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34

DEO EXHIBIT 1

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio to Adjust its Automated Meter Reading Cost Recovery Charge and Related Matters	)	Case No. 09-38-GA-UNC

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

TABLE OF CONTENTS

Page

Direct Testimony of

Vicki H. Friscic

I. INTRODUCTION

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

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

Q2. Please describe your educational background and work experience.

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

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

A3. My present duties include oversight of DEO's regulatory affairs. In overseeing DEO's regulatory affairs, I am responsible for all of its regulatory filings before the Public Utilities Commission of Ohio ("Commission"). I also act as DEO's principle liaison with the Commission and with other regulatory process stakeholders. In order to represent DEO effectively in that role, I interact with all levels of management across a variety of functional areas to understand the commercial, operational and administrative issues facing the Company.

Q4. Have you previously testified before the Commission?

A4. Yes. I testified on behalf of DEO in Case No. 07-829-GA-AIR, *et al.*, regarding various schedules supporting the Company's application, including those related to working capital calculation, unaccounted-for gas, test year operating income, tax expense, and test year depreciation and amortization expense. I also testified on behalf of the Company in Case No. 05-474-GA-ATA regarding cost recovery through the Transportation Migration Rider – Part B and Energy Choice program costs under DEO's Phase 1 transition plan.

Q5. In your capacity as Director Regulatory & Pricing, are you generally familiar with the Company's books and records?

A5. Yes. I am responsible to prepare and make a variety of financial filings with the regulatory agencies with which I interact. Those filings include financial information derived from DEO's financial records, including the general ledger, annual reports, income statements and balance sheets.

Q6. Are you familiar with DEO's Application to adjust its Automated Meter Reading Cost Recovery Charge ("AMR Charge")?

A6. Yes. I supervised and coordinated the collection of the data and assembly of the schedules supporting the AMR Charge, which were filed as part of DEO's pre-filing notice and Application.

Q7. What is the purpose of your testimony in this proceeding?

A7. The purpose of my testimony is to explain why DEO disagrees with Staff Recommendation No. 1 set forth on page 9 of Staff's comments. This recommendation eliminates the regulatory asset agreed to by the parties and necessary for DEO to recover costs associated with the implementation of AMR equipment. It also is in conflict with the Stipulation and Recommendation ("Stipulation") signed by Staff and approved by the Commission.

I also explain why DEO disagrees with the proposal by the Ohio Consumers' Counsel ("OCC") to exclude adjustments made by DEO to meter reading costs in determination of the baseline level of expense from which meter reading operations and maintenance expense savings were measured.

Q8. Does DEO disagree with any other comments made by Staff or OCC?

A8. No. DEO agrees with Staff's remaining proposals. OCC makes no other proposals in its comments.

II. BACKGROUND

Q9. What is AMR?

A9. AMR refers to equipment associated with a gas meter that allows the meter to be read remotely through electronic means. DEO is currently installing encoder-receive-transmitter ("ERT") devices, a type of AMR device, on all its customers' meters. These devices are read by DEO employees using specialized receivers, while on a meter reading route, or simply while driving past the customer's premises.

Q10. Does AMR benefit customers?

A10. Yes. DEO's customers will realize several benefits from AMR technology, including: (i) cost-effective meter reading as required under the minimum gas service standards; (ii) fewer estimated bills, which in turn will provide a better match between the amount billed and actual gas consumption; (iii) more frequent actual meter reads, which improves accuracy in transferring service and eliminates call volume associated with estimated meter reads; and (iv) less need for DEO to schedule appointments to read meters inside customers' premises, further enhancing convenience for customers. Commission Staff recognized many of these benefits in its report in Case No. 07-829-GA-AIR, *et al.*, which was subsequently signed by the parties and approved by the Commission. *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Staff Report at 42) (May 23, 2008).

Q11. Why did DEO propose an AMR Charge?

A11. DEO proposed an AMR Charge to secure the capital funds necessary to complete AMR installation on a five-year timetable. Absent this charge, DEO would have to fund the program through its normal capital budgeting process, which, in turn, would have meant that a system wide deployment would take fifteen to twenty years. With the AMR Charge, and the ability to deploy AMR technology throughout the Company's system in five years, DEO will achieve the "critical mass" of AMR installations that will yield AMR-related benefits and savings more quickly.

Q12. What Commission approvals are necessary for DEO to implement an AMR Charge.

A12. The process envisioned two steps. First, DEO applied for Commission approval of an automatic adjustment mechanism to recover AMR-related costs, in part through deferral of costs to a regulatory asset comprised of depreciation expense, incremental property tax expense, and post-in-service carrying charges ("PISCC") associated with the AMR assets. The Commission approved this mechanism in its Opinion and Order, dated October 15, 2008. Second, all parties, including DEO, were to negotiate a baseline from which call center and meter reading savings could be calculated to offset the regulatory asset to determine the AMR Charge in Case No. 09-38-GA-UNC. Having been unsuccessful in negotiating a baseline, DEO has applied for approval of a $0.46 AMR Charge under the approved automatic adjustment mechanism. DEO calculated the $0.46 AMR Charge in accordance with the Stipulation, and with appropriate adjustments to meter-reading expenses. There were no call center savings during the applicable time period.

Q13. Is there a dispute regarding the arithmetic accuracy of DEO's calculation of the $0.46 AMR Charge?

A13. No. Both Staff and OCC recommended adjustments from DEO's calculation of a $0.46 AMR Charge but did not dispute $0.46 as a starting point for their amendments.

III. DEO'S OBJECTION TO STAFF RECOMMENDATION NO. 1

Q14. Please describe Staff's Recommendation No. 1.

A14. Staff allowed DEO's deferral of depreciation and property tax expense through December 31, 2008, but proposes eliminating any further deferrals of depreciation expense and property tax expense. Staff suggests that the deferred expenses be amortized over the useful life of the AMR equipment. Staff also recommends that the unamortized balances of deferred depreciation expense and property taxes be included in rate base.

Q15. Why does DEO object to Staff's proposal?

A15. DEO objects to Staff's proposal because it is contrary to DEO's application in Case No. 06-1453-GA-UNC ultimately consolidated with Case No. 07-829-GA-AIR *et* al., contrary to the Staff Report issued in Case No. 07-829-GA-AIR *et al.*, and contrary to the Stipulation signed by Staff and approved by the Commission in Case No. 07-829-GA-AIR *et al.* It seeks to revisit issues that have been agreed to by the parties, and have been resolved and approved by the Commission. Further, it violates key regulatory principles and will ultimately adversely affect not only the Company, but also its customers.

Q16. Why is the Staff's recommendation contrary to the Staff Report, the Stipulation and the Commission order relating to the AMR Charge?

