



**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**DOMINION TRANSMISSION, INC.  
Docket No. CP12-\_\_-000**

**ABBREVIATED APPLICATION  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND  
NECESSITY**

*Allegheny Storage Project*

Filed: February 17, 2012

**VOLUME I – PUBLIC**

**Dominion Transmission, Inc.**  
701 East Cary Street, Richmond, VA 23219



February 17, 2012

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: Dominion Transmission, Inc.  
Abbreviated Application for a Certificate of  
Public Convenience and Necessity  
Allegheny Storage Project  
Docket No. CP12-\_\_ -000**

Dear Secretary Bose:

Dominion Transmission, Inc. (DTI) hereby submits for filing, pursuant to Section 7(c) of the Natural Gas Act, as amended, and Part 157 of the Rules and Regulations there under of the Federal Energy Regulatory Commission (Commission), an Abbreviated Application for a Certificate of Public Convenience and Necessity to construct, install, own, operate and maintain certain facilities located in Maryland, Ohio, Pennsylvania, and West Virginia that comprise the Allegheny Storage Project.

**Information Submitted**

In accordance with 18 CFR §§ 388.112 and 388.113, this application consists of the following volumes:

Volumes I and IA – Public,  
Volume II – Contains Privileged Information – Do Not Release, and  
Volume III – Contains Critical Energy Infrastructure Information – Do Not Release.

A table of contents is provided in the application listing the documents contained within each volume.

DTI requests that, pursuant to 18 C.F.R. § 388.112, the information filed in Volume II be treated as privileged and confidential, and that it not be released to the public. This volume is labeled "Contains Privileged Information – Do Not Release" and contains information that is customarily treated as privileged and confidential.

DTI requests that, pursuant to 18 C.F.R. § 388.112, the information filed in Volume III be treated as Critical Energy Infrastructure Information (CEII), and that it not be released to the public. This volume is labeled "Contains Critical Energy

Infrastructure Information – Do Not Release” and contains information that is customarily treated as CEII.

Pursuant to the Commission’s Filing Guide/Qualified Document list, DTI is also sending three hardcopies to the Commission.

**Certification**

I hereby certify that I have read and am familiar with the contents of the document comprising DTI’s Application and form of notice, that the contents of the Application are true and correct to the best of my knowledge and belief, and that the contents of the paper version is identical to the electronic version submitted herewith.

If you have any questions, please contact Amanda Prestage at 804-771-4416.

Respectfully submitted,

*/s/ Matthew R. Bley*

Matthew R. Bley  
Manager, Gas Transmission Certificates  
Authorized Representative  
Dominion Transmission, Inc.  
701 E. Cary Street  
Richmond, VA 23219

Enclosures

**Abbreviated Application for a  
Certificate of Public Convenience and Necessity**

**TABLE OF CONTENTS**

**VOLUME I – PUBLIC**

**ABBREVIATED APPLICATION**

- I. Applicant
- II. Background
- III. Description of Proposal
- IV. Public Convenience and Necessity
- V. List of Exhibits
- VI. Environmental Impact
- VII. Notice
- VIII. Requested Authorization and Conclusion

**Exhibit F – Location of Facilities**

**Exhibit I – Market Data**

**Exhibit J – Federal Authorizations**

**Exhibit K – Cost of Facilities**

**Exhibit N – Revenues, Expenses, and Income**

**Exhibit P – Cost of Service, Rate Base, Return, and Rates**

**VOLUME IA – PUBLIC**

**Exhibit F-I – Environmental Report**

**VOLUME II – CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE**

**Exhibit F- I – Environmental Report**

Appendix 1-B: Landowner List

**Exhibit H – Total Gas Supply**

**VOLUME III – CONTAINS CRITICAL ENERGY INFRASTRUCTURE INFORMATION – DO NOT RELEASE**

**Exhibits G, G-I, and G-II – Flow Diagrams**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>In the Matter of</b>	]	<b>Docket No.</b>
	]	<b>CP12-____-000</b>
<b>DOMINION TRANSMISSION, INC.</b>	]	

**ABBREVIATED APPLICATION  
OF DOMINION TRANSMISSION, INC.  
FOR A CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY**

*Allegheny Storage Project*

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**Filed February 17, 2012**

**UNITED STATES OF AMERICA**  
**BEFORE THE**  
**FEDERAL ENERGY REGULATORY COMMISSION**

**Dominion Transmission, Inc.                    )           Docket No. CP12- \_\_\_\_-000**

**ABBREVIATED APPLICATION OF DOMINION TRANSMISSION, INC.**  
**FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

***Allegheny Storage Project***

Dominion Transmission, Inc. (DTI) hereby files this Abbreviated Application (Application) with the Federal Energy Regulatory Commission ("FERC" or "Commission"), pursuant to Section 7 of the Natural Gas Act, as amended (NGA)<sup>1</sup> and Part 157 of the Commission's regulations,<sup>2</sup> for a Certificate of Public Convenience and Necessity authorizing DTI to construct, install, own, operate, and maintain certain facilities located in Maryland, Ohio, Pennsylvania, and West Virginia. Specifically, as described more fully herein, DTI requests Commission authorization of the "Allegheny Storage Project" (Project), pursuant to which DTI will provide 125,000 dekatherms per day (Dt/d) of natural gas storage service and 125,000 Dt/d of transportation service to three customers.<sup>3</sup>

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<sup>1</sup> 15 U.S.C. § 717 (f).

<sup>2</sup> 18 C.F.R. §§ 157.5 *et seq.* (2011).

<sup>3</sup> The 125,000 Dt/d transportation service will be delivered to Washington Gas and Light (WGL), Baltimore Gas and Electric (BGE), and TW Phillips Gas and Oil Co. (TW Phillips). TW Phillips has contracted for 10,000 Dt/d of the 125,000 Dt/d of firm transportation service which does not require the additional facilities proposed by the Project.

DTI proposes to commence construction of the Project facilities in early 2013 so that the Project can be placed into service on or before November 1, 2014. To meet this schedule, DTI respectfully requests that the Commission issue a final Certificate Order approving the Project by December 1, 2012.

As described in more detail below, the Project satisfies the guidelines set forth in the 1999 Statement of Policy Regarding Certification of new Interstate Natural Gas Pipeline Facilities<sup>4</sup> as the proposal: (i) will provide increased natural gas storage and firm transportation services; (ii) will have no adverse consequences on existing customers, existing pipelines or affected landowners; and (iii) will result in no financial subsidization of the Project by existing customers.

In support of this Application, DTI respectfully shows as follows:

## **I. APPLICANT**

The exact legal name of DTI is Dominion Transmission, Inc. DTI is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 701 East Cary Street, Richmond, Virginia, 23219. DTI is an interstate gas transmission business unit of Dominion Resources, Inc., one of the nation's largest producers and transporters of energy.

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<sup>4</sup> Certification of New Interstate Natural Gas Pipeline Facilities: Statement of Policy, 88 FERC ¶ 61,227 (1999), Order Clarifying Statement of Policy, 90 FERC ¶ 61,128 (2000), Order Further Clarifying Statement of Policy, 92 FERC ¶ 61,094 (2000) (hereinafter, "1999 Policy Statement").



Primarily a provider of gas transportation and storage services, DTI operates the nation's largest, underground natural gas storage system with 947 billion cubic feet (Bcf) of storage capacity and maintains approximately 11,000 miles of transmission and gathering pipeline in six states – Ohio, West Virginia, Pennsylvania, New York, Maryland, and Virginia. DTI is uniquely well-positioned to receive gas supply and transport gas to major natural gas markets in the Northeast and Mid-Atlantic regions.

DTI is an "open-access" pipeline operating under the Commission's regulations and a Commission-approved FERC Gas Tariff.

