

FILE

8

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The East)
Ohio Gas Company d/b/a Dominion East)
Ohio for Approval of Tariffs to Adjust its)
Automated Meter Reading Cost Recovery)
Charge to Recover Costs Incurred in 2010.)

Case No. 10-2853-GA-RDR

STIPULATION AND RECOMMENDATION

Rule 4901-1-30, Ohio Administrative Code, provides that any two or more parties 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 and agreement of The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or "Company"), the Office of the Ohio Consumers' Counsel ("OCC"), Ohio Partners for Affordable Energy ("OPAE"), and the Staff of the Public Utilities Commission of Ohio ("Staff") (which, for the purpose of entering into this Stipulation and Recommendation, will be considered a party by virtue of Section 4901-1-10(C), Administrative Code) (collectively, the "Signatory Parties" or "Parties"), and to recommend that the Public Utilities Commission of Ohio (the "Commission") approve and adopt this Stipulation and Recommendation, as part of its Opinion and Order, resolving all of the issues in the above-captioned proceeding.

This Stipulation and Recommendation, which shall be designated as Joint Exhibit 1 when moved into evidence, is supported by adequate data and information; represents a just and reasonable resolution of certain issues in this proceeding; violates no regulatory principle or precedent; is in the public interest; and is the product of lengthy, serious bargaining among knowledgeable and capable parties, and parties that are representative of the many interests and stakeholders in a cooperative process undertaken by the Signatory Parties to settle this case.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician Sam Date Processed APR 11 2011

RECEIVED-DOCKETING DIV
2011 APR -8 PM 5:00
PUC

While this Stipulation and Recommendation is not binding on the Commission, where, as here, it is sponsored by Parties representing a significant cross section of interests, including the Commission's Staff, it is entitled to careful consideration by the Commission. Except for enforcement purposes, this Stipulation nor the information and data contained therein and attached shall be cited as precedent in any future proceeding for or against any Signatory Party, or the Commission itself, if the Commission approves the Stipulation and Recommendation.

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

1. This Stipulation and Recommendation is entered into as an overall compromise and resolution of certain issues presented in this proceeding, and does not necessarily represent the position any Signatory Party would have taken absent its execution. The Signatory Parties hereby enter this Stipulation and Recommendation notwithstanding any Comments filed by Staff and/or OCC on March 30, 2011 in this matter. Such Comments may be reinstituted by the respective Parties if the Commission rejects or modifies this Stipulation and Recommendation in whole or in part.

2. The Signatory Parties agree to an adjusted AMR Cost Recovery Charge ("AMR Charge") of \$0.57 per month per applicable customer, as recommended in Staff's Comments and reflected in the tariff sheet attached hereto as Stipulation Attachment 1. The development of the agreed AMR Cost Recovery Charge is shown in Stipulation Attachment 2. The Signatory Parties agree that the adjusted AMR Charge should be implemented in the first billing cycle of May, 2011.

3. DEO will contribute \$100,000 to DEO's "EnergyShare" fuel fund (which provides emergency bill payment assistance to the elderly, ill and anyone else facing financial hardship) on or before April 15, 2011, with such contribution being in addition to DEO's commitment of funds to the EnergyShare program that pre-dates this Stipulation and Recommendation.¹

4. 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 by the Commission. Should the Commission reject or materially modify all or any part of this Stipulation, the Signatory Parties shall have the right, within 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, with service to all the Parties. Upon the Commission's issuance of an entry on rehearing that does not adopt the Stipulation in its entirety without material modification, any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission within 30 days of the Commission's entry on rehearing. Other Signatory Parties to this Stipulation agree to defend and shall not oppose the withdrawal and termination of the Stipulation by any other Party. Upon notice of termination or withdrawal by any Signatory Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, the Signatory Parties agree that the hearing should continue, and the Signatory Parties should be afforded the opportunity to litigate the case, which will include

¹ OCC's agreement to this Stipulation is contingent on the Company making this \$100,000 contribution to its "EnergyShare" fuel fund. DEO's agreement to fund this contribution by April 15, 2011 is contingent on acceptance of this Stipulation into the record in this proceeding on or before April 12, 2011. If the Stipulation is accepted into the record after April 12, 2011, DEO will fund the EnergyShare contribution within five (5) business days of the date the Stipulation is accepted into the record.

but not be limited to the opportunity to present evidence including testimony with respect to any issues that remain to be litigated, to cross-examine all witnesses who have not previously been made available for cross-examination with respect to any issues that remain to be litigated, to present rebuttal testimony if and as deemed appropriate by the Commission, and to brief all issues which shall be decided based upon the record and briefs as if this Stipulation had never been executed.

5. The Stipulation and Recommendation is submitted for purposes of this proceeding only, and is not deemed binding in any other proceeding, nor is it to be offered for or against any Signatory Party in any other proceeding, except as necessary to enforce the terms of this Stipulation and Recommendation.

6. The Signatory Parties stipulate, agree, and recommend that the Commission issue a final Opinion and Order in this proceeding, ordering the adoption of this Stipulation and Recommendation including as follows:

- A. The rates, terms, and conditions agreed to in this Stipulation and Recommendation 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 Recommendation 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 Company 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. The Application in this matter is hereby adopted in accordance with the

recommendations of the Signatory Parties, subject to the modifications set forth in
this Stipulation and Recommendation.

