

FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The East  
Ohio Gas Company d/b/a Dominion East  
Ohio for Adjustment of Its Interim  
Emergency and Temporary Percentage of  
Income Payment Plan Rider

Case No. 09-2011-GA-PIP

APPLICATION

The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") respectfully requests approval of an adjustment to its Interim Emergency and Temporary Percentage of Income Payment Plan Rider ("PIPP Rider"). In support of this Application, DEO states as follows:

1. DEO is an Ohio corporation engaged in the business of supplying natural gas to consumers within the State of Ohio and is a public utility subject to the jurisdiction of the Commission. DEO's principal office is located at 1201 East 55th Street, Cleveland, Ohio 44103.
2. This Application is made pursuant to the provision of the December 2, 1993 Finding and Order in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, and 90-879-GE-ORD and the December 19, 1996 Finding and Order in Case No. 96-991-GA-UNC.
3. The proposed PIPP Rider rate of \$1.7854 (see Attachment 1) would supersede the current rate of \$0.5653 approved in Case No. 05-1421-GA-PIP, which has been effective since February 7, 2006. The proposed PIPP Rider rate has been calculated so that, as nearly as possible, it recovers the accumulated unrecovered PIPP arrearages (including pre-PIPP balances, post-PIPP balances in arrears over 12 months, amounts forgiven under DEO's arrearage crediting programs, costs paid to the Ohio Department of Development for income reverification, plus

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carrying costs incurred on the unrecovered arrearages as approved in Case No. 05-1421-GA-PIP) estimated through December 31, 2009, plus an amount to recover the additional PIPP arrearages that are estimated to accumulate over the twelve months during which the proposed rate will be in effect. Arrearages deferred and estimated for recovery through the PIPP Rider have been reduced by revenue sharing from DEO's firm receipt point option and commodity exchange revenues as approved in DEO's last base rate case, Case No. 07-829-GA-AIR *et al.*

4. DEO requests authority to continue to accrue carrying costs on accumulated unrecovered arrearages and to recover such carrying costs through the PIPP rider. Actual carrying costs will be recorded on DEO's books each month based on DEO's actual cost of debt and average deferred PIPP balance (*i.e.*, average of the beginning of month and end of month balances) for each month. Deferred taxes will be provided for the carrying charges so that the net amounts recorded equal the effect of net of tax carrying charges. The net carrying charges will be tracked separately so that they may be readily distinguished from the PIPP arrearage balance. Information supporting the development of the proposed rate is included in Attachment 2. In order to reduce the magnitude of future adjustments and minimize carrying costs, DEO will commit to recalculating the PIPP rate annually from this point forward, in December of each year.

5. As an alternative to the 12-month recovery period described above, DEO would not object to a Commission order requiring DEO to recover accumulated unrecovered PIPP arrearages over 36 months. If a 36-month recovery period is ordered, DEO requests authority to continue to accrue carrying costs and to recover such carrying costs through the PIPP rider in the manner described above. The PIPP rider calculated to recover the arrearages over 36 months is provided in Attachment 3, with supporting information included in Attachment 4.

6. If the Commission determines that a 36-month recovery period is appropriate, the rider rates would be \$1.1181 for years one through three based on deferred PIPP balances projected for calendar years 2010 through 2012. If a 36-month recovery period is ordered, DEO proposes that only the year one rider rate be approved in this proceeding. DEO will commit to recalculating the rate annually thereafter.

7. The current PIPP Rider rate is insufficient to recover the accumulated deferred PIPP arrearages. The primary factors contributing to the increase in deferred PIPP arrearages are described below.

8. First, DEO has experienced a considerable increase in the number of PIPP customers over the past several years. DEO had 41,888 PIPP customers on December 31, 1998. This figured more than doubled to 84,374 PIPP customers as of September 30, 2005, just prior to the filing of the application for the PIPP Rider rate currently in effect. The number of PIPP customers has grown to 114,062 as of October 31, 2009 - an increase of over 35% since the last PIPP Rider filing. PIPP customers now account for about 10% of DEO's entire customer base. The increase in the number of PIPP customers is reflective of the economic conditions in DEO's service territory, which are well known to this Commission. The current level of deferred PIPP arrearages is directly attributable to the continued increase in economic distress in DEO's Northeast Ohio service territory.<sup>1</sup>

9. As the number of PIPP customers has grown, PIPP balances deferred for recovery through the PIPP Rider, including both the accumulated deferred balances and the ongoing annual deferrals, have increased significantly. Accumulated and annual deferred PIPP balances

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<sup>1</sup> As explained in a September 29, 2009 *Plain Dealer* article, "Ranks of the near-poor grow in NE Ohio, census data show", in 2008, 30.5 percent of Cleveland residents lived in poverty, up from 29.5% in 2007 and 26.9% in 2006. Among America's 71 major cities, Cleveland ranks second poorest behind Detroit. Youngstown's poverty rate is even higher at 33.5%. Conditions are only marginally better in some other communities served by DEO. Canton, for example, had a 27.3% poverty rate in 2008.

used to calculate the current PIPP Rider rate were approximately \$153.6 million. These balances now total approximately \$270 million after applying revenue sharing reductions, exclusive of additional carrying charges that must be recovered while this total deferred balance is being collected.

