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JOINT EXHIBIT 1

BEFORE

PUCO

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Annual Application of )  
Columbia Gas of Ohio, Inc. for an Adjustment to ) Case No. 09-0006-GA-UNC  
Rider IRP and Rider DSM Rates )

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**JOINT STIPULATION AND RECOMMENDATION**

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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") 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)) (collectively, the "Signatory Parties" or "Parties"), and to recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt this Joint Stipulation and Recommendation ("Stipulation"), resolving all of the issues in the above-captioned proceeding. This Stipulation, which shall be designated as Joint Exhibit 1, is supported by adequate data and information, represents a just and reasonable resolution of all 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 entitled to careful consideration by the Commission, where, as here, it is sponsored by Parties representing a wide range of interests, including the Staff.

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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.

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

1. This Stipulation is entered into as an overall compromise and resolution of certain issues presented in this proceeding, in order to minimize litigation and controversy, and does not necessarily represent the position any Signatory Party would have taken absent the execution of this Stipulation. The Signatory Parties hereby enter into this Stipulation notwithstanding the Comments filed on May 15, 2009 in this matter. Such Comments may be reinstituted if the Commission rejects or modifies this Stipulation in whole or part.

2. The Signatory Parties agree to the Rider IRP rates listed on the tariff sheets attached hereto as Stipulation Attachment 1. The development of these Rider IRP rates is illustrated on Stipulation Attachment 2. The development of these rates includes Columbia's agreement to the recommendations in the Staff Comments at pages 14-17<sup>1</sup>.

3. Columbia will continue to encourage its Accelerated Mains Replacement Program ("AMRP") contractors to use Ohio labor, and in future annual Rider IRP adjustment filings Columbia will provide information on Ohio labor participation in the AMRP program.

4. For the purposes of Rider IRP, Columbia shall record post-in-service carrying charges ("PISCC"), as those charges are described in the Joint Stipulation and Recommendation in Case Nos. 08-0072-GA-AIR et al., to FERC Account 182, Other Regulatory Assets. This change in ac-

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<sup>1</sup> For purposes of Rider IRP, Accumulated Depreciation Expense was calculated using gross plant additions. Deferred Depreciation and Annualized Depreciation were calculated using plant additions net of retirements. This required a rate base adjustment to Accumulated Depreciation Expense which will not be reflected in Columbia's General Ledger.

counting treatment does not apply to PISCC calculated in accordance with Commission Orders in all other Columbia cases.

5. As noted on page 3 of the OCC Comments, during 2008 Columbia expended \$499,252 on customer education related to Rider IRP activities. The Signatory Parties agree that these customer education expenses should be amortized over four years. The Signatory Parties further agree that, beginning July 2009, Columbia should be authorized to accrue carrying costs on the average monthly unrecovered balance of these customer education costs. The carrying charge rate shall be determined annually based on Columbia's embedded debt-only interest rate.

6. The 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. 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 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.

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

8. The Signatory Parties agree that all pre-filed testimony, and filed comments in this matter shall be deemed admitted into the record and all cross-examination of such witnesses will be waived.

9. The Signatory Parties stipulate, agree and recommend that the Commission issue a final Opinion and Order in this proceeding, ordering as follows:

A. The rates, terms and conditions agreed to in this Stipulation by all Signatory Parties are approved in accordance with Sections 4909.15, 4909.18, 4909.19 and 4929.11 Ohio Revised Code;

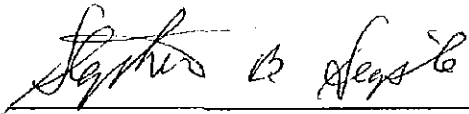
B. The rates, terms and conditions provided in this Stipulation and agreed to by all Signatory Parties are ordered to become effective with service rendered on and after the filing of compliance tariffs with the Commission;

C. The monthly rates as agreed to and contained in Attachment 2 are as follow:

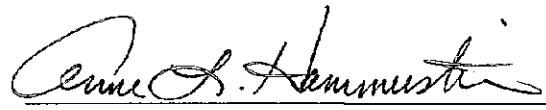
Small General Service:	\$0.86
General Service	\$3.63
Large General Service	\$87.94

D. Columbia is authorized to cancel and withdraw, as of the effective date of the new rates and tariffs, the superseded rate schedules and tariff sheets presently in effect; and,

- D. Columbia is authorized to cancel and withdraw, as of the effective date of the new rates and tariffs, the superseded rate schedules and tariff sheets presently in effect; and,
- E. The Application in this matter is hereby adopted in accordance with the recommendations of the Signatory Parties, subject to the modifications set forth in the Stipulation.

