

PREFILED TESTIMONY OF IBRAHIM SOLIMAN

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1. Q. Please state your name and business address.

A. My name is Ibrahim Soliman. My business address is 180 E. Broad Street, Columbus, Ohio 43266-0573

2. Q. By whom are you employed?

A. I am employed by the Public Utilities Commission of Ohio (PUCO)

3. Q. Would you please state your background?

A. I received a Bachelor of Business Administration degree from Cairo University in 1976 with a major in Accounting. I have completed many regulatory training programs. I was employed by Lewis and Michael Storage Inc. from February 1979 until June 1980 as a junior accountant. I began my current employment with PUCO in July 1980. I am a certified public accountant, a certified internal auditor, and a certified management accountant.

4. Q. What is your current position with the PUCO and what are your duties?

A. I am an Administrator in the Accounting and Electricity Division of the Utilities Department. My duties include planning of rate case investigations, supervising auditors assigned to the investigation, and overseeing the preparation and presentation of both text and schedules for the operating income and rate base sections of Staff reports of investigation. I prepare and present written and oral testimony in support of Staff's position presented in all utility industries.

5. Q. What is the purpose of your testimony?

A. I have the overall responsibility for the Staff's recommendation in this case. Specifically, the Staff's recommended revenue requirement and resulting AMR monthly charge of \$0.34. I have included Attachment IS 1 to show the calculation of the \$0.34. This Attachment is in similar form to the application filed by the Company.

1 6. Q. Will you summarize the Staff's recommendation?

2 A. The Staff is recommending that the Company's proposed calculation of
3 the AMR revenue requirement and resulting AMR monthly charge of
4 \$0.46 be modified to reflect the Staff's recommended adjustments
5 below.

6
7 1. The Company has recorded as regulatory assets the depreciation
8 expense, the incremental property taxes and the post-in-service carrying
9 costs associated with its AMR program costs in its December 31, 2008
10 balance sheet. The Company proposes to amortize post in-service
11 carrying costs over the useful life of the AMR equipment. However, for
12 the deferred depreciation expense and the deferred incremental
13 property tax, the Company proposes a one year amortization. The Staff
14 recommends that the deferred depreciation expense and the deferred
15 incremental property taxes should also be amortized over the useful life
16 of the AMR equipment. The Staff also recommends that the rate base
17 should include the unamortized balances of deferred depreciation
18 expense and deferred incremental property taxes.

19 2. The Company utilized an estimated tax rate to annualize
20 property tax expense. The Staff recalculates the property tax expense
21 utilizing the latest known tax rate.

22 3. The Staff recalculates the annual amortization of the deferred
23 post in-service carrying costs to reflect the proper amortization rate for
24 the AMR installation cost.

1 4. The Staff recommends that DEO's total AMR Plant Additions
2 and associated depreciation, post in-service carrying costs, property
3 taxes, and related deferred taxes be reduced to reflect the exclusion of
4 the costs of the 137,058 excess AMR devices.

5 With the adoption of the above recommendations, the Staff
6 recommends that the Commission approve a monthly charge of \$0.34
7 for all applicable customers.

8 7. Q. Does the Company disagree with the Staff's recommended adjustment
9 No. 1 and agrees with the Staff's remaining recommended
10 adjustments?

11 A. Yes it does.

12 8. Q. Will you please explain the Staff's recommended adjustment no. 1
13 above?

14 A. Yes. The Company started the deployment of automatic meter reading
15 (AMR) technology by attaching encoder-receiver-transmitter (ERT)
16 devices to existing customer meters that allow the meters to be read
17 remotely through electronic means. The Company estimated that over
18 the five-year deployment period, the cost would total about \$110
19 million. The Company further estimated that, before adjustment for the
20 reduced meter-reading expense, the resulting fixed, monthly AMR
21 charge for each of the first five years (assuming no new base rate cases)
22 would be as follows:

23

Year	Estimated AMR Charge
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1 2008 \$0.35

2 2009 \$0.53

3 2010 \$0.83

4 2011 \$1.19

5 2012 \$1.15

6 In the stipulation and recommendation in case 07-829-GA-AIR, the
7 parties agreed to the concept of a cost recovery mechanism and the
8 establishment of an AMR rider set at \$0.00. The parties also agreed to
9 the establishment of a regulatory asset for AMR depreciation expense
10 and incremental property taxes. In addition, the parties agreed that the
11 Company be allowed to calculate post in-service carrying cost and
12 record it also as a regulatory asset.

