

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 : Case No. 11-~~1022~~-GA-PIP
Ohio for Adjustment of Its Interim :
Emergency and Temporary Percentage of :
Income Payment Plan Rider :

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 provisions of the December 2, 1993 Finding and Order in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, and 90-879-GE-ORD, the December 19, 1996 Finding and Order in Case No. 96-991-GA-UNC, and the March 24, 2010 Finding and Order in Case No. 09-2011-GA-PIP.
3. The proposed PIPP Rider rate of \$0.7149 per MCF (see Attachment 1) would supersede the current rate of \$1.7078 per MCF approved in Case No. 09-2011-GA-PIP, which has been effective since April 16, 2010. The proposed PIPP Rider rate has been calculated so that, as nearly as possible, it recovers the accumulated unrecovered deferred PIPP balances through December 31, 2010, adjusted by estimated recoveries at the current rider rate of \$1.7078, net of estimated new deferred balances, for the period January through March 2011, plus an

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amount to recover the additional unrecovered deferred PIPP balances and incentive credits that are estimated to accumulate over the twelve months during which the proposed rate will be in effect. Information supporting the development of the proposed rate is included in Attachment 2.

4. For purposes of the PIPP Rider calculation, unrecovered deferred PIPP balances include the following: pre-PIPP arrearage balances, post-PIPP balances in arrears over 12 months, amounts forgiven under DEO's former arrearage crediting programs, amounts forgiven under the new incentive program effective November 1, 2010, as provided by Rule 4901:1-18-14 of the Ohio Administrative Code, costs paid to the Ohio Department of Development for income reverification, plus carrying costs incurred on the unrecovered deferred PIPP balances. Such amounts accumulated 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.*, and by Tennessee Gas Pipeline Company refunds as described in DEO's Supplement to Application filed February 3, 2010, in Case No. 09-2011-GA-PIP.

5. DEO requests authority to continue to accrue carrying costs on accumulated unrecovered deferred PIPP balances 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 short-term 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 unrecovered deferred PIPP balance.

6. As of December 31, 2010, the current PIPP Rider rate has had the anticipated effect of dramatically reducing the prior year's accumulated unrecovered deferred PIPP balance. Because the rate will continue to be in effect until the revised PIPP Rider rate is approved and put into effect, DEO has reduced the accumulated balance at December 31, 2010 by estimated recoveries at the current rider rate, net of estimated new deferred balances, for the period January through March 2011 resulting in the elimination of the large accumulated deferred PIPP balance that existed one year ago.

7. DEO has attempted to factor the implementation of revised rules governing the PIPP Plus and Graduate PIPP Plus programs, effective November 1, 2010, into its estimate of additional unrecovered deferred PIPP balances and incentive credits that may accumulate over the twelve months during which the proposed rate will be in effect. However, with so little historical experience on which to base such projections, actual deferred PIPP balances over the prospective 12-month period may differ from DEO's estimates.

8. Attachment 3 shows deferred PIPP activity and the annual average number of PIPP customers for 2010 compared with 2009.

9. Clean and scored versions of the PIPP Rider tariff reflecting the proposed rider rate is included as Attachment 4. Because the current PIPP Rider rate of \$1.7078 went into effect for bills rendered on or after April 16, 2010, DEO requests approval of the updated rider rate such that it can be implemented no later than April 13, 2011.

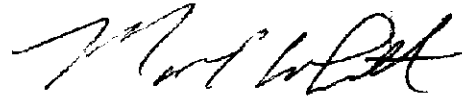
10. In its Finding and Order dated March 24, 2010 in Case No. 09-2011-GA-PIP, the Commission ordered DEO to update its PIPP Rider within one year of implementing the new PIPP Rider rate and annually thereafter, with arrearages calculated on a calendar year basis. This application is being filed within one year of implementing the PIPP Rider rate approved in that

proceeding. However, as described in paragraph 6, DEO has adjusted the calendar year accumulated deferred PIPP balance to reflect net recoveries at the current rate for the months January through March 2011. Because the higher volumes in the winter months normally result in a substantial reduction in the unrecovered deferred PIPP balance, DEO proposes that its annual applications going forward should be submitted based on the actual unrecovered deferred PIPP balance as of March 31 of each year, plus additional unrecovered deferred PIPP balances and incentive credits that are estimated to accumulate over the twelve months during which the proposed rate will be in effect. This proposed timing is consistent with the Uncollectible Expense Rider annual updates.