The East Ohio Gas Company d/b/a
Dominion East Ohio

The Staff of the Public Utilities Commission
of Ohio

By: Mark A. Whitt by JHG
Counsel *telephone authority*

By: John H. Jones
Counsel

Date: 4-8-2011

Date: 4-8-2011

The Office of the Ohio Consumers' Counsel

Ohio Partners for Affordable Energy

By: Larry J. Lauer by JHG
Counsel *telephone authority*

By: Colleen L. Mooney by JHG
Counsel *telephone authority*

Date: 4-8-2011

Date: 4-8-2011

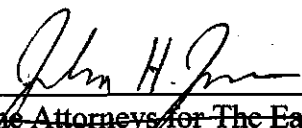
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Stipulation and Recommendation was served by electronic mail to the following persons on this 8th day of April, 2011:

Joseph P. Serio, Esq.
Larry Sauer, Esq.
Kyle L. Verrett, Esq.
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
serio@occ.state.oh.us
sauer@occ.state.oh.us
verrett@occ.state.oh.us

John H. Jones, Esq.
Stephen A. Reilly, Esq.
Attorney General's Office
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215
john.jones@puc.state.oh.us
stephen.reilly@puc.state.oh.us

David C. Rinebolt, Esq.
Colleen L. Mooney, Esq.
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, Oh 45839-1793
drinebolt@ohiopartners.org
cmooney2@columbus.rr.com



One of the Attorneys for The East Ohio Gas
Company d/b/a Dominion East Ohio

THE EAST OHIO GAS COMPANY

Fourth Revised Sheet No. AMR 1
Superseding Third Revised Sheet No. AMR 1

AMR Cost Recovery Charge

A monthly charge of \$0.57 shall be added to the otherwise applicable monthly service charge for all customers receiving service under the following rate schedules to recover the depreciation, incremental property taxes and post in-service carrying charges associated with the installation of automated meter reading (AMR) equipment throughout East Ohio's system:

- a) General Sales Service – Residential
- b) General Sales Service – Nonresidential
- c) Large Volume General Sales Service
- d) Energy Choice Transportation Service – Residential
- e) Energy Choice Transportation Service – Nonresidential
- f) Large Volume Energy Choice Transportation Service
- g) General Transportation Service
- h) Transportation Service for Schools

Issued:

Effective:

Filed under authority of The Public Utilities Commission of Ohio in Case No. 10-2853-GA-RDR
Anne E. Bomar, Senior Vice President

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
AUTOMATED METER READING ESTIMATED COST RECOVERY CHARGE
CASE NO. 10-2853-GA-RDR
REVENUE REQUIREMENT

Line No.	As Approved 12/31/09	2010 Activity	Cumulative Through 12/31/10
	[a]	[b]	[c=a+b]
1 Return on Investment			
2 Plant in Service			
3 Additions	\$53,608,800.01	\$20,193,621.10	\$73,802,421.11
4 Retirements	\$0.00	\$0.00	\$0.00
5 Total Plant in Service	\$53,608,800.01	\$20,193,621.10	\$73,802,421.11
6 Less: Accumulated Provision for Depreciation			
7 Depreciation Expense	\$2,245,320.97	\$2,030,217.99	\$4,275,538.96
8 Cost of Removal	\$0.00	\$0.00	\$0.00
9 Original Cost Retired	\$0.00	\$0.00	\$0.00
10 Total Accumulated Provision for Depreciation	\$2,245,320.97	\$2,030,217.99	\$4,275,538.96
11 Net Regulatory Asset - Post-In-Service Carrying Cost	\$3,085,083.90	\$1,121,207.96	\$4,206,291.86
12 Net Deferred Tax Balance - PISCC	(\$1,079,779.36)	(\$392,422.79)	(\$1,472,202.15)
13 Deferred Taxes on Liberalized Depreciation	(\$2,207,179.50)	(\$5,610,040.35)	(\$7,817,219.85)
14 Net Rate Base	\$51,161,604.08	\$13,282,147.93	\$64,443,752.01
15 Approved Pre -Tax Rate of Return (ROR)	11.36%		11.36%
16 Annualized Return on Rate Base	\$5,740,082.76		\$7,320,810.23
17 Operating Expense			
18 Incremental Annual Depreciation Expense	\$1,362,545.57		\$2,030,217.99
19 Annualized Amortization of PISCC	\$101,012.51		\$136,280.14
20 Incremental Annual Property Tax Expense	\$306,209.56		\$526,545.63
21 Reduction in Meter Reading Expense	-\$680,658.76		(\$1,761,163.40)
22 Reduction in Call Center Expense	\$0.00		\$0.00
23 Reduction in Call Center Expense - 2009 Restated	\$0.00		\$0.00
24 Annualized Revenue Requirement	\$6,829,191.64		\$8,252,690.59
25 Number of Bills	14,483,362		14,505,846
26 AMR Cost Recovery Charge	\$0.47		\$0.57