  
Columbia Gas of Ohio, Inc.

By its attorney Stephen B. Seiple

  
Staff of the Public Utilities Commission of Ohio

By its attorney Anne L. Hammerstein

  
Office of the Ohio Consumers' Counsel

By its attorney Larry S. Sauer

# **STIPULATION ATTACHMENT 1**

COLUMBIA GAS OF OHIO, INC.

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

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**RIDER IRP –  
INFRASTRUCTURE REPLACEMENT PROGRAM RIDER**

**APPLICABILITY**

Applicable to all customer accounts served under rate schedules SGS, GS and LGS.

**DESCRIPTION**

An additional charge per account per month, regardless of gas consumed, to recover costs associated with:

- a) **Riser and Hazardous Customer Service Line Replacement Program** - The replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and the maintenance, repair and replacement of hazardous customer-owned service lines.
- b) **Accelerated Mains Replacement Program** – The replacement of bare steel and cast iron or wrought iron main lines, and associated company and customer-owned metallic service lines.
- c) **Automated Meter Reading Devices Program** – The installation of automated meter reading devices on meters located at customer premises.

This Rider shall be calculated annually pursuant to a Notice filed no later than November 30 of each year based on nine months of actual data and three months of estimated data for the calendar year. The filing shall be updated by no later than February 28 of the following year to reflect the use of actual calendar year data. Beginning in 2010, such adjustments to the Rider will become effective with bills rendered on and after May 1 of each year. The following rates will become effective with bills rendered on and after July 1, 2009.

**RATE**

Rate SGS, Small General Service	\$0.86/ Month
Rate GS, General Service	\$3.63/ Month
Rate LGS, Large General Service	\$87.94/Month

Filed in accordance with Public Utilities Commission of Ohio Order dated.

Issued:

Effective

Issued By  
J. W. Partridge Jr., President

**P.U.C.O. No. 2**

**Second Revised Sheet No. 30d**

**Cancels**

**Columbia Gas of Ohio, Inc.**

**First Revised Sheet No. 30d**

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

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**THIS SHEET IS RESERVED FOR FUTURE USE.**

*Filed in accordance with Public Utilities Commission of Ohio Order*

**Issued:**

**Effective:**

**Issued By  
J. W. Partridge Jr., President**



COLUMBIA GAS OF OHIO, INC.

Original Sheet No. 72

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

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**RIDER IRP –**  
**INFRASTRUCTURE REPLACEMENT PROGRAM RIDER**

**APPLICABILITY**

Applicable to all customer accounts served under rate schedules SGTS, GTS and LGTS.

**DESCRIPTION**

An additional charge per account per month, regardless of gas consumed, to recover costs associated with:

- a) **Riser and Hazardous Customer Service Line Replacement Program** - The replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and the maintenance, repair and replacement of hazardous customer-owned service lines.
- b) **Accelerated Mains Replacement Program** – The replacement of bare steel and cast iron or wrought iron main lines, and associated company and customer-owned metallic service lines.
- c) **Automated Meter Reading Devices Program** – The installation of automated meter reading devices on meters located inside customer's premises.

This Rider shall be calculated annually pursuant to a Notice filed no later than November 30 of each year based on nine months of actual data and three months of estimated data for the calendar year. The filing shall be updated by no later than February 28 of the following year to reflect the use of actual calendar year data. Beginning in 2010, such adjustments to the Rider will become effective with bills rendered on and after May 1 of each year. The following rates will become effective with bills rendered on and after July 1, 2009.

**RATE**

Rate SGTS, Small General Transportation Service	\$0.86/ Month
Rate GTS, General Transportation Service	\$3.63/ Month
Rate LGTS, Large General Transportation Service	\$87.94/ Month

Filed in accordance with Public Utilities Commission of Ohio Order dated.

Issued:

Effective:

Issued By  
J. W. Partridge Jr., President

P.U.C.O. No. 2

Second Revised Sheet No. 74

Cancels

Columbia Gas of Ohio, Inc.

First Revised Sheet No. 74

**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION  
AND SALE OF GAS**

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**THIS SHEET IS RESERVED FOR FUTURE USE.**

Filed in accordance with Public Utilities Commission of Ohio Order.