11. Pursuant to the procedures adopted by the Commission in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, and 90-879-GE-ORD, DEO's application will be approved by operation of law on the 46th day after filing unless the Commission rejects or modifies the application or suspends the 45-day waiting period. To coincide with the timing of monthly Standard Service Offer ("SSO") and Standard Choice Offer ("SCO") rate changes and to provide for timely adjustment of the existing rider rate, DEO requests the Commission to approve this application before the expiration of the 45-day period to ensure the new PIPP Rider rate can be implemented no later than April 13, 2011.

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

Respectfully submitted,



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d/b/a Dominion East Ohio

ATTACHMENT 1

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

	Rate Effective April 2011		
	Principal	Interest	Total
1. Balance of Accumulated Deferred PIPP as of December 31, 2010	\$ 62,768,200.77	\$ 6,221,562.53	\$ 68,989,763.30
2. Estimated Recoveries in Excess of Deferrals - January through March 2011	<u>(65,655,525.45)</u>	<u>(6,111,965.60)</u>	<u>\$ (71,767,491.05)</u>
3. Net Deferred PIPP Balance to be Recovered	(2,887,324.68)	109,596.93	(2,777,727.75)
4. Estimated Billed Volumes subject to PIPP Rider for the 12 months ending March 31, 2012	153,348,538	153,348,538	
5. Deferred PIPP Balance Rate (3)/(4)	\$ (0.0188)	\$ 0.0008	\$ (0.0180) / MCF
6. Estimated New Deferred PIPP Balances for the 12 months ending March 31, 2012	\$ 122,664,208.72		
7. Revenue Sharing for the 12 months ending March 31, 2012	(7,084,116.00)		
8. Pipeline Refund	<u>(3,205,114.16)</u>		
9. Estimated Annual Deferrals, Net	\$ 112,394,978.56		
10. Estimated Billed Volumes subject to PIPP Rider for the 12 months ending March 31, 2012	153,348,538		
11. Current PIPP Balance Rate (9)/(10)	\$ 0.7328		/ MCF
12. Deferred PIPP Balance Rate (5)	\$ (0.0188)	\$ 0.0008	\$ (0.0180) / MCF
13. Current PIPP Balance Rate (11)	<u>0.7329</u>	<u>-</u>	<u>0.7329 / MCF</u>
14. Total Recommended PIPP Rider Rate (12) + (13)	\$ 0.7141	\$ 0.0008	\$ 0.7149 / MCF

