customers will be experiencing under the rate design as approved for the GSS class which is presently comprised of residential and non-residential customers.

### **III. ARGUMENT**

#### **A. Good Cause for Granting Motions.**

During the proceedings, Joint Advocates argued that DEO's cost-of-service study did not support charging GSS class customers (residential and non-residential) uniform rates under the SFV rate design.<sup>5</sup> Joint Advocates explained that the GSS class is comprised of non-homogenous residential and non-residential (Commercial and Industrial) consumers with widely varying usage. OCC pointed out that the average residential customer uses 99.1 Mcf per year, the average non-residential customer uses 390 Mcf per year, and the largest consumption in the GSS class is in excess of 5,000 Mcf per year.<sup>6</sup> It was also argued that under the SFV rate design, no user should pay more than their appropriately allocated share of fixed costs; however, the record does not establish that all customers in the GSS class place the same burden on the system. Joint Advocates maintained that, without more detail in the cost-of-service study, it was undetermined who was actually responsible for the fixed costs that are recovered through the SFV rate design. Now that the updated COSS study exists there is unrefuted evidence provided by the Company that supports Joint Advocates' above arguments.

The following results contained in the Updated COSS filed by the Company, on January 13, 2009, demonstrates the harms that Joint Advocates alleged in these cases:

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<sup>5</sup> OCC Initial Brief at 7-8 (September 10, 2008), OCC Reply Brief at 4-5 (September 16, 2008), Joint Application for Rehearing at 9-12 (November 14, 2008).

<sup>6</sup> OCC Initial Brief at 6-7; Tr. Vol. IV at 18 (Murphy) (August 25, 2008).

<b><u>Return of Rate Base Comparison:</u></b> <sup>7</sup>	<b><u>Test Yr.</u></b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
DEO System Total	6.63%	8.48%	8.48%	8.48%
GSS Residential	5.16%	8.13%	8.74%	9.60%
GSS Non-Residential <sup>8</sup>	6.79%	6.13%	3.23%	-0.84%
GSS: Combined	5.45%	7.785%	7.785%	7.785%
LVGSS <sup>9</sup>	7.21%	8.89%	8.89%	8.89%
GTS <sup>10</sup>	13.32%	13.25%	13.25%	13.25%
DTS <sup>11</sup>	5.51%	5.15%	5.15%	5.15%

**GSS Base Rate Revenue Comparison (Million \$):**

	<b><u>Test Yr.</u></b> <sup>12</sup>	<b><u>Year 1</u></b> <sup>13</sup>	<b><u>Year 2</u></b> <sup>14</sup>	<b><u>Year 3</u></b> <sup>15</sup>
Residential	\$213	\$241	\$250	\$261
Non-Residential	\$44	\$39	\$30	\$18
GSS Total	\$257	\$280	\$280	\$280
System Total	\$334	\$354	\$354	\$354

The significant and verifiable harm to residential customers under the existing SFV rate design which is demonstrated by the updated COSS study filed in these cases on January 13, 2009, provides good cause for granting the Joint Advocates' Motion to Reopen. The same good cause for granting the Motion to Reopen is present for the

<sup>7</sup> Updated Cost of Service Study at Attachment 1. (Year 3 Assumes 100% SFV for all Test Year GSS/ECTS Customers (@\$19.46/customer/month) (January 13, 2009).

<sup>8</sup> GSS Non-residential customers includes Commercial and Industrial customers with usage between 300 Mcf and 3,000 Mcf per year.

<sup>9</sup> Large Volume General Sales Service.

<sup>10</sup> General Transportation Service.

<sup>11</sup> Daily Transportation Service.

<sup>12</sup> Updated Cost of Service Study at Schedule E-3.2 Page 4 of 16 (January 13, 2009).

<sup>13</sup> *Id.* at Attachment 2

<sup>14</sup> *Id.* at Schedule E-3.2 Page 5 of 16.

<sup>15</sup> *Id.* at Attachment 3.

Commission to grant the Motion to Waive Certain Requirements of Ohio Adm. Code 4901-1-34(B). Because the updated COSS was filed by DEO after the final order was issued on December 19, 2008, the Commission should hear this important evidence that was not available before the Commission's final order. The Commission has the authority to prescribe different practices or procedures to be followed in a case,<sup>16</sup> and should do so in this case by waiving the deadline under Ohio Adm. Code 4901-1-34(B) and granting the Joint Advocates' Motion to Reopen.

**B. Nature and Purpose of Evidence**

In these cases, the Commission relied on testimony from a DEO witness that the residential customers actually benefited (were subsidized) by the non-residential GSS customers. In the Commission Order it states:

Furthermore, DEO's witness Andrews believes that, if any subsidy is taking place, it is the non-residential customers within the GSS class that are subsidizing the residential customers (Tr. 1 at 235 and 237). In fact, according to Mr. Andrews, the inclusion of the non-residential customers in the GSS class is a benefit to the residential customers because it ends up lowering the costs to serve the GSS class as a whole (Tr. 1 at 219).<sup>17</sup>

In the test year under the traditional rate design, the residential GSS customers were providing slightly less than the overall return and the non-residential GSS customers were providing a slightly higher relative return. However, under the SFV rate design that differential is reversed, in year one, where the residential GSS customers' rate of return increases to 8.13% and the non-residential GSS customers' rate of return plummets to

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<sup>16</sup> Ohio Adm. Code 4901-1-38.

<sup>17</sup> Id.

6.13%. The overall system average return in year one is 8.48%. In year two of the transition under the SFV rate design, the residential GSS customers rate of return increases to 8.74% (meaning that residential GSS consumers are paying rates that result in the Company earning a higher than the system average return) and the non-residential GSS customers rate of return plunges to a mere 3.23% (meaning that the non-residential GSS consumers are paying rates that result in the Company earning far less than the system average return). The overall system average rate of return remained at 8.48%.

The revenue shift is equally dramatic for residential consumers who will be paying a significantly larger portion of the overall rate increase than the PUCO contemplated in its Order absent the updated COSS. The GSS residential distribution base rate increase in year one is \$28 Million whereas the GSS non-residential base rate revenues actually decrease in year one by \$5 million, a total revenue shift of \$33 million that requires that much more to be paid by residential consumers under the PUCO's new rate design. In year two the GSS residential base revenues increase another \$9 million while the GSS non-residential base rate revenues decrease by that same \$9 million, for a total revenue shift of \$51 million.

If the third year was implemented as the Company proposes in its updated cost-of-service study, the residential GSS customers base rate revenues would increase by yet another \$11 million and the non-residential GSS customers base rate revenues would decrease by that same amount, resulting in a total revenue shift of \$73 million. In total the residential base rates from the test year to the third year will have increased \$48 million as a result of the rate case, which is troubling because DEO's entire distribution

rate increase approved by the Commission in these cases was only \$40.5 Million.<sup>18</sup>

There currently exists an inter-class and subsidy issue (e.g. residential GSS customers subsidizing non-residential GSS customers) that should be addressed by the Commission in a timely manner by reopening these proceedings and addressing the rate design before year two rates are scheduled to be implemented.

**C. The Evidence Could Not Have Been Presented Earlier.**

Although Joint Advocates made all the appropriate arguments against the Company's proposal to maintain the GSS class with residential and non-residential customers,<sup>19</sup> the data and information necessary to confirm Joint Advocates' position was in the sole possession of the Company. At the time the Commission issued its Opinion and Order approving the SFV rate design, the only cost of service study available was the study that DEO had performed at the time of its Application that supported the rate design DEO proposed in its Application. The rate design contemplated by the Company proposed to increase the monthly customer charge from \$4.38 to \$5.70 in the West Ohio Division, and proposed no increase to the existing \$5.70 monthly customer charge for the East Ohio Division.<sup>20</sup> Therefore, the existing cost-of-service study did not support the SFV rate design.

The Joint Advocates had argued that an inter-class subsidy would harm residential

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<sup>18</sup> Order at 6, 12.

<sup>19</sup> OCC Initial Brief at 7-8 (September 10, 2008), OCC Reply Brief at 4-5 (September 16, 2008), Joint Application for Rehearing at 9-12 (November 14, 2008).

<sup>20</sup> PFN at Tab 5, Summary of Proposed Rates (July 20, 2007).

customers because the Company had put into its tariff a GSS eligibility limitation of 3,000 Mcf. The eligibility limitation was unnecessary under the traditional rate design because the volumetric rate had been high enough to keep high usage customers from migrating to the GSS class. However, under the SFV rate design, with its significantly decreasing volumetric rate, without the eligibility limitation, Commercial and Industrial customers would have the incentive to migrate to the GSS tariff because the higher fixed customer charge would be more than offset by lower volumetric rates.<sup>21</sup> The total extent of the harm to residential customers could not be accurately quantified without an updated COSS that segregated the residential and non-residential GSS customers.

It was not until the updated COSS was filed by DEO that the inter-class subsidy harm to DEO's residential customers that the Joint Advocates had alleged in these cases was actually proven. The SFV rate design caused an inter-class subsidy (GSS non-residential subsidized by GSS residential) that was not documented by the existing cost-of-service study. Therefore, the Commission should reopen the record and admit the updated COSS into evidence in these cases.

The PUCO has not explained why it is just and reasonable to have low-volume residential users subsidize high-volume Commercial and Industrial customers and high-use residential customers, especially considering that in the GSS/ECTS classes the highest use customers are Commercial and Industrial customers, who use up to 30 times the natural gas that the average residential customer uses.<sup>22</sup> As the Joint Advocates had argued in their Application for Rehearing, the goal of rate design should be to eliminate

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<sup>21</sup> Tr. Vol V at 35-38 (Radigan) (August 26, 2008).

<sup>22</sup> Based on average residential usage of 99.1 Mcf per year (Tr. Vol. IV (Murphy) at 17-18 (Aug. 25, 2008), and proposed maximum GSS class customer usage of 3,000 per year.

inter-class subsidies to the maximum extent possible, not create them.<sup>23</sup> The updated COSS clearly demonstrates the SFV rate design for DEO's consolidated GSS customer class is unjust and unreasonable.

**D. Procedural Schedule Should Be Established**

The Commission should promptly establish a procedural schedule (e.g. 45 days) that will allow for an appropriate review of the applicable year two rates (to be effective October 16, 2009) for the GSS residential and non-residential customers in light of the updated COSS filed on January 13, 2009.<sup>24</sup> The Joint Advocates advocated for a new class cost-of-service study which was intended to separate the customers in the GSS class into more homogeneous groups. The Commission ordered the updated COSS, and the Company has performed and filed the study. The results of the updated COSS demonstrate a significant shift (for paying revenues to the Company) away from the GSS non-residential customers and to the GSS residential customers who will be more to the Company beginning in year one of the newly approved rates. The revenue shift creates an unreasonable inter-class subsidy that the Commission should remedy so as to protect consumers.

The Commission should rectify the injustice to residential consumers in the Order by proceeding without undue delay to develop a schedule under which the updated COSS will be evaluated and heard as evidence. The Commission's Order stated:

Therefore, the Commission is approving the first two years of this transition, however, prior to approval of rates for rates of the third year and beyond the Commission believes that a review of the cost

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<sup>23</sup> Joint Application for Rehearing at 9-10 (November 14, 2008).