13 9. Q. What is the purpose of post in-service carrying cost?

14 A. The purpose of post in-service carrying cost is to compensate the
15 Company for the cost of money during the deployment period of AMR
16 program until the AMR investment is reflected in rates.

17 10. Q. What is the purpose of the deferral of depreciation expense and
18 property taxes?

19 A. The purpose of the deferral of depreciation expense and property taxes
20 during the interim period from the last rate case to the first AMR cost
21 recovery is to recognize the timing different between when the cost is
22 incurred and when it is recovered in rates.

23 11. Q. What is the purpose of the Company's AMR application?

1 A. The ultimate purpose of the application is to allow the Company to
2 recover expenditures associated with the Company's AMR program
3 more quickly than a normal rate case application.

4 12. Q. Does the Staff's calculation of the AMR annualized revenue
5 requirement include a return on date certain December 31, 2008
6 balance of all AMR investments?

7 A. Yes it does.

8 13. Q. Does the Staff's calculation of the AMR annualized revenue
9 requirement include a return on date certain December 31, 2008
10 balance of post in-service carrying costs, and an annual amortization
11 allowance in the calculation of AMR operating expense?

12 A. Yes it does.

13 14. Q. Does the Staff's calculation of the AMR annualized revenue
14 requirement include a return on date certain December 31, 2008
15 balance of depreciation and property taxes regulatory asset, and an
16 annual amortization allowance in the calculation of AMR operating
17 expenses?

18 A. Yes it does.

19 15. Q. Does the Staff's calculation of the AMR annualized revenue
20 requirement include annualized depreciation expense and property
21 taxes allowances in the calculation of AMR operating expense?

22 A. Yes it does.

1 16. Q. Does the Staff's calculation of AMR annualized revenue requirement
2 include all AMR cost components and allow a full recovery of the
3 Company's expenditures associated with its AMR investment as of
4 December 31, 2008?

5 A. Yes it does. The Staff's calculation of AMR revenue requirement is just
6 and reasonable and allows the recovery of all expenditures associated
7 with the AMR program. The Staff recommends that the Commission
8 adopt the Staff's revenue requirement calculation and the AMR
9 monthly charge of \$0.34 per customer.

10 17. Q. Is the Staff's recommendation regarding the method used to calculate
11 the AMR annualized revenue requirement and the monthly charge
12 consistent with methods adopted by the Commission in similar cases?

13 A. Yes it is. The Staff's method used to calculate the AMR revenue
14 requirement and monthly charge is consistent with the method used in
15 Duke's Accelerated Main Replacement Program (AMRP) and
16 approved by the Commission in its last six opinion and orders in that
17 case.

18 18. Q. Why does the Staff recommend the amortization of the depreciation
19 and property taxes regulatory asset over the useful life of the AMR
20 equipment?

21 A. It is the proper ratemaking treatment to amortize a regulatory asset
22 authorized by the Commission over the life of the asset to spread the

1 cost over the useful life of the asset. Current and future customers will
2 share the cost and benefits of the AMR program under this treatment.

3 19. Q. Is the Company's calculation of the AMR revenue requirement
4 overstated in its February 27, 2009 filing?

5 A. Yes it is. The Company's calculation of the AMR operating expense
6 includes December 31, 2008 AMR actual accumulated depreciation and
7 property taxes costs. It also includes an estimated depreciation expense
8 and property taxes for the prospective 12 months. By including both the
9 actual accumulated AMR depreciation and property taxes amount; and
10 the estimated depreciation and property taxes for the next 12 months,
11 the AMR revenue requirement is overstated.

12 20. Q. Does the Company's AMR equipment need to be installed before the
13 recovery starts?

14 A. Yes it does. The Staff's believes that the Company's AMR equipment
15 must be installed and all actual costs are reviewed and audited annually
16 before cost recovery starts.

