



## **Dominion East Ohio Non-Binding Open Season for the Transportation of Ohio Production to Interstate Markets**

The East Ohio Gas Company, d/b/a Dominion East Ohio (“DEO”) is pleased to announce a non-binding open season to solicit interest in transportation service on DEO’s Ohio pipeline system to existing interconnections with interstate pipeline systems. The DEO system is uniquely well situated to transport gas from growing production in eastern Ohio, including from Marcellus and Utica Shale formations, to interstate pipelines for further transportation to Northeast, Mid-Atlantic and possibly other markets.

DEO will conduct an open season, effective from February 16 to March 15, 2011, to solicit interest from potential customers in the form of non-binding expressions of interest in transportation service on the DEO system. Interested potential customers are invited to contact DEO representatives and to submit non-binding bids providing information regarding locations, volumes, and timing for potential transportation service, in accordance with the terms set forth in this announcement.

### **Background Regarding Dominion East Ohio and Dominion Resources**

DEO is a local distribution company, headquartered in Cleveland, Ohio, engaged in the business of gathering, purchasing, storing, distributing and transporting natural gas in the State of Ohio. The company serves approximately 1.2 million residential, commercial, and industrial customers in Cleveland, Akron, Canton, Lima, Marietta, Youngstown, and other communities primarily in northern and eastern Ohio. DEO operates over 20,000 miles of natural gas transmission, distribution and



gathering lines in a service territory covering more than 4,700 square miles, as well as an extensive, integrated storage operation located in the heart of its service territory in north-eastern Ohio.

DEO is the largest natural gas distribution franchise of Dominion Resources, Inc. (“Dominion”). Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 27,600 megawatts of generation, 12,000 miles of natural gas transmission, gathering and storage pipeline, and 6,000 miles of electric transmission lines. Dominion operates the nation's largest natural gas storage system and serves retail energy customers in 13 states. For more information about Dominion and its other subsidiaries, visit the company's website at [www.dom.com](http://www.dom.com).

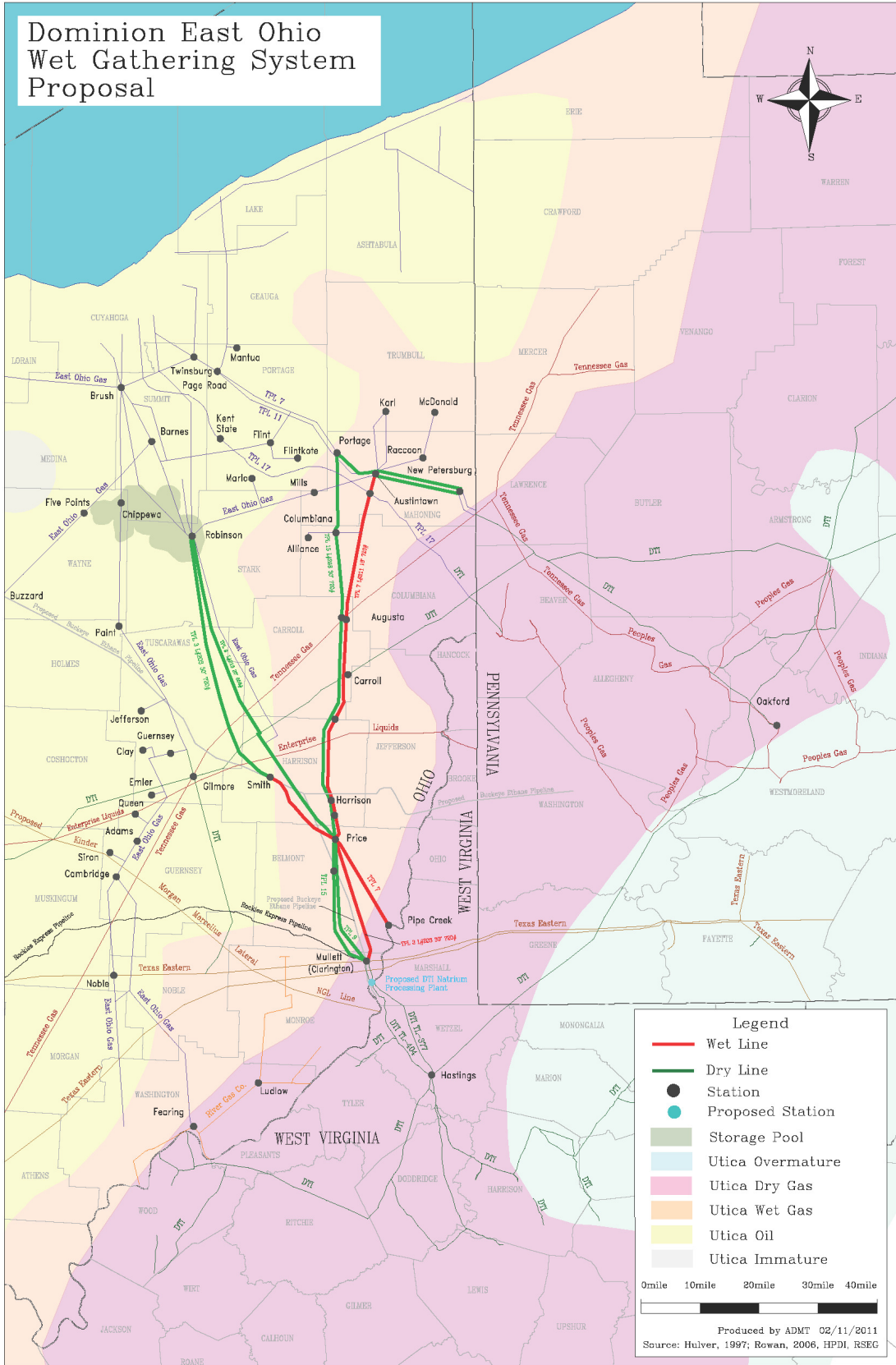
## **DEO Is Ideally Situated To Transport Ohio Production to Interstate Pipelines**

