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**JOINT EXHIBIT NO. 1**

**PUCO      BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the Purchased      )  
Gas Adjustment Clause Contained Within the      )  
Rate Schedules of Columbia Gas of Ohio, Inc.      )      Case No. 07-221-GA-GCR  
and Related Matters.      )

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**JOINT STIPULATION AND RECOMMENDATION**

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**INTRODUCTION**

Rule 4901-1-30, Ohio Administrative Code ("OAC"), provides that any two or more parties to a proceeding before the Public Utilities Commission of Ohio ("Commission") may enter into a written or oral stipulation concerning the issues presented in any proceeding. Pursuant to Rule 4901-1-10(C), OAC, the Staff of the Commission ("Staff") is considered a party for the purposes of entering into a stipulation under Rule 4901-1-30, OAC.

Pursuant to Rule 4901-1-30, OAC, Columbia Gas of Ohio, Inc. ("Columbia"); Staff; and the Office of the Ohio Consumers' Counsel ("OCC") (hereinafter "the Parties") enter into and request the Commission to accept the following Joint Stipulation and Recommendation in the above-captioned proceedings. Interstate Gas Supply, Inc. and Integrys Energy Services, Inc., intervenors in this case, have not agreed to this Stipulation.

Based upon the Parties' participation in settlement discussions and the materials on file with the Commission, which include the Independent Accountants' Report On Applying Agreed-

Upon Procedures, and the Independent Accountants' Annual Examination of the Financial Procedural Aspects of the Uniform Purchased Gas Adjustment Report, -prepared by Deloitte and Touche LLP ("D&T"); Columbia's Gas Cost Recovery ("GCR") filings during the audit periods in Case No. 07-221-GA-GCR, the Parties believe that these materials and the record in this proceeding adequately support this Joint Stipulation and Recommendation.

It is understood by the Parties that this Joint Stipulation and Recommendation is not binding upon the Commission, however, this agreement represents a cooperative effort between the Parties to settle all of the issues in Case Nos. 07-221-GA-GCR in a manner to achieve GCR rates during the financial audit period that were accurately computed and properly applied to customers' bills.

Therefore, the Parties, by and through their respective counsel, hereby agree and stipulate to the following matters.

1. Columbia has fairly determined the GCR rates for the audit period (May 1, 2006 through October 28, 2007), in accordance with the provisions of OAC § 4901:1-14 and related appendices. Columbia properly applied said GCR rates to customer bills during the audit period.

2. Columbia has correctly calculated and collected the Uncollectible Expense Rider for the audit period.

3. Subject to the provisions of Paragraph numbers 4-, 7 and 8, the parties agree that the following exhibits should be admitted into the record:

- Joint Exhibit No. 1 -- This Joint Stipulation and Recommendation.
- Commission-ordered Exhibit No. 1 -- *Annual Examination of the Financial Procedural Aspects of the Uniform Purchased Gas Adjustment for the Period*

*From May 1, 2006 Through October 28, 2007 in Response to Order No. 07-221-GA-GCR, prepared by Deloitte & Touche LLP.*

- Commission-ordered Exhibit No. 1 – *Independent Accountants' Report on Applying Agreed-Upon Procedures*, dated January 15, 2008, prepared by Deloitte & Touche LLP, which included review and no negative findings of the Uncollectible Customer Accounts Receivable Recovery Mechanism.
- Columbia Exhibit No. 1 – Proof of Legal Notice<sup>1</sup>.

4. Subject to the provisions of Paragraph 7, the parties have agreed to waive cross-examination of Deloitte and Touche LLP.

5. The affidavits of publication submitted in this proceeding, Columbia Exhibit No. 1, demonstrate that proper notice of this proceeding has been published in substantial compliance with the Commission's rules.

6. This Stipulation is submitted for purposes of these proceedings only, and is not deemed binding in any other proceeding, nor is it to be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation.