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this application are to be addressed are:

Matthew R. Bley  
Manager, Gas Transmission Certificates  
Dominion Transmission, Inc.  
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Facsimile: (804) 771-3940  
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These persons are designated to receive service under 18 C.F.R. § 385.203(b)(3), and should be placed on the official service list for this proceeding pursuant to 18 C.F.R. § 385.2010.

## II. BACKGROUND

On July 19, 2011, DTI requested Commission authorization to initiate the National Environmental Policy Act (NEPA) pre-filing process for the Allegheny Storage Project.<sup>5</sup> The Commission approved the request on July 28, 2011 in Docket No. PF11-9-000. The resulting pre-filing process enabled the Commission staff and other interested stakeholders to provide input and consultation that are reflected in this formal Abbreviated Application for a Certificate of Public Convenience and Necessity.

## III. DESCRIPTION OF PROPOSAL

### A. Open Season

DTI conducted an open season in June/July 2007 for proposed storage and firm transportation services offered as the Project.<sup>6</sup> As a result of the open season, DTI executed precedent agreements with three customers (hereinafter, referred to as the "Customers" or "Project Customers") for storage services of up to 125,000 Dt/d (with a capacity of 7.5 million dekatherms [MMDt]) and 125,000 Dt/d of firm transportation services.<sup>7</sup> The

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<sup>5</sup> On July 5, 2007, the Commission approved DTI's June 29, 2007 request for authorization to initiate the NEPA pre-filing process for the Storage Factory Project in Docket No. PF07-12-000. However, due to technical aspects and complexities with the new gas storage facilities associated with that project, DTI suspended its proposed Storage Factory Project on November 3, 2008. DTI notified the Commission that it would revise the project scope in order to serve the initial customers of the Storage Factory Project. The Allegheny Storage Project, proposed in this Application, is to provide services to those initial customers.

<sup>6</sup> The open season conducted in 2007 was for the Storage Factory Project. However, the precedent agreements have been amended accordingly to reflect the changes for the project being proposed in this Application.

<sup>7</sup> See footnote 3.

Customers, along with relevant terms of the precedent agreements, are summarized in Exhibit I of this Application.

B. Facilities

To accommodate the new storage and firm transportation services for the Project Customers, DTI plans to construct and operate the facilities described below. See Exhibit F for facility locations and Exhibit F-I for more detailed facility descriptions.

1. Frederick County, Maryland:

- Construct a new compressor station (Myersville Compressor Station) consisting of a natural gas combustion turbine with a rating of 16,000 horsepower (hp)<sup>8</sup> of compression;
- Install 0.6 miles of 30-inch-diameter suction/discharge pipelines (Myersville Suction/Discharge pipelines) extending from the new Myersville Compressor Station to a new Valve Site on DTI's existing PL-1 pipeline; and,
- Upgrade DTI's existing Tuscarora metering and regulating (M&R) Station including replacement of the indirect gas heater/boiler and inlet gas filter-separator, and modify and upgrade the existing M&R equipment and controls.

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<sup>8</sup> The manufacturer's ISO horsepower rating is when installed at sea level and operating at 59° F. Refer to Exhibit F-I, Resource Report 9 for the site-specific horsepower rating specified for estimation of potential emissions.

2. Monroe County, Ohio:

- Construct a new compressor station (Mullett Compressor Station) with a reciprocating engine/compressor with a rating of 3,550 hp of compression;
- Install 0.5 miles of 16-inch-diameter suction and 10-inch-diameter discharge pipelines (Mullett Suction/Discharge pipelines) extending from the new Mullett Compressor Station to DTI's existing Mullett 1 M&R Station; and,
- Upgrade DTI's existing Mullett 1 M&R Station including metering modifications to add bidirectional measurement capability and replacement of antiquated equipment and electronics; add a suction/discharge valve assembly within the yard area of the M&R station to connect to the Mullett Suction/Discharge pipelines that will be routed to and from the new Mullett Compressor Station.

3. Lewis County, West Virginia:

- Install an additional 100 million standard cubic feet per day of additional glycol dehydration at DTI's existing Wolf Run Compressor Station.

4. Tioga County, Pennsylvania:

- Add piping and ancillary equipment at DTI's existing Sabinsville Storage Station, including an additional dry desiccant dehydration vessel (no additional overall station capacity), replacement of the dehydration regeneration system cooling bundle, addition of a third dehydration inlet scrubber, replacement and upsize of the main station storage inlet header, and replacement of the station's high-pressure gas discharge cooler;
- Remove 1.8 miles of existing 12-inch and 10-inch pipeline and replace with 16-inch diameter pipeline (Sabinsville West Replacement); and,
- Remove 1.3 miles of existing 12-inch and 8-inch pipeline and replace with 20-inch diameter pipeline (Sabinsville East Replacement).

C. Storage Service

To provide the incremental storage services for the Project, DTI will utilize a combination of enhanced capabilities of existing storage pools on the DTI system and leased capacity from Dominion East Ohio (DEO).<sup>9</sup> See

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<sup>9</sup> On March 26, 2010 in Docket No. CP10-107, DEO and DTI filed a joint application under section 7(c) of the NGA and Part 157 of the Commission's regulations requesting authorization for DTI to lease up to 5.0 MMDt of storage capacity from DEO. Phase I of the lease would provide 3.0 MMDt of capacity that DTI would use to provide interruptible storage service on an interim basis. Phase II would provide an

Exhibit H for more detailed description on the facilities required for the storage services.

1. Fink Kennedy/Lost Creek Storage Complex:

As part of the Project, DTI is proposing to increase the total certificated pool capacity of the Fink Kennedy/Lost Creek Storage Complex by 2.0 Bcf, from 165.521 Bcf to 167.521 Bcf (including native reserves). The working gas capacity would correspondingly increase from 87.539 Bcf to 89.539 Bcf. The cushion gas capacity and native reserves would remain unchanged at 75.0 Bcf and 2.982 Bcf, respectively. In addition, DTI proposes to add 100 million standard cubic feet per day (Mmcf/d) of additional glycol dehydration at the existing Wolf Run Compressor Station. The additional dehydration capacity at Wolf Run will increase the certificated deliverability at maximum pressure of the Fink Kennedy/Lost Creek Storage Complex by 100 Mmcf/d, from 1,110 Mmcf/d to 1,210 Mmcf/d. This increase in dehydration capacity will allow increased withdrawal rates from the storage field during the beginning of the withdrawal season. These increased withdrawal rates will help turn the incremental 2.0 Bcf of top gas capacity at the storage pool.

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additional 2.0 MMDt of capacity beginning April 1, 2014. In the CP10-107 Application, DTI stated that its lease of the 5.0 MMDt of capacity would be part of the revised storage project that ultimately would replace the Storage Factory Project. *The East Ohio Gas Company and Dominion Transmission, Inc.*, 133 FERC ¶ 61,076 (2010).

2. Sabinsville Storage Pool:

DTI proposes to convert 0.5 Bcf of cushion gas capacity to working gas capacity at its Sabinsville Storage Pool. As a result, the certificated cushion gas capacity (without native) will decrease from 16.422 Bcf to 15.922 Bcf, and the certificated working gas will increase from 17.697 Bcf to 18.197 Bcf. The total capacity of the Sabinsville Storage Pool including native reserves of 1.499 Bcf will remain unchanged at 35.618 Bcf. The incremental Project facilities proposed at Sabinsville Storage Station and Pool are designed to provide the capabilities needed to effectively turn this additional capacity.

3. DEO/DTI Storage Lease:

The storage lease with DEO will provide 5.0 MMDt of storage capacity.

