

FILE

DEO EXHIBIT 2.0

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The East)
Ohio Gas Company d/b/a Dominion East Ohio)
to Adjust its Pipeline Infrastructure) Case No. 11-3238-GA-RDR
Replacement Program Cost Recovery Charge)
and Related Matters.)

**SUPPLEMENTAL DIRECT TESTIMONY OF VICKI H. FRISCIC
ON BEHALF OF
THE EAST OHIO GAS COMPANY D/B/A
DOMINION EAST OHIO**

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1 **Direct Testimony of**

2 **Vicki H. Friscie**

3 **I. INTRODUCTION**

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

5 A1. My name is Vicki H. Friscie. I am employed by The East Ohio Gas Company d/b/a
6 Dominion East Ohio ("DEO") as Director Regulatory & Pricing. My business address is
7 1201 East 55th Street, Cleveland, Ohio 44103-1028.

8 **Q2. Are you the same Vicki H. Friscie who previously submitted direct testimony in this**
9 **case?**

10 A2. Yes.

11 **Q3. What is the purpose of this supplemental direct testimony?**

12 A3. The purpose of this supplemental direct testimony is to describe a change to the
13 calculation of the Deferred Taxes on Liberalized Depreciation component of the PIR rate
14 base reflected on Schedule 1, line 15 in the Supplemental Filing Schedules filed in this
15 case on September 15, 2011.

16 **II. CHANGE TO CALCULATION OF DEFERRED TAXES**

17 **Q4. Why has the calculation of Deferred Taxes on Liberalized Depreciation changed?**

18 A4. Schedule 8 of the Application filed on August 31, 2011, includes bonus tax depreciation
19 applicable to capital investments in 2010 and 2011 as a result of federal tax legislation
20 enacted in late 2010. However, 50% bonus tax depreciation was also available for capital
21 investments made in 2008 and 2009 under prior tax laws. The calculation of the Deferred
22 Taxes on Liberalized Depreciation included on Schedule 8 in the Supplemental Filing

Schedules has been revised to include bonus tax depreciation on the 2008 and 2009 capital additions, net of the associated cost of removal.

Q5. What is the impact of this change on the PIR revenue requirement?

A5. Including bonus tax depreciation on 2008 and 2009 PIR investments increases the balance of Deferred Taxes on Liberalized Depreciation from \$41,901,465.91, to \$58,233,101.27. The increase in the deferred tax balance decreases the PIR rate base and results in a decrease of \$1,855,273.78 in the PIR revenue requirement.

Q6. What is the impact of this change on the proposed PIR Cost Recovery Charge?

A6. The decrease in the PIR revenue requirement results in a decrease in the proposed PIR Cost Recovery Charge for each rate class, as reflected on Schedule 1 at lines 28 through 31 of the Supplemental Filing Schedules. The proposed PIR Cost Recovery Charge for the General Sales Service and Energy Choice Transportation Service (GSS/ECTS) rate schedules decreases from \$2.33 per month per applicable customer, as filed in the Application, to \$2.22 per month.

Q7. Has the Company filed updated schedules reflecting the change in Deferred Taxes on Liberalized Depreciation?

A7. Yes. The Company has filed revised Exhibit A, Schedules 1 – 15.

Q8. Does this conclude your testimony?

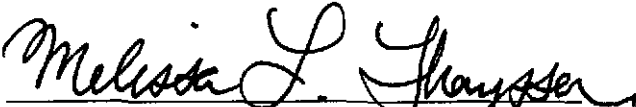
A8. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Supplemental Direct Testimony of Vicki H. Friscic was served by electronic mail to the following on this 15th day of September, 2011:

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