A16. The application, Staff Report, Stipulation signed by Staff, and Commission order approving the Stipulation resolved all issues regarding the method to be used to calculate the AMR Charge. Given that the automatic adjustment mechanism and use of deferrals to accumulate costs to be recovered through the AMR Charge have already been agreed to and approved, the only issues properly for consideration in this proceeding are: (1) the accuracy of calculations included in DEO's application in this case based on the cost recovery mechanism agreed to as part of the Stipulation; and (2) the development of "an appropriate baseline from which meter reading and call center savings will be determined…." *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Stipulation at 10) (August 22, 2008). Staff's proposal is improper because it has nothing to do with either of the issues remaining for consideration in this proceeding. Staff incorrectly seeks to relitigate the agreed to and approved calculation methodology. For this reason alone, Staff's recommendation should be rejected.

Q17. What was the AMR Charge calculation methodology that DEO set forth in its application in Case No. 06-1453-GA-UNC?

A17. DEO's application sought to establish an automatic adjustment mechanism that included: (1) a regulatory asset including depreciation expense, incremental property tax expense, and PISCC earned on AMR capital expenditures; (2) a comparison of the annual meter reading operating and maintenance ("O&M") expense to a 2006 baseline (to determine any savings achieved through the AMR deployment that would be used to reduce the regulatory asset for the benefit of customers); and (3) recovery of the regulatory asset net of the O&M savings through the AMR Charge. *In re DEO AMR*, Case No. 006-1453-GA-UNC, (Application at 6-7) (December 13, 2006). To provide appropriate due process, in February of each year, DEO proposed to file an application to establish the new AMR Charge based upon the costs accumulated through December 31 of the prior year, adjusted for the associated excise tax obligation, and bills rendered over the prior year.

Q18. What recommendations to DEO's application did Staff make in the Staff Report in Case No. 07-829-GA-AIR *et al*?

A18. The Staff Report made four recommendations regarding the AMR Charge calculation methodology. Staff recommended that DEO should: (1) exclude from the AMR Charge the cost of replacing 82,000 obsolete tin case meters; (2) exclude from the AMR Charge the cost of routine maintenance and replacement activities that occur concurrently with AMR replacement; (3) eliminate a charge for non-access to a customer's premises (that would reduce the regulatory asset as proposed in DEO's application); and (4) change the baseline year to measure O&M expense savings from 2006 to 2007. *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Staff Report at 43) (May 23, 2008).

Q19. Did Staff make any proposals to modify DEO's proposed automatic adjustment mechanism, regulatory asset, or determination of the AMR Charge?

A19. No. In fact, the Staff Report unequivocally recognizes that DEO would record the regulatory asset in the manner that Staff now opposes. On page 41 of the Staff Report, it states:

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

Q20. Did the Stipulation amend the AMR Charge calculation methodology proposed by DEO, as amended by the Staff Report?

A20. No. DEO agreed to all four of the Staff Report recommendations. As to all issues resolved by the Stipulation, it expressly adopted all rates, terms, and conditions set forth in the Staff Report and, if the Staff report did not address any such item, it expressly adopted the application. *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Stipulation at 3-4) (August 22, 2008). Regarding the AMR Charge, the Stipulation expressly adopted the recommendations set forth in the Staff Report and agreed that "DEO shall work with Staff and OCC to develop an appropriate baseline from which meter reading and call center savings will be determined and such quantifiable savings shall be credited to amounts that would otherwise be recovered through the AMR Cost Recovery Charge." *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Opinion and Order at 13) (October 15, 2008). Staff did not recommend elimination of DEO's proposed regulatory asset or suggest a change in the amortization period. Staff signed the

Stipulation and thus, agreed to DEO's AMR Charge calculation methodology. The Commission approved the Stipulation.

Q21. How does the approval of the Stipulation affect this proceeding?

A21. It means that all parties - including Staff - have agreed upon DEO's AMR Charge calculation methodology set forth in DEO's application, as amended by the Staff Report. Therefore, as previously stated, the remaining issues for consideration in this proceeding are: (1) the accuracy of DEO's mechanical application of the calculation methodology agreed to as part of the Stipulation; and (2) the development of "an appropriate baseline from which meter reading and call center savings will be determined...." *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Stipulation at 10) (August 22, 2008).

The Staff's proposal does not suggest that DEO deviated from the Stipulated calculation methodology for the AMR Charge. It also does not address the establishment of a baseline. Instead, Staff improperly attempts to reshape the calculation methodology already agreed upon and approved by the Commission. DEO believes the Commission should affirm its order approving the AMR cost recovery mechanism and reject Staff's proposal.

Q22. Does DEO have any other objection to Staff's proposal?

A22. Yes. Staff's proposal results in an annual rate case with additional risk to customers and DEO by effectively eliminating the automatic adjustment mechanism and making it possible that DEO could over or under collect the costs associated with AMR.

Q23. Why do you say that?

A23. Staff's proposal requires DEO to establish annually a new AMR rate base at a date certain and AMR expenses over a test year, much like a traditional rate case. This eliminates several of the prime advantages of an automatic adjustment mechanism. It also creates a more complex process that is likely to result in additional time for all parties, and additional costs for DEO to prosecute the case, to the detriment of all customers.

Q24. Is the AMR Charge calculated in a manner consistent with other DEO cost recovery mechanisms?

A24. Yes. DEO's deferral of AMR costs and calculation of the AMR Charge are consistent with how DEO handles other cost recovery deferrals and rider calculations. The following cost recovery mechanisms are designed to provide a full recovery of all costs incurred in connection with the affiliated programs in the same manner that DEO anticipates fully recovering all costs associated with the AMR program:

- The calculation of the Uncollectible Expense Rider is an example of another automatic adjustment mechanism, which for any given year includes deferred costs that have not yet been recovered from the preceding period(s) plus an estimate of net bad debt expense for the prospective 12 months.
- The calculation of DEO's Transportation Migration Rider - Part B includes previously deferred but unrecovered operational balancing gas costs plus an estimate of contract storage capacity costs for the prospective 12 months.
- The PIPP Rider calculation also includes previously deferred but unrecovered PIPP program costs plus an estimate of PIPP program deferrals for the prospective period during which the new rider will be in effect.

Q25. Does Staff's proposal violate any important regulatory principle?

A25. Yes. Regulatory and accounting principles require that DEO incur expenses and collect revenues during the same time period to the extent possible. Staff's proposal violates the matching principle by causing a time lag between DEO's incurrence of an expense and its receipt of revenues. Further, Staff's proposal applies the matching principle in an inconsistent manner. Specifically, Staff's proposal retains DEO's methodology of crediting operating and maintenance savings to customers over a single year while requiring DEO to amortize deferred depreciation and property tax expense over the life of the AMR assets. Simply put, Staff wants customers to realize within a year any savings achieved but doesn't want customers to pay in the same timeframe for the expenses incurred to achieve those savings. Staff's proposal results in a lopsided mechanism in which all of the savings go to the benefit of the customer but only a portion of the cost is recognized.

Q26. Does the AMR Charge calculation methodology agreed to by the parties to the Stipulation and approved by the Commission resolve the issues raised by Staff's proposal?