<sup>24</sup> Entry at 2 (October 15, 2008) (DEO's year one GSS rates were effective when filed on October 16, 2008).



allocation methodologies for the GSS/ECTS classes is appropriate. Therefore, DEO is directed to complete the cost allocation study required in the stipulation within 90 days of this order. Upon completion, DEO should submit a report and recommendation regarding whether the GSS/ECTS classes are appropriately comprised of both residential and non-residential customers or whether the classes should be split. DEO shall also provide, if the recommendation is to split the classes, a recommended cost allocation per class. Upon review of the cost allocation study, the Commission will be establishing a process that will be followed to determine the appropriate rates in year three and beyond, as soon as practicable.<sup>25</sup>

The Commission ordered the updated COSS and before the study was completed - - and the results were available - - had determined that the rates for the first two years were approved. However, now that the results are available, and the harm to residential customers has been quantified, there is good cause for the PUCO to reconsider its approval of year two rates. Instead, the PUCO should establish a procedural schedule to hear evidence regarding the residential and non-residential GSS rates beginning with year two, toward issuing a ruling to remedy the unreasonable inter-class subsidy that exists within the existing GSS rate design and that is prejudicing residential consumers.

#### **IV. CONCLUSION**

For all the reasons stated above, the Joint Advocates' Motion to Reopen the proceedings for the purpose of admitting the Company's updated COSS study into the record should be granted. In addition, the Commission should establish a procedural schedule to hear evidence and issue a ruling so as to mitigate the harm caused to DEO's


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<sup>25</sup> Id. at 25-26.

GSS residential customers that results from the subsidization of the non-residential customers under the SFV rate design.

Respectfully submitted,


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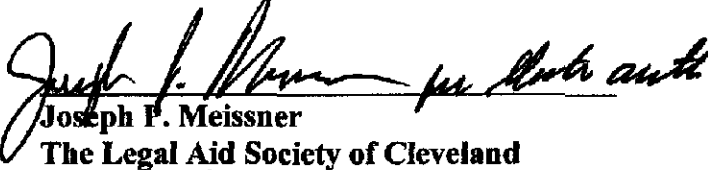
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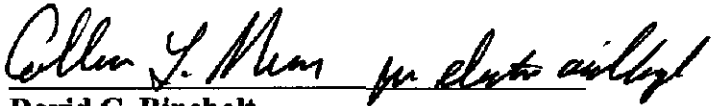


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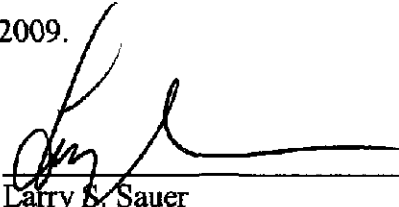
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*The Empowerment Center of Greater*  
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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing *Joint Motion to Reopen the Record, Motion to Waive Certain Requirements of Ohio Adm. Code 4901-1-34(B) and Motion for a Procedural Schedule* has been served upon the below-named counsel via Electronic Mail this 29th day of January 2009.

  
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Assistant Consumers' Counsel

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FILE

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of The  
East Ohio Gas Company d/b/a Dominion  
East Ohio for 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**

**REPORT AND RECOMMENDATION  
OF THE EAST OHIO GAS COMPANY  
D/B/A DOMINION EAST OHIO**

In accordance with the Stipulation and Recommendation filed in the above-captioned cases on August 22, 2008 ("Stipulation"), and the October 15, 2008 Opinion and Order ("Order"), the East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") submits the

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Technician SM Date Processed JAN 14 2009

following report and recommendation, as well as the attached updated cost-of-service study, consisting of the following documents:

- Updated Class Cost of Service Study (Year 2 Rates)
- Attachment 1: Rate of Return Comparison
- Attachment 2: Cost of Service Summary (Year 1 Rates)
- Attachment 3: Cost of Service Summary (Year 3 Rates)
- Attachment 4: Peak Day & Storage Utilization Details

#### **BACKGROUND**

In the Stipulation, DEO agreed to “evaluate the feasibility of separating the residential and non-residential GSS/ECTS classes for purposes of rate design and [to] share with the Signatory Parties the results of the feasibility study before including in its next base rate application a class cost of service study that separately assesses those classes.” (Stip., ¶ 3.R.)

In the Order, the Commission approved the Stipulation and required DEO to submit an updated cost-of-service study. DEO is to “submit a report and recommendation regarding whether the GSS/ECTS classes are appropriately comprised of both residential and non-residential customers or whether the classes should be split.” Order, p. 25. “[I]f the recommendation is to split the classes,” DEO is to provide “a recommended cost allocation per class.” *Id.* The purpose of the study is to aid the Commission in “establishing a process . . . to determine . . . appropriate rates in year three and beyond.” *Id.*

#### **APPROACH TO COST ALLOCATION**

In accordance with the Stipulation and Order, DEO has updated its class cost of service study as follows. First, the figures have been adjusted to match those in the Staff Report, as revised by Staff following the issuance of the December 19, 2008 Entry on Rehearing in this

case. These figures were adopted with two exceptions: (1) DEO used a different formula than Staff for estimating Gross Receipts Tax; and (2) the revenue increase generated by applying approved year 2 rates to the test-year volumes and customer counts resulted in \$40,470,809, which is \$29,191 less than that approved.

Additionally, as requested, the GSS/ECTS class of customers has been broken into residential and non-residential segments. By analyzing the E-4 schedules and supporting work papers, DEO determined volumetric, peak-day (consumption and storage utilization), and customer-count information for both residential and non-residential customers within the GSS/ECTS classes. In developing these files for the rate case, baseload and heating degree day factors were developed for each rate class, and then for residential and non-residential. Updating the study's allocation factors provided insight into the cost to serve both the residential and non-residential segments of the GSS/ECTS class of customers.

#### **RESULTS OF THE UPDATED COST OF SERVICE STUDY**

The original cost of service study performed in this case (updated by the inclusion of a residential/non-residential split of the GSS/ECTS rate class) indicates that, within the GSS/ECTS classes, non-residential customers were subsidizing residential customers as indicated by the relative rates of return on rate base for each class (*i.e.*, 5.16% for GSS residential and 6.79% for GSS non-residential). This cross-subsidization of residential GSS customers would have continued had the Commission approved a continuation of traditional, volumetric rate design.

The rate design approved in this case, consisting of a GSS class that contains both residential and non-residential customers, appears to eliminate this subsidization by non-residential customers within the GSS/ECTS classes. As the mixed GSS class transitions to year 3 rates, the reverse may begin to take place, as it appears residential customers will generate an



increasingly higher return on rate base, while it appears non-residential customers will generate an increasingly lower return on rate base. (See Attachment 1.) This information suggests that a more equitable assignment of costs within the GSS class may result from splitting the class into residential and non-residential customers.

#### **RECOMMENDED COST ALLOCATION PER CLASS**

As noted, the Order directed DEO to recommend a cost allocation per class if it recommended that the GSS class be split into residential and non-residential segments. The attached class cost of service schedules contain the recommended cost allocation under Year 2 rates. Because some costs such as customer service and information, sales, and PUCO and OCC maintenance expenses are allocated to customer classes on the basis of revenue, the final cost allocation will be a function of the rate design authorized by the Commission. DEO recommends that the methodology employed in its average excess allocation model be utilized once the Commission determines the appropriate rate design for DEO's GSS class.

Respectfully submitted,



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## **CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing Report and Recommendation of The East Ohio Gas Company d/b/a Dominion East Ohio was delivered to the following persons by electronic mail this 13th day of January, 2009.



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THE EAST OHIO GAS COMPANY dba DOMINION EAST OHIO  
CASE NO. 07-0828-GA-AIR  
COST OF SERVICE STUDY

Order 3 Months Actual & 9 Months Estimated  
Type of Filing: Revised  
Work Paper Reference No.: WPE-3.2a-h

Schedule E-3.2  
Page(s) 1-9 of 10  
Witness: C. Andrews

ALLOCATION FACTORS

Allocation	Rate	GAS DELIVERED Details (% of GAS DELIVERED)		RATE SCHEDULE		DISTRIBUTION System	Storage	SYSTEM TOTAL
		Residential	Non-Residential	GAS DELIVERED	OTHERS			
INPUT ALLOCATIONS								
1 Total Throughput	Mcf	111,741,482	31,587,328	143,328,810	8,594,840	51,962,159	60,368,614	254,694,423
		77.97%	22.03%	96.3%	3.5%	20.4%	19.6%	100.0%
2 Winter Throughput	Mcf	81,820,392	23,059,558	104,879,950	6,337,343	27,969,353	23,963,124	183,141,848
		78.02%	21.98%	84.3%	3.5%	17.2%	14.7%	100.0%
3 October-April Throughput	Mcf	58,815,328	27,007,886	123,713,181	7,579,839	38,181,235	31,582,258	195,438,633
		78.10%	21.90%	82.0%	3.6%	18.1%	16.0%	100.0%
4 On-System Sales	Mcf	38,807,743	71,103,859	48,141,601.0	1,821,342	0	0	50,962,943
		77.40%	22.60%	98.4%	3.6%	0.0%	0.0%	100.0%
5 Peak Day Requirements	Mcf	1,380,279	365,911	1,738,191	101,758	387,307	231,789	2,407,854
		77.77%	22.23%	72.1%	4.2%	14.0%	9.6%	100.0%
6 Excess Peak Day Requirements	Mcf	1,044,136	289,438	1,343,684.08	77,115	194,972	93,771	1,709,422
		77.71%	22.29%	78.5%	4.6%	11.4%	5.5%	100%
7 Winter Storage Requirement	Mcf	28,816,265	7,592,609	34,208,373.6	2,014,273	1,618,477	-	54,000,300
		77.81%	22.19%	83.4%	3.7%	1.9%	0.0%	100.0%
8 Excess Peak Storage Requirement	Mcf	353,036	100,985	454,024	26,930	14,458	-	722,384
		77.76%	22.24%	62.9%	3.7%	1.4%	0.0%	100.0%
9 Gathering Throughput	Mcf	8,783,078	2,473,598	11,256,676	705,385	21,505,109	8,155,846	39,498,115
		77.87%	21.93%	23.5%	1.6%	64.1%	18.8%	100.0%
10 Number of Customers	# of Customers	1,127,327	80,474	1,207,801	2,248	2,910	78	1,213,037
		88.34%	6.69%	89.6%	0.2%	0.2%	0.0%	100.0%
11 Transportation Customers	# of Customers	732,470	54,077	786,547	1,769	2,910	78	796,284
		89.17%	6.63%	89.4%	0.2%	0.4%	0.0%	100.0%
12 Industrial Customers	# of Customers	-	633	633	148	797	65	1,593
		0.00%	100.00%	39.5%	9.2%	47.2%	4.1%	100.0%
13 Customers, Low Pressure	# of Customers	797,820	50,630	838,450	1,982	817	0	840,949
		89.88%	6.07%	84.7%	0.2%	0.1%	0.0%	100.0%
14 Customers, Regulated Pressure	# of Customers	349,807	32,544	389,351	886	2,038	78	372,085
		88.00%	8.00%	99.3%	0.2%	0.6%	0.0%	100.0%
15 Revenue @ Test Year Rates (excludes EC gas cost/losses \$x)	Whole Dollars	\$702,153,058	\$184,507,587	\$886,672,417	\$37,834,174	\$89,911,215	\$10,878,391	\$1,024,962,133
		76.19%	20.81%	86.5%	3.7%	6.8%	1.1%	100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO  
CASE NO. 07-8829-GAJR  
COST OF SERVICE STUDY