D. Cost

As detailed in Exhibit K, the estimated cost for DTI's construction of new proposed facilities is \$112,315,305. The AFUDC included in Exhibit K for the Project is calculated in compliance with the Commission's new AFUDC policy,<sup>10</sup> with accruals beginning in January 2011. In accordance with the new AFUDC policy, DTI affirms that it had begun to incur capital expenditures for the Project on that date and that activities necessary to prepare the Project for its intended use were in progress at that time.

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<sup>10</sup> *Southern Natural Gas Co.*, 130 FERC ¶ 61,193 (2010).

E. Market

As documented and summarized in Exhibit I, DTI has executed Precedent Agreements with the Project Customers for all of the capacity associated with the Project. The Customers will receive up to 125,000 Dt/d (with a capacity of 7.5 MMDt) of firm storage services and 125,000 Dt/d of firm transportation services.<sup>11</sup> Therefore, the Project capabilities are fully subscribed. The proposed commencement dates for the firm storage services are April 1, 2014 for injections and November 1, 2014 for withdrawals. The proposed commencement date for the firm transportation services is November 14, 2014. The storage and transportation services will continue for a primary term of fifteen years.

F. Initial Rates

As shown in Exhibit P and consistent with the Commission's policy on pricing expansion capacity, DTI has designed incremental firm storage service rates to recover the costs of the proposed facilities used to provide the Project storage services. The storage service is priced incrementally because the rates required to recover DTI's incremental costs exceed the existing system rates for firm storage service under Rate Schedule GSS. In addition to the incremental base reservation rates, the recourse rates for storage service created by this Project shall include all other applicable rates, charges and surcharges under DTI's Rate Schedule GSS, such as Transportation Cost

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<sup>11</sup> See footnote 3.



Rate Adjustment (TCRA) and Electric Power Cost Adjustment (EPCA) charges, the maximum injection and withdrawal charges, and maximum system fuel retention percentage. For rate design, the costs for the new Mullet facilities are treated as storage costs. These facilities are required to ensure DTI's ability to receive storage withdrawals from the DEO system, since DTI operates its transmission facilities in that area at higher pressures than does DEO.

DTI has agreed to charge a negotiated rate for the storage services provided as part of this Project. The negotiated rate shall be equal to the initial incremental firm storage service recourse rates filed as part of this certificate filing. DTI acknowledges that it must file for separate Commission authorization of this negotiated rate, prior to commencing service to the affected customer.<sup>12</sup>

Additionally, DTI designed an incremental firm transportation rate to recover the costs of the proposed facilities used to provide the Project transportation services. The transportation service is priced incrementally because the base reservation rate required to recover DTI's incremental costs exceeds DTI's existing system base rate for firm transportation service under Rate Schedule FT. In addition to the incremental base reservation rate, the recourse rates for firm transportation service created by this Project shall

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<sup>12</sup> "In certificate proceedings, the Commission establishes initial recourse rates but does not make determinations regarding specific negotiated rates for proposed services." *MoGas Pipeline, LLC*, 124 FERC ¶61,287 (2008) citing *Centerpoint Energy – Mississippi River Transmission Corp.*, 109 FERC ¶61,007 at P. 19 (2004).

include all other applicable rates, charges and surcharges under DTI's Rate Schedule FT, such as TCRA and EPCA charges, the maximum usage charge, and maximum system fuel retention percentage.

Charging incremental rates for both the storage and transportation services offered as part of the Project will prevent existing customers from subsidizing the incremental services in contravention of Commission Policy.<sup>13</sup>

#### **IV. PUBLIC CONVENIENCE AND NECESSITY**

DTI submits that this proposal is in the public convenience and necessity. The benefits of the Project outweigh any adverse impacts on DTI's customers, captive customers of other pipelines, or affected landowners, as examined pursuant to the Commission's 1999 Policy Statement. By applying the Policy Statement framework, the Commission seeks to foster competitive markets, to protect captive customers, and to provide "incentives for the optimal level of construction and efficient customer choice."<sup>14</sup> DTI's proposal meets each of the Commission's objectives.

##### **A. The Threshold Requirement - No Financial Subsidies**

Under the Policy Statement, the threshold requirement is that pipeline expansions must be financially viable without any subsidies from existing

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<sup>13</sup> The 1999 Policy Statement created a presumption that most expansion projects built by an existing pipeline would be incrementally priced. 1999 Policy Statement at pp. 61,745-46; see also, North Baja Pipeline, LLC, 117 FERC ¶ 61,022 at PP 49-51 (2006) (approving use of effective recourse rates for inexpensive mainline expansion and incremental recourse rates for lateral expansion capacity). 1999 Policy Statement at p. 61,746.

<sup>14</sup> 1999 Policy Statement at p. 61,743.

customers. DTI has met this requirement because DTI will not rely on subsidies by existing customers to support proposed construction for incremental markets. As described above, because the incremental storage and transportation service rates exceed existing rates for storage service under Rate Schedule GSS and transportation service under Rate Schedule FT, respectively, DTI proposes incremental rates to recover the costs of its proposed storage and transportation facilities. As a result, the rates of DTI's existing customers will not be affected by this Project.

B. No Adverse Effects on Potentially Affected Interests

In deciding whether DTI's proposal is required by the public convenience and necessity, the Commission will consider any adverse effects on the economic interests of DTI's existing customers, of competing existing pipelines and their captive customers, and of affected landowners. DTI's proposal will have no adverse effect on DTI's existing customers or on any competing pipeline. DTI will eliminate or minimize the limited adverse impacts on affected landowners, and any residual adverse impact on these interests is justified by the public benefits of DTI's proposal.

1. Effects on DTI's Customers:

The interests of DTI's existing customers could be adversely affected if DTI's proposal were to cause cost increase or service

degradation without adding reliability or system flexibility.<sup>15</sup> As explained above, the Project will not increase costs to existing customers that are not participants in this Project. Because DTI's existing customers will not experience a cost increase or degradation in service as a result of the proposed construction, the Project will not adversely affect existing customers.

2. *Effects on Captive Customers of Other Pipelines:*

The proposed Project will not affect the captive customers of other existing pipelines that already serve the market because the proposed facilities are designed to create incremental capacity on a portion of DTI's system.

3. *Effects on Affected Landowners:*

The Project has been designed to minimize the impact on landowners and the environment. Most of the Project facility installations will be on lands that are either owned by DTI or on which DTI holds certain leasehold and easement rights thereby minimizing impact to landowners (i.e., upgrades at existing M&R stations, installation of additional dehydration at an existing compressor station, additional piping and ancillary equipment at an existing storage station, and replacement of existing pipeline within an existing storage pool).

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<sup>15</sup> 1999 Policy Statement at p. 61,747.

To minimize the impacts for the proposed new compressor facilities in Frederick County, MD and Monroe County, OH, DTI currently has a purchase option in place with both landowners for the acreage that will be necessary for the planned facilities. For the Frederick County, MD site, DTI is planning on the acquisition of a total of approximately 21.1 acres. Of this total, approximately 13.0 acres will be used for construction and 7.7 acres will be maintained for the compressor station facilities, and associated roads and piping. However, only 3.8 acres will be fenced for the station. As such, the compressor facility (buildings and other structures and equipment) comprise a small portion of the overall site. Areas of the property not fenced for the permanent compressor station facilities will be maintained in a vegetated condition. For the Monroe County, OH site, DTI is planning to acquire approximately 73.7 acres. Approximately 10.5 acres will be used for construction of the station facilities and approximately 8.2 acres will be maintained for the compressor station, and associated roads and piping. Approximately 3.8 acres will be fenced for the station.

A list of landowners whose property may be affected by the planned construction is included as part of Exhibit F-I. DTI will provide landowner notification in accordance with 18 C.F.R. §157.6(d). DTI

intends to work cooperatively with all affected landowners to address any potential concerns.