A26. Yes. The automatic adjustment mechanism permits DEO to recover actual costs associated with AMR implementation so that there is no over or under collection associated with the AMR Charge. Avoiding over or under collections is a benefit to customers and DEO. The annual deferrals will be offset by O&M savings, including any reductions in call-center and or meter-reading expenses. The deferral of costs associated with AMR capital investments permits DEO to properly match expenses and revenues during the life of the AMR Charge.

Q27. Does the Staff's proposal raise concerns apart from this case?

A27. Yes. Staff agreed to the automatic adjustment mechanism and deferral process. Staff did not propose any alternative in its Staff Report. Staff signed the Stipulation and did not propose any alternative to be included in the Stipulation. At no time did Staff suggest elimination of the regulatory asset set forth in DEO's application. At the same time, DEO accepted every adjustment proposed by Staff and ultimately, came to an agreement on an AMR Charge calculation methodology with all parties. It is important to the regulatory process that Staff remain consistent in its position so that DEO and customers may depend upon agreements with the Staff.

Q28. What effect does rejection of Staff's proposal have on the AMR Charge?

A28. Rejection of Staff's proposal and acceptance of Staff's remaining three recommendations changes DEO's proposed AMR Charge from $0.46 to $ 0.39 as shown on Attachment VHF 1.

Q29. What effect would Commission acceptance of Staff's proposal have on AMR implementation?

A29. Staff has calculated the AMR Charge at $0.34 if its proposals are adopted. At that rate it is doubtful that DEO can fully recover the actual costs associated with the AMR implementation.

IV. DEO'S OBJECTION TO OCC'S PROPOSAL

Q30. Please describe OCC's proposal.

A30. OCC proposes to exclude adjustments made by DEO to meter reading costs in determination of the baseline level of expense from which meter reading O&M expense savings were measured.

Q31. What are DEO's obligations to the Department of Transportation ("DOT") to conduct inspections of inside meters?

A31. The DOT requires a safety inspection to perform leak detection for all inside meters every three years. This requirement does not change based upon installation of an ERT device. DEO incurs expense to conduct the inspection and uses a third party contractor and its employees to conduct the inspections. OCC proposes to include the Department of Transportation inspection costs as an offset to the AMR Charge.

Q32. Why does DEO object to OCC's proposal?

A32. DEO has four objections to OCC's proposal. First, OCC's proposal seeks to assign expenses to the AMR Charge that have nothing to do with AMR implementation. The costs associated with the required DOT inspections of inside meters do not vary with or have any relation to the AMR implementation.

Second, OCC, and all other parties, agreed in the Stipulation to include savings associated with DOT inspections of inside meters that may no longer be necessary if meters are relocated outside as part of the determination of the Pipeline Infrastructure Rider ("PIR") Cost Recovery Charge. *In re DEO Rate Case*, Case No. 07-829-GA-AIR *et al.*, (Stipulation at 10) (August 22, 2008). It is inappropriate to try to amend the Stipulation subsequent to agreement by the parties and after Commission approval by including the DOT cost savings in the AMR Charge. Any such savings will be appropriately considered in connection with the PIR Cost Recovery Charge.

Third, OCC seeks to eliminate adjustments made by DEO to meter reading O&M expenses for 2007 and 2008 related to labor costs for six meter reading clerks. Effective November 2007, an organizational change was made to move six meter reading clerks into a pool of Operations clerical workers. That change had the effect of moving the labor costs associated with the six meter reading clerks out of meter reading cost centers into a cost center where the costs of the other Operations clerical workers are recorded. Accordingly, 2007 meter reading expense, which included 10 months of the meter reading clerks' labor costs, was not comparable to 2008 meter reading expense. The labor cost adjustments made by DEO put a full year of labor costs for these clerks in both 2007 and 2008 to make them comparable. DEO has implemented a change to ensure that the labor costs associated with the meter reading clerks are properly classified as meter reading expense for 2009 and going forward.

Fourth, the OCC claims that the adjustments made by DEO "unjustifiably inflated the year-end regulatory asset and the resulting AMR Cost Recovery Charge," that 2007 is the proper base for calculating meter reading savings, and that "no adjustments were allowed or contemplated." DEO disagrees. The Stipulation directs the parties to determine "an appropriate baseline." It does not specify a year that should be used, nor does it state that adjustments to a given year being considered cannot be made. It also does not state that meter reading and call center expense savings should be determined separately rather than in the aggregate. In the spirit of compromise, DEO considers 2007 meter reading O&M expenses, as adjusted, to be an appropriate baseline for meter reading expense savings and believes the meter reading savings included in its application were properly determined by comparing the 2007 baseline with 2008 meter reading expenses similarly adjusted.

Q33. Does this conclude your testimony?

A33. Yes.

Attachment VHF 1

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE - FILING SCHEDULES
REVENUE REQUIREMENT
CASE NO. 09-38-GA-UNC

Schedule 1

Line No.		Revised for Staff Adjustments 2 - 4 Cumulative through 12/31/08	Filed 02/27/09 Cumulative through 12/31/08	Variance from Schedules Filed 2/27/09
1	Return on Investment			
2	Plant in Service			
3	Additions	$32,891,588.51	$38,009,432.70	-$5,117,844.19
4	Retirements	$0.00	$0.00	$0.00
5	Total Plant in Service	$32,891,588.51	$38,009,432.70	-$5,117,844.19
6	Less: Accumulated Provision for Depreciation			
7	Depreciation Expense	$882,775.40	$918,016.77	-$35,241.37
8	Cost of Removal	$0.00	$0.00	$0.00
9	Original Cost Retired	$0.00	$0.00	$0.00
10	Total Accumulated Provision for Depreciation	$882,775.40	$918,016.77	-$35,241.37
11	Net Regulatory Asset - Post-In-Service Carrying Cost	$1,607,909.09	$1,671,739.43	-$63,830.34
12	Net Deferred Tax Balance - PISCC	-$562,768.18	-$585,108.80	$22,340.62
13	Deferred Taxes on Liberalized Depreciation	-$1,057,425.87	-$1,134,653.67	$77,227.80
14	Net Rate Base	$31,996,528.15	$37,043,392.89	-$5,046,864.74
15	Approved Pre -Tax Rate of Return (ROR)	11.36%	11.36%	0.00%
16	Annualized Return on Rate Base	$3,634,805.60	$4,208,129.43	-$573,323.83
17	Operating Expense			
18	Incremental Depreciation Expense through 12/31/08	$882,775.40	$918,016.77	-$35,241.37
19	Annualized Depreciation for Additions through 12/31/08	$1,093,795.75	$1,231,977.54	-$138,181.79
20	Annualized Amortization of PISCC	$54,762.00	$58,825.74	-$4,063.74
21	Incremental Property Tax Expense through 12/31/08	$75,571.02	$88,709.30	-$13,138.28
22	Annualized Property Tax Expense for Additions through 12/31/08	$314,622.98	$497,853.86	-$183,230.88
23	Reduction in Call Center Expense	$0.00	$0.00	$0.00
24	Reduction in Meter Reading Expense	-$275,928.62	-$275,928.62	$0.00
25	Annualized Revenue Requirement	$5,780,404.13	$6,727,584.02	-$947,179.89
26	Number of Bills	14,769,345	14,769,345	-
27	AMR Cost Recovery Charge - Revised	$0.39	$0.46	-$0.07