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

Schedule E-3.2  
Page(s) 1-3 of 18  
Witness: C. Andrews

ALLOCATION FACTORS

#		Allocation	Basis	OBJECT'S Details (% of OBJECTS)		OBJECTS	LVOSS/VECTS		RATE SCHEDULE		Storage	TOTAL
				Residential	Non-Residential		OTIS/TOES	OTIS/OT-System				
INPUT ALLOCATIONS												
16	Base Rate Revenue (Test Year)	Whole Dollars	\$213,286,385	\$44,053,287	\$257,339,672	\$0,886,335	\$41,895,124	\$15,081,538	\$10,281,546	\$334,274,866	100.0%	
			82.86%	17.12%	77.0%	3.0%	12.5%	4.5%	3.1%			
17	Non-Tax Rider Revenue (Test Year)	Whole Dollars	\$116,714,894	\$33,618,405	\$150,333,299	\$0,834,007	\$14,337,582	\$4,571,148	\$0	\$176,023,705	100.0%	
			77.58%	22.42%	88.2%	5.4%	8.7%	0.2%	0.0%			
18	Tax-related Rider Revenue (Test Year)	Whole Dollars	\$33,723,600	\$8,828,480	\$42,552,080	\$1,878,137	\$2,786,310	\$1,173,808	\$0	\$46,287,331	100.0%	
			79.07%	20.93%	88.3%	3.5%	6.8%	2.4%	0.0%			
19	Other Revenue (Test Year)	Whole Dollars	\$8,875,488	\$2,382,782	\$11,258,270	\$883,086	\$10,762,189	\$3,178,148	\$884,848	\$24,483,533	100.0%	
			78.84%	21.16%	42.8%	2.9%	40.8%	12.0%	2.2%			
20	Purchased Gas Cost Revenue (25%) (Per Staff report)	Whole Dollars	\$327,581,084	\$85,838,494	\$413,419,578	\$15,888,387	\$0	\$0	\$0	\$438,382,865	100.0%	
			77.40%	22.60%	98.4%	3.8%	0.0%	0.0%	0.0%			
21	Non-Gas Cost Revenue (Test Year)	Whole Dollars	\$374,584,018	\$88,888,088	\$463,472,106	\$21,848,777	\$88,888,088	\$19,885,835	\$10,878,381	\$588,888,381	100.0%	
			80.82%	19.18%	78.1%	3.7%	11.9%	3.4%	1.9%			
22	Uncollectible Expense (Test Year) (PIPP + UER)	Whole Dollars	\$85,638,842	\$27,018,281	\$112,657,123	\$7,888,483	\$10,287,154	\$0	\$0	\$140,852,848	100.0%	
			77.87%	22.13%	87.2%	5.5%	7.2%	0.0%	0.0%			
23	PPR Rider Revenue (Test Year)	Whole Dollars	\$83,357,488	\$17,848,011	\$101,205,499	\$5,084,870	\$8,881,012	\$0	\$0	\$92,888,153	100.0%	
			77.87%	22.13%	87.2%	5.9%	7.3%	0.0%	0.0%			
24	Gas Cost Riders (Test Year)	Whole Dollars	\$23,075,512	\$5,488,144	\$28,563,656	\$1,885,824	\$4,040,428	\$481,148	\$0	\$35,970,756	100.0%	
			78.00%	21.97%	82.2%	5.4%	11.2%	1.2%	0.0%			
25	Revenue @ New Rates (Year 2)	Whole Dollars	\$783,038,382	\$172,847,707	\$955,886,089	\$38,630,827	\$88,488,888	\$19,504,084	\$11,388,872	\$1,085,032,542	100.0%	
			81.32%	18.68%	85.9%	3.0%	6.5%	1.8%	1.1%			
27	Base Rate Revenue @ Year 2 Rates	Whole Dollars	\$588,022,448	\$30,388,854	\$618,411,302	\$10,281,320	\$38,487,045	\$13,883,247	\$10,331,428	\$654,581,014	100.0%	
			88.18%	11.82%	79.10%	2.80%	11.5%	3.95%	2.91%			
28	Gas Cost Rider Revenue (Yr 2 rates)	Whole Dollars	\$21,988,528	\$8,184,882	\$30,173,410	\$1,885,828	\$3,788,288	\$431,148	\$0	\$24,188,464	100.0%	
			78.03%	21.97%	82.4%	5.4%	10.9%	1.3%	0.0%			
29	Non-Tax Related Rider Rev (Year 2)	Whole Dollars	\$84,123,884	\$28,888,380	\$113,012,264	\$7,878,815	\$18,138,881	\$0	\$0	\$138,484,730	100.0%	
			77.87%	22.13%	87.2%	5.6%	7.3%	0.0%	0.0%			
30	Tax Related Rider Revenue (Year 2)	Whole Dollars	\$88,842,881	\$11,282,707	\$100,125,588	\$2,887,881	\$8,448,888	\$2,040,488	\$881,882	\$110,125,588	100.0%	
			81.88%	18.12%	85.1%	3.9%	7.8%	2.8%	0.7%			

Date: 3 Months Actual & 9 Months Estimated  
 Type of Filing: Revised  
 Work Paper Reference Num.: WFE-3-2a-h

THE EAST OHIO GAS COMPANY 6838 DOMINION EAST OHIO  
 CASE NO. 07-0823-GA-IR  
 COST OF SERVICE STUDY

Schedule E-3.2  
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 Witness: C. Andrews

ALLOCATION FACTORS

# Allocation Basis

INTERNALLY GENERATED ALLOCATIONS

31	CGM @ Current Rates	Whole Dollars	\$39,494,668 84.85%	\$18,026,844 13.34%	\$117,521,612 80.7%	\$3,806,703 2.6%	\$13,035,784 8.9%	\$7,525,003 5.2%	\$3,782,369 2.6%	\$145,674,400 100.0%
32	Gross Plant	Whole Dollars	\$1,213,735,240 93.13%	\$248,424,884 18.80%	\$1,460,160,120 76.2%	\$56,576,916 3.0%	\$226,572,082 11.6%	\$134,457,611 7.0%	\$58,301,436 2.8%	\$1,518,133,960 100.0%
33	Other General Plant	Whole Dollars	\$34,048,039 82.00%	\$7,172,367 17.40%	\$41,218,400 75.3%	\$1,676,330 3.1%	\$6,719,117 12.3%	\$3,390,306 7.3%	\$1,138,462 2.1%	\$54,747,864 100.0%
34	Net Plant	Whole Dollars	\$968,940,132 82.70%	\$159,410,514 17.22%	\$208,359,686 75.0%	\$32,339,482 3.0%	\$190,162,061 12.2%	\$78,312,820 7.3%	\$17,604,468 1.7%	\$1,080,786,235 100.0%
35	Rate Base	Whole Dollars	\$387,478,660 80.69%	\$188,478,735 17.35%	\$1,066,126,825 77.3%	\$44,729,780 3.2%	\$181,216,282 11.6%	\$91,246,873 6.8%	\$21,421,786 1.5%	\$1,464,734,300 100.0%

		\$18,026,844	\$117,521,012	\$3,806,103	\$13,035,764	\$7,525,003	\$3,782,389	\$145,676,400
		84.65%	80.7%	2.8%	8.9%	5.2%	2.6%	100.0%
		\$1,213,738,240	\$1,460,163,130	\$56,878,516	\$226,572,002	\$134,457,511	\$38,381,408	\$1,916,133,980
		83.13%	76.2%	3.0%	11.8%	7.0%	2.0%	100.0%
		\$34,046,009	\$41,218,400	\$1,675,230	\$6,710,117	\$5,890,306	\$1,138,482	\$54,743,864
		82.0%	75.3%	3.1%	12.3%	7.3%	2.1%	100.0%
		\$668,840,192	\$808,359,686	\$32,376,432	\$180,182,051	\$78,312,620	\$17,884,488	\$1,066,786,235
		82.75%	75.0%	3.0%	12.2%	7.3%	1.7%	100.0%
		\$887,848,000	\$1,086,126,825	\$44,728,780	\$181,215,282	\$91,240,873	\$21,431,788	\$1,684,736,300
		82.65%	77.3%	3.2%	11.8%	6.8%	1.5%	100.0%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO  
CASE NO. 07-9889-GA-AIR  
COST OF SERVICE STUDY

Schedule E-3.2  
Page 4 of 16  
Witness: C. Andrews

Date: 3 Month's Actual & 9 Month Estimated  
Type of Filing: Revised  
Work Paper Reference Not:

OPERATING INCOME SUMMARY

AT TEST YEAR RATES

	System Total	GSSJECTS Details		GSSJECTS	Rate Schedule/Class		DT/Soft-System	Storage
		Rapiditas	Maxi-twice/annual		LV08SULVECTS	GTS/WTSS		
<b>OPERATING REVENUE (\$):</b>								
Base Rate Revenues	\$334,274,699	\$213,208,366	\$44,053,287	\$257,319,653	\$9,888,536	\$41,635,124	\$15,081,838	\$10,291,548
Gas Cost Revenues	\$438,892,865	\$327,581,034	\$95,628,434	\$423,207,468	\$15,885,397	\$0	\$0	\$0
Gas Cost Rider Revenues	\$35,970,758	\$23,078,612	\$6,488,144	\$29,573,666	\$1,925,824	\$4,040,428	\$431,148	\$0
Non-Tax Related Rider Revenue	\$140,682,949	\$95,639,042	\$27,018,281	\$122,657,323	\$7,698,483	\$10,287,164	\$0	\$0
Tax Related Rider Revenue	\$46,287,331	\$33,729,600	\$8,928,480	\$42,657,080	\$1,675,137	\$2,786,310	\$1,173,805	\$0
Other Revenue	\$28,483,533	\$8,578,488	\$2,382,352	\$11,262,258	\$553,056	\$10,182,188	\$3,178,148	\$586,843
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,024,562,133</b>	<b>\$702,186,050</b>	<b>\$184,507,357</b>	<b>\$888,672,417</b>	<b>\$37,534,174</b>	<b>\$69,811,216</b>	<b>\$18,865,938</b>	<b>\$10,878,391</b>
<b>OPERATING EXPENSES (\$):</b>								
Gas Cost	\$438,892,865	\$327,581,034	\$95,628,434	\$423,207,468	\$15,885,397	\$0	\$0	\$0
Gas Cost Related Riders	\$35,970,758	\$23,078,612	\$6,488,144	\$29,573,666	\$1,925,824	\$4,040,428	\$431,148	\$0
Non-Tax Related Rider Expenses	\$140,682,949	\$95,639,042	\$27,018,281	\$122,657,323	\$7,698,483	\$10,287,164	\$0	\$0
Other Operation and Maintenance Expense	\$48,908,074	\$38,432,720	\$8,222,306	\$46,655,026	\$3,808,193	\$13,035,794	\$7,526,803	\$3,782,358
Depreciation Expense	\$48,287,331	\$33,729,600	\$8,928,480	\$42,657,080	\$3,468,000	\$3,906,448	\$2,303,483	\$86,186
Tax-Related Rider Expense	\$47,561,495	\$30,539,231	\$8,673,593	\$39,212,824	\$1,876,137	\$2,786,310	\$1,173,805	\$0
Other Taxes	\$23,428,810	\$9,298,254	\$3,710,880	\$13,088,144	\$1,594,822	\$5,413,605	\$2,438,782	\$928,351
Federal Income Taxes	\$931,376,688	\$656,784,061	\$171,704,951	\$827,489,011	\$1,034,853	\$8,842,186	\$888,825	\$1,804,021
<b>TOTAL OPERATING EXPENSES</b>	<b>\$931,376,688</b>	<b>\$656,784,061</b>	<b>\$171,704,951</b>	<b>\$827,489,011</b>	<b>\$34,311,270</b>	<b>\$48,126,905</b>	<b>\$14,841,575</b>	<b>\$6,607,826</b>
<b>NET OPERATING INCOME</b>	<b>\$93,185,445</b>	<b>\$46,380,989</b>	<b>\$12,802,416</b>	<b>\$66,183,405</b>	<b>\$3,222,904</b>	<b>\$21,484,310</b>	<b>\$5,024,361</b>	<b>\$4,270,465</b>
<b>RATE BASE</b>	<b>\$1,404,734,308</b>	<b>\$897,848,080</b>	<b>\$188,478,735</b>	<b>\$1,086,128,825</b>	<b>\$44,728,750</b>	<b>\$181,215,262</b>	<b>\$81,240,673</b>	<b>\$21,421,780</b>
<b>RATE OF RETURN - AT CURRENT RATES</b>	<b>6.63%</b>	<b>5.17%</b>	<b>6.79%</b>	<b>5.45%</b>	<b>7.21%</b>	<b>13.33%</b>	<b>5.51%</b>	<b>19.94%</b>
<b>RECOMMENDED RATE OF RETURN</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>	<b>8.72%</b>
<b>REVENUE CONVERSION FACTOR</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>	<b>1.81518</b>
<b>REVENUE DEFICIENCY</b>	<b>\$47,338,783</b>	<b>\$51,514,824</b>	<b>\$5,887,848</b>	<b>\$37,362,370</b>	<b>\$1,694,334</b>	<b>(\$11,994,803)</b>	<b>\$4,736,436</b>	<b>(\$3,880,484)</b>



