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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East)
Ohio Gas Company d/b/a Dominion East)
Ohio to Adjust its Pipeline Infrastructure)
Replacement Program Cost Recovery Charge)
and Related Matters.)

Case No. 11-3238-GA-RDR

PUCO

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STIPULATION AND RECOMMENDATION

Ohio Adm. Code 4901-1-30 provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such proceeding. The purpose of this document is to set forth the understanding and agreement of The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company"), the Staff of the Public Utilities Commission of Ohio ("Staff") (which, for the purpose of entering into this Stipulation and Recommendation, will be considered a party by virtue of Ohio Adm. Code 4901-1-10(C)), and Office of the Ohio Consumers' Counsel ("OCC") (collectively, the "Signatory Parties"), and to recommend that the Public Utilities Commission of Ohio ("PUCO" or "Commission") approve and adopt this Stipulation and Recommendation, as part of its Opinion and Order, resolving all of the issues in the above-captioned proceeding.

This Stipulation and Recommendation, which shall be designated as Joint Exhibit 1, is supported by adequate data and information; represents, as an integrated and complete document, a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or precedent; is in the public interest; and is the product of lengthy, serious bargaining among knowledgeable and capable parties, and parties that are representative of the many interests and stakeholders in a cooperative process undertaken by the Signatory Parties. While this Stipulation and Recommendation is not binding on the Commission, where, as here, it is sponsored by

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Parties representing a significant cross section of interests, including the Commission's Staff, it is entitled to careful consideration by the Commission.

Except for enforcement purposes, neither this Stipulation nor the information and data contained herein or attached shall be cited as precedent in any future proceeding for or against any Signatory Party, or the Commission itself, if the Commission approves the Stipulation and Recommendation. The Signatory Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation in these proceedings or in any other proceeding.

For purposes of resolving certain issues raised by this proceeding, the Signatory Parties stipulate and recommend as follows:

1. Unless otherwise specifically provided for in this Stipulation, the Pipeline Infrastructure Replacement ("PIR") Cost Recovery Charge shall be adjusted pursuant to the Staff Comments and Recommendations filed on September 26, 2011 ("Staff Recommendations").

2. Pursuant to the PUCO Staff Recommendations, the PIR annualized revenue requirement is \$37,463,770.11. The PIR Cost Recovery Charge for each rate class is as follows:

- GSS/ECTS	\$2.22 per month
- LVGSS/LVECTS	\$19.38 per month
- GTS/TSS	\$86.93 per month
- DTS	\$0.0332 per Mcf, capped at \$1,000 per month

The Signatory Parties request that the Commission authorize DEO to file new tariffs that reflect these rates, effective with the first billing cycle in November 2011.

3. Pursuant to the Staff Recommendations, the impact of the O&M Expense Savings of \$2,127,562.85 included as a reduction of the above-stated revenue requirement shall be reflected on the Company's books over the period of time the approved rates are in effect, consistent with the treatment being given such savings by the other Ohio LDCs having pipeline replacement programs. DEO shall not reflect such savings in this case or hereafter on its books as a credit to the regulatory asset created for the deferral of recoverable PIR Program-related costs.

4. The Signatory Parties agree to admit the following exhibits into the record:

Joint Exhibit 1.0	Stipulation and Recommendation
DEO Exhibit 1.0	Direct Testimony of Vicki H. Friscie
DEO Exhibit 2.0	Supplemental Direct Testimony of Vicki H. Friscie
DEO Exhibit 3.0	Application
DEO Exhibit 4.0	Supplemental Application Exhibit A
DEO Exhibit 5.0	Supplemental Application Exhibit B
Staff Exhibit 1.0	Staff Comments and Recommendations
OCC Exhibit 1.0	OCC Comments and Recommendations


5. The Signatory Parties agree that in DEO's next PIR Cost Recovery Charge adjustment filing, DEO will include the remainder of 100% bonus tax depreciation for assets placed into service between January and June 2011, attributable to the second half of the 2011 tax year, through its calculation of the Deferred Taxes on Liberalized Depreciation component of PIR rate base used in the determination of the annualized revenue requirement on Schedule 1 of

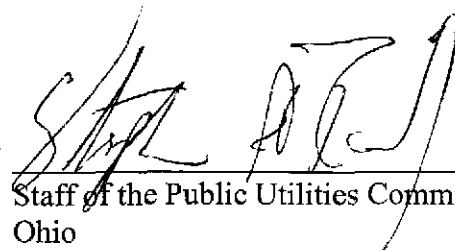
that filing. The PIR rate base shall also reflect 100% bonus depreciation for assets placed into service between July and December 2011.

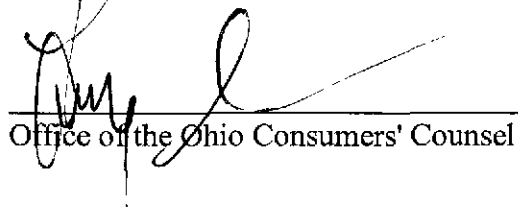
6. The Signatory Parties believe that this Stipulation represents a reasonable compromise of varying interests. This Stipulation is expressly conditioned upon adoption in its entirety by the Commission without material modification by the Commission. Should the Commission reject or materially modify all or any part of this Stipulation, the Signatory Parties shall have the right, within thirty days of issuance of the Commission's order, to file an application for rehearing, or to terminate and withdraw from the Stipulation by filing a notice with the Commission in this proceeding, including service to all the Parties. The Parties agree that they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original unmodified Stipulation. Upon the Commission's issuance of an entry on rehearing that does not adopt the Stipulation in its entirety without material modification, any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission within thirty days of the Commission's entry on rehearing. Other Signatory Parties to the Stipulation agree to defend and shall not oppose the withdrawal and termination of the Stipulation by any other Party.¹ Upon notice of termination or withdrawal by any Signatory Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, this proceeding shall go forward at the procedural point at which this Joint Stipulation and Recommendation was filed, and the Parties will be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Joint Stipulation and Recommendation had never been executed.

¹ Any Signatory Party has the right, in its sole discretion, to determine what constitutes a "material" change for purposes of that Party withdrawing from the Stipulation.

Dated: October 12, 2011


The East Ohio Gas Company d/b/a
Dominion East Ohio


Staff of the Public Utilities Commission of
Ohio


Office of the Ohio Consumers' Counsel