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Plant Additions by Month

Schedule 2

Line No.		FERC#	Balance at 3/31/07 (1)	04/30/07	05/31/07	06/30/07	07/31/07	08/31/07	09/30/07	10/31/07	11/30/07	12/31/07	2007 Total Year
	Cumulative												
1	ERT Installation	3820	0.00	49,586.29	603,398.16	894,103.66	1,083,084.77	1,367,601.22	1,519,505.99	2,105,930.60	2,289,783.66	2,756,263.11	
2	ERT Purchases	3810	0.00	188,270.13	1,889,439.12	3,242,157.30	3,200,779.27	3,193,789.81	4,233,451.32	4,598,289.42	4,564,425.91	4,523,047.88	
3	Computer Hardware	3912	0.00	0.00	0.00	0.00	115,257.55	115,257.55	115,256.70	115,256.70	115,289.43	115,959.17	
4	In House Labor - CCS IT	3990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5	In House Labor - IT	3030	0.00	0.00	0.00	0.00	0.00	119,545.96	122,715.84	123,287.08	172,851.91	226,195.37	
6	Computer Software - Purchased	3030	0.00	0.00	0.00	0.00	0.00	0.00	90,887.50	91,310.58	91,735.63	278,945.51	
7	Total		0.00	237,856.42	2,492,837.28	4,136,260.96	4,399,121.59	4,796,194.54	6,081,817.35	7,034,074.38	7,234,086.54	7,900,411.04	
	Incremental												
8	ERT Installation		0.00	49,586.29	553,811.87	290,705.50	188,981.11	284,516.45	151,904.77	586,424.61	183,853.06	466,479.45	2,756,263.11
9	ERT Purchases		0.00	188,270.13	1,701,168.99	1,352,718.18	(41,378.03)	(6,989.46)	1,039,661.51	364,838.10	(33,863.51)	(41,378.03)	4,523,047.88
10	Computer Hardware		0.00	0.00	0.00	0.00	115,257.55	0.00	(0.85)	0.00	32.73	669.74	115,959.17
11	In House Labor - Service Company IT		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	In House Labor - Service Company IT		0.00	0.00	0.00	0.00	0.00	119,545.96	3,169.88	571.24	49,564.83	53,343.46	226,195.37
13	Computer Software - Purchased		0.00	0.00	0.00	0.00	0.00	0.00	90,887.50	423.08	425.05	187,209.88	278,945.51
14	Total		0.00	237,856.42	2,254,980.86	1,643,423.68	262,860.63	397,072.95	1,285,622.81	952,257.03	200,012.16	666,324.50	7,900,411.04

15 (1) Included in Rate Case No. 07-0829-GA-AIR

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Plant Additions by Month

Schedule 2A

Line No.		FERC	01/31/08	02/29/08	03/31/08	04/30/08	05/31/08	06/30/08	07/31/08	08/31/08	09/30/08	10/31/08	11/30/08	12/31/2008	2008 Total Year
Cumulative															
1	ERT Installation	3820	2,850,196.00	3,624,591.97	4,676,879.87	5,562,167.96	6,212,493.88	7,160,490.82	7,831,598.89	8,685,890.15	9,341,235.30	10,134,562.46	10,630,351.97	11,348,431.25	
2	ERT Purchases	3810	4,441,299.60	9,126,381.24	10,521,850.24	12,049,425.28	13,611,676.49	15,112,200.10	16,727,186.88	19,845,983.10	19,443,794.33	19,421,460.23	19,405,561.13	19,294,622.51	
3	Computer Hardware	3912	115,959.17	115,959.17	120,828.23	473,399.18	473,399.18	473,399.18	476,901.23	476,901.23	477,038.20	477,038.20	491,348.34	508,314.64	
4	In House Labor - CCS IT	3990	34,397.38	83,196.12	136,155.10	208,431.57	293,249.30	380,330.28	506,057.26	619,806.93	716,191.30	785,087.12	866,546.86	966,250.44	
5	In House Labor - IT	3030	266,891.45	307,538.29	319,959.44	337,940.37	348,772.47	404,122.73	408,313.60	410,541.63	419,899.22	421,929.43	423,969.46	423,969.46	
6	Computer Software - Purchased	3030	310,565.46	312,043.75	283,464.18	285,000.56	286,974.62	288,530.02	290,104.43	294,378.29	295,984.61	297,415.70	298,853.70	350,000.21	
7	Total		8,019,309.06	13,569,710.54	16,059,137.06	18,916,364.92	21,226,565.94	23,819,073.13	26,240,162.29	30,333,501.33	30,694,142.96	31,537,493.14	32,116,631.46	32,891,588.51	
Incremental															
8	ERT Installation		93,932.89	774,395.97	1,052,287.90	885,288.09	650,325.92	947,996.94	671,108.07	854,291.26	655,345.15	793,327.16	495,789.51	718,079.28	8,592,168.14
9	ERT Purchases		(81,748.28)	4,685,081.64	1,395,469.00	1,527,575.04	1,562,251.21	1,500,523.61	1,614,986.78	3,118,796.22	(402,188.77)	(22,334.10)	(15,899.10)	(110,938.62)	14,771,574.63
10	Computer Hardware		-	-	4,869.06	352,570.95	-	-	3,502.05	-	136.97	-	14,310.14	16,966.30	392,355.47
11	In House Labor - Service Company IT		34,397.38	48,798.74	52,958.98	72,276.47	84,817.73	87,080.98	125,726.98	113,749.67	96,384.37	68,895.82	81,459.74	99,703.58	966,250.44
12	In House Labor - Service Company IT		40,696.08	40,646.84	12,421.15	17,980.93	10,832.10	55,350.26	4,190.87	2,228.03	9,357.59	2,030.21	2,040.03	-	197,774.09
13	Computer Software - Purchased		31,619.95	1,478.29	(28,579.57)	1,536.38	1,974.06	1,555.40	1,574.41	4,273.86	1,606.32	1,431.09	1,438.00	51,146.51	71,054.70
14	Total		118,898.02	5,550,401.48	2,489,426.52	2,857,227.86	2,310,201.02	2,592,507.19	2,421,089.16	4,093,339.04	360,641.63	843,350.18	579,138.32	774,957.05	24,991,177.47