## OPERATING INCOME SUMMARY

## AT NEW RATES YEAR 21

GSSECTS Details		Rate Schedule/Class	
System Total	Residential Non-residential	GSSECTS LVG88MVECTB	GTBTSS DTSDR-System
			5/1/2018

OPERATING REVENUE (31)			
Base Rate Revenues (Year 2 Rates)	\$354,801,014	\$250,022,449	\$30,365,524
Gas Cost Revenues (per Staff Report)	\$439,882,865	\$327,581,024	\$95,628,434
Gas Cost Rider Revenues	\$34,196,464	\$21,988,630	\$6,184,862
Non-Tax Related Rider Revenues	\$138,424,730	\$94,123,924	\$26,680,300
Tax Related Rider Revenues	\$73,700,070	\$50,842,001	\$11,862,707
Other Revenue	\$25,317,800	\$8,488,846	\$2,277,878
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,065,032,942</b>	<b>\$753,056,952</b>	<b>\$172,947,707</b>
<b>OPERATING EXPENSES (3)</b>			
Gas Cost	\$438,992,866	\$327,581,024	\$95,628,434
Gas Cost Related Riders	\$34,196,464	\$21,988,630	\$6,184,862
Non-Tax Related Rider Expense	\$138,424,730	\$94,123,924	\$26,680,300
Other Operation and Maintenance Expenses	\$145,674,406	\$96,781,342	\$17,808,761
Depreciation Expense	\$48,906,074	\$36,432,720	\$5,222,306
Tax-Related Rider Expense	\$73,700,070	\$50,842,001	\$11,862,707
Other Taxes (Excludes GRT)	\$26,726,877	\$17,267,281	\$3,498,063
Federal Income Taxes	\$39,282,200	\$28,577,882	\$6,861,872
<b>TOTAL OPERATING EXPENSES</b>	<b>\$945,915,498</b>	<b>\$674,584,750</b>	<b>\$166,886,325</b>
<b>NET OPERATING INCOME</b>	<b>\$119,117,450</b>	<b>\$78,471,632</b>	<b>\$6,081,382</b>
<b>RATE BASE</b>	<b>\$1,404,734,308</b>	<b>\$857,848,080</b>	<b>\$188,478,735</b>
<b>RATE OF RETURN - AT PROPOSED RATES</b>	<b>8.49%</b>	<b>9.14%</b>	<b>3.23%</b>
<b>GROSS RECEIPTS TAX RIDER RATE</b>	<b>4.8844%</b>		



THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO  
CASE NO. 07-4834-GA-JAR  
COST OF SERVICE STUDY

Schedule E-3.2  
Page 7 of 16  
Witness: C. Andrews

Costs 3 Months Actual & 9 Months Estimated  
Type of Filing: Revised  
Work Paper Reference No.:

SUMMARY OF OTHER OWN EXPENSES

Account Name	GSS/ECTS Details		RATE SCHEDULES		DISTRIBUTION	
	Real/General	Non-Residential	GSS/ECTS	LVS/SALVECTS	GSS/ECTS/FRTS	DISTRIBUTION
<b>AT TEST YEAR RATES</b>						
700-700 Production & Gathering	\$3,346,288	\$210,207	\$854,233	\$54,865	\$1,893,399	\$822,711
814-837 Storage	\$8,303,983	\$1,101,922	\$4,867,476	\$380,897	\$1,26,305	\$0
860-867 Transmission	\$7,868,787	\$1,217,908	\$3,481,587	\$322,341	\$1,108,113	\$282,638
870-894 Distribution	\$82,854,582	\$8,654,581	\$48,672,574	\$1,597,291	\$8,645,877	\$4,598,879
891-905 Customer Accounts	\$26,441,735	\$1,578,768	\$28,195,980	\$40,872	\$1,67,330	\$31,183
897-910 Customer Service & Information	\$9,414,018	\$1,895,316	\$9,147,040	\$344,878	\$839,811	\$16,288
911-916 Sales	\$482,839	\$330,973	\$88,070	\$17,862	\$3,364	\$8,864
920-925 Administrative & General	\$28,131,288	\$3,481,173	\$22,884,836	\$735,587	\$2,517,347	\$5,128
					\$1,453,273	\$730,413
<b>TOTAL O &amp; M @ CURRENT RATES:</b>	\$145,874,409	\$18,028,844	\$117,527,512	\$3,800,153	\$13,035,784	\$3,782,348

AT NEW RATES (YEAR 2 RATES)

700-700 Production	\$3,346,288	\$210,207	\$854,233	\$54,865	\$1,893,399	\$822,711
814-837 Storage	\$8,303,983	\$1,101,922	\$4,867,476	\$380,897	\$1,26,305	\$0
860-867 Transmission	\$7,868,787	\$1,217,908	\$3,481,587	\$322,341	\$1,108,113	\$282,638
870-894 Distribution	\$82,854,582	\$8,654,581	\$48,672,574	\$1,597,291	\$8,645,877	\$4,598,879
891-905 Customer Accounts	\$26,441,735	\$1,578,768	\$28,195,980	\$40,872	\$1,67,330	\$31,183
897-910 Customer Service & Information	\$9,414,018	\$1,895,316	\$9,147,040	\$344,878	\$839,811	\$16,288
911-916 Sales	\$482,839	\$330,973	\$88,070	\$17,862	\$3,364	\$8,864
920-925 Administrative & General	\$28,131,288	\$3,481,173	\$22,884,836	\$735,587	\$2,517,347	\$5,128
					\$1,453,273	\$730,413
<b>TOTAL O &amp; M @ PROPOSED RATES:</b>	\$145,874,409	\$18,028,844	\$117,527,512	\$3,800,153	\$13,035,784	\$3,782,348
<b>DIFFERENCE</b>						

THE EAST OHIO GAS COMPANY AND DOMINION EAST CO INC  
CASE NO. 02-4630-GAAR  
COST OF SERVICE STUDY

Date: 3 Months Actual & 9 Months Estimated  
Type of Filing: Revised  
Most Recent Reference Year:

Schedule 62.2  
Page 8 of 18  
Witness: C. Andrews

OTHER O&M EXPENSE DETAILS

Account Name	UNDEVELOPED DRAINAGE		RATE SCHEDULES		Storage
	Residential	Non-Residential	UNDEVELOPED DRAINAGE	UNDEVELOPED DRAINAGE	

AT BEST YEAR RATES

780-788 Production & Gathering

814-817 Storage	\$427,045	\$0	\$0	\$0	\$427,045
Other Gas Supply Expenses	\$2,894,920	\$306,292	\$0	\$0	\$3,201,212
Commodity Related (23.11%)	\$2,571,341	\$735,690	\$0	\$0	\$3,307,031
Capacity Related (60.88%)	\$5,281,528	\$1,401,822	\$0	\$0	\$6,683,350
Total Storage	\$8,384,893	\$1,401,822	\$0	\$0	\$9,786,715

820-827 Transmission	\$2,593,148	\$1,121,322	\$0	\$0	\$3,714,470
Commodity Related (23.11%)	\$5,144,559	\$1,401,822	\$0	\$0	\$6,546,381
Capacity Related (60.88%)	\$7,866,787	\$2,127,098	\$0	\$0	\$9,993,885
Total Transmission	\$15,604,494	\$4,650,942	\$0	\$0	\$20,255,436

870-884 Distribution	\$18,720,481	\$18,639,892	\$1,309,284	\$0	\$37,669,657
Customer Related	\$381,728	\$0	\$139,892	\$0	\$521,620
Customer Related-Production	\$466,785	\$0	\$0	\$0	\$466,785
Commodity Related (23.11%)	\$15,325,702	\$8,726,974	\$1,009,292	\$0	\$25,061,968
Capacity Related (60.88%)	\$32,852,509	\$18,451,916	\$2,427,531	\$0	\$53,731,956
Total Distribution	\$67,346,405	\$44,117,782	\$3,776,717	\$0	\$115,240,904

901-905 Customer Accounts	\$22,188,948	\$20,646,895	\$1,466,771	\$0	\$44,292,614
Minor Reading-Customer Records	\$150,554	\$0	\$0	\$0	\$150,554
Locatable Accounts - Meter Tracker	\$0	\$0	\$0	\$0	\$0
AMR Development Expenses	\$4,142,834	\$2,970,488	\$212,045	\$0	\$7,125,367
CSM program, Deposits	\$55,441,733	\$25,277,351	\$1,252,789	\$0	\$81,971,873
Total Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254

907-910 Customer Service & Information	\$9,814,016	\$6,481,728	\$1,898,316	\$0	\$18,194,060
911-916 Sales	\$482,378	\$530,873	\$86,276	\$0	\$1,099,527

920-925 Administration & General

Production Related	\$609,807	\$178,080	\$60,298	\$0	\$848,185
Storage Related	\$1,687,245	\$923,778	\$283,720	\$0	\$2,904,743
Transmission Related	\$1,842,748	\$1,020,136	\$291,478	\$0	\$3,154,362
Distribution Related	\$25,890,583	\$17,082,200	\$2,870,487	\$0	\$45,843,270
Total Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
TOTAL OTHER O & M EXPENSES (at current rates)	\$146,674,408	\$86,464,686	\$117,551,512	\$0	\$340,690,606