ATTACHMENT 2

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

MONTH/YEAR	(A)	(B)	(C)	(D)	(E)	(F)	(G = Sum (B to F))	(H)	(I)	(J)	(K)	(L) = (H) + (K)
		Deferred PIPP Balances	PIPP Recoveries	Firm Receipt Pt & Commodity Exchange Rev Sharing	Pipeline Refund	Other Charges	Net Incremental Deferral	Billed PIPP Running Balance	Carrying Charges on Monthly Avg Balance	Recovery of Carrying Charges	Carrying Charges Running Balance	Total PIPP Balance
Rate Effective April 2010	\$	1.7078	\$	1.6254								
Proposed Rate - April 2011	\$	0.7149	\$	0.7141								
Balance @12/31/09		876,303,891.14	(708,891,434.60)	(16,405,595.33)	(1,171,365.72)	299,709.67		150,135,205.16	12,214,382.00	0.00	12,214,382.00	162,349,587.16
January 2010		20,143,360.27	(17,566,793.37)	(873,047.01)	0.00	0.00	1,703,519.89	151,838,725.05	42,276.35	0.00	12,256,658.35	164,095,383.40
February		16,063,278.95	(16,247,759.00)	(708,423.60)	0.00	0.00	(892,902.73)	150,945,822.32	24,495.27	0.00	12,281,153.62	163,226,975.94
March		12,208,620.25	(10,893,680.83)	(603,228.32)	0.00	0.00	712,731.10	151,658,553.42	23,285.41	0.00	12,304,439.03	163,962,992.45
April		6,879,478.71	(14,048,483.59)	(412,364.40)	(383,463.31)	0.00	(7,964,832.58)	143,693,720.83	25,455.44	(853,234.28)	11,476,694.19	155,170,365.02
May		2,241,186.27	(11,064,597.00)	(423,774.29)	0.00	0.00	(9,247,185.02)	134,446,535.81	14,993.92	(556,889.29)	10,934,988.82	145,381,504.63
June		205,344.31	(6,082,519.48)	(354,932.19)	0.00	0.00	(6,232,107.36)	128,214,428.45	12,172.07	(308,796.47)	10,638,344.42	138,852,772.87
July		(260,705.00)	(5,112,333.67)	(355,344.96)	(383,463.31)	0.00	(6,131,846.84)	122,082,581.61	28,642.57	(259,705.27)	10,407,281.72	132,489,863.33
August		(592,194.75)	(4,689,584.32)	(353,252.36)	0.00	0.00	(5,635,011.43)	116,447,570.18	21,781.42	(238,452.17)	10,180,910.97	126,638,481.15
September		(347,900.99)	(5,406,738.04)	(346,531.50)	0.00	0.00	(6,101,170.53)	110,346,398.65	11,770.51	(275,178.18)	9,927,203.30	120,273,602.95
October		2,602,314.97	(9,723,917.06)	(444,122.79)	(383,463.31)	64,360.00	(7,884,838.19)	102,461,581.46	20,152.46	(494,037.68)	9,463,318.07	111,914,879.53
November		10,552,533.57	(21,930,645.93)	(926,325.29)	0.00	81,187.64	(12,225,250.01)	90,236,311.45	18,811.82	(1,113,255.52)	8,368,874.74	98,595,186.19
December		17,864,023.73	(42,467,451.75)	(2,854,876.86)	0.00	0.00	(27,468,110.66)	62,768,206.77	15,827.31	(2,153,139.52)	6,221,562.53	68,989,763.30
Year-to-Date 2010		87,540,340.29	(166,234,468.12)	(8,668,023.27)	(1,150,389.93)	145,537.64	(87,367,004.39)	62,768,206.77	259,668.55	(6,252,488.02)	6,221,562.53	68,989,763.30
Balance @12/31/10		963,844,231.43	(874,125,903.72)	(25,073,618.60)	(2,321,755.65)	445,247.31		62,768,206.77	12,474,050.55	(6,252,488.02)	6,221,562.53	68,989,763.30
January 2011		18,077,402.81	(45,770,284.66)	(780,682.00)	(801,278.54)	0.00	(29,274,842.39)	33,493,358.38	10,680.22	(2,320,334.35)	3,911,908.40	37,405,266.78
February		20,021,933.81	(40,816,333.77)	(727,979.00)	0.00	0.00	(21,522,378.96)	11,970,979.42	5,044.27	(2,068,192.75)	1,847,759.92	13,818,739.34
March		20,080,714.81	(34,306,410.91)	(642,608.00)	0.00	0.00	(14,858,304.10)	(2,887,324.68)	1,007.83	(1,739,170.82)	100,596.93	(2,777,727.75)
April		18,116,580.81	(6,227,912.17)	(546,233.00)	(801,278.54)	0.00	8,546,157.10	5,659,832.42	307.50	(9,212.06)	100,892.37	5,759,824.79
