

**NORTHEAST OHIO NATURAL GAS CORPORATION
PURCHASED GAS ADJUSTMENT**

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07-209-GA-GCR**

EXPECTED GAS COST (EGC)	\$10.9378 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.2641) /MCF
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$10.6737 /MCF

**GAS COST RECOVERY RATE EFFECTIVE DATES: SEPTEMBER 1, 2008 THROUGH
September 30, 2008**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$17,334,448
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$17,334,448
TOTAL ANNUAL SALES	1,584,918 MCF
EXPECTED GAS COST (EGC) RATE	\$10.9378

54rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
53nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
52st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
51th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

54 rd QUARTERLY ACTUAL ADJUSTMENT	(\$0.4222) /MCF
53 nd QUARTERLY ACTUAL ADJUSTMENT	(0.2868) /MCF
52st QUARTERLY ACTUAL ADJUSTMENT	0.4080 /MCF
51th QUARTERLY ACTUAL ADJUSTMENT	0.0369 /MCF
ACTUAL ADJUSTMENT (AA)	(0.2641) /MCF

**THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 08-0209-GA-GCR OF THE
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.**

DATE FILED: August 27, 2008

**BY: Dawn N. Opara
Title: Accountant**

PURCHASED GAS ADJUSTMENT
NORTHEAST OHIO NATURAL GAS CORPORATION
EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2008 AND THE
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2008

SUPPLIER NAME	RESERVATION	COMMODITY	MISC.	TOTAL
(A) INTERSTATE PIPELINE SUPPLIERS (SCH I-A)				
DOMINION EAST OHIO	\$585,420	\$6,653,124	\$0	\$7,238,544
TENNESSEE GAS PIPELINE COMPANY	0	636,793	0	636,793
COLUMBIA GAS TRANSMISSION CORPORATION	300,300	6,862,854	0	7,162,954
TOTAL INTERSTATE PIPELINE SUPPLIERS	\$885,720	\$14,152,571	\$0	\$15,038,291
(B) SYNTHETIC (SCH I-A)	0	0	0	0
(C) OTHER GAS COMPANIES (SCH I-B)	0	0	0	0
(D) OHIO PRODUCERS (SCH I-B)	0	2,296,157	0	2,296,157
(E) SELF HELP ARRANGEMENTS (SCH I-B)	0	0	0	0
(F) SPECIAL PURCHASES (SCH I-B)	0	0	0	0
TOTAL PRIMARY GAS SUPPLIERS	\$885,720	\$16,448,728	\$0	\$17,334,448

TOTAL UTILITY PRODUCTION (ATTACH DETAILS)

0

TOTAL EXPECTED GAS COST AMOUNT

\$17,334,448

**PURCHASED GAS ADJUSTMENT
NORTHEAST OHIO NATURAL GAS CORPORATION
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE THREE MONTHS ENDED MAY 31, 2008

JURISDICTIONAL SALES: TWELVE MONTHS ENDED 5/31/08	MCF	1,584,918
TOTAL SALES: TWELVE MONTHS ENDED 5/31/08	MCF	1,584,918
RATIO OF JURISDICTIONAL SALES TO TOTAL SALES	RATIO	100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		\$0
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		\$0
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		\$0
INTEREST FACTOR		1.0550
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		\$0
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 5/31/08	MCF	1,584,918
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	\$0.0000

**DETAILS OF REFUNDS / ADJUSTMENT
RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 5/31/08**

<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1 <u>\$0</u>
TOTAL SUPPLIER REFUNDS	<u>\$0</u>
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	\$0
TOTAL RECONCILIATION ADJUSTMENTS	<u>\$0</u>

**PURCHASED GAS ADJUSTMENT
NORTHEAST OHIO NATURAL GAS CORPORATION
ACTUAL ADJUSTMENT**

DETAILS FOR THE THREE MONTHS ENDED MAY 31, 2008

		MONTH Mar-08	MONTH Apr-08	MONTH May-08
PRIMARY GAS SUPPLIES	MCF	227,879	184,757	130,242
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	0
OTHER VOLUMES - SPECIFY	MCF	0	0	0
STORAGE (NET)=(IN) OUT	MCF	10,807	(4,148)	(21,601)
TOTAL SUPPLY VOLUMES	MCF	<u>238,686</u>	<u>180,609</u>	<u>108,641</u>
PRIMARY GAS SUPPLIES	\$			
UTILITY PRODUCTION	\$	2,507,582	2,108,431	1,884,428
LIFO ADJUSTMENT	\$	0	0	0
INTEREST ON LIFO ADJUSTMENT	\$	0	0	0
OTHER VOLUMES - SPECIFY	\$	0	0	0
STORAGE (NET)=(IN) OUT	\$	141,070	(17,230)	(149,135)
TOTAL SUPPLY COST	\$	<u>2,648,652</u>	<u>2,091,201</u>	<u>1,735,293</u>
JURISDICTIONAL	MCF	343,837	219,460	113,026
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY)	MCF	0	0	0
TOTAL SALES VOLUME	MCF	<u>343,837</u>	<u>219,460</u>	<u>113,026</u>
(SUPPLY \$/SALES MCF)	\$/MCF	\$7.7032	\$9.5288	\$15.3530
LESS:EGC IN EFFECT FOR MONTH	\$/MCF	10.5575	10.6894	11.5076
DIFFERENCE	\$/MCF	(\$2.8543)	(\$1.1606)	\$3.8454
TIMES : JURISDICTIONAL SALES	MCF	343,837	219,460	113,026
MONTHLY COST DIFFERENCE		<u>(\$981,414)</u>	<u>(\$254,705)</u>	<u>\$434,630</u>
BALANCE ADJUSTMENT SCHEDULE IV-A				\$132,405
COST DIFFERENCE FOR THE THREE MONTH PERIOD				(\$669,084)
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 5/31/08				<u>1,584,918</u>
CURRENT QUARTER ACTUAL ADJUSTMENT				<u>(\$0.4222)</u>

**PURCHASED GAS ADJUSTMENT
NORTHEAST OHIO NATURAL GAS CORPORATION
BALANCE ADJUSTMENT**

DETAILS FOR THE THREE MONTHS ENDED MAY 31, 2008

	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR. 54rd QTR	(\$621,382)
LESS : DOLLAR AMOUNT RESULTING FROM THE AA OF (\$.4756)/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 1,584,918 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>(\$753,787)</u>
BALANCE ADJUSTMENT FOR THE AA	<u><u>\$132,405</u></u>
DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR. 54TH QTR	\$0
LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF \$.000/MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 1,584,918 MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>\$0</u>
BALANCE ADJUSTMENT FOR THE RA	<u><u>\$0</u></u>
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR. 50TH QTR	\$0
LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 1,584,918 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.	<u>\$0</u>
BALANCE ADJUSTMENT FOR THE BA	<u><u>\$0</u></u>
TOTAL BALANCE ADJUSTMENT AMOUNT	<u><u>\$132,405</u></u>