17
18 It is the Staff's opinion that the inclusion of un-known, un-measurable,
19 and un-audited AMR costs is a violation of cost recovery principles.

20 21. Q. What does the Staff recommend to the Commission?

21 A. The Staff recommends that the Commission reject the Company's
22 revised calculation of AMR monthly charge of \$0.39 and adopt the

1 Staff's calculation of an AMR monthly charge of \$0.34 per customer as
2 shown on Attachment IS 1.

3 22. Q. If the Commission allows only the actual accumulated depreciation and
4 property taxes incurred at the end of 2008, what would be the AMR
5 monthly charge?


6 A. Under the Company's method, the AMR monthly charge would be
7 reduced to \$0.30 per customer.

8 23. Q. Does this conclude your testimony?

9 A. Yes, it does.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Testimony of Ibrahim Soliman was served via electronic mail and/or regular U.S. mail, postage prepaid upon the following parties of record this 20th day of April, 2009.


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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

ATTACHEMENT IS 1

Schedule 1

Line No.		Actual Thru 03/31/07 (1)	Actual Thru 12/31/07	Actual 2008	Cumulative through 12/31/08	Reference
1	Return on Investment:					
2	Plant in Service	\$0.00	\$7,900,411.04	\$24,991,177.47	\$32,891,588.51	Schedule 2 & 2A, Line 7
3	Additions	\$0.00	\$0.00	\$0.00	\$0.00	
4	Retirements	\$0.00	\$7,900,411.04	\$24,991,177.47	\$32,891,588.51	
5	Total Plant in Service					
6	Less: Accumulated Provision for Depreciation					
7	Depreciation Expense	\$0.00	\$114,680.23	\$768,095.17	\$882,775.40	Schedule 3A, Line 8
8	Cost of Removal	\$0.00	\$0.00	\$0.00	\$0.00	
9	Original Cost Retired	\$0.00	\$0.00	\$0.00	\$0.00	
10	Total Accumulated Provision for Depreciation	\$0.00	\$114,680.23	\$768,095.17	\$882,775.40	
11	Deferred Depreciation		\$114,680.23	\$768,095.17	\$882,775.40	Schedule 3A, Line 8
12	Deferred Property Tax				\$75,571.02	Schedule 9, Line 23
13	Net Regulatory Asset - Post-In-Service Carrying Cost	\$0.00	\$197,233.02	\$1,410,676.07	\$1,607,909.09	Sch 4 Ln 33, 4A, Ln 40
14	Net Deferred Tax Balance - PISCC	\$0.00	-\$69,031.56	-\$493,736.62	-\$562,768.18	Schedule 5 & 5A, Line 4
15	Deferred Taxes on Liberalized Depreciation	\$0.00	-\$190,807.20	-\$866,618.67	-\$1,057,425.87	Schedule 6, Line 40
16	Net Rate Base	\$0.00	\$7,723,125.07	\$24,273,403.08	\$32,954,874.57	
17	Approved Pre-Tax Rate of Return (ROR)				11.36%	Schedule 10, Line 8
18	Annualized Return on Rate Base				\$3,743,673.75	Net Rate Base * ROR
19	Operating Expense:					
20	Annual Amortization of Deferred Depreciation Expense				\$66,733.02	Schedule 8, Line 15
21	Annualized Depreciation for Additions through 12/31/08				\$1,093,795.75	Schedule 7, Line 14
22	Annual Amortization of Deferred PISCC				\$54,762.00	Schedule 8, Line 16
23	Annual Amortization of Deferred Property Tax Expense				\$2,573.79	Schedule 9, Line 10
24	Annualized Property Tax Expense for Additions through 12/31/08				\$314,622.98	Schedule 9, Line 9
24	Reduction in Call Center Expense				\$0.00	
24	Reduction in Meter Reading Expense				-\$275,928.62	Schedule 12A, Col J Line 12
26	Annualized Revenue Requirement				\$5,000,232.68	
27	Number of Bills				14,769,345	Schedule 11, Line 5
28	AMR Cost Recovery Charge				\$0.34	
29	(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 2