## V. LIST OF EXHIBITS

This is an abbreviated Application and, as such, contains only that data required to disclose fully the nature and extent of the proposed action. DTI believes that this Application contains all the information necessary to explain fully its request, and to support a finding that the requested authorizations are consistent with the public convenience and necessity. To the extent this Application does not contain every submission required by the Commission, DTI respectfully requests waiver of the Commission's regulations. The information required by Section 157.14 of the Commission's regulations is set forth below, attached hereto as exhibits, or omitted for the reasons stated:

- Exhibit A - Articles of Incorporation and Bylaws  
Omitted. Copies of DTI's Certificate of Incorporation and Bylaws were filed as Exhibit A in Docket No. CP01-58 and are incorporated herein by reference.
- Exhibit B - State and Local Authorizations  
Omitted. Copies of DTI's Authorizations were filed as Exhibit B in Docket No. CP07-10 and are incorporated herein by reference.
- Exhibit C - Company Officials  
Omitted. Copies of DTI's Company Officials were filed as Exhibit C in Docket No. CP12-19 and are incorporated herein by reference.

- Exhibit D - Subsidiaries and Affiliation  
Omitted. Copies of DTI's Subsidiaries and Affiliation were filed as Exhibit D in Docket No. CP09-44 and are incorporated herein by reference.
- Exhibit E - Other Pending Applications and Filings  
Omitted. DTI knows of no other filings or application pending before the Commission, which directly or significantly affect or are affected by the instant Application.
- Exhibit F - Location of Facilities  
Attached.
- Exhibit F-I - Environmental Report  
Attached as Volume IA (Public).
- Exhibits G, G-I, and G-II - Flow Diagrams  
Attached as Volume III (Contains Critical Energy Infrastructure Information).
- Exhibit H - Total Gas Supply  
Attached in Volume II (Contains Privileged Information – Do Not Release).
- Exhibit I - Market Data  
Attached.
- Exhibit J - Federal Authorizations  
Attached.
- Exhibit K - Cost of Facilities  
Attached.
- Exhibit L - Financing  
Omitted. The proposed construction is to be financed from operating funds on hand at DTI or to be obtained from DTI's parent, Dominion Resources, Inc. It is projected that DTI's funds used during construction will be sourced through short-term borrowing and/or equity financing. The resulting AFUDC rate will be calculated in accordance with 18 C.F.R. Part 201, Gas Plant Instructions.

- Exhibit M - Construction, Operation, and Management  
Omitted. Not applicable. Construction of the facilities will be completed by independent contractors pursuant to contracts with those independent companies. The companies will be selected upon the most acceptable bids. The facilities will be integrated with DTI's existing properties and operated and managed in a like manner.
- Exhibit N - Revenues, Expenses, and Income  
Attached.
- Exhibit O - Depreciation and Depletion  
Omitted. DTI will apply to the proposed facilities the depreciation rate being applied to other facilities of like kind – currently 2.5% for transmission and storage facilities.
- Exhibit P - Cost of Service, Rate Base, Return, and Rates  
Attached.

## **VI. ENVIRONMENTAL IMPACT**

As shown in the Environmental Resource Reports provided in Exhibit F-I, the construction and operation of these facilities is not expected to have a significant adverse impact on the quality of human health or the environment. The facilities have been designed to minimize or mitigate any environmental or other adverse impacts.

In accordance with the National Environmental Policy Act of 1969<sup>16</sup>, the proposed action is not a major federal action significantly affecting the

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<sup>16</sup> 42 U.S.C. 4321, et seq.



quality of the human environment and an environmental impact statement is not necessary for this Project.

## **VII. NOTICE**

A form of notice suitable for publication in the Federal Register is attached.

## **VIII. REQUESTED AUTHORIZATION AND CONCLUSION**

DTI respectfully requests that the Commission accept this abbreviated Application for filing and publish notice of this Application in the Federal Register. DTI further requests that the Commission issue an Order on or before December 1, 2012 authorizing DTI to construct, install, own, operate, and maintain certain facilities located in Maryland, Ohio, Pennsylvania, and West Virginia, as described more fully in this Application.

In addition, DTI requests that the Commission process this Application in accordance with the shortened procedures set forth in Rules 801 and 802 of the Commission's Rules of Practice and Procedure, and that the Commission omit the intermediate decision procedures. If the Commission grants this request, DTI agrees to waive oral hearing and the opportunity for filing exceptions to the decision of the Commission, while reserving the right to request rehearing and petition for judicial review of the Commission's decision.

Finally, DTI requests that the Commission find that authorization of the proposal herein does not constitute a major federal action significantly affecting the quality of the human environment, within the meaning of the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.).

DTI will comply with all of the Commission's landowner notification requirements pursuant to 18 C.F.R. §157.6(d).

DTI requests that the Commission waive, to the extent necessary, its general rules and regulations applicable to this filing in order to grant promptly the requested authorization.

DTI knows of no other application to supplement or effectuate this proposal that must be filed by DTI, its customers, or any other person to this Commission or any other regulatory body.

Respectfully submitted,

*/s/ Matthew R. Bley*

Matthew R. Bley  
Manager, Gas Transmission Certificates  
Authorized Representative  
Dominion Transmission, Inc.  
701 E. Cary Street  
Richmond, VA 23219

Dated: February 17, 2012

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Dominion Transmission, Inc. )

Docket No. CP12-\_\_\_\_-000

NOTICE OF APPLICATION FOR CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY

( )

Take notice that on February 17, 2012, Dominion Transmission, Inc. (DTI) with a principal place of business at 701 East Cary Street, Richmond, VA filed with the Federal Energy Regulatory Commission an abbreviated application under Section 7(c) of the Natural Gas Act seeking authorization to construct, install, own, operate and maintain certain facilities located in Maryland, Ohio, Pennsylvania, and West Virginia that comprise the Allegheny Storage Project. Any questions regarding this Application should be directed to Amanda K. Prestage, Regulatory and Certificates Analyst III, Dominion Transmission, Inc., 701 East Cary Street, Richmond, VA 23219, telephone: (804) 771-4416, facsimile: (804) 771-4804 and e-mail: Amanda.K.Prestage@dom.com.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance

with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date:

