



# Rate Changes for Dominion Customers

**Updated October 2007**

**This publication is updated quarterly.**

As part of a pilot program, Dominion East Ohio will change the way it buys natural gas for its customers who have not chosen an alternative supplier. These customers will see a change on their natural gas bills starting with the October billing cycle. The line item on the billing statement known as the Gas Cost Recovery (GCR) rate will be replaced by the Standard Service Offer (SSO) rate. With the Standard Service Offer, all customers will pay the same transportation rate for the delivery of natural gas to customers' homes and businesses. The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, offers the following information to help customers understand



to an alternative natural gas supplier. The auction determined the rate that these customers will pay for natural gas. This rate was approved by the Public Utilities Commission of Ohio (PUCO). The rate determined at the auction will be added to the market-based NYMEX rate for natural gas, and the combined rate will be the

standard service offer.

## Why is the change occurring?

Dominion is taking its Energy Choice program to a new stage of development. As of June 2006, over 60 percent of Dominion's customers receive natural gas from a supplier.

In April 2005, Dominion filed a two-phase plan with state regulators to begin changing the way it buys natural gas for their customers. Phase 1, which was approved in May 2006 and will be in effect for a minimum of two years beginning in October, allows Dominion to purchase natural gas from suppliers at a price determined through an auction process.

Throughout the process, the OCC advocated for modifications to Dominion's proposal to ensure benefits for consumers. Although the PUCO rejected most of those recommendations, the OCC will continue to monitor the program as it progresses.

## Standard Service Offer

The Standard Service Offer rate will be partly based on a price that was determined through an auction process held in late August. Natural gas suppliers who participated in the auction bid to supply natural gas to Dominion for its customers who have not switched

## What stays the same

Other than the change from the GCR to a Standard Service Offer, consumers will see no additional changes. The Standard Service Offer will change monthly, just like the GCR does currently. Dominion will continue to provide meter reading and billing services and a budget billing program, as well as respond to customer questions. As always, consumers will call Dominion in the event of a natural gas leak, or other service-related concerns. While Ohio law prohibits Dominion and other gas utilities from earning a profit on the natural gas commodity, Dominion is allowed to recover – on a dollar for dollar basis – the reasonable cost of securing those natural gas supplies, including the cost of natural gas supplies for the Standard Service Offer. However, alternative suppliers are able to profit on the sale of natural gas.

## How is Energy Choice affected?

Eligible consumers may continue to switch to an alternative gas supplier or remain with Dominion and receive their natural gas based on the Standard Service Offer. To be eligible to choose a supplier on their own, Dominion customers must be current on their account or current on a payment plan and have broken no more than one other payment plan in the past 12 months. Percentage of Income Payment Plan (PIPP) customers are not eligible to choose an alternative natural gas supplier and will be supplied natural gas at the Standard Service Offer rate.

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## Timeline

### **August 29**

The auction took place to determine a portion of the Standard Service Offer Rate.

### **August 30 through September 6**

State regulators approved the auction price.

### **October**

Customers will see the new rate on their October bills.

## The future

At the completion of Phase 1, Dominion may request that state regulators approve Phase 2 of its plan. The OCC plans to fully participate in the process and

represent consumers prior to enactment of Phase 2. If Dominion's Phase 2 is approved, customers who have not already chosen an alternative gas supplier on their own would need to select one to supply their natural gas service or they will be assigned to a provider. State regulators did reserve the right to end Phase 1 at any point if the program was not benefiting consumers.

## OCC can help

The OCC offers several publications for consumers that provide information on evaluating offers and selecting an alternative natural gas supplier. If you have questions or would like more information on natural gas choice, please contact the OCC at 1-877-PICKOCC (1-877-742-5622) or visit its website at [www.pickocc.org](http://www.pickocc.org).

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC website at [www.pickocc.org](http://www.pickocc.org).

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### **For additional information from the Office of the Ohio Consumers' Counsel:**

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