Issued:

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J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

SECTION VII  
 PART 29 - BILLING ADJUSTMENTS

RIDER IRP –  
 INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

## 29.3 APPLICABILITY

Applicable to all customer accounts served under rate schedules FRSGTS, FRGTS, FRLGTS

## 29.4 DESCRIPTION

An additional charge per account per month, regardless of gas consumed, to recover costs associated with:

- a) **Riser and Hazardous Customer Service Line Replacement Program** - The replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and the maintenance, repair and replacement of hazardous customer-owned service lines.
- b) **Accelerated Mains Replacement Program** – The replacement of bare steel and cast iron or wrought iron main lines, and associated company and customer-owned metallic service lines.
- c) **Automated Meter Reading Devices Program** – The installation of automated meter reading devices on meters located inside customer's premises.

This Rider shall be calculated annually pursuant to a Notice filed no later than November 30 of each year based on nine months of actual data and three months of estimated data for the calendar year. The filing shall be updated by no later than February 28 of the following year to reflect the use of actual calendar year data. Beginning in 2010, such adjustments to the Rider will become effective with bills rendered on and after May 1 of each year. The following rates will become effective with bills rendered on and after July 1, 2009.

## 29.5 RATE

Rate FRSGTS, Full Requirements Small General Transportation Service	\$0.86/ Month
Rate FRGTS Full Requirements General Transportation Service	\$3.63/ Month
Rate FRLGTS, Full Requirements Large General Transportation Service	\$87.94/ Month

Filed in accordance with Public Utilities Commission of Ohio Order dated.

Issued:

Effective:

Issued By  
 J. W. Partridge Jr., President

Columbia Gas of Ohio, Inc.

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SECTION VII  
PART 29 – BILLING ADJUSTMENTS

THIS SHEET IS RESERVED FOR FUTURE USE.

Filed in accordance with Public Utilities Commission of Ohio Order

Issued:

Effective:

Issued By  
J. W. Partridge Jr., President

## **STIPULATION ATTACHMENT 2**

Columbia Gas of Ohio, Inc.  
Infrastructure Tracking Mechanism-Accelerated Mains Replacement Program  
Case No. 09-0006-GA-UNC  
Calculation of Revenue Requirement

Data: 12 months actual

Line No.		Actual Thru December 31, 2007	Activity Thru December 31, 2008	Total As Of December 31, 2008	Schedule AMRP-1 Reference
1	Return on Investment				
2	Plant In-Service				
3	Additions	-	37,009,274	37,009,274	Schedule 2
4	Retirements	-	(5,135,688)	(5,135,688)	Schedule 4
5	Total Plant In-Service	-	31,873,587	31,873,587	Line 3 + Line 4
6	Less: Accumulated Provision for Depreciation				
7	Depreciation Expense	-	324,812	324,812	Schedule 5A
8	Cost of Removal	-	(1,628,280)	(1,628,280)	Schedule 3
9	Retirements	-	(5,135,688)	(5,135,688)	Schedule 4
10	Total Accumulated Provision for Depreciation	-	(6,439,156)	(6,439,156)	Lines 7 + 8 + 9
11	Net Deferred Depreciation	-	269,490	269,490	Schedule 5A
12	Net Deferred PISCC Depreciation	-	-	-	Schedule 5B
13	Net Capitalized PISCC	-	725,830	725,830	Schedule 6
14	Net Deferred Tax Balance - Property Taxes	-	-	-	Schedule 7
15	Deferred Taxes on PISCC	-	(254,041)	(254,041)	
16	Deferred Taxes on Liberalized Depreciation	-	(463,466)	(463,466)	Schedule 8
17	Net Rate Base	-	38,590,555	38,590,555	Line 5 - Line 10 + Lines 11, 12, 13, 14, 15
18	Approved Pre-tax Rate of Return	10.95%	10.95%	10.95%	Joint Stipulation & Recommendation Case No. 08-0072-GA-AIR
19	Annualized Return on Rate Base	-	4,225,666	4,225,666	Line 16 * Line 17
20	Operating Expenses				
21	Annualized Depreciation	-	710,788	710,788	Schedule 5A
22	Annualized Deferred Depreciation Amortization	-	6,443	6,443	Schedule 5A
23	Annualized Deferred PISCC Amortization	-	0	-	Schedule 5B
24	Annualized PISCC Depreciation	-	17,140	17,140	Schedule 5B
25	Annualized Property Tax Expense	-	685,637	685,637	Schedule 7
26	Deferred Property Tax Expense Amortization	-	-	-	Schedule 7
27	Operation & Maintenance Expense	-	26,859	26,859	Schedule 9A
28	Operation & Maintenance Savings	-	-	-	Schedule 9B
29	Revenue Requirement - To be collected beginning July 2009	-	5,672,532	5,672,532	Line 18 + Lines 20 through 27