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Provision for Depreciation

Schedule 3

Line No.		Balance at 3/31/07 (1)	04/30/07	05/31/07	06/30/07	07/31/07	08/31/07	09/30/07	10/31/07	11/30/07	12/31/07	Balance at 12/31/2007
1	ERT Installation	-	98.35	1,196.74	1,773.31	2,148.12	2,712.41	3,013.69	4,176.76	4,541.40	5,466.59	25,127.37
2	ERT Purchases	-	356.14	3,574.19	6,133.08	6,054.81	6,041.59	8,008.28	8,698.43	8,634.37	8,556.10	56,056.99
3	Computer Hardware	-	-	-	-	1,920.96	1,920.96	1,920.95	1,920.95	1,921.49	1,932.65	11,537.96
4	In House Labor - CCS IT	-	-	-	-	-	-	-	-	-	-	-
5	In House Labor - IT		-	-	-	-	1,992.43	2,045.26	2,054.78	2,880.87	3,769.92	12,743.26
6	Computer Software - Purchased	-	-	-	-	-	-	1,514.79	1,521.84	1,528.93	4,649.09	9,214.65
7	Total	-	454.49	4,770.93	7,906.39	10,123.89	12,667.39	16,502.97	18,372.76	19,507.06	24,374.35	114,680.23
8	Cumulative Provision for Depreciation	-	454.49	5,225.42	13,131.81	23,255.70	35,923.09	52,426.06	70,798.82	90,305.88	114,680.23	
9	(1) Included in Rate Case No. 07-0829-GA-AIR											

	Depr Rate
ERT Installation	2.38%
ERT Purchases	2.27%
Computer Hardware	20.00%
Computer Software - Purchases	20.00%
Computer Software Project	20.00%
Computer Software Project - CCS	6.67%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Provision for Depreciation

Schedule 3A

Line No.		12/31/07	01/31/08	02/29/08	03/31/08	04/30/08	05/31/08	06/30/08	07/31/08	08/31/08	09/30/08	10/31/08	11/30/08	12/31/2008	Balance at 12/31/2008
1	ERT Installation		5,652.89	7,188.77	9,275.81	11,031.63	12,321.45	14,201.64	15,532.67	17,227.02	18,526.78	20,100.22	19,666.15	20,994.60	171,719.63
2	ERT Purchases		8,401.46	17,264.07	19,903.83	22,793.50	25,748.75	28,587.25	31,642.26	37,541.98	36,781.18	36,738.93	43,662.51	43,412.90	352,478.62
3	Computer Hardware		1,932.65	1,932.65	2,013.80	7,889.99	7,889.99	7,889.99	7,948.35	7,948.35	7,950.64	7,950.64	8,189.14	8,471.91	78,008.10
4	In House Labor - CCS IT		191.19	462.43	756.80	1,158.53	1,629.98	2,114.00	2,812.83	3,445.09	3,980.83	4,363.78	4,816.56	5,370.74	31,102.76
5	In House Labor - IT		4,448.19	5,125.64	5,332.66	5,632.34	5,812.87	6,735.38	6,805.23	6,842.36	6,998.32	7,032.16	7,066.16	7,066.16	74,897.47
6	Computer Software - Purchased		5,176.09	5,200.73	4,724.40	4,750.01	4,782.91	4,808.83	4,835.07	4,906.30	4,933.08	4,956.93	4,980.90	5,833.34	59,888.59
7	Total		25,802.47	37,174.29	42,007.30	53,256.00	58,185.95	64,337.09	69,576.41	77,911.10	79,170.83	81,142.66	88,381.42	91,149.65	768,095.17
8	Cumulative Provision for Depreciation	114,680.23	140,482.70	177,656.99	219,664.29	272,920.29	331,106.24	395,443.33	465,019.74	542,930.84	622,101.67	703,244.33	791,625.75	882,775.40	

	Depr Rate	Effective 11/1/08
ERT Installation	2.38%	2.22%
ERT Purchases	2.27%	2.70%
Computer Hardware	20.00%	20.00%
Computer Software - Purchases	20.00%	20.00%
Computer Software Project	20.00%	20.00%
Computer Software Project - CCS	6.67%	6.67%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Net Regulatory Asset - Post In-Service Carrying Cost

Schedule 4

Line No.		04/30/07	05/31/07	06/30/07	07/31/07	08/31/07	09/30/07	10/31/07	11/30/07	12/31/07	Balance at 12/31/2007
1	Accumulated CapX										
2	ERT Installation	49,586.29	603,398.16	894,103.66	1,083,084.77	1,367,601.22	1,519,505.99	2,105,930.60	2,289,783.66	2,756,263.11	
3	ERT Purchases	188,270.13	1,889,439.12	3,242,157.30	3,200,779.27	3,193,789.81	4,233,451.32	4,598,289.42	4,564,425.91	4,523,047.88	
4	Computer Hardware	0.00	0.00	0.00	115,257.55	115,257.55	115,256.70	115,256.70	115,289.43	115,959.17	
5	In House Labor - CCS IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6	In House Labor - IT	0.00	0.00	0.00	0.00	119,545.96	122,715.84	123,287.08	172,851.91	226,195.37	
7	Computer Software - Purchased	0.00	0.00	0.00	0.00	0.00	90,887.50	91,310.58	91,735.63	278,945.51	
8	Accumulated CapX	237,856.42	2,492,837.28	4,136,260.96	4,399,121.59	4,796,194.54	6,081,817.35	7,034,074.38	7,234,086.54	7,900,411.04	
9	Regulatory Asset - Deferrals										
10	ERT Installation	0.00	268.59	3,268.41	4,843.06	5,866.71	7,407.84	8,230.66	11,407.12	12,402.99	53,695.39
11	ERT Purchases	0.00	1,019.80	10,234.46	17,561.69	17,337.55	17,299.69	22,931.19	24,907.40	24,723.97	136,015.76
12	Computer Hardware	0.00	0.00	0.00	0.00	624.31	624.31	624.31	624.31	624.48	3,121.72
13	In House Labor - CCS IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	In House Labor - IT	0.00	0.00	0.00	0.00	0.00	647.54	664.71	667.81	936.28	2,916.34
15	Computer Software - Purchased	0.00	0.00	0.00	0.00	0.00	0.00	492.31	494.60	496.90	1,483.81
16	Total Deferrals	0.00	1,288.39	13,502.87	22,404.75	23,828.58	25,979.39	32,943.18	38,101.24	39,184.64	197,233.02
17	Regulatory Asset - Amortization										
18	ERT Installation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	ERT Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Computer Hardware	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	In House Labor - CCS IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	In House Labor - IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Computer Software - Purchased	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	Total Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	Regulatory Asset - Net										
26	ERT Installation	0.00	268.59	3,268.41	4,843.06	5,866.71	7,407.84	8,230.66	11,407.12	12,402.99	53,695.39
27	ERT Purchases	0.00	1,019.80	10,234.46	17,561.69	17,337.55	17,299.69	22,931.19	24,907.40	24,723.97	136,015.76
28	Computer Hardware	0.00	0.00	0.00	0.00	624.31	624.31	624.31	624.31	624.48	3,121.72
29	In House Labor - CCS IT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	In House Labor - IT	0.00	0.00	0.00	0.00	0.00	647.54	664.71	667.81	936.28	2,916.34
31	Computer Software - Purchased	0.00	0.00	0.00	0.00	0.00	0.00	492.31	494.60	496.90	1,483.81
32	Net	0.00	1,288.39	13,502.87	22,404.75	23,828.58	25,979.39	32,943.18	38,101.24	39,184.64	197,233.02
33	Cumulative	0.00	1,288.39	14,791.26	37,196.00	61,024.58	87,003.97	119,947.14	158,048.38	197,233.02	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Net Regulatory Asset - Post In-Service Carrying Cost