10. Second, although natural gas prices are currently at their lowest level this decade, such has not been the case throughout the period when the current PIPP Rider has been in effect. In February 2006, the month the current PIPP Rider rate became effective, DEO's gas cost recovery ("GCR") rate was \$12.504. In 2007, commodity costs under DEO's standard service offer ("SSO") ranged from \$7.278 to \$9.031. Likewise, 2008 saw extreme volatility in commodity costs, which ranged between \$8.612 and \$14.545. Higher gas rates increased all customer bills. Because PIPP customers pay a fixed amount based on their income, PIPP arrearages increased as PIPP customers' bills increased. Although the proposed increase in the PIPP Rider rate is considerable, the impact on customers of implementing the revised rate at this time is reduced by the recent decline in commodity prices. Given the relatively low commodity prices that exist currently, the Commission may find it preferable to recover the accrued PIPP arrearages over 12 months rather than 36 months. Doing so would save customers approximately \$532,000 in carrying costs.

11. Lastly, the annual moratoriums under which DEO has either formally or informally been required to avoid termination of service for customers during the winter season have contributed to the accumulation of arrearages for which DEO now seeks recovery.

12. Attachment 5 shows deferred PIPP activity and the annual average number of PIPP customers for the years 2005 through 2009, with 2009 estimated through December 31.

13. Clean and scored versions of the new PIPP Rider tariff that will apply if recovery of the accrued arrearages is authorized over 12 months are included in Attachment 6. Clean and scored versions of the tariff that will apply if recovery is authorized over 36 months are included in Attachment 7.

WHEREFORE, DEO respectfully requests that the Commission approve the adjustment of DEO's Interim Emergency and Temporary Percentage of Income Payment Plan Rider as proposed in this Application.

Respectfully submitted,



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**DOMINION EAST OHIO**  
**CALCULATION OF RECOMMENDED PIPP RIDER RATE**  
**RECOVERY OF ACCUMULATED BALANCE OVER 1 YEAR**

|                                                                            | <u>Principal</u>  | <u>Interest</u>  |                   |
|----------------------------------------------------------------------------|-------------------|------------------|-------------------|
| 1. Balance of Accumulated Deferred PIPP projected as of 12/31/2009         | \$ 155,888,119.38 | \$ 12,222,946.49 | \$ 168,111,065.87 |
| 2. Carrying Costs over 12 Months                                           | -                 | 298,098.09       | 298,098.09        |
| 3. Deferred PIPP Balance to be Recovered                                   | \$ 155,888,119.38 | \$ 12,521,044.58 | \$ 168,409,163.96 |
| 4. Billed Volumes subject to PIPP Rider for the 12 months ended 12/31/2010 | 151,409,832       | 151,409,832      |                   |
| 5. Deferred PIPP Balance Rate (3)/(4)                                      | \$ 1.0296         | \$ 0.0827        | \$ 1.1123 / MCF   |
| 6. Balance of New Deferred PIPP Amounts for the 12 months ended 12/31/2010 | \$ 107,636,494.42 |                  |                   |
| 7. Revenue Sharing for the 12 months ended 12/31/2010                      | (5,713,370.00)    |                  |                   |
| 8. Annual Deferrals, Net                                                   | \$ 101,923,124.42 |                  |                   |
| 9. Billed Volumes subject to PIP Rider for the 12 months ended 12/31/2010  | 151,409,832       |                  |                   |
| 10. Current PIPP Balance Rate (8)/(9)                                      | \$ 0.6731         |                  | / MCF             |
| 11. Deferred PIP Balance Rate (5)                                          | \$ 1.0296         | \$ 0.0827        | \$ 1.1123 / MCF   |
| 12. Current PIP Balance Rate (10)                                          | 0.6731            | -                | 0.6731 / MCF      |
| 13. Total Recommended PIP Rate (11) + (12)                                 | \$ 1.7027         | \$ 0.0827        | \$ 1.7854 / MCF   |

