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**JOINT EXHIBIT 1**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Long-Term Forecast :  
Report of Natural Gas Demand of : Case No. 09-116-GA-FOR  
Suburban Natural Gas Company :

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**STIPULATION AND RECOMMENDATION**

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This case is before the Public Utilities Commission of Ohio ("Commission") pursuant to Revised Code Section 4935.04 that requires "each person furnishing gas, natural gas . . . directly to more than fifteen thousand customers within this state annually shall furnish a report to the commission for its review."<sup>1</sup> Suburban Natural Gas Company (Suburban) filed its first long-term forecast report (LTFR) on June 1, 2009. The purpose of the LTFR, as delineated in R.C. 4935.04 is to require energy utilities to prospectively plan for a sufficient supply based on projected demand and to demonstrate that such a process has been adequately implemented by the reporting utility. On June 30, 2009, the Staff filed a motion for a hearing on Suburban's LTFR citing R.C. 4935.04(D)(3)(a) that requires the Commission hold a hearing on a company's first long term forecast report filed after January 11, 1983. By Entry dated August 25, 2009, the Commission approved Staff's motion for a hearing on this matter and scheduled such hearing for October 20, 2009. The hearing was called and continued on October 20, 2009 and by agreement of the parties is scheduled for November 23, 2009.

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<sup>1</sup> Ohio Rev. Code Ann. §4935.04 (West 2009).

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The Parties' agree that the materials on file with the Commission, which include: Suburban's LTFR filed on June 1, 2009, and this document, Joint Exhibit 1 which reflect compromises that resulted from the Parties' settlement discussions; and provide an adequate evidentiary record to support the adoption of this Stipulation by the Commission. Suburban and the Staff believe that this stipulation is the product of serious bargaining among capable, knowledgeable parties; as a whole benefits ratepayers and is in the public interest; and, does not violate any important regulatory principle.

After carefully reviewing Suburban's long-term forecast report and discussing the report with the Company, the Staff and Suburban found there were no matters in dispute. Suburban and the Staff<sup>2</sup> (individually "Party;" collectively "Parties") hereby submit this Stipulation and Recommendation ("Stipulation") pursuant to Rule 4901-1-30, O.A.C., as their agreed resolution of all issues in the instant proceeding.

Although the Parties recognize that this Stipulation is not binding upon the Commission, the Parties respectfully submit that this Stipulation, which has been executed by all Parties to this proceeding, is supported by the record, represents a just and reasonable resolution of the issues involved, violates no regulatory principle or precedent, and is in the public interest. Accordingly, this Stipulation is entitled to careful consideration and should be adopted by the Commission.

The agreement of the Parties reflected in this Stipulation is expressly conditioned upon its acceptance without material modification by the Commission. If the Commis-

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<sup>2</sup> Staff will be considered a party for the purpose of entering into this Stipulation by virtue of Rule 4901-1-10(C), O.A.C.

sion rejects or modifies all or any part of this Stipulation or imposes additional conditions or requirements upon the Parties, each Party 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 the Stipulation by filing a notice with the Commission. Upon rehearing, either Party may terminate and withdraw the Stipulation by filing a notice with the Commission within thirty (30) days of the Commission's order on rehearing.

Upon notice of termination or withdrawal by either 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, which shall be decided by the Commission based upon the record and briefs as if this Stipulation had never been executed.

Subject to the terms and conditions set forth below, the Parties agree, stipulate, and recommend that the Commission should find as follows:

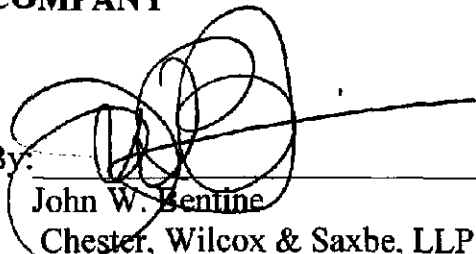
1. On June 1, 2009, Suburban filed its first long term forecast report (LTFR).
2. The Signatory Parties agree that Suburban's 2009 Long-Term Forecast Report substantially complies with the requirements of Chapter 4935, Revised Code, and request the Commission close the record in this matter with a finding that Suburban has satisfied such requirements.
3. Notwithstanding this recommendation, Suburban agrees to include the following in subsequent full LTFR filings:

- A. A narrative description of the data use in preparation of the forecast as well as the specific calculations that generated the forecast;
  - B. A discussion of the major assumptions used in preparation of the forecast;
  - C. Anticipated natural gas price trends;
  - D. Economic and demographic trends within the service area;
  - E. Disaggregation of residential customers into heat and non-heat customers.
4. The Signatory Parties further agree that nothing in this stipulation precludes Staff from examining and making recommendations on any issue in any subsequent Gas Cost Recovery audit proceeding.
5. This Stipulation shall be designated as Joint Exhibit 1 and admitted into evidence in this proceeding.
6. R.C. Section 4935.04(D)(3), requires that the subject natural gas company publish notice of the hearing in its LTFR proceeding at least fifteen (15) and not more than thirty (30) days prior to the scheduled date of the hearing in a newspaper of general circulation in each county where its major utility facility is located and where it will provide service during the period covered by the LTFR. Suburban filed its proof of publication in accordance with the Revised Code on October 14, 2009. The affidavit attesting that publication of the legal notice in the form prescribed by the Commission in its August 25, 2009 entry in this docket has been made in this manner shall

be designated as Suburban Exhibit 1 and admitted into evidence in this proceeding. The manner of publication described therein complies with R.C. Section 4935.04(D)(3).

The undersigned hereby stipulate, agree and represent that they are authorized to enter into this Stipulation on behalf of Suburban and Staff, respectively, on this 20<sup>th</sup> day of November, 2009.


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COMPANY**

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