

FILE

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of The Regulation of the :  
Purchased Gas Adjustment Clauses : Case No. 06-216-GA-GCR  
Contained Within the Rate Schedules of :  
the Suburban Natural Gas Company and :  
Related Matters. :

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**STIPULATION AND RECOMMENDATION**

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Pursuant to Ohio Administrative Code Rule 4901-1-30, the Suburban Natural Gas Company ("Suburban" or "Company"), and the Commission Staff (Staff)<sup>1</sup> (individually "Party;" collectively "Parties") do hereby stipulate and agree to resolve all issues in the instant proceeding.

While the Parties recognize that this Stipulation and Recommendation (Stipulation) is not binding upon the Commission, the Parties state that the Stipulation is an agreement among all Parties to this proceeding; that the Stipulation is supported by adequate data and information; that it represents a just and reasonable resolution of all issues in this proceeding; that it violates no regulatory principle or precedent; and that, accordingly, the Stipulation is entitled to careful consideration and should be adopted in its entirety by the Commission.

This Stipulation shall not be cited as precedent for or against any signatory Party, if it is approved the Commission. This Stipulation is a compromise involving a balancing

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<sup>1</sup> Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. 4901-1-10(c).

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of competing positions, and it does not necessarily reflect the position that any Party would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interests. Should the Commission reject or modify all or any part of this Stipulation or impose additional conditions or requirements upon the Parties, each Party shall have the right, within 30 days of issuance of the Commission's order, to either file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, any Party may terminate and withdraw the Stipulation by filing a notice with the Commission within 30 days of the Commission's order 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, a hearing shall go forward and the Parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to brief all issues that shall be decided based upon the record and briefs as if this Stipulation had never been executed.

Subject to the terms and conditions set forth in this Stipulation, the Parties hereto agree, stipulate and recommend that the Commission find as follows:

- A. That the Company is a natural gas company within the meaning of Section 4905.03(A)(6), Revised Code, and as such, is a public utility subject to the jurisdiction and supervision of the Commission.
- B. Staff completed an audit of Suburban of the Gas Cost Recovery rates for the three-month periods ended May 31, August 31, and November 31, 2004; February 28, May 31, August 31, November 30, 2005, and February 28, 2006 for conformity in accordance with Chapter 4901:1-14 and related appendices.

The audit report shall be identified as Staff Exhibit 1 and admitted into evidence in the record in this proceeding.

- C. Except as noted below, Suburban's GCR rates were accurately calculated by Suburban during the audit period, in accordance with the provisions of O.A.C. Chapter 4901:1-14, except for those instances noted in the audit report.
- D. All findings and recommendations contained in the Audit Report are reasonable and should be adopted except as otherwise noted herein. More specifically, Staff recommendations to be implemented are as follows:
  - 1. The parties agree that a reconciliation adjustment as contained within the Combined AA of (\$6,837.17).<sup>2</sup> This represents the net difference Staff found in the Actual Adjustment calculations between SCOL, CORE and combined AA calculations as calculated by Staff versus those calculated by the Company. This adjustment should be applied in the first GCR filing following the Opinion and Order in the Company's case.
  - 2. The parties agree that Suburban place in its combined GCR filings, the purchase volumes for the combined systems (CORE and SCOL) reflecting all volumes purchased on behalf of the GCR customers.
  - 3. The parties agree that Suburban will continue to determine and monitor the rate of its load growth, and impacts of this customer growth upon its daily load requirements.

4. The parties agree that in the next audit any cost associated with the additional receipt point (Del-Mar lease agreement) be examined.
  5. The parties agree that Suburban will continue to evaluate the compensation that it received under its GSMAA for its utilized capacity. The parties agree that staff will review the analysis and effort to maximize the compensation and non-compensatory benefits that the Company obtains through its GSMAA or other gas supply management agreements.
  6. The parties agree that the Company provide Staff with purchase volumes for the period of July 1, 2003 through June 30, 2005.
- E. In satisfaction of the requirements of Revised Code section 4905.302(C) and O.A.C. 4901:1-14, Suburban caused notice to be published in various newspapers of general circulation throughout Suburban's service territory for this proceeding. The affidavits shall be identified as Suburban Exhibit 1 and admitted into evidence in the record in this proceeding.
- F. This Joint Stipulation and Recommendation shall be identified as Joint Exhibit 1 and admitted into evidence in the record in this proceeding.

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2. Since the filing of the audit report, the original amount of \$9,651.08 was found to be in error. Staff discovered two line items that did not correlate to the ProLiance invoices. Thus, the

The undersigned hereby stipulate, agree and represent that he or she is authorized to enter into this Stipulation on behalf of his or her respective Party this 10<sup>TH</sup> day of December, 2006.

**THE SUBURBAN NATURAL GAS  
COMPANY**

By: David L. Pemberton Jr.  
**David L. Pemberton Jr.**  
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**THE STAFF OF THE PUBLIC  
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Combined AA has been revised to \$6,837.17. This revision will, in fact, benefit customers.