**DOMINION EAST OHIO**  
**PIPP RATES ASSUMING RECOVERY OF ACCUMULATED DEFERRED BALANCE OVER ONE YEAR**

| MONTH/YEAR            | Deferred<br>PIPP Arrearages | PIPP<br>Recoveries         | Firm Receipt Pt<br>& Commodity<br>Exchange Rev<br>Sharing | Net<br>Incremental<br>Deferral | Billed PIPP<br>Running<br>Balance | Carrying<br>Charges<br>on Monthly<br>Avg Balance | Recovery of<br>Carrying<br>Charges | Carrying<br>Charges<br>Running<br>Balance | Total PIPP<br>Running<br>Balance |
|-----------------------|-----------------------------|----------------------------|-----------------------------------------------------------|--------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------|-------------------------------------------|----------------------------------|
| (A)                   | (B)                         | (C)                        | (D)                                                       | (E = Sum (B to D))             | (F)                               | (I)                                              | (J)                                | (K)                                       | (L)<br>= (F) + (K)               |
| Rate in February 2006 |                             | 0.5653                     |                                                           |                                |                                   |                                                  |                                    |                                           |                                  |
| Rate in January 2010  | Total Rate<br>1.7864        | Deferred Balance<br>1.7027 |                                                           |                                |                                   |                                                  |                                    |                                           |                                  |
| Balance @ 12/31/08    | 759,724,851.25              | (617,172,946.09)           | (4,640,139.42)                                            |                                | 137,911,765.74                    | 11,471,329.86                                    | 0.00                               | 11,471,329.86                             | 149,383,095.60                   |
| January 2009          | 11,822,106.84               | (19,291,863.06)            | (1,325,782.58)                                            | (8,795,338.80)                 | 129,116,426.94                    | 94,033.98                                        | 0.00                               | 11,565,363.84                             | 140,681,790.78                   |
| February              | 20,733,048.47               | (16,444,123.14)            | (1,206,963.02)                                            | 3,081,962.31                   | 132,198,389.25                    | 71,338.94                                        | 0.00                               | 11,636,702.78                             | 143,835,092.03                   |
| March                 | 24,076,582.66               | (11,537,556.80)            | (902,835.64)                                              | 11,636,190.22                  | 143,834,579.47                    | 75,357.00                                        | 0.00                               | 11,712,059.78                             | 155,546,639.25                   |
| April                 | 9,266,347.59                | (7,928,463.62)             | (644,904.80)                                              | 692,979.07                     | 144,527,558.54                    | 78,578.68                                        | 0.00                               | 11,790,638.46                             | 156,318,197.00                   |
| May                   | 7,736,299.66                | (3,351,909.60)             | (622,208.62)                                              | 3,762,183.44                   | 148,289,741.98                    | 70,378.84                                        | 0.00                               | 11,861,017.10                             | 160,150,759.08                   |
| June                  | 2,067,258.57                | (2,189,709.75)             | (452,909.80)                                              | (575,360.08)                   | 147,714,381.90                    | 55,722.78                                        | 0.00                               | 11,916,739.88                             | 159,631,121.78                   |
| July                  | 1,853,128.38                | (1,834,415.43)             | (453,704.89)                                              | (434,993.99)                   | 147,279,387.91                    | 54,706.59                                        | 0.00                               | 11,971,446.47                             | 159,250,834.38                   |
| August                | 804,515.44                  | (1,738,027.54)             | (572,013.23)                                              | (1,505,525.33)                 | 145,773,862.58                    | 52,178.13                                        | 0.00                               | 12,023,624.60                             | 157,797,487.18                   |
| September             | 1,024,325.13                | (2,038,328.47)             | (468,188.74)                                              | (1,480,192.08)                 | 144,283,670.50                    | 49,413.00                                        | 0.00                               | 12,073,037.60                             | 156,366,708.10                   |
| October               | 5,067,719.79                | (4,732,982.17)             | (537,423.17)                                              | (202,695.55)                   | 144,090,874.95                    | 48,780.26                                        | 0.00                               | 12,121,817.86                             | 156,212,792.81                   |
| November              | 14,094,657.76               | (8,768,357.00)             | (475,000.00)                                              | 4,851,300.76                   | 148,942,275.71                    | 49,566.57                                        | 0.00                               | 12,171,384.43                             | 161,113,660.14                   |
| December              | 21,603,809.67               | (14,209,966.00)            | (448,000.00)                                              | 6,945,843.67                   | 155,888,119.38                    | 51,562.06                                        | 0.00                               | 12,222,946.49                             | 168,111,065.87                   |
| Year-to-Date 2009     | 120,148,798.91              | (94,063,512.58)            | (8,109,932.68)                                            | 17,976,353.64                  |                                   | 751,616.63                                       | 0.00                               |                                           |                                  |
| Balance @ 12/31/09    | 879,874,650.16              | (711,236,458.87)           | (12,750,072.11)                                           |                                | 155,888,119.38                    | 12,222,946.49                                    | 0.00                               | 12,222,946.49                             | 168,111,065.87                   |
| January 2010          | 24,055,118.43               | (45,505,290.39)            | (718,998.00)                                              | (22,169,167.96)                | 133,718,951.42                    | 48,987.04                                        | (2,210,188.24)                     | 10,061,745.29                             | 143,780,696.71                   |
| February              | 20,053,649.32               | (42,120,467.89)            | (672,254.00)                                              | (22,739,072.37)                | 110,979,879.05                    | 41,390.81                                        | (2,045,787.68)                     | 8,057,348.42                              | 119,037,227.47                   |
| March                 | 16,643,422.33               | (35,264,661.08)            | (613,596.00)                                              | (19,234,834.75)                | 91,745,044.30                     | 34,290.92                                        | (1,712,801.71)                     | 6,378,837.63                              | 98,123,881.93                    |
| April                 | 8,463,952.79                | (19,934,833.26)            | (345,523.00)                                              | (11,816,403.47)                | 79,928,640.83                     | 29,038.60                                        | (968,233.22)                       | 5,439,643.01                              | 85,368,283.84                    |
| May                   | 3,812,997.92                | (10,567,726.50)            | (349,173.00)                                              | (7,103,901.58)                 | 72,824,739.25                     | 25,838.23                                        | (513,273.61)                       | 4,952,207.63                              | 77,776,946.88                    |
| June                  | 1,869,562.75                | (6,273,350.41)             | (345,523.00)                                              | (4,749,310.66)                 | 68,075,428.59                     | 23,833.26                                        | (304,696.12)                       | 4,671,344.77                              | 72,746,773.36                    |
| July                  | 1,808,550.43                | (5,686,732.88)             | (349,173.00)                                              | (4,207,355.45)                 | 63,868,073.14                     | 22,318.24                                        | (275,232.75)                       | 4,418,430.26                              | 68,286,503.40                    |
| August                | 890,502.74                  | (5,488,846.70)             | (349,173.00)                                              | (5,148,516.96)                 | 58,719,556.18                     | 20,735.70                                        | (286,841.41)                       | 4,172,524.55                              | 62,892,080.73                    |
| September             | 824,151.25                  | (6,295,318.81)             | (340,423.00)                                              | (5,811,590.56)                 | 52,907,965.62                     | 18,881.80                                        | (305,763.12)                       | 3,885,643.23                              | 56,793,608.85                    |
| October               | 3,988,785.85                | (13,333,629.33)            | (343,903.00)                                              | (9,688,748.48)                 | 43,219,218.14                     | 16,259.91                                        | (847,613.29)                       | 3,254,289.85                              | 46,473,508.99                    |
| November              | 10,177,765.55               | (25,582,660.55)            | (583,820.00)                                              | (15,988,715.00)                | 27,230,504.14                     | 11,916.57                                        | (1,242,547.73)                     | 2,023,658.69                              | 29,254,162.83                    |
| December              | 15,248,035.09               | (41,771,003.33)            | (701,813.00)                                              | (27,224,781.27)                | 5,722.87                          | 4,607.01                                         | (2,028,814.22)                     | (548.52)                                  | 5,174.35                         |
| Year-to-Date 2010     | 107,636,494.42              | (257,805,520.93)           | (5,713,370.00)                                            | (155,882,396.51)               |                                   | 298,098.09                                       | (12,521,593.10)                    |                                           |                                  |
| Balance @ 12/31/10    | 987,511,144.58              | (969,041,979.60)           | (18,483,442.11)                                           |                                | 5,722.87                          | 12,521,044.58                                    | (12,521,593.10)                    | (548.52)                                  | 5,174.35                         |