7. Because this Joint Stipulation and Recommendation is an integrated settlement, it is expressly conditioned upon the Commission adopting same in its entirety without material modification. Rejection of all or any part of the Joint Stipulation and Recommendation by the Commission shall be deemed to be a material modification for purposes of this provision. If the Commission materially modifies all or any part of this Joint Stipulation and Recommendation, and such modifications are not acceptable to all the Parties, then the Parties agree to convene

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<sup>1</sup> Columbia Exhibit No. 1, the affidavits of publication, will be amended when the last of the original tear sheets and affidavits are received from the newspapers. Staff and OCC reserve the right to review this exhibit and note any deficiencies.

immediately to work in good faith to attempt to formulate an alternative proposal that satisfies the intent of the Joint Stipulation and Recommendation, or represents a reasonable equivalent thereto, to be submitted to the Commission for its consideration through a joint application for rehearing filed by all the Parties.<sup>2</sup> If the Parties do not reach unanimous agreement with respect to such an alternative proposal, no alternative proposal shall be submitted, and any Party may, within thirty days of the Commission's order, file an application for rehearing supporting the adoption of the Joint Stipulation and Recommendation as filed. No Party shall oppose an application for rehearing filed by any other Party pursuant to this provision. Upon the Commission's issuance of an entry on rehearing that does not adopt this Joint Stipulation and Recommendation in its entirety without material modification, or the alternative proposal, if one is submitted, a Party may terminate and withdraw from the Joint Stipulation and Recommendation by filing a notice with the Commission within thirty days of the Commission's entry on rehearing. No Party shall oppose the termination of the Joint Stipulation and Recommendation by any other Party.

8. Upon notice of termination and withdrawal by any Party in accordance with the above procedure, this Joint Stipulation and Recommendation shall immediately and automatically become null and void. In such event, the Commission shall decide the issues in Case No. 07-221-GA-GCR based upon the existing record in the case as if this Joint Stipulation and Recommendation had never been filed

9. The Parties have agreed to the above-described process to be followed in the event

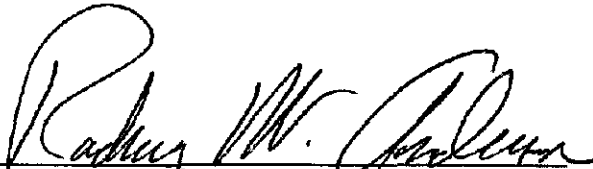
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<sup>2</sup> The Commission Staff is not considered a signatory Party for purposes of requirements regarding rehearing applications.

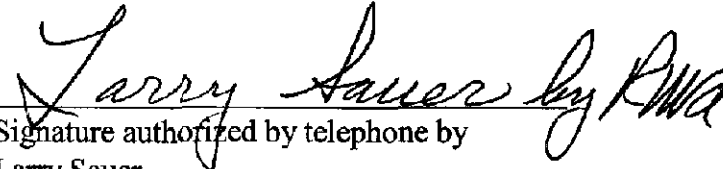
the Commission materially modifies the terms of this Joint Stipulation and Recommendation in recognition of the unique circumstances involved. A Party's agreement to this process for purposes of this Joint Stipulation and Recommendation shall not be interpreted as binding such Party to support a similar process in any future proceeding, and the Commission's approval of this Joint Stipulation and Recommendation shall not be interpreted or otherwise relied upon as authority for utilizing this process as a template for stipulations in future proceedings.

10. The parties agree that the foregoing Stipulation is in the best interests of all parties, and urge the Commission to adopt the same.

AGREED, THIS 13th DAY OF MAY, 2008.

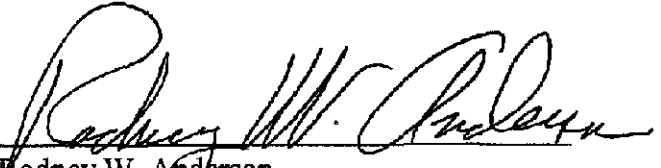
  
Rodney W. Anderson, Attorney  
On Behalf of  
Columbia Gas of Ohio, Inc.

  
Signature authorized by telephone by  
Stephen Reilly  
Assistant Attorney General  
Public Utilities Section  
On Behalf of the Staff of the Commission

  
Signature authorized by telephone by  
Larry Sauer  
Assistant Consumers' Counsel  
Office of the Ohio Consumers' Counsel

## CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Joint Stipulation and Recommendation ("Joint Exhibit No. 1") by mailing same by regular U.S. mail to those on the service list below this 13th day of May, 2008.

  
Rodney W. Anderson  
Attorney for  
COLUMBIA GAS OF OHIO, INC.

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