Account Name	UNDEVELOPED DRAINAGE		RATE SCHEDULES		Storage
	Residential	Non-Residential	UNDEVELOPED DRAINAGE	UNDEVELOPED DRAINAGE	
780-788 Production & Gathering	\$1,348,128	\$244,016	\$210,297	\$84,286	\$1,894,726
814-817 Storage	\$427,045	\$0	\$0	\$0	\$427,045
Other Gas Supply Expenses	\$2,894,920	\$306,292	\$0	\$0	\$3,201,212
Commodity Related (23.11%)	\$2,571,341	\$735,690	\$0	\$0	\$3,307,031
Capacity Related (60.88%)	\$5,281,528	\$1,401,822	\$0	\$0	\$6,683,350
Total Storage	\$8,384,893	\$1,401,822	\$0	\$0	\$9,786,715
820-827 Transmission	\$2,593,148	\$1,121,322	\$0	\$0	\$3,714,470
Commodity Related (23.11%)	\$5,144,559	\$1,401,822	\$0	\$0	\$6,546,381
Capacity Related (60.88%)	\$7,866,787	\$2,127,098	\$0	\$0	\$9,993,885
Total Transmission	\$15,604,494	\$4,650,942	\$0	\$0	\$20,255,436
870-884 Distribution	\$18,720,481	\$18,639,892	\$1,309,284	\$0	\$37,669,657
Customer Related	\$381,728	\$0	\$139,892	\$0	\$521,620
Customer Related-Production	\$466,785	\$0	\$0	\$0	\$466,785
Commodity Related (23.11%)	\$15,325,702	\$8,726,974	\$1,009,292	\$0	\$25,061,968
Capacity Related (60.88%)	\$32,852,509	\$18,451,916	\$2,427,531	\$0	\$53,731,956
Total Distribution	\$67,346,405	\$44,117,782	\$3,776,717	\$0	\$115,240,904
901-905 Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
Minor Reading-Customer Records	\$150,554	\$0	\$0	\$0	\$150,554
Locatable Accounts - Meter Tracker	\$0	\$0	\$0	\$0	\$0
AMR Development Expenses	\$4,142,834	\$2,970,488	\$212,045	\$0	\$7,125,367
CSM program, Deposits	\$55,441,733	\$25,277,351	\$1,252,789	\$0	\$81,971,873
Total Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
907-910 Customer Service & Information	\$9,814,016	\$6,481,728	\$1,898,316	\$0	\$18,194,060
911-916 Sales	\$482,378	\$530,873	\$86,276	\$0	\$1,099,527
920-925 Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
Production Related	\$609,807	\$178,080	\$60,298	\$0	\$848,185
Storage Related	\$1,687,245	\$923,778	\$283,720	\$0	\$2,904,743
Transmission Related	\$1,842,748	\$1,020,136	\$291,478	\$0	\$3,154,362
Distribution Related	\$25,890,583	\$17,082,200	\$2,870,487	\$0	\$45,843,270
Total Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
TOTAL OTHER O & M EXPENSES (at current rates)	\$146,674,408	\$86,464,686	\$117,551,512	\$0	\$340,690,606

Account Name	UNDEVELOPED DRAINAGE		RATE SCHEDULES		Storage
	Residential	Non-Residential	UNDEVELOPED DRAINAGE	UNDEVELOPED DRAINAGE	

780-788 Production & Gathering	\$1,348,128	\$244,016	\$210,297	\$84,286	\$1,894,726
814-817 Storage	\$427,045	\$0	\$0	\$0	\$427,045
Other Gas Supply Expenses	\$2,894,920	\$306,292	\$0	\$0	\$3,201,212
Commodity Related (23.11%)	\$2,571,341	\$735,690	\$0	\$0	\$3,307,031
Capacity Related (60.88%)	\$5,281,528	\$1,401,822	\$0	\$0	\$6,683,350
Total Storage	\$8,384,893	\$1,401,822	\$0	\$0	\$9,786,715
820-827 Transmission	\$2,593,148	\$1,121,322	\$0	\$0	\$3,714,470
Commodity Related (23.11%)	\$5,144,559	\$1,401,822	\$0	\$0	\$6,546,381
Capacity Related (60.88%)	\$7,866,787	\$2,127,098	\$0	\$0	\$9,993,885
Total Transmission	\$15,604,494	\$4,650,942	\$0	\$0	\$20,255,436
870-884 Distribution	\$18,720,481	\$18,639,892	\$1,309,284	\$0	\$37,669,657
Customer Related	\$381,728	\$0	\$139,892	\$0	\$521,620
Customer Related-Production	\$466,785	\$0	\$0	\$0	\$466,785
Commodity Related (23.11%)	\$15,325,702	\$8,726,974	\$1,009,292	\$0	\$25,061,968
Capacity Related (60.88%)	\$32,852,509	\$18,451,916	\$2,427,531	\$0	\$53,731,956
Total Distribution	\$67,346,405	\$44,117,782	\$3,776,717	\$0	\$115,240,904
901-905 Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
Minor Reading-Customer Records	\$150,554	\$0	\$0	\$0	\$150,554
Locatable Accounts - Meter Tracker	\$0	\$0	\$0	\$0	\$0
AMR Development Expenses	\$4,142,834	\$2,970,488	\$212,045	\$0	\$7,125,367
CSM program, Deposits	\$55,441,733	\$25,277,351	\$1,252,789	\$0	\$81,971,873
Total Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
907-910 Customer Service & Information	\$9,814,016	\$6,481,728	\$1,898,316	\$0	\$18,194,060
911-916 Sales	\$482,378	\$530,873	\$86,276	\$0	\$1,099,527
920-925 Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
Production Related	\$609,807	\$178,080	\$60,298	\$0	\$848,185
Storage Related	\$1,687,245	\$923,778	\$283,720	\$0	\$2,904,743
Transmission Related	\$1,842,748	\$1,020,136	\$291,478	\$0	\$3,154,362
Distribution Related	\$25,890,583	\$17,082,200	\$2,870,487	\$0	\$45,843,270
Total Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
TOTAL OTHER O & M EXPENSES (at current rates)	\$146,674,408	\$86,464,686	\$117,551,512	\$0	\$340,690,606

780-788 Production & Gathering	\$1,348,128	\$244,016	\$210,297	\$84,286	\$1,894,726
814-817 Storage	\$427,045	\$0	\$0	\$0	\$427,045
Other Gas Supply Expenses	\$2,894,920	\$306,292	\$0	\$0	\$3,201,212
Commodity Related (23.11%)	\$2,571,341	\$735,690	\$0	\$0	\$3,307,031
Capacity Related (60.88%)	\$5,281,528	\$1,401,822	\$0	\$0	\$6,683,350
Total Storage	\$8,384,893	\$1,401,822	\$0	\$0	\$9,786,715
820-827 Transmission	\$2,593,148	\$1,121,322	\$0	\$0	\$3,714,470
Commodity Related (23.11%)	\$5,144,559	\$1,401,822	\$0	\$0	\$6,546,381
Capacity Related (60.88%)	\$7,866,787	\$2,127,098	\$0	\$0	\$9,993,885
Total Transmission	\$15,604,494	\$4,650,942	\$0	\$0	\$20,255,436
870-884 Distribution	\$18,720,481	\$18,639,892	\$1,309,284	\$0	\$37,669,657
Customer Related	\$381,728	\$0	\$139,892	\$0	\$521,620
Customer Related-Production	\$466,785	\$0	\$0	\$0	\$466,785
Commodity Related (23.11%)	\$15,325,702	\$8,726,974	\$1,009,292	\$0	\$25,061,968
Capacity Related (60.88%)	\$32,852,509	\$18,451,916	\$2,427,531	\$0	\$53,731,956
Total Distribution	\$67,346,405	\$44,117,782	\$3,776,717	\$0	\$115,240,904
901-905 Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
Minor Reading-Customer Records	\$150,554	\$0	\$0	\$0	\$150,554
Locatable Accounts - Meter Tracker	\$0	\$0	\$0	\$0	\$0
AMR Development Expenses	\$4,142,834	\$2,970,488	\$212,045	\$0	\$7,125,367
CSM program, Deposits	\$55,441,733	\$25,277,351	\$1,252,789	\$0	\$81,971,873
Total Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
907-910 Customer Service & Information	\$9,814,016	\$6,481,728	\$1,898,316	\$0	\$18,194,060
911-916 Sales	\$482,378	\$530,873	\$86,276	\$0	\$1,099,527
920-925 Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
Production Related	\$609,807	\$178,080	\$60,298	\$0	\$848,185
Storage Related	\$1,687,245	\$923,778	\$283,720	\$0	\$2,904,743
Transmission Related	\$1,842,748	\$1,020,136	\$291,478	\$0	\$3,154,362
Distribution Related	\$25,890,583	\$17,082,200	\$2,870,487	\$0	\$45,843,270
Total Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
TOTAL OTHER O & M EXPENSES (at current rates)	\$146,674,408	\$86,464,686	\$117,551,512	\$0	\$340,690,606

780-788 Production & Gathering	\$1,348,128	\$244,016	\$210,297	\$84,286	\$1,894,726
814-817 Storage	\$427,045	\$0	\$0	\$0	\$427,045
Other Gas Supply Expenses	\$2,894,920	\$306,292	\$0	\$0	\$3,201,212
Commodity Related (23.11%)	\$2,571,341	\$735,690	\$0	\$0	\$3,307,031
Capacity Related (60.88%)	\$5,281,528	\$1,401,822	\$0	\$0	\$6,683,350
Total Storage	\$8,384,893	\$1,401,822	\$0	\$0	\$9,786,715
820-827 Transmission	\$2,593,148	\$1,121,322	\$0	\$0	\$3,714,470
Commodity Related (23.11%)	\$5,144,559	\$1,401,822	\$0	\$0	\$6,546,381
Capacity Related (60.88%)	\$7,866,787	\$2,127,098	\$0	\$0	\$9,993,885
Total Transmission	\$15,604,494	\$4,650,942	\$0	\$0	\$20,255,436
870-884 Distribution	\$18,720,481	\$18,639,892	\$1,309,284	\$0	\$37,669,657
Customer Related	\$381,728	\$0	\$139,892	\$0	\$521,620
Customer Related-Production	\$466,785	\$0	\$0	\$0	\$466,785
Commodity Related (23.11%)	\$15,325,702	\$8,726,974	\$1,009,292	\$0	\$25,061,968
Capacity Related (60.88%)	\$32,852,509	\$18,451,916	\$2,427,531	\$0	\$53,731,956
Total Distribution	\$67,346,405	\$44,117,782	\$3,776,717	\$0	\$115,240,904
901-905 Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
Minor Reading-Customer Records	\$150,554	\$0	\$0	\$0	\$150,554
Locatable Accounts - Meter Tracker	\$0	\$0	\$0	\$0	\$0
AMR Development Expenses	\$4,142,834	\$2,970,488	\$212,045	\$0	\$7,125,367
CSM program, Deposits	\$55,441,733	\$25,277,351	\$1,252,789	\$0	\$81,971,873
Total Customer Accounts	\$82,773,015	\$48,894,734	\$2,711,505	\$0	\$133,379,254
907-910 Customer Service & Information	\$9,814,016	\$6,481,728	\$1,898,316	\$0	\$18,194,060
911-916 Sales	\$482,378	\$530,873	\$86,276	\$0	\$1,099,527
920-925 Administration & General	\$29,930,383	\$19,264,194	\$3,805,983	\$0	\$53,000,560
Production Related	\$609,807	\$178,080	\$60,298	\$0	\$848,185
Storage Related	\$1,687,245	\$923,778	\$283,720	\$0	\$2,904,743
Transmission Related	\$1,842,748	\$1,020,136	\$29		

## OTHER LOW EXPENSE DETAILS

[illegible]

## AT NEW YEAR 2 RATES

[illegible]

## DETECTION EXPERIMENT

DEPRECIATION EXPENSE													
Miles		SYSTEM TOTAL		GSA SUBJECTS Details		GSA SUBJECTS		LIVE SUBJECTS		NATE SCHEDULES		SYSTEM TOTAL	
		Recorded	Revised	Recorded	Revised	Recorded	Revised	Recorded	Revised	Recorded	Revised	Recorded	Revised
RECOGNITION													
Commodity Related	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Commodity Related	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
TOTAL PRODUCTION DEPRECIATION													
STORAGE													
Commodity Related (73.113%)	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Capacity Related (88.887%)	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
TOTAL STORAGE DEPRECIATION													
TRANSMISSION													
Commodity Related (33.088%)	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Capacity Related (65.819%)	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
TOTAL TRANSMISSION DEPRECIATION													
CONSTRUCTION													
Ductwork, Service, Air Pressure	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Low Pressure	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783	\$254,783
Customer, Service, Regulated P.A.	\$1,142,387	\$254,005	\$71,487										