**DOMINION EAST OHIO**  
**CALCULATION OF RECOMMENDED PIPP RIDER RATE**  
**RECOVERY OF ACCUMULATED BALANCE OVER 3 YEARS**

|                                                                                     | <u>December 2009 through December 2012</u> |                   |                   |       |
|-------------------------------------------------------------------------------------|--------------------------------------------|-------------------|-------------------|-------|
|                                                                                     | <u>Principal</u>                           | <u>Interest</u>   |                   |       |
| 1. Balance of Accumulated Deferred PIPP projected as of 12/31/2009                  | \$ 155,888,119.38                          | \$ 12,222,946.49  | \$ 168,111,065.87 |       |
| 2. Carrying Costs over 36 Months                                                    | -                                          | <u>830,272.95</u> | <u>830,272.95</u> |       |
| 3. Deferred PIPP Balance to be Recovered                                            | \$ 155,888,119.38                          | \$ 13,053,219.44  | \$ 168,941,338.82 |       |
| 4. Billed Volumes subject to PIPP Rider for the 36 months ended 12/31/2012          | 445,590,732                                | 445,590,732       |                   |       |
| 5. Deferred PIPP Balance Rate (3)/(4)                                               | \$ 0.3498                                  | \$ 0.0293         | \$ 0.3791         | / MCF |
| 6. Average Annual Balance of New Deferred PIPP for the 36 months ended 12/31/2012   | \$ 115,366,301.91                          |                   |                   |       |
| 7. Average Annual Revenue Sharing for the 36 months ended 12/31/2012                | <u>(5,595,381.33)</u>                      |                   |                   |       |
| 8. Average Annual Deferrals, Net                                                    | \$ 109,770,920.58                          |                   |                   |       |
| 9. Average Annual Billed Volumes subject to PIPP for the 36 months ended 12/31/2012 | 148,530,244                                |                   |                   |       |
| 10. Current PIPP Balance Rate (8)/(9)                                               | \$ 0.7390                                  |                   |                   | / MCF |
| 11. Deferred PIP Balance Rate (5)                                                   | \$ 0.3498                                  | \$ 0.0293         | \$ 0.3791         | / MCF |
| 12. Current PIP Balance Rate (10)                                                   | <u>0.7390</u>                              | -                 | <u>0.7390</u>     | / MCF |
| 13. Total Recommended PIP Rate (11) + (12)                                          | \$ 1.0888                                  | \$ 0.0293         | \$ 1.1181         | / MCF |