Schedule 4A

Line No.		12/31/2007	01/31/08	02/29/08	03/31/08	04/30/08	05/31/08	06/30/08	07/31/08	08/31/08	09/30/08	10/31/08	11/30/08	12/31/2008	Balance at 12/31/2008
1	Accumulated CapX														
2	ERT Installation	2,756,263.11	2,850,196.00	3,624,591.97	4,676,879.87	5,562,167.96	6,212,493.88	7,160,490.82	7,831,598.89	8,685,890.15	9,341,235.30	10,134,562.46	10,630,351.97	11,348,431.25	
3	ERT Purchases	4,523,047.88	4,441,299.60	9,126,381.24	10,521,850.24	12,049,425.28	13,611,676.49	15,112,200.10	16,727,186.88	19,845,983.10	19,443,794.33	19,421,460.23	19,405,561.13	19,294,622.51	
4	Computer Hardware	115,959.17	115,959.17	115,959.17	120,828.23	473,399.18	473,399.18	473,399.18	476,901.23	476,901.23	477,038.20	477,038.20	491,348.34	508,314.64	
5	In House Labor - CCS IT	0.00	34,397.38	83,196.12	136,155.10	208,431.57	293,249.30	380,330.28	506,057.26	619,806.93	716,191.30	785,087.12	866,546.86	966,250.44	
6	In House Labor - IT	226,195.37	266,891.45	307,538.29	319,959.44	337,940.37	348,772.47	404,122.73	408,313.60	410,541.63	419,899.22	421,929.43	423,969.46	423,969.46	
7	Computer Software - Purchased	278,945.51	310,565.46	312,043.75	283,464.18	285,000.56	286,974.62	288,530.02	290,104.43	294,378.29	295,984.61	297,415.70	298,853.70	350,000.21	
8	Accumulated CapX	7,900,411.04	8,019,309.06	13,569,710.54	16,059,137.06	18,916,364.92	21,226,565.94	23,819,073.13	26,240,162.29	30,333,501.33	30,694,142.96	31,537,493.14	32,116,631.46	32,891,588.51	
9	Regulatory Asset - Deferrals														
10	ERT Installation		14,929.76	15,438.56	19,633.21	25,333.10	30,128.41	33,651.01	38,785.99	42,421.16	47,048.57	50,598.36	54,895.55	57,581.07	430,444.75
11	ERT Purchases		24,499.84	24,057.04	49,434.57	56,993.36	65,267.72	73,729.91	81,857.75	90,605.60	107,499.08	105,320.55	105,199.58	105,113.46	889,578.46
12	Computer Hardware		628.11	628.11	628.11	654.49	2,564.25	2,564.25	2,564.25	2,583.21	2,583.21	2,583.96	2,583.96	2,661.47	23,227.38
13	In House Labor - CCS IT		0.00	186.32	450.65	737.51	1,129.00	1,588.43	2,060.12	2,741.14	3,357.29	3,879.37	4,252.56	4,693.80	25,076.19
14	In House Labor - IT		1,225.22	1,445.66	1,665.83	1,733.11	1,830.51	1,889.18	2,189.00	2,211.70	2,223.77	2,274.45	2,285.45	2,296.50	23,270.38
15	Computer Software - Purchased		1,510.95	1,682.23	1,690.24	1,535.43	1,543.75	1,554.45	1,562.87	1,571.40	1,594.55	1,603.25	1,611.00	1,618.79	19,078.91
16	Total Deferrals		42,793.88	43,437.92	73,502.61	86,987.00	102,463.64	114,977.23	129,019.98	142,134.21	164,306.47	166,259.94	170,828.10	173,965.09	1,410,676.07
17	Regulatory Asset - Amortization														
18	ERT Installation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	ERT Purchases		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Computer Hardware		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	In House Labor - CCS IT		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	In House Labor - IT		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Computer Software - Purchased		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	Total Amortization		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	Regulatory Asset - Net														
26	ERT Installation		14,929.76	15,438.56	19,633.21	25,333.10	30,128.41	33,651.01	38,785.99	42,421.16	47,048.57	50,598.36	54,895.55	57,581.07	430,444.75
27	ERT Purchases		24,499.84	24,057.04	49,434.57	56,993.36	65,267.72	73,729.91	81,857.75	90,605.60	107,499.08	105,320.55	105,199.58	105,113.46	889,578.46
28	Computer Hardware		628.11	628.11	628.11	654.49	2,564.25	2,564.25	2,564.25	2,583.21	2,583.21	2,583.96	2,583.96	2,661.47	23,227.38
29	In House Labor - CCS IT		0.00	186.32	450.65	737.51	1,129.00	1,588.43	2,060.12	2,741.14	3,357.29	3,879.37	4,252.56	4,693.80	25,076.19
30	In House Labor - IT		1,225.22	1,445.66	1,665.83	1,733.11	1,830.51	1,889.18	2,189.00	2,211.70	2,223.77	2,274.45	2,285.45	2,296.50	23,270.38
31	Computer Software - Purchased		1,510.95	1,682.23	1,690.24	1,535.43	1,543.75	1,554.45	1,562.87	1,571.40	1,594.55	1,603.25	1,611.00	1,618.79	19,078.91
32	Net		42,793.88	43,437.92	73,502.61	86,987.00	102,463.64	114,977.23	129,019.98	142,134.21	164,306.47	166,259.94	170,828.10	173,965.09	1,410,676.07
33	Cumulative														
34	ERT Installation	53,695.39	68,625.15	84,063.71	103,696.92	129,030.02	159,158.43	192,809.44	231,595.43	274,016.59	321,065.16	371,663.52	426,559.07	484,140.14	
35	ERT Purchases	136,015.76	160,515.60	184,572.64	234,007.21	291,000.57	356,268.29	429,998.20	511,855.95	602,461.55	709,960.63	815,281.18	920,480.76	1,025,594.22	
36	Computer Hardware	3,121.72	3,749.83	4,377.94	5,006.05	5,660.54	8,224.79	10,789.04	13,353.29	15,936.50	18,519.71	21,103.67	23,687.63	26,349.10	
37	In House Labor - CCS IT	0.00	0.00	186.32	636.97	1,374.48	2,503.48	4,091.91	6,152.03	8,893.17	12,250.46	16,129.83	20,382.39	25,076.19	
38	In House Labor - IT	2,916.34	4,141.56	5,587.22	7,253.05	8,986.16	10,816.67	12,705.85	14,894.85	17,106.55	19,330.32	21,604.77	23,890.22	26,186.72	
39	Computer Software - Purchased	1,483.81	2,994.76	4,676.99	6,367.23	7,902.66	9,446.41	11,000.86	12,563.73	14,135.13	15,729.68	17,332.93	18,943.93	20,562.72	
40	Total	197,233.02	240,026.90	283,464.82	356,967.43	443,954.43	546,418.07	661,395.30	790,415.28	932,549.49	1,096,855.96	1,263,115.90	1,433,944.00	1,607,909.09	