THE EAST OAK GAS COMPANY AND DOWNSIDE EAST OAKS  
CASE NO. 07-8029-01-AM  
COST OF SERVICE STUDY

Date: 2 Months Ago at 8:30 Months Estimated  
Type of Filing: Revised  
Work Paper Retention: None

RATE BASE SUMMARY

	SYSTEM TOTAL	Rate (General)	CONSTRUCTS DEDUCTIONS	CONSTRUCTS	LANDS SUBJECTS	RATE SCHEDULES	OTHER DEDUCTIONS	Storage	Allocation Basis
2000									
TOTAL GAS PLANT IN SERVICE	\$1,918,133,990	\$1,213,728,249	\$246,494,884	\$1,468,463,133	\$36,579,916	\$236,572,407	\$124,407,211	\$38,381,438	See page 10
TOTAL DEPRECIATION RESERVE	\$349,347,745	\$244,758,197	\$107,014,370	\$651,813,487	\$24,203,883	\$69,410,091	\$55,245,181	\$20,675,973	See page 14
TOTAL NET CHMP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
TOTAL WORKING CAPITAL	\$131,898,178	\$94,143,254	\$22,567,837	\$120,761,091	\$6,288,780	\$6,887,889	\$1,431,480	\$389,082	See page 18
LESS: RATE BASE DEDUCTIONS	\$286,050,000	\$170,504,883	\$28,500,284	\$157,005,089	\$6,084,527	\$24,385,408	\$14,488,512	\$4,125,186	See page 22
TOTAL RATE BASE	\$1,662,734,390	\$987,848,949	\$189,478,776	\$1,388,158,825	\$44,728,739	\$161,518,288	\$91,248,873	\$27,617,799	



THE EAST OHIO GAS COMPANY (AIA COMMON EAST OHIO)  
CASE NO. 67-688-0A-4B  
COST OF SERVICE STUDY

Date: 3 Months Actual & 9 Months Estimated  
Type of Plant: Rebuild  
Work Paper Reference No.:

Sheet No. 5-3-3  
Page 15 of 16  
Witness: C. Andrews

GAS PLANT OF SERVICE	GROSS COSTS DOLLARS		RATE COMPONENTS		STORAGE
	Residential	Non-Residential	LG&S&S	OT&S&S	
<b>PRODUCTION</b>					
TOTAL PRODUCTION PLANT	\$80,767,404	\$5,703,874	\$25,880,716	\$14,651,207	\$14,651,207
<b>STORAGE</b>					
Commodity Related (33.113%)	\$27,400,000	\$5,330,153	\$1,411,087	\$714,890	\$11,784,289
Capacity Related (66.887%)	\$53,367,404	\$10,373,721	\$24,469,629	\$1,236,317	\$3,867,918
TOTAL STORAGE PLANT	\$80,767,404	\$15,703,874	\$25,880,716	\$1,236,317	\$15,652,207
<b>GAS STORAGE (UNDERGROUND)</b>					
Commodity Related (33.113%)	\$27,400,000	\$5,330,153	\$1,411,087	\$714,890	\$11,784,289
Capacity Related (66.887%)	\$53,367,404	\$10,373,721	\$24,469,629	\$1,236,317	\$3,867,918
TOTAL GAS STORAGE UNDERGROUND	\$80,767,404	\$15,703,874	\$25,880,716	\$1,236,317	\$15,652,207
<b>TRANSMISSION</b>					
Commodity Related (33.113%)	\$27,400,000	\$5,330,153	\$1,411,087	\$714,890	\$11,784,289
Capacity Related (66.887%)	\$53,367,404	\$10,373,721	\$24,469,629	\$1,236,317	\$3,867,918
TOTAL TRANSMISSION PLANT	\$80,767,404	\$15,703,874	\$25,880,716	\$1,236,317	\$15,652,207
<b>DISTRIBUTION</b>					
Customer Services, All Pressures	\$12,734,541	\$1,714,004	\$3,671,427	\$2,446,813	\$5,118,240
Customer Services, Low Pressure	\$14,429,009	\$1,943,589	\$4,180,874	\$2,700,700	\$5,881,574
Customer Services, Regulated Prod.	\$18,014,652	\$2,413,771	\$5,320,756	\$3,411,254	\$7,732,010
Customer: Meters & Regulators	\$18,014,652	\$2,413,771	\$5,320,756	\$3,411,254	\$7,732,010
Customer Related, Industrial	\$7,204,172	\$964,805	\$2,160,805	\$1,390,400	\$3,551,205
Commodity Related (33.113%)	\$2,404,172	\$326,405	\$750,805	\$483,400	\$1,030,605
Capacity Related (66.887%)	\$4,800,000	\$638,400	\$1,410,000	\$907,000	\$2,520,600
TOTAL DISTRIBUTION PLANT	\$1,230,545,160	\$163,163,404	\$374,163,404	\$244,163,404	\$518,326,808
TOTAL P, S, T & D PLANT	\$1,230,545,160	\$163,163,404	\$374,163,404	\$244,163,404	\$518,326,808
<b>GENERAL PLANT</b>					
Customer Related General Plant	\$1,680,360	\$221,160	\$49,360	\$31,160	\$60,520
Other General Plant:					
Production Plant:	\$2,000,000	\$266,667	\$60,000	\$37,500	\$77,500
Storage Plant:	\$1,000,000	\$133,333	\$30,000	\$18,750	\$38,750
Transmission Plant:	\$1,000,000	\$133,333	\$30,000	\$18,750	\$38,750
Distribution Plant:	\$1,000,000	\$133,333	\$30,000	\$18,750	\$38,750
Sub-Total Other General Plant	\$4,000,000	\$533,333	\$120,000	\$76,250	\$155,000
TOTAL GENERAL PLANT	\$5,680,360	\$754,500	\$169,360	\$106,110	\$212,270
<b>CUSTOMER EQUIPMENT PLANT</b>					
TOTAL PLANT	\$1,236,225,520	\$163,917,904	\$374,332,764	\$244,269,514	\$518,539,078

5 Customer Throughput  
7 Winter Storage Requirements  
8 Customer Peak Storage Requirements  
9 Winter Storage Requirements  
10 Customer Peak Storage Requirements  
11 Total Throughput  
12 Customer Peak Day Requirements  
13 1/2 of Customers  
14 1/2 of Customers, Low Pressure  
15 1/2 of Customers, Regulated Product  
16 1/2 of Customers  
17 Industrial Customers  
18 Total Throughput  
19 Customer Peak Day Requirements  
20 Brown Peak Day Requirements  
21 1/2 of Customers  
22 1/2 of Customers, Low Pressure  
23 1/2 of Customers, Regulated Product  
24 1/2 of Customers  
25 Industrial Customers  
26 Total Throughput  
27 Customer Peak Day Requirements  
28 Brown Peak Day Requirements  
29 1/2 of Customers  
30 1/2 of Customers, Low Pressure  
31 1/2 of Customers, Regulated Product  
32 1/2 of Customers  
33 Industrial Customers  
34 Total Throughput  
35 Customer Peak Day Requirements  
36 Brown Peak Day Requirements  
37 1/2 of Customers  
38 1/2 of Customers, Low Pressure  
39 1/2 of Customers, Regulated Product  
40 1/2 of Customers  
41 Industrial Customers  
42 Total Throughput  
43 Customer Peak Day Requirements  
44 Brown Peak Day Requirements  
45 1/2 of Customers  
46 1/2 of Customers, Low Pressure  
47 1/2 of Customers, Regulated Product  
48 1/2 of Customers  
49 Industrial Customers  
50 Total Throughput  
51 Customer Peak Day Requirements  
52 Brown Peak Day Requirements  
53 Other General Plant

[illegible]





ATTACHMENT 1: SUMMARY OF UPDATED COST OF SERVICE STUDY RESULTS

Table 1 Return on Rate Base Comparison	Test Year	Post Rate Case		
		Year 1 Rates	Year 2 Rates	Year 3 Rates*
DEO: System Total	6.63%	8.48%	8.48%	8.48%
GSS: Residential	5.16%	8.13%	8.74%	9.60%
GSS: Non-Residential	6.79%	6.13%	3.23%	-0.84%
GSS: Combined	5.45%	7.785%	7.785%	7.785%
LVGSS	7.21%	8.89%	8.89%	8.89%
GTS	13.32%	13.25%	13.25%	13.25%
DTS	5.51%	5.15%	5.15%	5.15%

\* Proposed Year 3 rates with common 100% SFV rate for all Test Year GSS/ECTS customers (@ \$19.46/customer/month)

# ATTACHMENT 2: Cost of Service Summary using Year 1 Rates

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO  
CASE NO. 07-4039-GA-AIR  
COST OF SERVICE STUDY

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

Schedule E-3.2  
Page 5 of 18  
Witness: C. Andrews

## OPERATING INCOME SUMMARY

AT NEW RATES (YEAR 1)	GROSS/ECTS Details		Rate Schedule/Class			
	Residential	Non-Residential	GBS/ECTS	LVBS/ECTS	GTS/TS	DTS/OT-System
<b>System Total</b>						<b>Storage</b>
<b>OPERATING REVENUE (\$)</b>						
Base Rate Revenues (Year 2 Rates)	\$354,504,488	\$38,938,531	\$280,421,457	\$10,291,320	\$38,487,045	\$10,331,429
Gas Cost Revenues (per Staff Report)	\$438,882,888	\$85,826,434	\$423,207,458	\$15,885,387	\$0	\$0
Gas Cost Rider Revenue	\$34,186,464	\$8,194,862	\$28,193,362	\$1,835,656	\$3,736,268	\$0
Non-Tax Related Rider Revenue	\$138,424,730	\$26,590,300	\$120,714,224	\$7,578,515	\$10,133,991	\$0
Tax Related Rider Revenue	\$73,700,230	\$12,266,081	\$62,704,869	\$2,807,831	\$6,846,508	\$601,532
Other Revenue	\$25,317,800	\$2,277,878	\$10,758,324	\$533,992	\$10,317,147	\$551,012
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,065,038,587</b>	<b>\$181,884,087</b>	<b>\$826,007,834</b>	<b>\$38,630,627</b>	<b>\$69,486,859</b>	<b>\$11,363,972</b>
<b>OPERATING EXPENSES (\$)</b>						
Gas Cost	\$438,882,888	\$85,826,434	\$423,207,458	\$15,885,387	\$0	\$0
Gas Cost Related Riders	\$34,186,464	\$8,194,862	\$28,193,362	\$1,835,656	\$3,736,268	\$0
Non-Tax Related Rider Expense	\$138,424,730	\$26,590,300	\$120,714,224	\$7,578,515	\$10,133,991	\$0
Other Operation and Maintenance Expense	\$145,874,408	\$17,912,890	\$117,571,128	\$3,804,704	\$13,002,833	\$0
Depreciation Expense	\$48,808,074	\$8,222,305	\$41,856,026	\$948,000	\$3,905,449	\$3,783,348
Tax-Related Rider Expense	\$73,700,230	\$12,266,081	\$62,704,869	\$2,807,831	\$5,845,508	\$501,532
Other Taxes (Excludes GRT)	\$25,317,800	\$2,277,878	\$10,758,324	\$533,992	\$10,317,147	\$551,012
Federal Income Taxes	\$945,916,866	\$170,330,073	\$841,452,459	\$34,554,895	\$48,137,309	\$1,943,870
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,119,119,720</b>	<b>\$11,553,895</b>	<b>\$84,558,475</b>	<b>\$3,975,732</b>	<b>\$21,352,650</b>	<b>\$4,530,370</b>
<b>NET OPERATING INCOME</b>						
RATE BASE	\$1,404,734,309	\$188,478,735	\$1,088,128,825	\$44,728,750	\$181,215,282	\$21,421,780
RATE OF RETURN - AT PROPOSED RATES	8.48%	6.13%	7.750%	8.89%	13.25%	5.15%
<b>GROSS RECEIPTS TAX RIDER RATE</b>	<b>4.8044%</b>					<b>21.15%</b>