Columbia Gas of Ohio, Inc.  
Case No. 09-0006-GA-UNC  
Alternate Computation of Projected Impact per Customer  
For Rates Effective July 2009

Schedule AMRP-10B

Line No.	Description	Reference	Amount
1	TOTAL REVENUE REQUIREMENT	Sch. AMRP-1	\$5,672,532
2	<u>Allocated Plant in Service per Case No. 08-0072-GA-AIR</u>		
3	SGS Class		\$613,479
4	GS Class		\$187,259
5	LGS Class		\$47,039
6	TOTAL		<u>\$847,777</u>
7	<u>Percent by Class</u>		
8	SGS Class	Line 2/Line 6	72.36%
9	GS Class	Line 3/Line 6	22.09%
10	LGS Class	Line 4/Line 6	<u>5.55%</u>
11	TOTAL		<u>100.00%</u>
12	<u>Revenue Requirement Allocated to Each Class</u>		
13	SGS Class	Line 8 * Line 1	\$4,104,829
14	GS Class	Line 9 * Line 1	\$1,252,962
15	LGS Class	Line 10 * Line 1	<u>\$314,741</u>
16	TOTAL Revenue Requirement		<u>\$5,672,532</u>
17	<u>Number of Actual Bills 10 months 2008</u>		
18	SGS Class		13,853,667
19	GS Class		416,814
20	LGS Class		<u>3,579</u>
21	TOTAL number Actual Annual Bills		<u>14,274,060</u>
22	PROJECTED IMPACT PER MONTH - SGS CLASS		\$0.30
23	PROJECTED IMPACT PER MONTH - GS CLASS		\$3.01
24	PROJECTED IMPACT PER MONTH - LGS CLASS		\$87.94

<sup>(1)</sup> Source Schedule E-3.2-1 per Case No. 08-0072-GA-AIR, Allocated Plant in Service for Distribution Plant Account 376, Mains

Columbia Gas of Ohio, Inc.  
Infrastructure Tracking Mechanism - Riser Program  
Case No. 09-0006-GA-UNC  
Revenue Requirement Calculation

Data: 12 months actual

Schedule R-1

Line No.		Actual Thru December 31, 2007	Activity Thru December 31, 2008	Total As Of December 31, 2008	Reference
1	Return on Investment				
2	Plant In-Service				
3	Additions	-	44,791,144	44,791,144	Schedule 2
4	Retirements	-	-	-	Schedule 4
5	Total Plant In-Service	-	44,791,144	44,791,144	Line 3 + Line 4
6	Less: Accumulated Provision for Depreciation				
7	Depreciation Expense	-	376,399	376,399	Schedule 5A
8	Cost of Removal	-	-	-	Schedule 3
9	Retirements	-	-	-	Schedule 4
10	Total Accumulated Provision for Depreciation	-	376,399	376,399	Lines 7 + 8 + 9
11	Net Deferred Plant Depreciation	-	376,399	376,399	Schedule 5A
12	Net Deferred PISCC Depreciation		-	-	Schedule 5B
13	Net Deferred PISCC	-	601,421	601,421	Schedule 6
14	Net Deferred Tax Balance - Property Taxes	-	-	-	Schedule 7
15	Deferred Taxes on PISCC		(210,497)	(210,497)	
16	Deferred Taxes on Liberalized Depreciation	-	(652,105)	(652,105)	Schedule 8
17	Net Rate Base	-	44,529,982	44,529,982	Line 5 - Line 10 + Lines 11, 12, 13, 14, 15
18	Approved Pre-tax Rate of Return	10.95%	10.95%	10.95%	Joint Stipulation & Recommendation Case No. 08-0072-GA-AIR
19	Annualized Return on Rate Base	-	4,876,031	4,876,031	Line 16 * Line 17
20	Operating Expenses				
21	Annualized Depreciation	-	1,433,317	1,433,317	Schedule 5A
22	Annualized Deferred Depreciation Amortization	-	12,045	12,045	Schedule 5A
23	Annualized Deferred PISCC Depreciation Amortization	-	-	-	Schedule 5B
24	Annualized PISCC Depreciation	-	19,245	19,245	Schedule 5B
25	Annualized Property Tax Expense	-	954,705	954,705	Schedule 7
26	Deferred Property Tax Expense Amortization	-	-	-	Schedule 7
27	Operation & Maintenance Expense	-	1,276,134	1,276,134	Schedule 9
28	Revenue Requirement	-	8,571,477	8,571,477	Line 18 + Lines 20 through 26
29	(Over)/Under Recovered 2007 O&M Expenses	-	(402,884)	(402,884)	Schedule 9
30	TOTAL Amount to be collected beginning July 2009	0	8,168,593	8,168,593	Lines 25 + 26