Kimberly D. Bose  
Secretary

EXHIBIT F

**LOCATION OF FACILITIES**

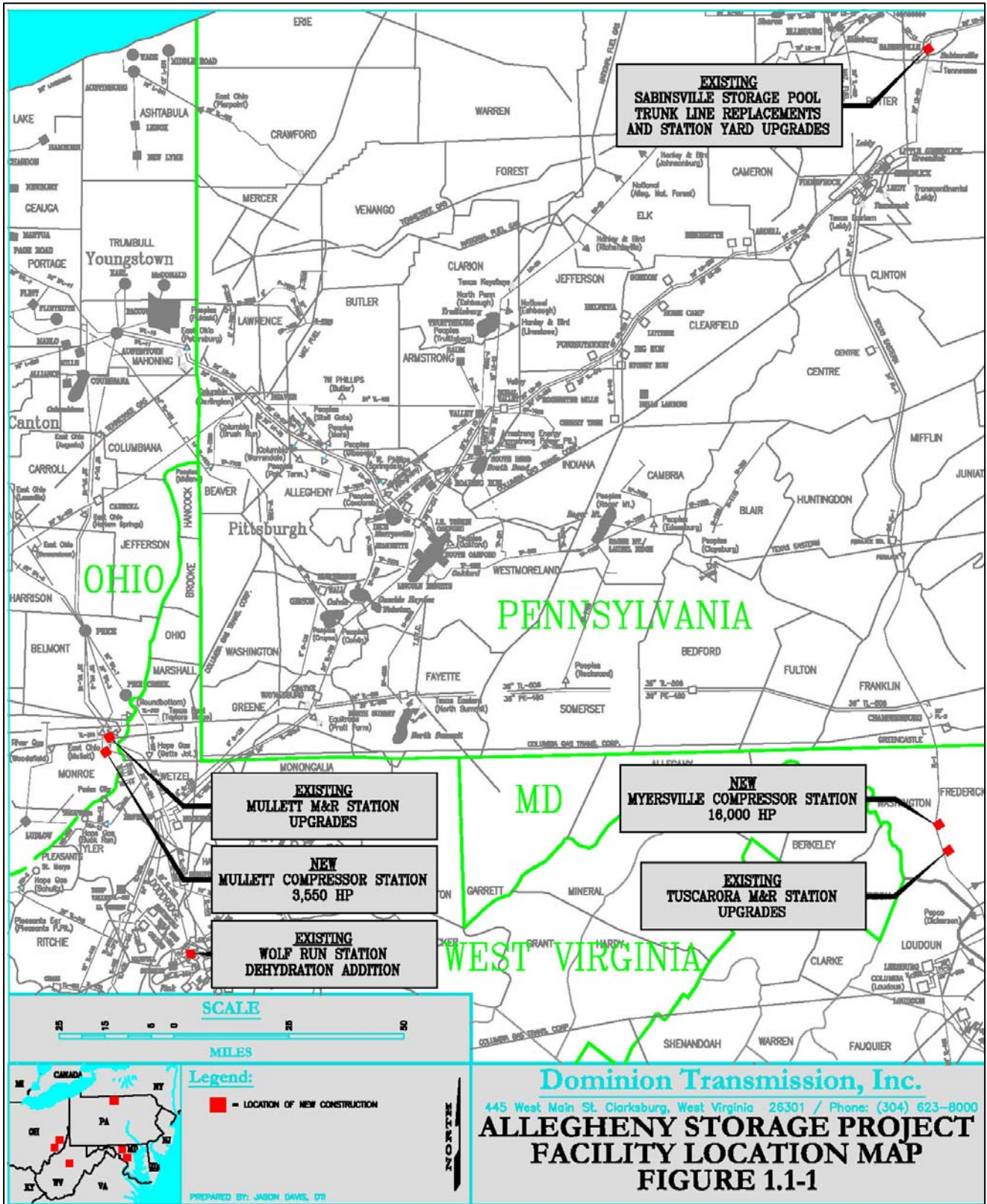


EXHIBIT F-I

**ENVIRONMENTAL REPORT**

The Exhibit F-I can be found in Volume IA of III (PUBLIC INFORMATION).

EXHIBIT G, G-I and G-II

**FLOW DIAGRAMS**

Exhibits G, G-I, and G-II:

The following flow diagrams are being submitted as Exhibits G & G-I:

- (1) Prior to Allegheny Storage Project January Peak Day. This flow diagram reflects the contract receipts and deliveries DTI would expect on a January peak day prior to implementing this Project. The January peak day is the design day for the required facility additions needed to perform the incremental services proposed in this application.
- (2) With Allegheny Storage Project January Peak Day. This flow diagram reflects the contract receipts and deliveries DTI would expect on a January peak day. The incremental facilities described in this Application have been sufficiently incorporated into DTI's operations to enable DTI to continue to satisfy its existing firm obligations while also satisfying the incremental firm services described herein

Exhibit G-II:

Assumptions, bases, and formulae associated with the flow diagrams are included in Volume II, which is considered Critical Energy Infrastructure Information (CEII).

Exhibit G, G-I and G-II can be found in Volume III of III  
(CRITICAL ENERGY INFRASTRUCTURE INFORMATION (CEII)).



EXHIBIT H

**TOTAL GAS SUPPLY**

Exhibit H can be found in Volume II of III  
(CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE).

## EXHIBIT I

### **MARKET DATA**

In its 1999 Certificate Policy Statement, the Federal Energy Regulatory Commission found that precedent agreements are “significant evidence of demand” to support the approval of natural gas pipeline construction projects.<sup>1</sup>

Accordingly, DTI provides below a summary of the relevant terms of the precedent agreement with its Customers, to demonstrate that its Project is warranted by market need. This exhibit is supported by the sworn verification of an authorized DTI official.

#### Market Support

The Project Customers have executed binding precedent agreements representing 100% market commitment for 125,000 Dt/d of storage service (with a capacity of 7.5 MMDt) and 115,000 Dt/d of firm transportation capacity that is created by the Project.<sup>2</sup> The agreements contain conditions precedent related only to the receipt of governmental authorizations for the Project and for internal Board of Directors approvals.<sup>3</sup>

---

<sup>1</sup> *Certification of New Interstate Natural Gas Pipeline Facilities, Policy Statement*, 88 FERC ¶ 61,227 at p. 61,748 (1999).

<sup>2</sup> As noted in the application, TW Phillips has contracted for 10,000 Dt/d of transportation service that did not require the additional facilities proposed by the Project.

<sup>3</sup> The Commission has found that customer agreements including such conditions are sufficient evidence of market support for a pipeline project. *See, e.g., Dominion Transmission, Inc.* 129 FERC ¶ 61,012 (2009); *East Tennessee Natural Gas Co.*, 98 FERC ¶ 61,331, at p. 62,398 (2002).

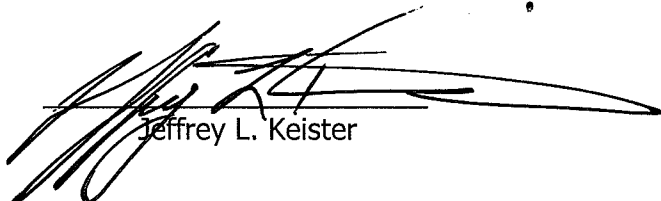
<b>Customer</b>	<b>Delivery Site</b>	<b>Transportation (Dt/d)</b>	<b>Storage Demand (Dt/d)</b>	<b>Storage Capacity (MMDt)</b>
Washington Gas & Electric	Leesburg/Loudoun, VA	100,000	100,000	6.0
Baltimore Gas & Electric	Tuscarora, MD	15,000	15,000	0.9
TW Phillips	Butler, PA		10,000	0.6
	<b>Total</b>	<b>115,000</b>	<b>125,000</b>	<b>7.5</b>

The Customers will each enter into a service agreement commencing on or before April 1, 2014 for storage service (injections) and November 1, 2014 for storage service (withdrawals) and firm transportation service for a primary term of 15 years. Services will be provided under the terms and conditions of DTI's existing Rate Schedule GSS and Rate Schedule FT. In addition, DTI has agreed to charge a negotiated rate for the storage services provided as part of this Project. The negotiated rate shall be equal to the initial incremental firm storage service recourse rates filed as part of this certificate Application.

Except for the creditworthiness provisions, there are no other nonconforming provisions that materially deviate from the provisions in DTI's form of service agreement.

AFFIDAVIT

I, Jeffrey L. Keister, Director, Gas Business Development, affirm that the summary of information set forth in this Exhibit I is a true and correct representation of the binding market commitments Dominion Transmission, Inc. has received to support this Project.

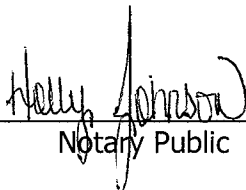
  
Jeffrey L. Keister

Commonwealth of Virginia }  
City of Richmond }  
} }  
} }

Before me, the undersigned Notary Public, personally appeared Jeffrey L. Keister, who being duly sworn on oath, deposes and says that he has read the foregoing statement and the facts contained therein and states that such statements and facts are true and correct to the best of his knowledge, information and belief.