**DOMINION EAST OHIO  
PIPP RATES ASSUMING RECOVERY OF ACCUMULATED DEFERRED BALANCE OVER THREE YEARS**

| MONTH/YEAR            | PIPP Arrearages | PIPP Recoveries  | Firm Receipt Pt & Commodity Exchange Rev Sharing | Net Incremental Deferral | Billed PIPP Running Balance | Carrying Charges on Monthly Avg Balance | Recovery of Carrying Charges | Carrying Charges Running Balance | Total PIPP Running Balance |
|-----------------------|-----------------|------------------|--------------------------------------------------|--------------------------|-----------------------------|-----------------------------------------|------------------------------|----------------------------------|----------------------------|
| (A)                   | (B)             | (C)              | (D)                                              | (E = Sum (B to D))       | (F)                         | (I)                                     | (J)                          | (K)                              | (L) = (F) + (K)            |
| Rate in February 2006 |                 | 0.5653           |                                                  |                          |                             |                                         |                              |                                  |                            |
|                       | Total Rate      | Deferred Balance |                                                  |                          |                             |                                         |                              |                                  |                            |
| Rate in January 2010  | 1.1181          | 1.0888           |                                                  |                          |                             |                                         |                              |                                  |                            |
| Rate in January 2011  | 1.1181          | 1.0888           |                                                  |                          |                             |                                         |                              |                                  |                            |
| Rate in January 2012  | 1.1181          | 1.0888           |                                                  |                          |                             |                                         |                              |                                  |                            |
| Balance @ 12/31/08    | 759,724,851.25  | (617,172,946.09) | (4,640,139.42)                                   |                          | 137,911,765.74              | 11,471,329.86                           | 0.00                         | 11,471,329.86                    | 149,383,095.60             |
| January 2009          | 11,822,106.84   | (19,291,663.06)  | (1,325,782.58)                                   | (8,795,338.80)           | 128,116,426.94              | 94,033.98                               | 0.00                         | 11,565,363.84                    | 140,681,790.78             |
| February              | 20,733,048.47   | (16,444,123.14)  | (1,206,963.02)                                   | 3,081,962.31             | 132,198,389.25              | 71,338.94                               | 0.00                         | 11,636,702.78                    | 143,835,092.03             |
| March                 | 24,076,582.66   | (11,537,556.80)  | (902,835.64)                                     | 11,636,190.22            | 143,834,579.47              | 75,357.00                               | 0.00                         | 11,712,059.78                    | 155,546,639.25             |
| April                 | 9,266,347.59    | (7,928,463.62)   | (644,904.90)                                     | 692,979.07               | 144,527,558.54              | 78,578.68                               | 0.00                         | 11,790,638.46                    | 156,318,197.00             |
| May                   | 7,736,299.66    | (3,351,909.60)   | (622,206.82)                                     | 3,762,183.44             | 148,289,741.98              | 70,379.64                               | 0.00                         | 11,861,017.10                    | 160,150,759.08             |
| June                  | 2,067,259.57    | (2,189,709.76)   | (452,909.90)                                     | (575,380.08)             | 147,714,361.90              | 55,722.78                               | 0.00                         | 11,916,739.88                    | 159,631,121.78             |
| July                  | 1,853,126.33    | (1,834,415.43)   | (453,704.89)                                     | (434,993.99)             | 147,279,367.91              | 54,706.59                               | 0.00                         | 11,971,446.47                    | 159,250,834.38             |
| August                | 804,515.44      | (1,738,027.54)   | (572,013.23)                                     | (1,506,525.33)           | 145,773,862.58              | 52,178.13                               | 0.00                         | 12,023,624.60                    | 157,797,487.18             |
| September             | 1,024,325.13    | (2,036,928.47)   | (468,188.74)                                     | (1,480,192.08)           | 144,293,670.50              | 49,413.00                               | 0.00                         | 12,073,037.60                    | 156,366,708.10             |
| October               | 5,067,719.79    | (4,732,982.17)   | (537,423.17)                                     | (202,695.55)             | 144,090,974.95              | 48,780.26                               | 0.00                         | 12,121,817.86                    | 156,212,792.81             |
| November              | 14,094,657.76   | (8,768,357.00)   | (475,000.00)                                     | 4,851,300.76             | 148,942,275.71              | 49,566.57                               | 0.00                         | 12,171,384.43                    | 161,113,660.14             |
| December              | 21,603,809.67   | (14,209,966.00)  | (448,000.00)                                     | 6,945,843.67             | 155,888,119.38              | 51,562.06                               | 0.00                         | 12,222,946.49                    | 168,111,065.87             |
| Year-to-Date 2009     | 120,149,798.91  | (94,063,512.58)  | (8,109,932.89)                                   | 17,976,353.64            |                             | 751,816.63                              | 0.00                         |                                  |                            |
| Balance @ 12/31/09    | 879,874,650.16  | (711,236,458.67) | (12,750,072.11)                                  |                          | 155,888,119.38              | 12,222,946.49                           | 0.00                         | 12,222,946.49                    | 168,111,065.87             |
| January 2010          | 24,055,118.43   | (29,096,594.71)  | (718,996.00)                                     | (5,762,462.28)           | 150,125,657.10              | 51,762.23                               | (783,053.39)                 | 11,491,855.33                    | 161,617,312.43             |
| February              | 20,053,649.32   | (26,934,142.96)  | (672,254.00)                                     | (7,552,747.84)           | 142,572,909.46              | 49,509.96                               | (724,807.46)                 | 10,816,357.81                    | 153,389,267.27             |
| March                 | 16,643,422.33   | (22,550,163.26)  | (613,596.00)                                     | (8,520,336.93)           | 136,052,572.53              | 47,129.50                               | (606,833.01)                 | 10,255,654.30                    | 146,309,226.83             |
| April                 | 8,463,962.79    | (12,747,428.47)  | (345,523.00)                                     | (4,628,998.68)           | 131,423,573.85              | 45,243.59                               | (343,037.89)                 | 9,958,860.00                     | 141,382,433.85             |
| May                   | 3,812,987.92    | (6,757,585.37)   | (349,173.00)                                     | (3,293,760.45)           | 128,129,813.40              | 43,903.46                               | (181,849.06)                 | 9,820,914.40                     | 137,960,727.80             |
| June                  | 1,869,562.75    | (4,011,525.18)   | (345,523.00)                                     | (2,487,485.43)           | 125,642,327.97              | 42,925.56                               | (107,951.59)                 | 9,755,888.37                     | 135,398,216.34             |
| July                  | 1,808,550.43    | (3,623,820.58)   | (349,173.00)                                     | (2,184,243.15)           | 123,478,084.82              | 42,138.72                               | (97,512.93)                  | 9,700,514.16                     | 133,178,598.98             |
| August                | 890,502.74      | (3,510,509.83)   | (349,173.00)                                     | (3,189,180.09)           | 120,308,904.73              | 41,236.57                               | (94,469.08)                  | 9,647,281.65                     | 129,956,186.38             |
| September             | 824,151.25      | (4,025,572.98)   | (340,423.00)                                     | (3,541,844.74)           | 116,767,059.99              | 40,101.40                               | (108,329.82)                 | 9,579,053.43                     | 126,346,113.42             |
| October               | 3,988,785.85    | (8,526,255.72)   | (343,903.00)                                     | (4,881,372.87)           | 111,885,687.12              | 38,676.61                               | (229,444.61)                 | 9,388,285.43                     | 121,273,972.55             |
| November              | 10,177,765.55   | (16,358,959.78)  | (583,820.00)                                     | (6,766,014.23)           | 105,120,672.89              | 36,708.63                               | (440,225.50)                 | 8,984,766.56                     | 114,106,439.45             |
| December              | 15,248,035.06   | (26,710,676.24)  | (701,813.00)                                     | (12,184,454.18)          | 92,956,218.71               | 33,504.71                               | (718,793.91)                 | 8,299,477.36                     | 101,255,696.07             |
| Year-to-Date 2010     | 107,838,494.42  | (184,855,025.09) | (5,713,370.00)                                   | (62,931,900.67)          |                             | 512,838.94                              | (4,436,308.07)               |                                  |                            |
| Balance @ 12/31/10    | 987,511,144.58  | (876,081,483.76) | (18,463,442.11)                                  |                          | 92,956,218.71               | 12,735,785.43                           | (4,436,308.07)               | 8,299,477.36                     | 101,255,696.07             |