Columbia Gas of Ohio, Inc.  
Case No. 09-0006-GA-UNC  
Alternate Computation of Projected Impact per Customer  
For Rates Effective July 2009

Schedule R-10B

Line No.	Description	Reference	Amount
1	TOTAL REVENUE REQUIREMENT	Sch R-1	\$8,168,593
2	<u>Allocated Plant in Service per Case No. 08-0072-GA-AIR <sup>(1)</sup></u>		
3	SGS Class		\$473,882
4	GS Class		\$15,515
5	TOTAL		<u>\$489,397</u>
6	<u>Percent by Class</u>		
7	SGS Class	Line 3/Line 5	96.83%
8	GS Class	Line 4/Line 5	3.17%
9	TOTAL		<u>100.00%</u>
10	<u>Revenue Requirement Allocated to Each Class</u>		
11	SGS Class	Line 7 * Line 1	\$7,909,630
12	GS Class	Line 8 * Line 1	\$258,963
13	TOTAL Revenue Requirement		<u>\$8,168,593</u>
14	<u>Number of Actual Bills 10 months 2008</u>		
15	SGS Class		13,853,667
16	GS Class		416,814
17	TOTAL number Actual Annual Bills		<u>14,270,481</u>
18	PROJECTED IMPACT PER MONTH - SGS CLASS		\$0.57
19	PROJECTED IMPACT PER MONTH - GS CLASS		\$0.62

<sup>(1)</sup> Source Schedule E-3.2-1 per Case No. 08-0072-GA-AIR, Allocated Plant in Service for Distribution Plant Account 380, Services

**Columbia Gas of Ohio, Inc.  
Case No. 09-0006-GA-UNC  
Summary of Rates by Class  
Effective July 2009**

**ATTACHMENT 3**

	<b>Riser</b> Sch R-10B	<b>AMRP</b> Sch AMRP-10B	<b>AMRD</b> Not Applicable	<b>Adjustment</b>	<b>Total Monthly Rate</b>
<b>Small General Service</b>	<b>\$0.5700</b>	<b>\$0.3000</b>	<b>\$0.0000</b>	<b>(\$0.0100)</b>	<b>\$0.8600</b>
Includes:					
Small General Sales Service					
Small General Sales Service-Schools					
Small General Transportation Service					
Full Requirements Small General Transportation Service					
<b>General Service</b>	<b>\$0.6200</b>	<b>\$3.0100</b>	<b>\$0.0000</b>	<b>\$0.0000</b>	<b>\$3.6300</b>
Includes:					
General Service					
General Service - Schools					
General Transportation Service					
General Transportation Service - Schools					
Full Requirement General Transportation Service					
Full Requirement General Transportation Service - Schools					
<b>Large General Service</b>	<b>\$0.0000</b>	<b>\$87.9400</b>	<b>\$0.0000</b>	<b>\$0.0000</b>	<b>\$87.9400</b>
Includes:					
Large General Sales Service					
Large General Transportation Service					
Full Requirements Large General Transportation Service					
Full Requirements Large General Transportation Service					
Large General Transportation Service - Mainline					
<b>Small General Service</b>	<b>\$7,909,630</b>	<b>\$4,104,829</b>	<b>\$0</b>	<b>(\$138,000)</b>	<b>\$11,876,459</b>
<b>General Service</b>	<b>\$258,963</b>	<b>\$1,252,962</b>	<b>\$0</b>		<b>\$1,511,925</b>
<b>Large General Service</b>	<b>\$0</b>	<b>\$314,741</b>	<b>\$0</b>		<b>\$314,741</b>
	<b>\$8,168,593</b>	<b>\$5,672,532</b>	<b>\$0</b>	<b>(\$138,000)</b>	<b>\$13,703,125</b>