Subscribed and sworn to me as of the 14<sup>th</sup> day of February, 2012.



  
Notary Public

My Commission Expires: February 29, 2016

EXHIBIT J

**FEDERAL AUTHORIZATIONS**

**Statement:**

Pursuant to 18 CFR 157.14(a)(12), the attached table identifies each Federal authorization that the proposal will require; the Federal agency or officer, or State agency or officer acting pursuant to delegated Federal authority, that will issue each required authorization; the date each request for authorization was submitted; why any request was not submitted and the date submission is expected; and the date by which final action on each Federal authorization has been requested or is expected.

Pursuant to the regulations, only the Federal authorizations required for this project are included herein.

EXHIBIT J

**FEDERAL AUTHORIZATIONS**

<b>Federal Act / Section/Program Requiring Permit, Approval or Consultation</b>	<b>Issuing Agency</b>	<b>Date Submitted or Reason Why No Submission is Required</b>	<b>Date Clearance Received/ <i>Anticipated Date of Receipt</i></b>
Natural Gas Act Certificate of Public Convenience and Necessity	Federal Energy Regulatory Commission	February 17, 2012	<i>December 2012</i>
Endangered Species Act of 1973, 16 USC 1531 et seq. Section 7 consultation  Migratory Bird Treaty Act of 1918, 16 USC 703-712 Consultation	United States Fish & Wildlife Service Field Offices	Annapolis, MD – October 13, 2011	Annapolis, MD – October 27, 2011
		Columbus, OH – August 5, 2011 February 17, 2012 (Indiana bat habitat assessment report)	Columbus, OH – Sept. 2, 2011 <i>February 2012 (assessment report)</i>
		Elkins, WV – October 13, 2011	Elkins, WV – November 21, 2011
		State College, PA – November 17, 2011	State College, PA – December 13, 2011
Clean Water Act, 33 USC 1251 et seq. Section 404 (wetland/ waterbody crossings) permit	United States Army Corps of Engineers (USACE) Baltimore District	Maryland facilities – expected February 20, 2012	<i>January 2013</i>
	USACE, Pittsburgh District	Ohio facilities – February 17, 2012	<i>January 2013</i>
	USACE, Huntington District	West Virginia facilities No wetlands or waterbodies affected.	--
	USACE, Baltimore District	Pennsylvania facilities – expected February 20, 2012	<i>January 2013</i>

<b>Federal Act / Section/Program Requiring Permit, Approval or Consultation</b>	<b>Issuing Agency</b>	<b>Date Submitted or Reason Why No Submission is Required</b>	<b>Date Clearance Received/ <i>Anticipated Date of Receipt</i></b>
Clean Water Act, 33 USC 1251 et seq. Section 401 Water Quality Certification	Maryland Department of the Environment	Maryland facilities – expected February 20, 2012	<i>January 2013</i>
	Ohio Environmental Protection Agency	Ohio facilities – February 17, 2012	<i>January 2013</i>
	West Virginia Department of Environmental Protection	West Virginia facilities No wetlands or waterbodies affected.	--
	Pennsylvania Department of Environmental Protection	Pennsylvania facilities – expected February 20, 2012	<i>January 2013</i>
National Historic Preservation Act of 1966, 16 USC et seq. (2000) Section 106 Consultation	Maryland Historic Trust	November 22, 2011	<i>February 2012</i>
	Ohio Historical Society	November 22, 2011	<i>February 2012</i>
	West Virginia Division of Culture and History	All work within existing station cleared in 2006.	--
	Pennsylvania Historical and Museum Commission	November 22, 2011	<i>February 2012</i>

EXHIBIT K

**COST OF FACILITIES**



**EXHIBIT K**  
**COST OF FACILITIES**

Cost Category	Transmission Facilities				Storage Facilities			Total
	Middletown Station	Tuscarora M&R	Mullett Station	Mullett M&R	Wolf Run Dehy	Sabinsville Station	Sabinsville Pool	Estimated Costs
Right of Way	\$1,198,000	\$0	\$350,000	\$0	\$0	\$0	\$80,000	\$1,628,000
Damages	\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$16,000	\$36,000
Surveys	\$24,000	\$0	\$25,000	\$0	\$0	\$25,000	\$36,000	\$110,000
Materials	\$27,438,000	\$550,000	\$11,750,000	\$250,000	\$1,208,000	\$4,862,000	\$2,100,000	\$48,158,000
Labor	\$17,287,000	\$628,000	\$6,227,000	\$150,000	\$1,115,000	\$2,835,000	\$3,692,000	\$31,934,000
Engineering & Inspection	\$5,124,000	\$100,000	\$3,460,000	\$45,000	\$510,000	\$1,847,000	\$668,000	\$11,754,000
Line Pack	\$12,000	\$0	\$10,000	\$0	\$0	\$0	\$20,000	\$42,000
Taxes	\$1,309,000	\$45,000	\$838,000	\$10,000	\$92,000	\$262,000	\$0	\$2,556,000
Freight	\$334,000	\$20,000	\$246,000	\$5,000	\$20,000	\$60,000	\$0	\$685,000
Pipe Coating	\$58,000	\$0	\$40,000	\$0	\$0	\$0	\$95,000	\$193,000
Cathodic Protection	\$39,000	\$0	\$30,000	\$0	\$0	\$35,000	\$62,000	\$166,000
Telecommunication Equipment	\$24,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$49,000
Overheads	\$1,348,000	\$32,000	\$715,000	\$15,000	\$46,000	\$342,500	\$210,000	\$2,708,500
AFUDC	\$1,648,151	\$38,009	\$812,362	\$12,862	\$52,925	\$429,334	\$248,162	\$3,241,805
Contingencies	\$4,726,000	\$125,000	\$1,950,000	\$25,000	\$219,000	\$871,000	\$578,000	\$8,494,000
Legal Fees	\$245,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$270,000
Other Services and Costs	\$241,000	\$0	\$0	\$0	\$0	\$0	\$0	\$241,000
Regulatory Fees	\$24,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$49,000
<b>Total Estimated Cost</b>	<b>\$61,089,151</b>	<b>\$1,538,009</b>	<b>\$26,538,362</b>	<b>\$512,862</b>	<b>\$3,262,925</b>	<b>\$11,568,834</b>	<b>\$7,805,162</b>	<b>\$112,315,305</b>

EXHIBIT N

**REVENUES, EXPENSES, AND INCOME**

Page 2 shows the revenue, expenses, and income for the incrementally priced storage service proposed in this docket.

Page 3 shows the revenue, expenses, and income for the incrementally priced transportation service proposed in this docket.

**Total Storage Revenues, Expenses, and Income**

Line No.	Particulars Column (1)	Notes	1st Year (2)	2nd Year (3)	3rd Year (4)
<b><u>Revenue, Expenses, and Income</u></b>					
1	<b>Annual Storage Revenue</b>	1/, 2/	\$15,140,100	\$15,140,100	\$15,140,100
Expenses:					
2	Operation & Maintenance		6,407,085	6,417,309	6,427,840
3	Depreciation		1,242,204	1,242,204	1,242,204
4	Taxes Other Than Income		804,948	804,948	804,948
5	Interest		1,349,215	1,289,929	1,221,216
6	<b>Total Storage Expenses</b>		\$9,803,452	\$9,754,390	\$9,696,208
7	Income Before Income Taxes	3/	\$5,336,648	\$5,385,710	\$5,443,892
8	State & Federal Income Taxes		2,106,104	2,013,559	1,906,299
9	<b>Storage Income</b>	4/	\$3,230,544	\$3,372,151	\$3,537,593

1/ The annual storage revenue is the sum of: 1) the product of the monthly incremental storage demand rate and the storage demand determinants and 2) the product of the monthly incremental storage capacity rate and the storage capacity determinants.

