



The Public Utilities
Commission of Ohio



www.PUCO.ohio.gov
(800) 686-PUCO (7826)

Dominion East Ohio Standard Service Offer Frequently Asked Questions

Beginning in October 2006, Dominion East Ohio changed the way it buys natural gas for customers who have not selected an alternative natural gas supplier. The changes do not affect customers that have enrolled with a supplier under the Energy Choice program.

What has changed?

Under a new pilot program, Dominion East Ohio buys gas for its non-Energy Choice customers from alternative suppliers and passes the price of that gas on to customers at a monthly rate called the Standard Service Offer (SSO). The SSO rate replaces the Gas Cost Recovery (GCR) rate on all non-Energy Choice customer bills.

What stays the same?

Dominion East Ohio will continue to deliver natural gas to all customers, offer payment plans, such as budget billing, and handle all emergency and customer service calls. Customers are still free to choose an alternative natural gas supplier through the Energy Choice program.

How is the SSO rate determined?

In August 2006, alternative natural gas suppliers placed bids in a PUCO-monitored "auction" held to provide Dominion East Ohio with natural gas for its non-Energy Choice customers. Six suppliers were selected to provide the amount of natural gas needed to serve Dominion East Ohio customers who do not already buy natural gas from other suppliers under Energy Choice or municipal aggregation programs.

Each month, Dominion East Ohio will buy gas from these suppliers and pass the price of that gas on to customers at the SSO rate. The SSO rate for Sept. 1, 2008 through March 31, 2009 will change monthly based on the NYMEX month-end settlement price, plus a "Retail Price Adjustment" of \$2.33 per thousand cubic feet (Mcf).

The price that Dominion bills customers for natural gas under the new SSO is identical to what it pays the suppliers. Ohio law prohibits Dominion East Ohio from earning a profit on the sale natural gas but does allow the company to recover – on a dollar for dollar basis – the cost of securing those natural gas supplies.

What are the NYMEX and the month-end settlement price?

The NYMEX, or New York Mercantile Exchange, is a "stock market" for energy and precious metal commodities. It sets a daily national market price for natural gas. Demand for natural gas is seasonal, and the NYMEX price can change dramatically from one month to the next. Variables, such as the

impact of hurricanes Katrina and Rita on the Gulf of Mexico, a major natural gas production region, caused prices to spike higher last year. On the other hand, warmer-than-normal winter weather and milder late summer temperatures this year have caused NYMEX prices to decline.

The NYMEX month-end settlement price is set on the third business day from the end of the previous month. Dominion East Ohio customers can take that price and add to it the \$2.33 per Mcf Retail Price Adjustment to get a preview of the next month's SSO rate. Customers can learn more about the NYMEX and obtain natural gas market prices online at www.nymex.com.

Will Energy Choice customers be affected by the changes?

Energy Choice customers who are enrolled with an alternative supplier are not affected; their contracts remain the same. If an Energy Choice customer's contract expires, and the customer does not choose a new supplier, the customer will become a Dominion East Ohio customer under the SSO rate. If an Energy Choice supplier goes out of business, Dominion East Ohio will provide service to its customers at the SSO rate. Those interested in choosing a competitive supplier can compare rate offers using the PUCO's Apples to Apples comparison charts available at www.PUCO.ohio.gov.

Why has Dominion East Ohio changed the way it buys natural gas?

About 65 percent of Dominion East Ohio's 1.2 million customers already participate in Energy Choice. The company is taking the program to the next level by urging all customers to investigate their options and to make the best choice for themselves. Under the SSO rate, the unrecovered gas costs disappear, and all customers pay the same transportation rate for the delivery of natural gas supplies to their homes and businesses, making it easier to compare supplier offers.

What's next?

Phase two of Dominion's plan to price residential natural gas supplies at market-based rates begins on April 1, 2009. In February 2009, Dominion will conduct two auctions to secure natural gas supplies for its customers for the period April 1, 2009 to March 31, 2010. One auction will establish a new SSO for Percentage of Income Payment Plan (PIPP) customers and other choice-ineligible customers. The other will establish a standard choice offer (SCO) rate for choice-eligible customers. In February 2010, Dominion will conduct another round of auctions for the period April 1, 2010 to March 31, 2011.

If you would like to know more about the PUCO or have utility-related questions or concerns,

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