



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

Janine L. Migden-Ostrander
Consumers' Counsel

FILE

February 19, 2009

Ms. Renee Jenkins, Director
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, Ohio 43215-3793

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PUCO

Re: 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, et al.

Dear Ms. Jenkins:

The Office of the Ohio Consumers' Counsel ("OCC") files this letter to make a recommendation, and to express opposition, regarding the proposed General Sales Service - Low Usage Heat Pilot Program tariff,¹ and the Energy Choice Transportation Service - Low Usage Heat Pilot Program tariff² filed by Dominion East Ohio ("DEO"), on February 18, 2009. The Company has proposed these low usage tariffs which include a 70 Mcf per year limit for non-PIPP customer eligibility.

OCC's concern is that the average DEO residential customer usage is 99.1 Mcf per year. Under the straight fixed variable ("SFV") rate design any customer using less than the average is harmed relative to the traditional rate design. Therefore, the eligibility for these tariffs should be at the average annual usage level, or 99.1 Mcf.

Despite its decision to impose the SFV rate design on residential customers, the Commission expressed a concern with the impact that the change in rate structure would have on some DEO customers, and recognized that some relief was warranted for those customers. Nonetheless, the Opinion and Order did not mention such an eligibility limit. The Commission stated: "DEO, in consultation with staff and the parties, shall establish eligibility qualifications for this program by first determining and setting the maximum low-usage volume projected to result in the inclusion of 5,000 low-income customers who are determined to be at or below 175 percent of the poverty level."³

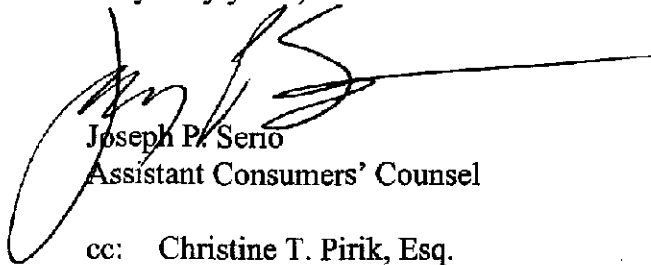
OCC objects to the 70 Mcf limit as being artificial, and internally inconsistent with the PUCO's and Company's argument that low income non-PIPP customers are not harmed by

¹ Original Sheet No. F-GSS-LU1.
² Original Sheet No. F-ECTS-LU1
³ Order at 26-27. (October 15, 2008).

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the SFV rate design. On one hand the PUCO declared the SFV rate design to be a superior option to a revenue decoupling mechanism with a lower fixed customer charge. Yet, on the other hand, the PUCO acknowledged the negative impact that the SFV rate design would have on non-PIPP low-income customers by the approval of the pilot program, a negative impact that is further acknowledged by the 70 Mcf per year use eligibility requirement. To the extent low-income pilot is to have any meaningful impact, the OCC recommended that the program be available for up to 40,000 low-income customers without the 70 Mcf eligibility limits proposed by DEO.⁴

Very truly yours,

A handwritten signature in black ink, appearing to read 'Joseph P. Serio', is written over a horizontal line. The signature is stylized and cursive.

Joseph P. Serio
Assistant Consumers' Counsel

cc: Christine T. Pirik, Esq.
Scott E. Farkas, Esq.
Parties of Record

⁴ OCC Application for Rehearing at 16 (November 14, 2008).