2/ Except for the storage demand and capacity rates, the proposed service will incur all other applicable rates, charges, surcharges, penalties, and fuel retention pursuant to Rate Schedule GSS. The revenue associated with such other charges is not reflected in Line 1 above.

3/ Line 1 - Line 6.

4/ Line 7 - Line 8.

**Total Transportation Revenues, Expenses, and Income**

Line No.	Particulars Column (1)	Notes	1st Year (2)	2nd Year (3)	3rd Year (4)
<b><u>Revenue, Expenses, and Income</u></b>					
1	<b>Annual Transportation Revenue</b>	1/, 2/	\$12,545,580	\$12,545,580	\$12,545,580
Expenses:					
2	Operation & Maintenance		1,536,000	1,582,080	1,629,542
3	Depreciation		1,565,679	1,565,679	1,565,679
4	Taxes Other Than Income		1,014,560	1,014,560	1,014,560
5	Interest		1,700,510	1,625,651	1,538,877
6	<b>Total Transportation Expenses</b>		\$5,816,749	\$5,787,970	\$5,748,658
7	Income Before Income Taxes	3/	\$6,728,831	\$6,757,610	\$6,796,922
8	State & Federal Income Tax		2,654,470	2,537,616	2,402,163
9	<b>Transportation Income</b>	4/	\$4,074,361	\$4,219,994	\$4,394,759

1/ The annual transportation revenue is the product of the incremental firm reservation rate and the firm transportation reservation determinants.

2/ Except for the base reservation rate, the proposed service will incur all other rates, charges, surcharges, penalties, and fuel retention applicable to firm transportation service. The revenue associated with such other charges is not reflected in Line 1 above.

3/ Line 1 - Line 6.

4/ Line 7 - Line 8.

EXHIBIT P

**COST OF SERVICE, RATE BASE, RETURN, AND REVENUE**

Pages 2 and 3 of Exhibit P show the cost of service for the storage and transportation components of the Allegheny Storage Project. DTI is basing its rates on the average first year cost of service. DTI proposes to use its system depreciation rate of 2.5% for the transmission and storage facilities consistent with the rates approved in Docket No. RP97-406, approved by final Commission order issued November 24, 1998.

Pages 4 and 5 of Exhibit P show the storage and transportation rates for the Allegheny Storage Project. Since the rates are higher than existing base rates for storage and transportation, the storage and transportation rates are being proposed with incremental pricing.

Pages 6 and 7 of Exhibit P show the calculation of annual rate base and return for the first three years of service. The pretax return of 13.7% is based on the settlement in Docket No. RP97-406.

**Total Cost of Service - Storage**

Line No.	Particulars	Notes	1st Year	2nd Year	3rd Year
	Column (1)		(2)	(3)	(4)
<b><u>Cost of Service - Storage</u></b>					
O&M Expenses:					
1	Storage Compression	1/	340,800	351,024	361,555
2	Storage Lease		6,066,285	6,066,285	6,066,285
3	<b>Total Storage O&amp;M Expenses</b>		<b>\$6,407,085</b>	<b>\$6,417,309</b>	<b>\$6,427,840</b>
4	DD&A	2/	1,242,204	1,242,204	1,242,204
5	Other Taxes	3/	804,948	804,948	804,948
6	Pretax Return		6,687,966	6,394,089	6,053,482
7	<b>Total Cost of Service</b>	4/	<b>\$15,142,203</b>	<b>\$14,858,550</b>	<b>\$14,528,474</b>

1/ O&M Expense is based on DTI historical expenses escalated at 3.0% per year.

2/ Depreciation is based on a rate of 2.5%.

3/ Other Taxes, including property tax, on the proposed facilities are calculated at a rate of approximately 1.6%.

4/ Line 3 + Line 4 + Line 5 + Line 6

**Total Cost of Service - Transportation**

Line No.	Particulars	Notes	1st Year	2nd Year	3rd Year
	Column (1)		(2)	(3)	(4)
<b><u>Cost of Service - Transportation</u></b>					
	O&M Expenses:				
1	Transport Compression	1/	1,536,000	1,582,080	1,629,542
2	<b>Total Transport O&amp;M Expenses</b>		<b>\$1,536,000</b>	<b>\$1,582,080</b>	<b>\$1,629,542</b>
3	DD&A	2/	1,565,679	1,565,679	1,565,679
4	Other Taxes	3/	1,014,560	1,014,560	1,014,560
5	Pretax Return		8,429,313	8,058,241	7,628,108
6	<b>Total Cost of Service</b>	4/	<b>\$12,545,552</b>	<b>\$12,220,560</b>	<b>\$11,837,889</b>

1/ O&M Expense is based on DTI historical expenses escalated at 3.0% per year.

2/ Depreciation is based on a rate of 2.5%.

3/ Other Taxes, including property tax, on the proposed facilities are calculated at a rate of approximately 1.6%.

4/ Line 2 + Line 3 + Line 4 + Line 5

**Storage Rates**

Line No.	Particulars Column (1)	Notes	Amounts (2)
<b><u>Storage Rates</u></b>			
<b><u>Storage Billing Determininant Summary</u></b>			
1	Storage Demand Determinants (Dt/d)		1,500,000
2	Storage Capacity Determinants (Dt/d)	1/	90,000,000
3	Storage Injection Determinants (Dt/d)	2/	7,500,000
4	Storage Withdrawal Determinants (Dt/d)	2/	7,500,000
<b><u>Storage Rate Derivation</u></b>			
5	First Year Cost of Service - Demand		\$7,571,102
6	First Year Cost of Service - Capacity		\$7,571,101
7	Total Cost of Service	3/	<u>\$15,142,203</u>
8	Monthly Incremental Firm Demand Rate	4/	\$5.0474
9	Monthly Firm Incremental Capacity Rate	5/	\$0.0841
10	100% Load Factor Incremental Storage Rate	6/	\$2.0187

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1/ Line 1 \* 60.  
 2/ Line 2 / 12.  
 3/ Exhibit P, Page 2 of 7, Column 2, Line 7.  
 4/ Line 5 / Line 1.  
 5/ Line 6 / Line 2.  
 6/ ((Line 8 \* 12) / 60) + (Line 9 \* 12).



**Transportation Rates**

Line No.	Particulars	Notes	Amounts
	Column (1)		(2)
<b><u>Transportation Rates</u></b>			
<b><u>Transportation Billing Determinant Summary</u></b>			
1	Firm Transportation Reservation Determinants (Dt/d)		115,000
2	Annual Firm Transportation Reservation Determinants (Dt/d)	1/	1,380,000
<b><u>Transportation Rate Derivation</u></b>			
3	First Year Cost of Service	2/	\$12,545,552
4	Monthly Incremental Firm Reservation Rate	3/	\$9.0910
5	100% Load Factor Incremental Firm Reservation Rate	4/	\$0.2989

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1/ Line 1 \* 12.  
2/ Exhibit P, Page 3 of 7, Column 2, Line 7.  
3/ Line 3 / Line 2.  
4/ (Line 4 \* 12) / 365.

**Storage Rate Base and Return**

Line No.	Particulars	Notes	1st Year	2nd Year	3rd Year
	Column (1)		(2)	(3)	(4)
<b><u>Storage:</u></b>					
Rate Base					
1	Gross Plant (Depreciable)	1/	\$49,688,145	\$49,688,145	\$49,688,145
2	Accumulated DD&A		(621,102)	(1,863,305)	(3,105,509)
3	Net Plant		49,067,043	47,824,840	46,582,636
4	Accumulated Deferred Taxes		(235,512)	(1,139,027)	(2,383,729)
5	Total Rate Base	2/	48,831,531	46,685,813	44,198,907
6	Pretax Return Rate	3/	13.70%	13.70%	13.70%
7	Pretax Return	4/	\$6,687,966	\$6,394,089	\$6,053,482

---

1/ Gross plant for Transmission includes Middletown and Tuscarora facilities in the amount of \$62,627,160 and gross plant for Storage includes Mullett, Wolf Run, and Sabinsville facilities in the amount of \$49,688,145 for a total cost of \$112,315,305 as reflected on Exhibit K.