**DOMINION EAST OHIO  
PIPP RATES ASSUMING RECOVERY OF ACCUMULATED DEFERRED BALANCE OVER THREE YEARS**

| MONTH/YEAR            | Deferred<br>PIPP Arrearages | PIPP<br>Recoveries      | Firm Receipt Pt<br>& Commodity<br>Exchange Rev<br>Sharing | Net<br>Incremental<br>Deferral | Billed PIPP<br>Running<br>Balance | Carrying<br>Charges<br>on Monthly<br>Avg Balance | Recovery of<br>Carrying<br>Charges | Carrying<br>Charges<br>Running<br>Balance | Total PIPP<br>Running<br>Balance |
|-----------------------|-----------------------------|-------------------------|-----------------------------------------------------------|--------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------|-------------------------------------------|----------------------------------|
| (A)                   | (B)                         | (C)                     | (D)                                                       | (E = Sum (B to D))             | (F)                               | (I)                                              | (J)                                | (K)                                       | (L)<br>= (F) + (K)               |
| Rate in February 2006 |                             | 0.5853                  |                                                           |                                |                                   |                                                  |                                    |                                           |                                  |
|                       | <u>Total Rate</u>           | <u>Deferred Balance</u> |                                                           |                                |                                   |                                                  | <u>Carrying Chgs</u>               |                                           |                                  |
| Rate in January 2010  | 1.1181                      | 1.0888                  |                                                           |                                |                                   |                                                  | \$ 0.0293                          |                                           |                                  |
| Rate in January 2011  | 1.1181                      | 1.0888                  |                                                           |                                |                                   |                                                  | \$ 0.0293                          |                                           |                                  |
| Rate in January 2012  | 1.1181                      | 1.0888                  |                                                           |                                |                                   |                                                  | \$ 0.0293                          |                                           |                                  |
| January 2011          | 17,924,908.71               | (28,418,578.54)         | (700,814.00)                                              | (11,194,583.83)                | 81,761,634.88                     | 29,553.52                                        | (764,756.87)                       | 7,564,274.01                              | 89,325,908.89                    |
| February              | 17,429,431.96               | (26,319,827.74)         | (655,832.00)                                              | (9,546,227.78)                 | 72,215,407.10                     | 26,045.22                                        | (708,276.04)                       | 6,882,043.19                              | 79,097,450.29                    |
| March                 | 18,041,447.12               | (22,072,485.47)         | (595,414.00)                                              | (4,826,452.35)                 | 67,588,954.75                     | 23,647.91                                        | (593,978.53)                       | 6,311,712.57                              | 73,900,667.32                    |
| April                 | 8,985,782.54                | (12,476,402.74)         | (339,530.00)                                              | (3,830,170.20)                 | 63,758,784.55                     | 22,217.47                                        | (335,744.49)                       | 5,988,185.56                              | 69,756,970.10                    |
| May                   | 5,039,672.72                | (6,619,192.25)          | (342,981.00)                                              | (1,922,500.53)                 | 61,836,284.02                     | 21,244.41                                        | (178,124.85)                       | 5,841,305.11                              | 67,677,589.13                    |
| June                  | 2,334,645.98                | (3,936,759.57)          | (339,530.00)                                              | (1,941,643.59)                 | 59,894,640.43                     | 20,590.79                                        | (105,938.62)                       | 5,755,956.28                              | 65,650,596.71                    |
| July                  | 2,379,876.77                | (3,556,462.96)          | (342,981.00)                                              | (1,519,567.19)                 | 58,375,073.24                     | 20,005.32                                        | (95,705.70)                        | 5,680,255.90                              | 64,055,329.14                    |
| August                | 1,020,474.08                | (3,446,926.85)          | (342,981.00)                                              | (2,769,433.77)                 | 55,605,639.47                     | 19,279.84                                        | (92,758.04)                        | 5,606,777.70                              | 61,212,417.17                    |
| September             | 1,288,295.37                | (3,952,029.12)          | (339,530.00)                                              | (3,023,263.75)                 | 52,582,375.72                     | 18,300.00                                        | (106,350.53)                       | 5,518,727.17                              | 58,101,102.89                    |
| October               | 5,745,449.57                | (8,345,450.81)          | (342,981.00)                                              | (2,942,992.24)                 | 49,639,383.48                     | 17,290.81                                        | (224,579.35)                       | 5,311,438.63                              | 54,950,822.11                    |