Line No.	Description	2007											
		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	Total Year	
1	ERT Installation	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	0.00	188,270.13	1,889,439.12	3,242,157.30	3,200,779.27	3,193,799.81	4,233,451.32	4,598,289.42	4,564,425.91	4,523,047.88		
3	Computer Hardware	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	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	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	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.	Description	2008												Total Year
		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	
1	EKT Installation	2,850,156.00	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	8,592,168.14
2	EKT Purchases	4,441,299.60	9,126,381.24	10,571,850.24	12,049,425.28	13,611,676.49	15,112,200.10	16,722,186.88	19,045,983.10	19,443,794.33	19,421,460.23	19,405,561.13	19,294,622.51	14,771,574.63
3	Computer Hardware	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	491,348.24	508,314.64	392,335.47
4	In House Labor - CCS IT	34,397.38	83,186.12	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	966,230.44	966,230.44
5	In House Labor - IT	266,891.45	307,538.29	319,959.44	337,940.37	346,772.47	404,122.73	408,313.60	410,541.63	419,899.22	421,928.43	423,969.46	423,969.46	197,774.09
6	Computer Software - Purchased	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	298,853.20	350,000.21	71,054.70
7	Total	8,019,309.06	13,569,710.54	16,059,137.06	18,916,364.92	21,278,555.91	23,819,073.13	26,240,162.29	30,333,501.33	30,694,142.95	31,537,493.14	32,116,631.46	32,891,586.51	
Incremental														
8	EKT 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	EKT Purchases	(81,748.28)	4,685,081.64	1,395,469.00	1,527,575.04	1,562,251.21	1,500,523.61	1,614,996.78	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		138.97		14,310.14	16,986.30	392,335.47
11	In House Labor - Service Company IT	34,397.38	48,796.74	52,858.98	72,276.47	84,817.73	87,080.98	125,736.98	113,749.67	96,384.37	68,895.82	81,459.74	99,703.58	966,230.44
12	In House Labor - Service Company IT	40,696.08	40,646.84	12,421.15	17,980.99	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	4,223.86	1,606.32	1,431.09	1,438.60	51,146.51	71,054.70
14	Total	118,898.02	5,550,401.48	2,489,426.52	2,857,227.86	2,110,201.02	2,592,507.19	2,421,089.16	4,093,339.04	360,641.63	843,330.18	579,138.32	774,957.05	34,991,177.47