**ATTACHMENT 3: Cost of Service Summary using Proposed Year 3 Rates (Common 100% SFV Rate for all GSS/ECTS customers)**

**THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO  
CASE NO. 07-0820-GA-AIR  
COST OF SERVICE STUDY**

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

Schedule E-3.2  
Page 6 of 16  
Witness: C. Andrews

**OPERATING INCOME SUMMARY**

**AT PROPOSED RATES (YEAR 3)**

	GSS/ECTS Details		Rate Schedule Class			
	System Total	Residential	Non-Residential	GSS/ECTS	LVGSS/VECTS	GTS/VECTS
<b>OPERATING REVENUE (1):</b>						
Base Rate Revenues (Year 2 Rates)	\$354,480,891	\$281,878,395	\$18,438,485	\$280,418,850	\$10,291,320	\$39,487,045
Gas Cost Revenues (per Staff Report)	\$438,882,885	\$327,581,034	\$85,828,484	\$423,207,488	\$15,885,397	\$0
Gas Cost Rider Revenue	\$34,198,464	\$21,998,630	\$6,194,882	\$28,183,382	\$1,835,658	\$431,148
Non-Tax Related Rider Revenue	\$138,424,730	\$94,123,924	\$26,590,300	\$120,714,224	\$7,578,515	\$0
Tax Related Rider Revenue	\$73,700,018	\$51,392,499	\$11,312,167	\$62,704,657	\$2,807,831	\$5,845,508
Other Revenue	\$25,317,800	\$8,488,645	\$2,277,879	\$10,768,924	\$633,909	\$10,317,147
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,085,031,787</b>	<b>\$765,562,997</b>	<b>\$160,440,117</b>	<b>\$906,003,114</b>	<b>\$38,630,627</b>	<b>\$59,498,959</b>
<b>OPERATING EXPENSES (2):</b>						
Gas Cost	\$438,882,885	\$327,581,034	\$85,828,484	\$423,207,488	\$15,885,397	\$0
Gas Cost Related Riders	\$34,198,464	\$21,998,630	\$6,194,882	\$28,183,382	\$1,835,658	\$431,148
Non-Tax Related Rider Expense	\$138,424,730	\$94,123,924	\$26,590,300	\$120,714,224	\$7,578,515	\$0
Other Operation and Maintenance Expense	\$145,674,408	\$99,905,383	\$17,885,738	\$117,571,121	\$3,804,708	\$7,512,389
Depreciation Expense	\$48,908,074	\$36,432,720	\$5,222,308	\$41,656,028	\$948,000	\$3,303,403
Tax-Related Rider Expense	\$73,700,018	\$51,392,499	\$11,312,167	\$62,704,657	\$2,807,831	\$5,845,508
Other Taxes (Excludes GRT)	\$28,728,077	\$17,298,224	\$3,439,100	\$20,735,324	\$788,772	\$2,040,480
Federal Income Taxes	\$38,881,807	\$30,701,958	(84,032,840)	\$28,669,118	\$1,410,021	\$781,743
<b>TOTAL OPERATING EXPENSES</b>	<b>\$945,915,042</b>	<b>\$679,432,272</b>	<b>\$162,016,357</b>	<b>\$841,450,628</b>	<b>\$34,684,887</b>	<b>\$14,808,601</b>
<b>NET OPERATING INCOME</b>	<b>\$119,116,725</b>	<b>\$86,130,725</b>	<b>(\$1,578,240)</b>	<b>\$84,552,486</b>	<b>\$3,975,730</b>	<b>\$4,695,483</b>
<b>RATE BASE</b>	<b>\$1,404,734,308</b>	<b>\$897,848,090</b>	<b>\$189,478,736</b>	<b>\$1,086,126,826</b>	<b>\$44,728,750</b>	<b>\$81,216,282</b>
<b>RATE OF RETURN - AT PROPOSED RATES</b>	<b>8.48%</b>	<b>9.60%</b>	<b>-0.84%</b>	<b>7.785%</b>	<b>8.89%</b>	<b>5.16%</b>
<b>GROSS RECEIPTS TAX RIDER RATE</b>	<b>4.8044%</b>					<b>21.15%</b>

**OPERATING REVENUE (3):**

Base Rate Revenues (Year 2 Rates)	\$10,331,429
Gas Cost Revenues (per Staff Report)	\$0
Gas Cost Rider Revenue	\$431,148
Non-Tax Related Rider Revenue	\$0
Tax Related Rider Revenue	\$5,845,508
Other Revenue	\$11,393,972

**OPERATING EXPENSES (3):**

Gas Cost	\$0
Gas Cost Related Riders	\$431,148
Non-Tax Related Rider Expense	\$0
Other Operation and Maintenance Expense	\$7,512,389
Depreciation Expense	\$3,303,403
Tax-Related Rider Expense	\$5,845,508
Other Taxes (Excludes GRT)	\$2,040,480
Federal Income Taxes	\$781,743
<b>TOTAL OPERATING EXPENSES</b>	<b>\$14,808,601</b>
<b>NET OPERATING INCOME</b>	<b>\$4,530,370</b>

<b>RATE BASE</b>	<b>\$81,216,282</b>
<b>RATE OF RETURN - AT PROPOSED RATES</b>	<b>5.16%</b>

**GROSS RECEIPTS TAX RIDER RATE**

<b>GROSS RECEIPTS TAX RIDER RATE</b>	<b>21.15%</b>
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**The East Ohio Gas Company c/o Dominion East Ohio  
Case No. 07-0829-GA-AIR  
PEAK DAY AND STORAGE UTILIZATION INFORMATION FOR COST OF SERVICE STUDY WITH GSSJECTS SPLIT: RESIDENTIAL/NON-RESIDENTIAL**

	Peak Day Throughput	Peak Day Storage Factor	Max Storage Deliverability	Storage Capacity multiplier	Storage Capacity
Residential	1,350,279	34.10%	460,445	51.9	23,897,112
Non-Residential	305,522	34.10%	131,599	51.9	6,899,823
Total GSS	1,736,191		602,041		30,796,935
% Residential	77.725%				

	Year Year	Aug. Daily	Excess
Rate Class	Throughput	Usage	Peak Day
G55/ECT6 Fee	111,547,482	306,141	1,044,138
G55/ECT6 NR	31,587,328	89,468	289,438
TOTAL 2889	143,134,810	395,607	1,333,576

	1995-1996 Period Volumes (Millions)		%	Share of O&E		Peak Day Requirement	%	Share of O&E Deliverability
	GSS - Res	GSS - Non Res		Capacity	Deliverability			
GSS - Res	27,068	27,068	87.2%	3,719,855	1,350,279	92.1%	88,684	
GSS - Non Res	3,933	3,933	12.8%	782,789	568,912	17.9%	19,881	
Total GSS	31,001	31,001	100%	4,502,644	1,919,191	79.9%	108,565	

COS Monthly 7			COS Allocator 8		
Water usage (gallons)			Excess Peak Day Calculation		
	C	D	%	Avg	Excess
Churn - GBS	536,509	26,815,768	49.29%	776,370	303,638
Peak - GBS	181,377	7,682,859	14.06%	50,262	300,968
Non-Peak	680,508	34,200,376	60.65%	226,582	444,034
Total GBS					62,946
			504161		
			BC - Avg.		
			77.805%		
			77.772%		

	1	2	3	4	5
Peak Day Throughput		Peak Day Storage Factor	Max Storage Deliverability	Storage Capacity Multiplier	Storage Capacity
4 Cases	1,736	34.10%	\$62,041	61.9	30,724,035
8 Cases	3,472	34.10%	24,690	51.9	1,800,503

	6	7	8
2. F30MEF30MIN-OUT			
	EFSS	In/Out	Total
C Storage Capacity	12,487,000	4,170,874	16,767,874 From MAG
D Deliverability	240,587	101,728	342,322 EFSS: 6C31.9, In/Out per verified 6C / 51.9

E Storage Capacity:	4,714,203 64 bit words Items 6A, 6B, and 6C above
F Deliverability:	110,537 1.0M bit/sec Items 5A, 5B, and 5D above