| November              | 14,866,637.27               | (16,004,783.04)         | (583,820.00)                                              | (1,721,965.77)                 | 47,917,417.71                     | 18,501.73                                        | (430,694.47)                       | 4,897,245.89                              | 52,814,663.60                    |
| December              | 19,209,631.01               | (26,139,237.08)         | (701,814.00)                                              | (7,631,420.08)                 | 40,285,997.63                     | 14,919.61                                        | (703,416.28)                       | 4,208,749.22                              | 44,494,746.85                    |
| Year-to-Data 2011     | 114,246,233.10              | (161,288,246.18)        | (5,628,208.00)                                            | (52,670,221.08)                |                                   | 249,596.63                                       | (4,340,324.77)                     |                                           |                                  |
| Balance @ 12/31/11    | 1,101,757,377.88            | (1,037,379,729.94)      | (24,091,650.11)                                           |                                | 40,285,997.63                     | 12,985,382.06                                    | (8,776,632.84)                     | 4,208,749.22                              | 44,494,746.85                    |
| January 2012          | 20,153,382.84               | (27,845,106.65)         | (700,814.00)                                              | (8,392,537.81)                 | 31,893,459.82                     | 12,209.16                                        | (749,321.84)                       | 3,471,636.54                              | 35,365,096.36                    |
| February              | 19,530,735.72               | (26,614,442.65)         | (655,832.00)                                              | (7,736,538.93)                 | 24,153,920.89                     | 9,480.41                                         | (716,204.23)                       | 2,764,912.72                              | 26,918,833.61                    |
| March                 | 20,039,259.63               | (21,657,285.20)         | (595,414.00)                                              | (2,213,439.57)                 | 21,940,481.32                     | 7,796.87                                         | (582,805.34)                       | 2,189,904.25                              | 24,130,385.57                    |
| April                 | 9,717,929.79                | (12,238,056.04)         | (318,365.00)                                              | (2,838,491.25)                 | 19,101,990.07                     | 6,942.33                                         | (326,330.49)                       | 1,867,516.09                              | 20,969,506.16                    |
| May                   | 5,420,788.87                | (6,497,043.70)          | (321,111.00)                                              | (1,397,365.83)                 | 17,704,624.24                     | 6,225.84                                         | (174,837.79)                       | 1,698,904.14                              | 19,403,528.38                    |
| June                  | 2,511,600.08                | (3,969,709.96)          | (318,365.00)                                              | (1,676,474.88)                 | 16,028,149.36                     | 5,705.90                                         | (104,135.28)                       | 1,600,474.75                              | 17,628,624.11                    |
| July                  | 2,558,319.66                | (3,495,944.84)          | (321,111.00)                                              | (1,258,736.18)                 | 14,769,413.18                     | 5,209.41                                         | (94,077.13)                        | 1,511,807.03                              | 16,281,020.21                    |
| August                | 1,096,462.56                | (3,389,767.25)          | (321,111.00)                                              | (2,615,415.89)                 | 12,153,997.49                     | 4,554.09                                         | (91,219.86)                        | 1,424,941.26                              | 13,578,938.75                    |
| September             | 1,382,658.38                | (3,886,039.89)          | (318,365.00)                                              | (2,841,748.53)                 | 9,312,248.96                      | 3,631.02                                         | (104,574.73)                       | 1,323,987.56                              | 10,636,246.51                    |
| October               | 8,137,733.58                | (8,186,271.82)          | (321,111.00)                                              | (2,369,649.24)                 | 6,942,599.72                      | 2,749.51                                         | (220,295.52)                       | 1,106,451.54                              | 8,049,051.26                     |
| November              | 15,690,016.36               | (15,695,278.03)         | (567,755.00)                                              | (583,016.67)                   | 6,359,583.05                      | 2,250.06                                         | (422,365.58)                       | 686,336.02                                | 7,045,919.07                     |
| December              | 20,008,292.76               | (25,840,971.72)         | (685,212.00)                                              | (6,317,890.96)                 | 41,682.09                         | 1,082.78                                         | (690,007.78)                       | (2,588.98)                                | 39,103.11                        |
| Year-to-Data 2012     | 124,216,178.21              | (159,015,917.75)        | (5,444,566.00)                                            | (40,244,305.54)                |                                   | 67,837.38                                        | (4,279,175.58)                     |                                           |                                  |
| Balance @ 12/31/12    | 1,225,973,555.89            | (1,196,395,647.69)      | (29,536,218.11)                                           |                                | 41,682.09                         | 13,053,219.44                                    | (13,055,808.42)                    | (2,588.98)                                | 39,103.11                        |