2/ Line 3 + Line 4.

3/ Return is based on DTI's most recent general rate case (Docket No. RP97-406).

4/ Line 5 \* Line 6.

**Transportation Rate Base and Return**

Line No.	Particulars	Notes	1st Year	2nd Year	3rd Year
	Column (1)		(2)	(3)	(4)
<b>Transportation</b>					
Rate Base					
1	Gross Plant (Depreciable)	1/	\$62,627,160	\$62,627,160	\$62,627,160
2	Accumulated DD&A		(782,840)	(2,348,519)	(3,914,198)
3	Net Plant		61,844,320	60,278,641	58,712,962
4	Accumulated Deferred Taxes		(298,521)	(1,442,189)	(3,017,083)
5	Total Rate Base	2/	61,545,799	58,836,452	55,695,879
6	Pretax Return Rate	3/	13.70%	13.70%	13.70%
7	Pretax Return	4/	\$8,429,313	\$8,058,241	\$7,628,108

---

1/ Gross plant for Transmission includes Middletown and Tuscarora facilities in the amount of \$62,627,160 and gross plant for Storage includes Mullett, Wolf Run, and Sabinsville facilities in the amount of \$49,688,145 for a total cost of \$112,315,305 as reflected on Exhibit K.

2/ Line 3 + Line 4.

3/ Return is based on DTI's most recent general rate case (Docket No. RP97-406).

4/ Line 5 \* Line 6.

***Pro Forma* Tariff Records**

*Pro Forma* Tariff Record No. 10.50

*Pro Forma* Tariff Record No. 10.51

*Pro Forma* Tariff Record No. 10.60

APPLICABLE TO SETTLING PARTIES PURSUANT TO THE MARCH 29, 2005, STIPULATION  
 IN DOCKET NOS. RP97-406, RP00-15, RP00-344 and RP00-632  
 (FOR RATES APPLICABLE TO SEVERED PARTIES IN THE ABOVE REFERENCED DOCKETS SEE TARIFF RECORD 10.51)

Summary of Incremental Transportation Rates

<u>Rate Schedule</u>	<u>Base Reservation Rate</u>	<u>Base Usage Rate [1]</u>	<u>Fuel Retention</u>
NOREX (X-81)	\$218,300 [2]	\$0.0000	0.30%
STEUBEN (X-78)	\$2.2823	\$0.0038	0.00%
NIAGARA COGEN (X-69) (X-70)	\$1.4799 \$3.6700	\$0.0028 \$0.0200	0.00% 0.00%
LEBANON TO LEIDY (X-73) (X-74) (X-75) (X-102)	\$5.9100	\$0.0000	3.50%
LEIDY TO MARKET (X-73) (X-75) (X-102)	\$0.8127	\$0.0034	0.00%
MID-ATLANTIC FT/FTNN	\$9.7570	[3]	TBD [4]
NORTHEAST STORAGE FTGSS	\$4.6260	[3]	[5]
TL-263 IT		\$0.3020 [6]	[5]
COVE POINT EXPANSION FT	\$4.4285	[3]	[5]
UTICA 7 FT	\$6.4014	[3]	[5]
RURAL VALLEY FT	\$9.7211	[3]	[5]
DOMINION HUB II FT	\$4.2524	[3]	[5]
ALLEGHENY STORAGE FT	\$9.0910	[3]	[5]

[1] ACA Surcharges will be added when applicable.

[2] Amount Billed Monthly.

[3] Maximum FT/FTNN usage rate, including surcharges, as shown on Tariff Record No. 10.5.

[4] Maximum transportation fuel retention rate as shown on Tariff Record No. 10.5 plus an incremental charge reflecting lost and unaccounted for gas charged by Texas Eastern Transmission from time to time pursuant to the November 13, 2002 Capacity Lease Agreement, as amended, and in accordance with the then-effective terms of Texas Eastern's FERC Gas Tariff.

[5] Maximum transportation fuel retention rate as shown on Tariff Record No. 10.5.

[6] Except for the base tariff rate, all IT rates, charges and surcharges, as shown on Tariff Record No. 10.5, will be added when applicable.

APPLICABLE TO SEVERED PARTIES PURSUANT TO THE MARCH 29, 2005, STIPULATION  
 IN DOCKET NOS. RP97-406, RP00-15, RP00-344 and RP00-632

Summary of Incremental Transportation Rates

<u>Rate Schedule</u>	<u>Base Reservation Rate</u>	<u>Base Usage Rate [1]</u>	<u>Fuel Retention</u>
NOREX (X-81)	\$218,300 [2]	\$0.0000	0.30%
STEUBEN (X-78)	\$2.2823	\$0.0038	0.00%
NIAGARA COGEN (X-69)	\$1.4799	\$0.0028	0.00%
(X-70)	\$4.3600	\$0.0200	0.00%
LEBANON TO LEIDY (X-73)	\$8.9000	\$0.0000	3.50%
(X-74)			
(X-75)			
(X-102)			
LEIDY TO MARKET (X-73)	\$0.8127	\$0.0034	0.00%
(X-75)			
(X-102)			
MID-ATLANTIC FT/FTNN	\$9.9070	[3]	TBD [4]
NORTHEAST STORAGE FTGSS	\$4.6260	[3]	[5]
TL-263 IT		\$0.3020 [6]	[5]
COVE POINT EXPANSION FT	\$4.4285	[3]	[5]
UTICA 7 FT	\$6.4014	[3]	[5]
RURAL VALLEY FT	\$9.7211	[3]	[5]
DOMINION HUB II FT	\$4.2524	[3]	[5]
ALLEGHENY STORAGE FT	\$9.0910	[3]	[5]

[1] ACA Surcharges will be added when applicable.

[2] Amount Billed Monthly.

[3] Maximum FT/FTNN usage rate, including surcharges, as shown on Tariff Record No. 10.6.

[4] Maximum transportation fuel retention rate as shown on Tariff Record No. 10.6 plus an incremental charge reflecting lost and unaccounted for gas charged by Texas Eastern Transmission from time to time pursuant to the November 13, 2002 Capacity Lease Agreement, as amended, and in accordance with the then-effective terms of Texas Eastern's FERC Gas Tariff.

[5] Maximum transportation fuel retention rate as shown on Tariff Record No. 10.6.

[6] Except for the base tariff rate, all IT rates, charges and surcharges, as shown on Tariff Record No. 10.6, will be added when applicable.

Summary of Incremental Storage Rates

<u>Rate Schedule</u>	<u>Base Demand Rate</u>	<u>Base Capacity Rate</u>	<u>Base Injection Rate</u>	<u>Base Withdrawal Rate</u>	<u>Fuel Retention</u>
NORTHEAST STORAGE GSS	\$1.7620	\$0.0294	[1]	[1]	[2]
USA STORAGE GSS	\$4.9599	\$0.0827	[1]	[1]	[2]
ALLEGHENY STORAGE GSS	\$5.0474	\$0.0841	[1]	[1]	[2]

- [1] Maximum GSS injection and withdrawal rates, including surcharges, as shown on Tariff Record No.10.30 or Tariff Record No.10.31, as applicable.
- [2] Maximum storage fuel retention rate as shown on Tariff Record No.10.30 or Tariff Record No.10.31, as applicable.