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

AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE

Net Deferred Tax Balance - PISCC

Schedule 5

Line No.		04/30/07	05/31/07	06/30/07	07/31/07	08/31/07	09/30/07	10/31/07	11/30/07	Balance at 12/31/07
1	Net Deferred Tax Balance - PISCC									
2	Beginning Balance	-	-	450.94	5,176.94	13,018.60	21,358.60	30,451.39	41,981.50	55,316.93
3	Monthly Activity	-	450.94	4,726.00	7,841.66	8,340.00	9,092.79	11,530.11	13,335.43	13,714.62
4	Ending Balance	-	450.94	5,176.94	13,018.60	21,358.60	30,451.39	41,981.50	55,316.93	69,031.56
	Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Net Deferred Tax Balance - PISCC

Schedule 5A

Line No.		12/31/2007	01/31/08	02/29/08	03/31/08	04/30/08	05/31/08	06/30/08	07/31/08	08/31/08	09/30/08	10/31/08	11/30.08	Balance at 12/31/08
1	Net Deferred Tax Balance - PISCC													
2	Beginning Balance		69,031.56	84,009.41	99,212.69	124,938.60	155,384.05	191,246.32	231,488.35	276,645.35	326,392.32	383,899.58	442,090.56	501,880.40
3	Monthly Activity		14,977.86	15,203.27	25,725.91	30,445.45	35,862.27	40,242.03	45,156.99	49,746.97	57,507.26	58,190.98	59,789.84	60,887.78
4	Ending Balance	69,031.56	84,009.41	99,212.69	124,938.60	155,384.05	191,246.32	231,488.35	276,645.35	326,392.32	383,899.58	442,090.56	501,880.40	562,768.18
	Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Deferred Taxes on Liberalized Depreciation

Schedule 6

Line No.		FERC Account	Tax Life	Tax Year 2007 Vintage 2007 Total 12/31/2007	Tax Year 2008 Vintage 2007 Total Vintage 2007	Tax Year 2008 Vintage 2008 Total Vintage 2008	Total Vtg 2007 - 08	
	Plant In-Service							
1	ERT Installation	3820	15/20	2,756,263.11	2,756,263.11	8,592,168.14	11,348,431.25	
2	ERT Purchases	3810	15/20	4,523,047.88	4,523,047.88	14,771,574.63	19,294,622.51	
3	Computer Hardware	3912	5	115,959.17	115,959.17	392,355.47	508,314.64	
4	Computer Software - CCS IT	3990	1	0.00	0.00	966,250.44	966,250.44	
5	Computer Software - IT	3030	1	226,195.37	226,195.37	197,774.09	423,969.46	
6	Computer Software - Purchased	3030	3	278,945.51	278,945.51	71,054.70	350,000.21	
7	Total Plant In-Service			7,900,411.04	7,900,411.04	24,991,177.47	32,891,588.51	Schedule 2A
	Book to Tax Basis Adjustments:							
8	MACRS - 5 Year Property			0.00	0.00	0.00	0.00	
9	MACRS - 15 Year Property			0.00	0.00	0.00	0.00	
10	MACRS - 20 Year Property			0.00	0.00	0.00	0.00	
11	MACRS - 3 Year Property			0.00	0.00	0.00	0.00	
12	MACRS - 1 Year Property			0.00	0.00	0.00	0.00	
13	Total Book to Tax Basis Adjustments			0.00	0.00	0.00	0.00	
	Tax Base In-Service subject to:							
14	MACRS - 5 Year Property			115,959.17	115,959.17	392,355.47	508,314.64	
15	MACRS - 15 Year Property			7,279,310.99	7,279,310.99	23,363,742.77	30,643,053.76	
16	MACRS - 20 Year Property			0.00	0.00	0.00	0.00	
17	MACRS - 3 Year Property			278,945.51	278,945.51	71,054.70	350,000.21	
18	MACRS - 1 Year Property			226,195.37	226,195.37	1,164,024.53	1,390,219.90	
19	Total Tax Depreciation Base			7,900,411.04	7,900,411.04	24,991,177.47	32,891,588.51	
	Tax Rates							
20	MACRS - 5 Year Property			20.0000%	32.0000%	20.0000%		
21	MACRS - 15 Year Property			5.0000%	9.5000%	5.0000%		
22	MACRS - 20 Year Property			3.7500%	7.2190%	3.7500%		
23	MACRS - 3 Year Property			16.6667%	33.3333%	16.6667%		
24	MACRS - 1 Year Property			100.0000%	0.0000%	100.0000%		
	Tax Depreciation							
25	MACRS - 5 Year Property			23,191.83	37,106.93	78,471.09	115,578.02	
26	MACRS - 15 Year Property			363,965.55	691,534.54	1,168,187.14	1,859,721.68	
27	MACRS - 20 Year Property			0.00	0.00	0.00	0.00	
28	MACRS - 3 Year Property			46,490.92	92,981.84	11,842.45	104,824.29	
29	MACRS - 1 Year Property			226,195.37	0.00	1,164,024.53	1,164,024.53	
30	Total Tax Depreciation			659,843.67	821,623.31	2,422,525.21	3,244,148.52	
	Book Depreciation							
31	ERT - Installations			25,127.37			171,719.63	
32	ERT - Purchases			56,056.99			352,478.62	
33	ERT - Other			33,495.87			243,896.92	
34	Total Book Depreciation			114,680.23			768,095.17	Schedule 3A
35	Less: Book Depr on AFUDC Equity			0.00			0.00	
36	Plus: Originating Dif. Exclusive of AFUDC Equity			0.00			0.00	
37	Net Book Depreciation			114,680.23			768,095.17	
38	Tax Depreciation In Excess of Book Depreciation			545,163.44			2,476,053.35	
39	Federal Deferred Taxes @ 35.00%			190,807.20			866,618.67	
40	Accumulated Deferred Income Tax (ADIT)			190,807.20			1,057,425.87	
41	Federal Deferral Rate			35.00%			35.00%	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Annualized Depreciation Associated With Additions

Schedule 7

Line No.		Depr Rate	Total Activity Through 12/31/2008	
Plant Basis				
1	ERT Installation		11,348,431.25	
2	ERT Purchases		19,294,622.51	
3	Computer Hardware		508,314.64	
4	In House Labor - CCS IT		966,250.44	
5	In House Labor - IT		423,969.46	
6	Computer Software - Purchased		350,000.21	
7	Total		32,891,588.51	Schedule 2A
		Effective 11/1/08		
Annualized				
8	ERT Installation	2.22%	251,935.17	
9	ERT Purchases	2.70%	520,954.81	
10	Computer Hardware	20.00%	101,662.93	
11	In House Labor - CCS IT	6.67%	64,448.90	
12	In House Labor - IT	20.00%	84,793.89	
13	Computer Software - Purchased	20.00%	70,000.04	
14	Total		1,093,795.75	