Year	Non-Interest Period Volumes (Million)	Share of OIR:		Peak Day Requirements	Share of OIR:	
		%	Capacity		%	Deductibility
1995	128,713	73.0%	3,462,441	1,730,191	79.0%	
1996	133,535	73.0%	3,462,441	1,730,191	80.54%	
1997	215,590	72.0%	3,462,441	1,730,191	81.5%	
1998	215,590	72.0%	3,462,441	1,730,191	81.5%	
1999	369,161	71.0%	3,462,441	1,730,191	81.5%	
2000	467,474	71.0%	3,462,441	1,730,191	81.5%	
2001	467,474	71.0%	3,462,441	1,730,191	81.5%	
2002	467,474	71.0%	3,462,441	1,730,191	81.5%	
2003	467,474	71.0%	3,462,441	1,730,191	81.5%	
2004	467,474	71.0%	3,462,441	1,730,191	81.5%	
2005	467,474	71.0%	3,462,441	1,730,191	81.5%	
2006	467,474	71.0%	3,462,441	1,730,191	81.5%	
2007	467,474	71.0%	3,462,441	1,730,191	81.5%	
2008	467,474	71.0%	3,462,441	1,730,191	81.5%	
2009	467,474	71.0%	3,462,441	1,730,191	81.5%	
2010	467,474	71.0%	3,462,441	1,730,191	81.5%	
2011	467,474	71.0%	3,462,441	1,730,191	81.5%	
2012	467,474	71.0%	3,462,441	1,730,191	81.5%	
2013	467,474	71.0%	3,462,441	1,730,191	81.5%	
2014	467,474	71.0%	3,462,441	1,730,191	81.5%	
2015	467,474	71.0%	3,462,441	1,730,191	81.5%	
2016	467,474	71.0%	3,462,441	1,730,191	81.5%	
2017	467,474	71.0%	3,462,441	1,730,191	81.5%	
2018	467,474	71.0%	3,462,441	1,730,191	81.5%	
2019	467,474	71.0%	3,462,441	1,730,191	81.5%	
2020	467,474	71.0%	3,462,441	1,730,191	81.5%	
2021	467,474	71.0%	3,462,441	1,730,191	81.5%	
2022	467,474	71.0%	3,462,441	1,730,191	81.5%	
2023	467,474	71.0%	3,462,441	1,730,191	81.5%	
2024	467,474	71.0%	3,462,441	1,730,191	81.5%	
2025	467,474	71.0%	3,462,441	1,730,191	81.5%	
2026	467,474	71.0%	3,462,441	1,730,191	81.5%	
2027	467,474	71.0%	3,462,441	1,730,191	81.5%	
2028	467,474	71.0%	3,462,441	1,730,191	81.5%	
2029	467,474	71.0%	3,462,441	1,730,191	81.5%	
2030	467,474	71.0%	3,462,441	1,730,191	81.5%	
2031	467,474	71.0%	3,462,441	1,730,191	81.5%	
2032	467,474	71.0%	3,462,441	1,730,191	81.5%	
2033	467,474	71.0%	3,462,441	1,730,191	81.5%	
2034	467,474	71.0%	3,462,441	1,730,191	81.5%	
2035	467,474	71.0%	3,462,441	1,730,191	81.5%	
2036	467,474	71.0%	3,462,441	1,730,191	81.5%	
2037	467,474	71.0%	3,462,441	1,730,191	81.5%	
2038	467,474	71.0%	3,462,441	1,730,191	81.5%	
2039	467,474	71.0%	3,462,441	1,730,191	81.5%	
2040	467,474	71.0%	3,462,441	1,730,191	81.5%	
2041	467,474	71.0%	3,462,441	1,730,191	81.5%	
2042	467,474	71.0%	3,462,441	1,730,191	81.5%	
2043	467,474	71.0%	3,462,441	1,730,191	81.5%	
2044	467,474	71.0%	3,462,441	1,730,191	81.5%	
2045	467,474	71.0%	3,462,441	1,730,191	81.5%	
2046	467,474	71.0%	3,462,441	1,730,191	81.5%	
2047	467,474	71.0%	3,462,441	1,730,191	81.5%	
2048	467,474	71.0%	3,462,441	1,730,191	81.5%	
2049	467,474	71.0%	3,462,441	1,730,191	81.5%	
2050	467,474	71.0%	3,462,441	1,730,191	81.5%	
2051	467,474	71.0%	3,462,441	1,730,191	81.5%	
2052	467,474	71.0%	3,462,441	1,730,191	81.5%	
2053	467,474	71.0%	3,462,441	1,730,191	81.5%	
2054	467,474	71.0%	3,462,441	1,730,191	81.5%	
2055	467,474	71.0%	3,462,441	1,730,191	81.5%	
2056	467,474	71.0%	3,462,441	1,730,191	81.5%	
2057	467,474	71.0%	3,462,441	1,730,191	81.5%	
2058	467,474	71.0%	3,462,441	1,730,191	81.5%	
2059	467,474	71.0%	3,462,441	1,730,191	81.5%	
2060	467,474	71.0%	3,462,441	1,730,191	81.5%	
2061	467,474	71.0%	3,462,441	1,730,191	81.5%	
2062	467,474	71.0%	3,462,441	1,730,191	81.5%	
2063	467,474	71.0%	3,462,441	1,730,191	81.5%	
2064	467,474	71.0%	3,462,441	1,730,191	81.5%	
2065	467,474	71.0%	3,462,441	1,730,191	81.5%	
2066	467,474	71.0%	3,462,441	1,730,191	81.5%	
2067	467,474	71.0%	3,462,441	1,730,191	81.5%	
2068	467,474	71.0%	3,462,441	1,730,191	81.5%	
2069	467,474	71.0%	3,462,441	1,730,191	81.5%	
2070	467,474	71.0%	3,462,441	1,730,191	81.5%	
2071	467,474	71.0%	3,462,441	1,730,191	81.5%	
2072	467,474	71.0%	3,462,441	1,730,191	81.5%	
2073	467,474	71.0%	3,462,441	1,730,191	81.5%	
2074	467,474	71.0%	3,462,441	1,730,191	81.5%	
2075	467,474	71.0%	3,462,441	1,730,191	81.5%	
2076	467,474	71.0%	3,462,441	1,730,191	81.5%	
2077	467,474	71.0%	3,462,441	1,730,191	81.5%	
2078	467,474	71.0%	3,462,441	1,730,191	81.5%	
2079	467,474	71.0%	3,462,441	1,730,191	81.5%	
2080	467,474	71.0%	3,462,441	1,730,191	81.5%	
2081	467,474	71.0%	3,462,441	1,730,191	81.5%	
2082	467,474	71.0%	3,462,441	1,730,191	81.5%	
2083	467,474	71.0%	3,462,441	1,730,191	81.5%	
2084	467,474	71.0%	3,462,441	1,730,191	81.5%	
2085	467,474	71.0%	3,462,441	1,730,191	81.5%	
2086	467,474	71.0%	3,462,441	1,730,191	81.5%	
2087	467,474	71.0%	3,462,441	1,730,191	81.5%	
2088	467,474	71.0%	3,462,441	1,730,191	81.5%	
2089	467,474	71.0%	3,462,441	1,730,191	81.5%	
2090	467,474	71.0%	3,462,441	1,730,191	81.5%	
2091	467,474	71.0%	3,462,441	1,730,191	81.5%	
2092	467,474	71.0%	3,462,441	1,730,191	81.5%	
2093	467,474	71.0%	3,462,441	1,730,191	81.5%	
2094	467,474	71.0%	3,462,441	1,730,191	81.5%	
2095	467,474	71.0%	3,462,441	1,730,191	81.5%	
2096	467,474	71.0%	3,462,441	1,730,191	81.5%	
2097	467,474	71.0%	3,462,441	1,730,191	81.5%	
2098	467,474	71.0%	3,462,441	1,730,191	81.5%	
2099	467,474	71.0%	3,462,441	1,730,191	81.5%	
2100	467,474	71.0%	3,462,441	1,730,191	81.5%	
2101	467,474	71.0%	3,462,441	1,730,191	81.5%	
2102	467,474	71.0%	3,462,441	1,730,191	81.5%	
2103	467,474	71.0%	3,462,441	1,730,191	81.5%	
2104	467,474	71.0%	3,462,441	1,730,191	81.5%	
2105	467,474	71.0%	3,462,441	1,730,191	81.5%	
2106	467,474	71.0%	3,462,441	1,730,191	81.5%	
2107	467,474	71.0%	3,462,441	1,730,191	81.5%	
2108	467,474	71.0%	3,462,441	1,730,191	81.5%	
2109	467,474	71.0%	3,462,441	1,730,191	81.5%	
2110	467,474	71.0%	3,462,441	1,730,191	81.5%	
2111	467,474	71.0%	3,462,441	1,730,191	81.5%	
2112	467,474	71.0%	3,462,441	1,730,191	81.5%	
2113	467,474	71.0%	3,462,441	1,730,191	81.5%	
2114	467,474	71.0%	3,462,441	1,730,191	81.5%	
2115	467,474	71.0%	3,462,441	1,730,191	81.5%	
2116	467,474	71.0%	3,462,441	1,730,191	81.5%	
2117	467,474	71.0%	3,462,441	1,730,191	81.5%	
2118	467,474	71.0%	3,462,441	1,730,191	81.5%	
2119	467,474	71.0%	3,462,441	1,730,191	81.5%	
2120	467,474	71.0%	3,462,441	1,730,191	81.5%	
2121	467,474	71.0%	3,462,441	1,730,191	81.5%	
2122	467,474	71.0%	3,462,441	1,730,191	81.5%	
2123	467,474	71.0%	3,462,441	1,730,191	81.5%	
2124	467,474	71.0%	3,462,441	1,730,191	81.5%	
2125	467,474	71.0%	3,462,441	1,730,191	81.5%	
2126	467,474	71.0%	3,462,441	1,730,191	81.5%	
2127	467,474	71.0%	3,462,441	1,730,191	81.5%	
2128	467,474	71.0%	3,462,441	1,730,191	81.5%	
2129	467,474	71.0%	3,462,441	1,730,191	81.5%	
2130	467,474	71.0%	3,462,441	1,730,191	81.5%	
2131	467,474	71.0%	3,462,441	1,730,191	81.5%	
2132	467,474	71.0%	3,462,441	1,730,191	81.5%	
2133	467,474	71.0%	3,462,441	1,730,191	81.5%	
2134	467,474	71.0%	3,462,441	1,730,191	81.5%	
2135	467,474	71.0%	3,462,441	1,730,191	81.5%	
2136	467,474	71.0%	3,462,441	1,730,191	81.5%	
2137	467,474	71.0%	3,462,441	1,730,191	81.5%	
2138	467,474	71.0%	3,462,441	1,730,191	81.5%	
2139	467,474	71.0%	3,462,441	1,730,191	81.5%	
2140	467,474	71.0%	3,462,441	1,730,191	81.5%	
2141	467,474	71.0%	3,462,441	1,730,191	81.5%	
2142	467,474	71.0%	3,462,441	1,730,191	81.5%	
2143	467,474	71.0%	3,462,441	1,730,191	81.5%	
2144	467,474	71.0%	3,462,441	1,730,191	81.5%	
2145	467,474	71.0%	3,462,441	1,730,191	81.5%	
2146	467,474	71.0%	3,462,441	1,730,191	81.5%	
2147	467,474	71.0%	3,462,441	1,730,191	81.5%	
2148	467,474	71.0%	3,462,441	1,730,191	81.5%	
2149	467,474	71.0%	3,462,441	1,730,191	81.5%	
2150	467,474	71.0%	3,462,441	1,730,191	81.5%	
2151	467,474	71.0%	3,462,441	1,730,191	81.5%	
2152	467,474	71.0%	3,462,441	1,730,191	81.5%	
2153	467,474	71.0%	3,462,441	1,730,191	81.5%	
2154	467,474	71.0%	3,462,441	1,730,191	81.5%	
2155	467,474	71.0%	3,462,441	1,730,191	81.5%	
2156	467,474	71.0%	3,462,441	1,730,191	81.5%	
2157	467,474	71.0%	3,462,441	1,730,191	81.5%	
2158	467,474	71.0%	3,462,441	1,730,191	81.5%	
2159	467,474	71.0%	3,462,441	1,730,191	81.5%	
2160	467,474	71.0%	3,462,441	1,730,191	81.5%	
2161	467,474	71.0%	3,462,441	1,730,191	81.5%	
2162	467,474	71.0%	3,462,441	1,730,191	81.5%	
2163	467,474	71.0%	3,462,441	1,730,191	81.5%	
2164	467,474	71.0%	3,462,441	1,730,191	81.5%	
2165	467,474	71.0%	3,462,441	1,730,191	81.5%	
2166	467,474	71.0%	3,462,441	1,730,191	81.5%	
2167	467,474	71.0%	3,462,441	1,730,191	81.5%	
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E. STORAGE ALLOCATION BY CLASS										
COS Allocated 7					COS Allocated 8					
Vehicle Storage Equipment					Excess Post Day Calculation					
A					B					
Class	Peak Demand	%	Capacity	%	Avail	Excess	%	Excess	%	
CSIS	990,599	69.0%	3,268,376	63.4%	220,522	44,434	52.9%	52,976	63.4%	
LVCSIS	39,880	2.7%	2,014,273	3.7%	19,540	39,880	3.7%	39,880	3.7%	
GTS	17,263	1.2%	1,018,877	1.9%	6,748	16,216	1.4%	16,216	1.4%	
DTB	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%	
SSSEFFSS	342,322	23.7%	18,767,174	31.9%	110,976	235,343	32.0%	32,076	32.0%	
TOTAL	1,060,060	100.0%	64,000,000	100%	337,819	752,961	100.0%	100.0%	100.0%	
					551131					66 - Ann

\* Based on Allocation method between (Vehicle-Class)

**1. CAPACITY VS. COMMODITY BREAKDOWN**

	Capacity	Commodity
Average	387,615 bbl	33.11%
Excess	722,264,108	69.26%
Back	1,000,000	100.0%
Total	1,000,000	100.0%

Average daily storage = 54 Bbl/181 days  
 Total Peak Day storage less average daily storage  
 (1,000,000 bbl - 387,615 bbl = 722,264 bbl)