DEO's extensive, grid-like pipeline system spans all of eastern Ohio, including areas of growing gas production and significant Marcellus and Utica reserves. The pipeline system has existing available capacity to transport additional volumes of gas received at existing or new production receipt points. In many areas, DEO's system is capable of transporting high Btu, “wet” gas.

The DEO system includes approximately 40 interconnections with the following seven interstate pipeline systems: Dominion Transmission, Inc. (“DTI”), Tennessee Gas Pipeline Co. (“Tennessee”), Texas Eastern Transmission LP (“Texas Eastern”), Columbia Gas Transmission Corp., ANR Pipeline Company, Panhandle Eastern Pipe Line Company LP, and Rockies Express Pipeline. These interconnects traditionally are used to receive gas into DEO's system; but DEO is able to transport gas, either physically or by displacement, from receipt points on its system to the interstate pipeline interconnections. Use of DEO's existing infrastructure to transport growing Ohio supplies will minimize costs and avoid impacts on landowners and the environment. Depending on the locations, volumes, and timing, new compression facilities may be needed for gas to be physically delivered onto connected interstate pipelines.

Nearby pipeline interconnection points to which DEO could transport incremental Ohio production include the interconnections with DTI at Mullett or Harlem Springs, with Tennessee at Augusta, and with Texas Eastern at Mullet. DTI, Tennessee, and Texas Eastern all provide potential access to significant markets further downstream. DEO is willing to discuss with prospective customers, however, its potential ability to provide transportation from any areas of receipt on its system to any of its connections with interstate pipelines. DEO's ability to provide transportation service will vary depending on the desired receipt and delivery combinations.

The below map shows portions of DEO's pipeline system along with the surrounding interstate pipeline network. The map also reflects the general location of the Utica formation, showing how DEO's pipeline system is ideally situated to transport this production to interstate markets, and shows whether the lines would be proposed to be “wet” or “dry.” Interested customers should consider the map as indicative of possible transportation options, but should contact DEO representatives (as detailed below) for more detailed information about available capacity and the physical capabilities of relevant parts of DEO's system.





## Terms of Service and Regulatory Authorization

DEO is regulated in Ohio as a “natural gas company” and a “public utility,” and its intrastate rates and services are regulated by the Public Utilities Commission of Ohio (“Ohio PUC”). DEO also is authorized to provide interstate transportation service pursuant to a blanket transportation certificate issued by the Federal Energy Regulatory Commission (“FERC”). While DEO is willing to discuss providing intrastate transportation, or gathering, service to potential customers, it anticipates that Ohio producers will be most interested in transportation of their gas to interstate pipelines connected to DEO, which would be interstate transportation pursuant to FERC authority.