May		9,152,255.81	(4,316,436.98)	(556,571.00)	0.00	0.00	4,279,247.83	9,938,080.25	1,730.48	(4,835.87)	97,587.18	10,035,667.43
June		5,172,703.81	(546,233.00)	(546,233.00)	0.00	0.00	1,678,230.31	11,616,310.56	2,391.46	(3,302.89)	96,875.75	11,712,986.31
July		3,580,042.81	(2,278,919.56)	(536,540.00)	(801,278.54)	0.00	(36,695.29)	11,579,615.27	2,573.59	(2,553.05)	98,696.29	11,676,311.56
August		2,746,683.81	(2,251,899.82)	(536,540.00)	0.00	0.00	(41,756.01)	11,537,869.26	2,564.88	(2,522.76)	96,738.39	11,634,597.65
September		2,665,466.81	(2,636,890.41)	(526,848.00)	0.00	0.00	(498,271.60)	11,039,587.66	2,504.97	(2,954.09)	96,289.27	11,136,876.93
October		3,163,881.81	(5,895,039.95)	(576,601.00)	(801,278.54)	0.00	(4,109,097.68)	6,930,548.98	1,993.79	(6,804.16)	91,878.90	7,022,228.88
November		6,665,358.81	(10,180,823.83)	(599,116.00)	0.00	0.00	(4,064,381.02)	2,846,168.96	1,084.73	(11,405.26)	81,358.37	2,927,527.33
December		11,193,480.81	(18,009,411.35)	(687,374.00)	0.00	0.00	(7,503,294.52)	(4,657,125.56)	(200.93)	(20,175.79)	60,981.85	(4,596,143.81)
Year-to-Date 2011		120,876,516.72	(177,633,400.89)	(7,263,325.00)	(3,205,114.16)	0.00	(67,425,326.33)	31,682.79	31,682.79	(6,192,263.67)	60,981.85	(4,596,143.81)
Balance @12/31/11		1,084,520,748.15	(1,051,759,307.61)	(32,336,943.60)	(5,528,869.81)	445,247.31		(4,657,125.56)	12,505,733.34	(12,444,751.09)	60,981.85	(4,596,143.81)
January 2012		19,020,075.81	(19,951,819.89)	(700,814.00)	(801,278.54)	0.00	(2,433,696.62)	(7,090,762.18)	(1,303.43)	(22,351.63)	37,328.59	(7,053,435.59)
February		21,346,058.81	(17,857,926.97)	(655,832.00)	0.00	0.00	2,832,299.84	(4,259,462.34)	(1,259.20)	(20,006.06)	16,061.31	(4,242,401.03)
March		18,111,808.81	(14,956,269.41)	(595,414.00)	0.00	0.00	4,259,975.37	1,463.03	(472.31)	(18,755.36)	(1,186.38)	298.65
April		17,868,963.81	(8,159,460.28)	(318,365.00)	(801,278.54)	0.00	8,360,979.98	8,362,343.02	931.29	0.00	(235.09)	8,362,107.93
May		10,136,251.81	(4,264,580.43)	(321,111.00)	0.00	0.00	5,530,990.38	13,922,903.40	2,475.88	0.00	2,240.79	13,925,144.19
June		5,718,278.81	(2,925,683.44)	(318,365.00)	0.00	0.00	2,474,238.37	16,399,131.77	3,364.01	0.00	5,604.90	16,402,736.57
July		3,951,949.81	(2,265,808.07)	(321,111.00)	0.00	0.00	1,367,030.74	17,764,162.51	3,790.20	0.00	9,386.00	17,773,557.51
August		3,044,346.81	(2,237,185.67)	(321,111.00)	0.00	0.00	496,050.14	18,250,212.65	3,995.79	0.00	13,390.79	18,263,603.44
September		2,954,168.81	(2,619,321.77)	(318,365.00)	0.00	0.00	16,482.04	18,268,694.69	4,051.55	0.00	17,442.34	18,286,137.03
October		3,504,114.81	(5,647,127.20)	(321,111.00)	0.00	0.00	(2,664,123.39)	15,902,571.30	3,757.80	0.00	21,200.14	15,923,771.44
November		4,719,224.00	(9,724,553.49)	(567,765.00)	0.00	0.00	(5,573,084.49)	10,029,489.81	2,843.88	0.00	24,044.02	10,053,533.83
December		9,554,717.00	(17,283,573.98)	(685,212.00)	0.00	0.00	(8,414,068.98)	1,615,417.82	1,292.00	0.00	25,336.02	1,640,753.84
Year-to-Date 2012		121,430,777.10	(108,111,110.64)	(5,444,566.00)	(1,602,557.09)	0.00	6,272,543.38	1,615,417.82	23,467.46	(59,113.09)	25,336.02	1,640,753.84
Balance @12/31/12		1,205,951,525.25	(1,159,870,418.26)	(37,781,508.60)	(7,129,426.89)	445,247.31		1,615,417.82	12,529,200.80	(12,503,894.79)	25,336.02	1,640,753.84