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	603,396.16	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	53,695.39
3	ERT Purchases	188,270.13	1,889,439.12	3,242,157.30	3,200,779.27	3,195,789.81	4,233,451.32	4,598,289.42	4,564,425.91	4,523,047.88	136,015.76
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	3,121.72
5	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
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	2,916.34
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	1,483.81
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	197,233.02
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 (GAS DOMINION EAST OHIO)
AUTOMATED METER READING ESTIMATED COST RECOVERY CHANGE
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 Cost													
2	ERT Installation	2,756,263.11	2,850,196.00	3,624,991.97	4,676,679.87	5,962,167.96	6,212,493.88	7,160,490.82	7,831,998.89	8,695,890.15	9,341,235.30	10,134,562.46	10,630,351.87	11,348,431.25
3	ERT Purchases	4,521,047.88	4,441,299.69	4,441,299.69	9,126,381.24	12,049,425.28	13,611,676.49	15,112,200.10	16,727,186.88	19,045,983.10	19,443,794.33	19,421,460.23	19,405,561.13	19,294,672.51
4	Computer Hardware	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17	115,999.17
5	In House Labor - CCS IT	0.00	34,387.38	83,186.12	136,155.10	208,431.57	293,249.30	404,122.73	506,097.26	619,806.93	716,191.39	786,087.12	865,546.86	966,250.44
6	In House Labor - IT	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37	226,195.37
7	Computer Software - Purchased	278,945.51	310,565.46	312,043.75	283,694.18	285,000.65	286,674.62	288,520.82	289,104.43	289,594.61	289,745.70	289,853.10	289,900.21	289,900.21
8	Accumulated Cost	7,900,411.04	8,019,509.08	13,599,710.54	16,059,157.06	18,916,384.52	21,226,655.94	23,819,073.13	26,540,182.29	30,694,142.96	31,537,693.14	32,891,586.51		
9	Regulatory Asset - Defaults													
10	ERT Installation	14,929.76	15,439.56	19,633.21	25,333.10	30,129.41	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	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04
12	Computer Hardware	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11
13	In House Labor - CCS IT	0.00	186.32	480.85	737.51	1,233.11	1,830.51	2,488.00	3,189.18	3,879.27	4,574.45	5,263.48	5,953.80	6,645.80
14	In House Labor - IT	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95
15	Computer Software - Purchased	42,793.88	49,487.92	73,502.61	86,987.00	102,463.64	114,977.23	129,019.86	142,134.21	164,506.47	164,359.94	170,828.10	170,828.10	170,828.10
16	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
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	15,439.56	19,633.21	25,333.10	30,129.41	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	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04	24,057.04
28	Computer Hardware	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11	628.11
29	In House Labor - CCS IT	0.00	186.32	480.85	737.51	1,233.11	1,830.51	2,488.00	3,189.18	3,879.27	4,574.45	5,263.48	5,953.80	6,645.80
30	In House Labor - IT	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22	1,225.22
31	Computer Software - Purchased	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95	1,510.95
32	Net	42,793.88	49,487.92	73,502.61	86,987.00	102,463.64	114,977.23	129,019.86	142,134.21	164,506.47	164,359.94	170,828.10	170,828.10	170,828.10
33	Cumulative													
34	ERT Installation	53,695.39	68,625.15	84,063.71	103,696.92	129,020.02	159,158.43	192,809.44	231,595.43	274,016.59	321,056.16	371,663.52	426,539.07	484,140.14
35	ERT Purchases	136,015.76	160,515.60	184,572.64	234,007.21	291,020.57	356,288.29	429,598.20	511,855.95	602,451.55	709,560.63	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	6,274.79	6,983.91	7,733.29	8,522.03	9,350.46	10,219.83	11,132.89	12,090.19
37	In House Labor - CCS IT	0.00	0.00	186.32	616.97	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	2,916.94	4,141.96	5,892.22	7,253.05	8,986.16	10,816.67	12,705.85	14,894.85	17,106.55	19,330.32	21,604.77	23,990.22	26,165.72
39	Computer Software - Purchased	1,483.81	2,594.76	4,672.99	6,367.23	7,907.65	9,446.41	11,000.85	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	358,867.43	443,954.43	546,418.07	661,595.30	790,415.28	932,595.49	1,096,555.96	1,283,115.90	1,493,944.00	1,607,500.09