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

AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE

Annualized Amortization of PISCC

Schedule 8

Line No.	Description		Accumulated Balance at 12/31/08	
1	Regulatory Asset--Deferrals			
2	ERT Installation		484,140.14	
3	ERT Purchases		1,025,594.22	
4	Computer Hardware		26,349.10	
5	In House Labor - CCS IT		25,076.19	
6	In House Labor - IT		26,186.72	
7	Computer Software - Purchased		20,562.72	
8	Cumulative Total--PISCC		1,607,909.09	Schedule 4A
	Description		Accumulated Balance at 12/31/08	
9	Annualized Amortization of PISCC			
10	ERT Installation	2.220%	10,747.91	
11	ERT Purchases	2.703%	27,721.81	
12	Computer Hardware	20.00%	5,269.82	
13	In House Labor - CCS IT	6.67%	1,672.58	
14	In House Labor - IT	20.00%	5,237.34	
15	Computer Software - Purchased	20.00%	4,112.54	
16	Total--Annualized Amortization PISCC		54,762.00	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Property Tax Expense Calculation

Schedule 9

Line No.		Actual Thru 3/31/07 (1)	Actual Thru 12/31/07	Activity Thru 12/31/08	
1	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)				
2	Current Year Investment	0.00	7,900,411.04	32,891,588.51	Sch 2A
3	Less: AFUDC In-Service	0.00	0.00	0.00	
4	Drawing Costs In-Service	0.00	0.00	0.00	
5	Net Cost of Taxable Property	0.00	7,900,411.04	32,891,588.51	
6	Total Taxable Value	0.00	7,900,411.04	32,891,588.51	
7	2008 Effective Rate (Full Cost)		0.957%		
8	2009 Effective Rate (Full Cost) Estimated			0.957%	
9	Ohio Property Tax	0.00	75,571.02	314,622.98	

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Appproved Rate of Return on Rate Base

Schedule 10

Line No.		
1	Capital Structure	
2	Debt	48.66%
3	Equity	51.34%
4	Cost of Capital	
5	Debt	6.50%
6	Equity	10.38%
7	Return on Rate Base (WACC)	8.49%
8	Return on Rate Base using Pre-Tax Equity	11.36%

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
Actual Bills Issued from December 31, 2007 - December 31, 2008

Schedule 11

Line No.	Customer Class	CCS	SBS	Total
1	Residential	13,718,741	2,220	13,720,961
2	Commercial	998,383	27,208	1,025,591
3	Industrial	5,872	16,921	22,793
5	Total	14,722,996	46,349	14,769,345

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
CALL CENTER AND METER READING EXPENSES

Schedule 12

	2007 Actual	2008 Actual	Variance 08 vs 07
Call Center	19,031,482.22	20,628,459.53	1,596,977.31
Meter Reading with Adjustments	8,684,136.64	8,408,208.02	(275,928.62)
Total	27,715,618.86	29,036,667.55	1,321,048.69

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
METER READING EXPENSES

Schedule 12A

Line	Description	2007 Actual	Adjustments	2007 Adjusted	2008 Actual	Adjustments	2008 Adjusted	Variance 08 Adj vs. 07 Adj	Notes
1	Labor Expense	5,664,962.08	30,806.00	5,695,768.08	5,151,318.22	406,181.02	5,557,499.24	(138,268.84)	A
2	Payroll Taxes and Benefits	1,962,772.91	12,788.19	1,975,561.10	1,545,401.74	135,985.05	1,681,386.79	(294,174.31)	B
3	Labor Allocations	76,088.61		76,088.61	153,821.86		153,821.86	77,733.25	
4	Net Labor	7,703,823.60	43,594.19	7,747,417.79	6,850,541.82	542,166.07	7,392,707.89	(354,709.90)	
5	Material & Supplies	100,300.50		100,300.50	79,746.25		79,746.25	(20,554.25)	
6	Outside Services - Southern Cross	1,000,227.02	(1,000,227.02)	0.00	764,739.82	(764,739.82)	0.00	0.00	C
7	Outside Services	199,852.88		199,852.88	172,933.91		172,933.91	(26,918.97)	
8	Utilities - Wireless	69,198.35		69,198.35	80,612.64		80,612.64	11,414.29	
9	Vehicle Expenses	482,690.58		482,690.58	560,813.14		560,813.14	78,122.56	
10	Other Miscellaneous	84,676.54		84,676.54	121,394.19		121,394.19	36,717.65	
11	Subtotal Other	1,936,945.87	(1,000,227.02)	936,718.85	1,780,239.95	(764,739.82)	1,015,500.13	78,781.28	
12	Total Meter Reading Expenses	9,640,769.47	(956,632.83)	8,684,136.64	8,630,781.77	(222,573.75)	8,408,208.02	(275,928.62)	

Notes:

A Six Meter Reading Clerks were transferred to a clerical cost center effective 11/2007. Those clerks, however, will continue to perform meter reading related work. DEO will include the meter reading costs of those clerks in a meter-reading WBS account going forward. As a result, adjustments were made to properly reflect the costs of the meter reading clerks in both 2007 and 2008, i.e., the December salary was added to the 2007 expense, and a full year of 2008 salary was added to 2008. Those adjustments ensure that the resulting amounts for the 2007 baseline and 2008 expense are consistent and comparable.

B Adjustments were made to properly reflect benefit costs based on labor expense for the six Meter Reading Clerks transferred to the clerical cost center.

C Outside contractor expenses related to DOT inspections were removed from both years.

DOT interior service inspections are to be performed on all inside meter services once every 36 months. DEO utilizes an outside contractor, Southern Cross, to assist in completing interior service leak surveys on residential inside meter services. As DEO completes more AMR installations on inside meters, the company will no longer utilize meter readers to enter the customer's premise to complete this survey with their leak detection equipment. As a result, responsibility for those inspections will shift to a Customer Service field call. The DOT inspection costs will not be eliminated, but will simply be moved to another part of the operation. In order to provide for a consistent treatment of those costs, the Outside Service - Southern Cross expense was removed from Meter Reading expense since the work is not being eliminated as a result of the AMR Project.

Although DOT inspection costs may vary somewhat from one year to the next, those costs will continue to be incurred through use of an outside contractor, use of DEO personnel, or a combination of the two. In any case, the fluctuation in those costs has no relation to the deployment of AMR equipment and should not be considered in determining the appropriate baseline expense.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Direct Testimony of Vicki H. Friscic on Behalf of Dominion East Ohio was sent to the following via regular U.S. Mail and electronic mail this 15th day of April, 2009:

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