ATTACHMENT 3

DOMINION EAST OHIO
Accumulated Deferred PIPP Balances

	Deferred PIPP Balances	PIPP Recoveries	Firm Receipt Point & Commodity Exchange Revenue Sharing	Pipeline Refund	Other Charges	Net Incremental PIPP	Billed PIPP Running Balance	Carrying Charges	Recovery of Carrying Charges	Total Running Balance with Accumulated Carrying Charges	Average Number of PIPP Customers
2009	\$ 116,878,749.55	\$ (91,718,488.51)	\$ (11,755,455.91)	\$ (1,171,365.72)	\$ -	\$ 12,223,439.42	\$ 150,135,205.16	\$ 12,214,382.00	\$ -	\$ 162,349,587.16	118,839
2010	\$ 87,540,340.29	\$ (165,234,489.12)	\$ (8,668,023.27)	\$ (1,150,389.93)	\$ 145,537.64	\$ (87,367,004.39)	\$ 62,768,200.77	\$ 259,668.55	\$ (6,252,488.02)	\$ 68,989,763.30	112,659
Total	\$ 204,419,089.85	\$ (256,952,957.63)	\$ (20,433,479.18)	\$ (2,321,755.65)	\$ 145,537.64	\$ (75,143,564.97)		\$ 12,474,050.55	\$ (6,252,488.02)		

Breakdown of Deferred Balances

	Pre-PIPP Annuities	PIPP Repayment Annuity Credit - Company Match	DEO Annuity Crediting	PIPP Plus Annuity Crediting	PIPP Plus Delta Crediting	PIPP Plus Credit Balance Transfer	PIPP Annuities Over 12 Months Old	Total Deferred Balances
2009	\$ 8,564,323.36	\$ 3,036,405.97	\$ 27,873,143.23	\$ -	\$ -	\$ -	\$ 78,404,877.00	\$ 116,878,749.56
2010	\$ 6,637,472.02	\$ 1,748,450.90	\$ 23,745,511.55	\$ 5,170,427.57	\$ 1,930,796.40	\$ (2,923.13)	\$ 48,312,804.98	\$ 87,540,340.29
Total	\$ 13,201,795.38	\$ 4,782,856.87	\$ 51,618,654.78	\$ 5,170,427.57	\$ 1,930,796.40	\$ (2,923.13)	\$ 127,717,481.98	\$ 204,419,089.85

ATTACHMENT 4

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

An additional charge of \$ 0.7149 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. 11-____-GA-PIP
Anne E. Bomar, Senior Vice President

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

An additional charge of \$ 1,70780.7149 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: March 31, 2010

Effective: With bills rendered on or after April 16, 2010

Filed under authority of The Public Utilities Commission of Ohio in Case No. 09-201111-____-GA-PIP
Anne E. Bomar, Senior Vice President