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.	Description	Tax Year 2007		Tax Year 2008		Total Vng 2007 - 08
		PERC Account	Tax Life	Vintage 2007 Total	Vintage 2008 Total	
1	Plant In-Service					
2	ERT Installation	3820	15/20	2,756,263.11	2,756,263.11	11,348,431.25
3	ERT Purchases	3810	15/20	4,523,047.88	4,523,047.88	19,294,622.51
4	Computer Hardware	3912	5	115,959.17	115,959.17	508,314.64
5	Computer Software - CCS IT	3990	1	0.00	0.00	966,250.44
6	Computer Software - IT	3030	1	226,195.37	226,195.37	423,969.46
7	Computer Software - Purchased	3030	3	278,945.51	278,945.51	350,000.21
	Total Plant In-Service			7,900,411.04	7,900,411.04	32,891,588.51
						Schedule 2A
8	Book to Tax Basis Adjustments:					
9	MACRS - 5 Year Property			0.00	0.00	0.00
10	MACRS - 15 Year Property			0.00	0.00	0.00
11	MACRS - 20 Year Property			0.00	0.00	0.00
12	MACRS - 3 Year Property			0.00	0.00	0.00
13	MACRS - 1 Year Property			0.00	0.00	0.00
	Total Book to Tax Basis Adjustments			0.00	0.00	0.00
14	Tax Base In-Service subject to:					
15	MACRS - 5 Year Property			115,959.17	115,959.17	508,314.64
16	MACRS - 15 Year Property			7,279,310.99	7,279,310.99	30,643,053.76
17	MACRS - 20 Year Property			0.00	0.00	0.00
18	MACRS - 3 Year Property			278,945.51	278,945.51	350,000.21
19	MACRS - 1 Year Property			226,195.37	226,195.37	1,390,219.90
	Total Tax Depreciation Base			7,900,411.04	7,900,411.04	32,891,588.51
20	Tax Rates					
21	MACRS - 5 Year Property			20.00000%	32.00000%	20.00000%
22	MACRS - 15 Year Property			5.00000%	9.50000%	5.00000%
23	MACRS - 20 Year Property			3.75000%	7.21909%	3.75000%
24	MACRS - 3 Year Property			16.6667%	33.3333%	16.6667%
25	MACRS - 1 Year Property			100.0000%	100.0000%	100.0000%
	Tax Depreciation					
26	MACRS - 5 Year Property			23,191.83	37,106.93	115,578.02
27	MACRS - 15 Year Property			363,965.55	691,534.54	1,859,721.68
28	MACRS - 20 Year Property			0.00	0.00	0.00
29	MACRS - 3 Year Property			46,490.92	92,981.84	104,824.29
30	MACRS - 1 Year Property			226,195.37	0.00	1,164,024.53
	Total Tax Depreciation			659,843.67	821,623.31	3,244,148.52
31	Book Depreciation					
32	ERT - Installations			25,127.37		171,719.63
33	ERT - Purchases			56,056.99		352,478.62
34	ERT - Other			33,495.87		243,896.97
35	Total Book Depreciation			114,680.23		768,095.17
36	Less: Book Dear on AFUDC Equity			0.00		0.00
37	Plus: Originating Diff. Exclusive of AFUDC Equity			0.00		0.00
	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.	Plant Basis	Total Activity Through Depr Rate 12/31/2008	Effective 11/1/08	Schedule 2A
1	ERT Installation	11,348,431.25	2.22%	251,935.17
2	ERT Purchases	19,294,622.51	2.70%	520,954.81
3	Computer Hardware	508,314.64	20.00%	101,662.93
4	In House Labor - CCS IT	966,250.44	6.67%	64,448.90
5	In House Labor - IT	423,969.46	20.00%	84,793.89
6	Computer Software - Purchased	350,000.21	20.00%	70,000.04
7	Total	<u>32,891,588.51</u>		<u>Schedule 2A</u>
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			<u>1,093,795.75</u>

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	<u>1,607,909.09</u>

Schedule 4A

Line No.	Description	Annualized Amortization of PISCC	Accumulated Balance at 12/31/08
9	Annualized Amortization of PISCC		
10	ERT Installation	2.2200%	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		<u>54,762.00</u>

Amortization Ratio
0.034057896

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.	Property Tax Expense (Amounts Exclude Post In-Service Carrying Costs)	Actual Thru 3/31/07 (1)	Actual Thru 12/31/07	Activity Thru 12/31/08	Sch 2A
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	
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	2008 Effective Rate (Full Cost)			0.957%	
9	Ohio Property Tax	0.00	75,571.02	314,622.98	
10	Amortization of 2007				2,573.79

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
 Approved 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)	<u>8.49%</u>
8	Return on Rate Base using Pre-Tax Equity	<u>11.36%</u>

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		2008		Variance 08 Adj vs. 07 Adj	Notes	
		Actual	Adjustments	Actual	Adjustments			
1	Labor Expense	5,664,962.08	30,806.00	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	1,545,401.74	135,985.05	1,681,386.79	(294,174.31) B	
3	Labor Allocations	76,088.61		153,821.86		153,821.86	77,733.25	
4	Net Labor	7,703,823.60	43,594.19	6,850,541.82	542,166.07	7,392,707.89	(354,709.90) C	
5	Material & Supplies	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)	764,739.82	(764,739.82)	0.00	0.00 C	
7	Outside Services	199,852.88		172,933.91		172,933.91	(26,918.97)	
8	Utilities - Wireless	69,198.35		80,612.64		80,612.64	11,414.29	
9	Vehicle Expenses	482,690.58		560,813.14		560,813.14	78,122.56	
10	Other Miscellaneous	84,676.54		121,394.19		121,394.19	36,717.65	
11	Subtotal Other	1,936,945.87	(1,000,227.02)	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.
 Outside contractor expenses related to DOT inspections were removed from both years.

C 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.