

**FILE**  
**VORYS**

Vorys, Sater, Seymour and Pease LLP  
Legal Counsel

52 East Gay St.  
PO Box 1008  
Columbus, Ohio 43216-1008  
614.464.6400 | www.vorys.com  
Founded 1909

Stephen M. Howard  
Direct Dial (614) 464-5401  
Direct Fax (614) 719-4772  
Email smhoward@vorys.com

July 2, 2010

Ms. Reneé Jenkins  
Secretary  
Public Utilities Commission of Ohio  
180 E. Broad Street, 11th Floor  
Columbus, OH 43215-3793

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PUCO

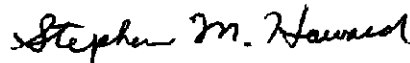
Re: Case No. 08-940-GA-ALT  
Eastern Natural Gas Company  
Customer Notice

Dear Ms. Jenkins:

Pursuant to the fourth ordering paragraph contained in the June 16, 2010 Opinion and Order in the above case, please find enclosed a copy of a proposed revised customer notice that has been developed in consultation with the Commission's Service Monitoring Enforcement Department, Reliability, and Service Analysis Division. This revised customer notice will be used to notify all affected customers of the new rate designs via newspaper publication within 30 days of the effective date of the tariffs. Eastern Natural Gas Company did in fact submit its revised proposed customer notice to the Commission's Service Monitoring and Enforcement Department, Reliability, and Service Analysis Division for review at least 10 days prior to distribution to customers.

Thank you in advance for your cooperation.

Sincerely yours,



Stephen M. Howard  
Attorneys for Eastern Natural Gas Company

SMH/jaw

cc: All Counsel of Record

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## IMPORTANT NOTICE ABOUT YOUR GAS RATES

On May 1, 2009, Eastern Natural Gas Company (Eastern) filed in Case No. 08-940-GA-ALT with The Public Utilities Commission of Ohio (PUCO) an application to make a change in its rate design to stabilize revenues and establish a demand side management program.

Following public hearings and an extensive review by the PUCO Staff, on June 16, 2010 the PUCO granted Eastern a change in its rate design and a new rider to fund a demand side management program (DSM Rider). The new rate design will move more of the fixed costs for delivering gas, such as pipes in the ground, meters, billing and meter readings, into the Customer Charge (a flat monthly rate) and will reduce rates based on gas usage. This results in spreading the costs for the delivery of gas more evenly throughout the year instead of recovering most of the costs during the winter months when bills are already high due to increased usage. The Company's rate design will also change from a uniform rate for all General Service customers to a separate rate for Residential and Commercial customers.

The rate change for Residential customers is an increase in the monthly Customer Charge from \$7.50 per month to \$13.75 per month. The variable cost component charge or usage-based charge for each Ccf of gas consumed during a month will decrease from \$0.20462 per Ccf to \$0.12500 per Ccf.

The rate change for Commercial customers is an increase in the monthly Customer Charge from \$7.50 per month to \$25.00 per month. The variable cost component charge for each Ccf of gas consumed during a month will decrease from \$0.20462 per Ccf to \$0.15893 per Ccf.

The new DSM Rider of \$1.03 per month will apply to all Residential and Commercial customers. The DSM program helps promote energy efficiency, such as home weatherization programs.

The rate design changes as well as the DSM Rider will become effective for bills rendered on or after August 1, 2010. The actual increase on your particular bill will depend on how much natural gas you use. To determine how these rates affect your monthly bill, please review this chart, which reflects both the rate design and DSM rate changes:

### Typical Residential Bill Comparison\*

Rate Category	CCF	Current Bill	Bill at New Rates	Difference
GS-Residential	10	\$18.98	\$25.79	\$6.81
GS-Residential	20	\$30.09	\$36.06	\$5.97
GS-Residential	50	\$63.41	\$66.87	\$3.46
GS-Residential	100	\$118.95	\$118.24	(\$0.71)
GS-Residential	150	\$174.49	\$169.60	(\$4.89)
GS-Residential	200	\$230.03	\$220.96	(\$9.07)

### Typical Commercial Bill Comparison\*

Rate Category	CCF	Current Bill	Bill at New Rates	Difference
GS-Commercial	50	\$63.41	\$80.46	\$17.05
GS-Commercial	100	\$118.95	\$133.61	\$14.66
GS-Commercial	200	\$230.03	\$239.89	\$9.86
GS-Commercial	500	\$563.27	\$558.74	(\$4.53)
GS-Commercial	1000	\$1,118.67	\$1,090.16	(\$28.51)

GS-Commercial	1500	\$1,674.07	\$1,621.58	(\$52.49)
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\*An average gas cost recovery rate of \$0.83966 per Ccf is included in this chart for illustration purposes.  
If you have questions about this notice please contact Eastern at (800) 232-1478 or FAX (330)772-3502.