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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for Approval of)
Demand Side Management Programs for its) Case No. 11-5028 -GA-UNC
Residential and Commercial Customers and)
the Application for Approval to Change) Case No. 11-5029-GA-AAM
Accounting Methods)
)

JOINT STIPULATION AND RECOMMENDATION

Rule 4901-1-30, Ohio Administrative Code ("O.A.C.") 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 of Columbia Gas of Ohio, Inc. ("Columbia"), the Office of the Ohio Consumers' Counsel ("OCC"), Ohio Partners for Affordable Energy ("OPAE"), the Ohio Farm Bureau Federation ("OFBF") and the Staff of the Public Utilities Commission of Ohio ("Staff") (which for the purpose of entering into this Joint Stipulation and Recommendation, will be considered a party by virtue of O.A.C. Section 4901-1-10(C)) and to recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt this Joint Stipulation and Recommendation ("Stipulation"), resolving all issues in the above captioned matter.¹

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. Should the Commission reject or materially modify all or any part of this Stipulation, the Parties shall have the right, within thirty (30) 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 any entry on rehearing that does not adopt the Stipulation without material modification, any party may terminate and withdraw from the Stipulation by filing a notice with the Commission within thirty (30) days of the

¹ Cornerstone Energy Conservation Services, the Ohio Home Builders Association and IGS Energy, Inc., fully support this stipulation as members of Columbia's Demand Side Management Stakeholder Group.

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Commission's entry on rehearing. Upon notice of termination or withdrawal by any party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, the Signatory Parties agree that a hearing shall go forward, and the Signatory Parties should be afforded the opportunity to present evidence through any witnesses for whom pre-filed direct testimony was filed, 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 Stipulation had never been executed.

The Signatory Parties hereby recommend that the Commission adopt Columbia's Application for Approval of Demand Side Management Programs for its Residential and Commercial Customers and the Application for Approval to Change Accounting Methods ("Application") as filed on September 9, 2011 with the following modifications:

- Columbia shall be permitted to realize and recover a shared savings incentive as described in its Application; however, such savings shall not exceed a cumulative total of \$3.9 million over the five year period of the program.
- Columbia will spend approximately \$20 million annually, adjusted for inflation, as proposed in its Application; however, Columbia will continue to file for an adjustment to the Rider DSM rate annually to allow for the recovery and review of the DSM costs incurred and shared savings realized during the prior calendar year.
- Columbia agrees to discuss agricultural DSM opportunities with the DSMSG when considering future program designs beyond the current five year proposal.
- Columbia is authorized to continue to defer the difference between actual DSM program expenses, including carrying costs² and Columbia's portion of shared savings, incurred during the calendar years 2012 through 2016 and recoveries during those same years at the Rider DSM rate established annually in DSM adjustment cases.

All other aspects of the Application remain unchanged and the Signatory Parties recommend that Commission adopt Columbia's Application otherwise as filed.

This Stipulation is supported by adequate data and information; represents a just and reasonable resolution of the issues in this proceeding; violates no regulatory principle or precedent; and is the product of serious bargaining among knowledgeable and capable parties. Although this Stipulation is not binding on the Commission, it is


² Carrying Costs will be calculated using the Columbia's current cost of long-term debt and any incentives approved by the Commission.

entitled to careful consideration by the Commission, where, as here, it is sponsored by Parties representing a wide range of interests, including Staff.

Except for enforcement purposes, neither this Stipulation nor the information and data contained herein or attached, shall be cited as precedent in any future proceedings for or against any Party, or the Commission itself, if the Commission approves the Stipulation.

Agreed to on this 28th day of October, 2011 by:

Parties

 _____ Brooke E. Leslie Stephen B. Seiple On Behalf of Columbia Gas of Ohio, Inc.	<u>/s/ Devin Parram (per email authorization)</u> _____ Devin Parram, Assistant Attorney General On Behalf of the Staff of the Public Utilities Commission of Ohio
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Intervenors

<u>/s/ Joseph Serio (per email authorization)</u> _____ Joseph Serio Larry Sauer On Behalf of the Ohio Consumers' Counsel	<u>/s/ Colleen L. Mooney (per email authorization)</u> _____ Colleen L. Mooney On Behalf of the Ohio Partners for Affordable Energy
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/s/ Chad Endsley (per email authorization)

Chad Endsley
Ohio Farm Bureau Federation