

PUCO Approves Dominion East Ohio's Pricing Auction

What? On August 30, 2006, the Public Utilities Commission of Ohio (PUCO) approved the results of Dominion East Ohio's August 29 auction seeking the lowest cost providers of natural gas for the company's remaining sales customers.

What will happen? Beginning in mid-October 2006, Dominion's sales customers will pay a price that varies each month based on a widely used price measure from the New York Mercantile Exchange (NYMEX), plus a cost of \$1.44 per MCF, which takes into consideration the cost of transporting gas from producing areas to Ohio. This new price will be known as the Standard Service Offer (SSO) rate and it will replace the current Gas Cost Recovery (GCR) rate.

Will Dominion make a profit? The price that Dominion will bill its sales customers for the gas will be identical to what it pays the suppliers. As with the current Gas Cost Recovery (GCR) price, Dominion will continue to make no profit on the natural gas portion of its bill.

Why the change? The PUCO's approval of this new pricing approach will make it easier for Dominion's customers to compare offers from other natural gas providers, which will improve the competition in its Energy Choice program.

How does this make it easier to compare natural gas offers? There will no longer be any difference between Dominion's charges for delivering the gas that it sells and delivering gas sold by other providers, which will help customers make better "apples-to-apples" comparisons among offers.
Dominion believes effective competition is the best way for consumers to manage the biggest portion of their gas bill – the cost of the natural gas itself.

Can I still select an Energy Choice supplier? Yes. You can choose gas supply from one of the providers that have been certified by the PUCO to sell gas. For supplier comparison information:
Visit the PUCO Web site at www.puco.ohio.gov or call the PUCO "Apples to Apples" toll-free number at 1-800-299-7271.
Residential customers can visit the Ohio Consumers' Counsel Web site at www.pickocc.com or call toll-free at 1-877-742-5622.

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How frequently can natural prices change?

Dominion's price will still change monthly. Customers can choose from a variety of offers made by other providers. Some of those offers may have variable monthly pricing or a fixed price for some or all of the contract term.

When can customers expect to know the new monthly SSO rate?

The new rate will be announced at the beginning of each month, roughly two weeks before the first bills reflecting that month's rate are generated.

How many Dominion East Ohio customers purchase gas from another supplier?

At this point, about 70% of the company's eligible customers buy their gas from another provider, making Dominion's Energy Choice program one of the largest in the country.

What services will Dominion still provide?

Dominion will still read meters, issue bills and handle customer inquiries just as it always has. There are no changes in customer service planned as a result of the PUCO's approval of Dominion's application, and we will continue to ensure that customers receive reliable service even if they buy gas from another provider.

Is this a pilot program?

Yes. The PUCO has ruled that Dominion can implement this restructured sales service on a pilot basis from October 2006 to August 2008. Dominion, the PUCO and other groups will meet to discuss future changes that will still be subject to PUCO approval. If this phase goes well, Dominion will consider requesting PUCO approval to have all of its customers buy gas from an alternate provider. If that occurs, Dominion is committed to working with the PUCO and consumer advocates to ensure that customers have all of the information they need to make informed choices.

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