DEO filed a petition with the FERC on January 12, 2011, to revise its Operating Statement for interstate transportation service and update its rates for such service. Interstate transportation on DEO’s system would be pursuant to all the terms set forth in that Operating Statement, as well as applicable FERC regulations and requirements. A copy of DEO’s Operating Statement as filed with FERC is available through FERC’s E-library in Docket No. PR11-81-000. Interested parties may wish to review Sections 8-10 of DEO’s FERC Operating Statement, which provide the terms for Production Receipt Points, Nomination of Production Volumes, and the reconciliation between nominated and actual Production Volumes. In addition, all customers taking service from DEO would be required to comply with the creditworthiness provisions set forth in Section 17 of the Operating Statement. DEO will also consider requests for storage service and will seek the necessary Ohio PUC or FERC approval to provide such service if binding storage service agreements are also executed as a result of this open season.

## Rates for Interstate Transportation Service

DEO has filed the following maximum rates for interstate transportation service with the FERC:

For the first 5,000 Mcf per month	\$1.0803 per Mcf
For the next 45,000 Mcf per month	\$0.6500 per Mcf
For all volumes over 50,000 Mcf per month	\$0.1663 per Mcf

These maximum rates, which are equal to the rates for DEO’s comparable intrastate transportation service that have been approved by the Ohio PUC, remain subject to FERC action in its Docket No. PR11-81. DEO may agree with a customer on a not unduly discriminatory basis to discount these maximum volumetric rates to any amount above its variable costs. Appropriate fuel charges also will apply depending on the specifics of particular transportation service and the facilities involved. If additional facilities are required to provide the transportation service, additional charges beyond the existing maximum rates may apply, subject to applicable approval(s). The applicable rates will depend on the specific facilities required to support the particular transportation service requested.

Interested customers should discuss the rates applicable to particular, desired transportation service with the DEO representatives identified below. DEO anticipates awarding available transportation capacity, on a not unduly discriminatory basis, to customers offering the highest rates on a net present value basis in discussions arising from and following this open season.



## Open Season Process

The non-binding open season for DEO transportation service begins at 12:00 Noon (ET) on February 16, 2011, and concludes at 5:00 PM (ET) on March 15, 2011. Interested parties should submit a completed non-binding bid form by fax or e-mail to Brent Breon, as detailed below, by the conclusion of the open season period. Copies of this Open Season announcement and the bid form also are available at:

<http://www.dom.com/dominion-east-ohio/customer-service/for-businesses/transportation-services.jsp>

Interested parties are invited to contact the below DEO representative early during the open season process to discuss particular transportation service of interest to them. All inquiries or requests for additional information or clarification should be directed to:

**Mr. Brent Breon**

**e-mail:** [brent.d.breon@dom.com](mailto:brent.d.breon@dom.com)

**phone:** (330) 266-2130

**fax:** (330) 266-2180

After completion of the open season, DEO will contact all bidders to discuss their specific requests for transportation and the type of service, location, quantities, rates and other contract terms, and the dates by which service is desired. In such discussions, DEO anticipates proceeding with the negotiation of binding transportation service agreements or precedent agreements with interested customers.

## Limitations and Reservations

DEO reserves the right, in its sole discretion, to decline to proceed with any interstate transportation service, including for service for which DEO has requested bids in this open season. DEO reserves the right to reject any and all bids for transportation service for any reason. No request for service will be binding on DEO, or the requesting party, unless and until duly authorized representatives of both parties have executed binding legal agreements.

**Dominion East Ohio  
Open Season – February 16 to March 15, 2011  
Non-Binding Request Form for Transportation Service**

**1. Bidder Information**

Company Name: \_\_\_\_\_ (“Bidder”)  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
Company Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

2. **Receipt Point Location(s)**: If existing receipt points on DEO’s system are applicable, please identify those points. If existing points do not exist or are not known, please provide information about the geographic location of desired receipt points.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. **Quantities**: If quantities vary over time, or by receipt point, or reflect only approximations, please provide all applicable details.

\_\_\_\_\_  
\_\_\_\_\_

4. **Delivery Point Location(s)**: Please identify existing DEO points of interconnection with interstate pipelines desired as delivery point(s).

\_\_\_\_\_  
\_\_\_\_\_

5. **Service Commencement Date (month/day/year) and Term of Service**: If the commencement date varies for different quantities of service, please provide all applicable details.

\_\_\_\_\_  
\_\_\_\_\_

6. **Additional Comments & Service Needs (including approximate Btu content of any wet gas)**:

\_\_\_\_\_  
\_\_\_\_\_

**Instructions**

Please return your completed Non-Binding Open Season Request Form before the *bid deadline of 5:00 PM (ET) on March 15, 2011*, by e-mail or fax to:

**Mr. Brent Breon**

**e-mail:** [brent.d.breon@dom.com](mailto:brent.d.breon@dom.com)

**phone:** (330) 266-2130

**fax:** (330) 266-2180