**DOMINION EAST OHIO**  
**Balance of Deferred PIPP Arrearages**

|       | Deferred<br>PIPP<br>Arrearages | PIPP<br>Recoveries  | Firm Receipt Point<br>& Commodity<br>Exchange<br>Revenue Sharing | ODOD<br>Reverification<br>Charges | Net<br>Incremental<br>PIPP | Billed PIPP<br>Running<br>Balance | Carrying<br>Charges | Total Running<br>Balance with<br>Accumulated<br>Carrying Charges | Average<br>Number<br>of PIPP<br>Customers |
|-------|--------------------------------|---------------------|------------------------------------------------------------------|-----------------------------------|----------------------------|-----------------------------------|---------------------|------------------------------------------------------------------|-------------------------------------------|
| 2005  | \$ 74,437,787.80               | \$ (20,708,208.58)  | \$ -                                                             | \$ -                              | \$ 53,729,579.22           | \$ 88,331,372.90                  | \$ -                | \$ 88,331,372.90                                                 | 84,047                                    |
| 2006  | \$ 111,041,996.57              | \$ (77,205,766.64)  | \$ -                                                             | \$ -                              | \$ 33,836,229.93           | \$ 122,167,602.83                 | \$ 3,477,850.87     | \$ 125,645,453.70                                                | 94,769                                    |
| 2007  | \$ 113,526,906.23              | \$ (96,440,324.19)  | \$ -                                                             | \$ -                              | \$ 17,086,582.04           | \$ 139,254,184.87                 | \$ 4,758,141.37     | \$ 147,490,177.11                                                | 102,368                                   |
| 2008  | \$ 100,905,061.45              | \$ (97,907,050.83)  | \$ (4,640,139.42)                                                | \$ 299,709.67                     | \$ (1,342,419.13)          | \$ 137,911,765.74                 | \$ 3,235,337.62     | \$ 149,383,095.60                                                | 110,751                                   |
| 2009* | \$ 120,149,798.91              | \$ (94,063,512.58)  | \$ (8,109,932.69)                                                | \$ -                              | \$ 17,976,353.64           | \$ 155,888,119.38                 | \$ 751,616.63       | \$ 168,111,065.87                                                | 119,146                                   |
| Total | \$ 520,061,550.96              | \$ (386,324,862.82) | \$ (12,750,072.11)                                               | \$ 299,709.67                     | \$ 121,286,325.70          |                                   | \$ 12,222,946.49    |                                                                  |                                           |

**Breakdown of Deferred Arrearages**

|       | Pre-PIPP<br>Arrearages | PIPP Repayment<br>Arreage Credit -<br>Company Match | DEO Arreage<br>Crediting | PIPP Arrearages<br>Over<br>12 Months Old | Total<br>Deferred<br>Arrearages |
|-------|------------------------|-----------------------------------------------------|--------------------------|------------------------------------------|---------------------------------|
| 2005  | \$ 5,380,437.82        | \$ 448,174.62                                       | \$ 12,253,163.71         | \$ 56,356,011.65                         | \$ 74,437,787.80                |
| 2006  | \$ 10,208,620.24       | \$ 479,764.81                                       | \$ 20,823,620.11         | \$ 79,529,991.41                         | \$ 111,041,996.57               |
| 2007  | \$ 7,884,653.94        | \$ 3,747,771.28                                     | \$ 31,421,178.24         | \$ 70,473,302.77                         | \$ 113,526,906.23               |
| 2008  | \$ 13,316,662.13       | \$ 2,216,884.71                                     | \$ 26,516,274.16         | \$ 58,855,240.45                         | \$ 100,905,061.45               |
| 2009* | \$ 3,769,065.83        | \$ 3,035,089.82                                     | \$ 33,008,193.44         | \$ 80,337,449.82                         | \$ 120,149,798.91               |
| Total | \$ 40,559,439.96       | \$ 9,927,685.24                                     | \$ 124,022,429.66        | \$ 345,551,996.10                        | \$ 520,061,550.96               |

\* Includes projected data for November and December 2009.

**INTERIM EMERGENCY AND TEMPORARY  
PERCENTAGE OF INCOME PAYMENT RIDER**

An additional charge of ~~\$ 1.78540-5653~~ per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

**INTERIM EMERGENCY AND TEMPORARY  
PERCENTAGE OF INCOME PAYMENT RIDER**

An additional charge of \$ 1.7854 per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

Issued:

Effective: With bills rendered on or after

Filed under authority of The Public Utilities Commission of Ohio in Case No. 09-\_\_\_\_-GA-PIP

Anne E. Bomar, Senior Vice President

**INTERIM EMERGENCY AND TEMPORARY  
PERCENTAGE OF INCOME PAYMENT RIDER**

An additional charge of \$ 1.11810-5653 per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

**INTERIM EMERGENCY AND TEMPORARY  
PERCENTAGE OF INCOME PAYMENT RIDER**

An additional charge of **\$ 1.1181** per thousand cubic feet shall be applied to all volumes sold each month pursuant to the Company's Rate Schedules incorporating this Rider by reference.

Issued:

Effective: With bills rendered on or after

Filed under authority of The Public Utilities Commission of Ohio in Case No. 09-\_\_\_-GA-PIP

Anne E. Bomar, Senior Vice President