

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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|--|---|------------------------|
| In the Matter of the Application of The East |) | |
| Ohio Gas Company d/b/a Dominion East |) | Case No. 12-812-GA-RDR |
| Ohio to Adjust its Pipeline Infrastructure |) | |
| Replacement Program Cost Recovery Charge |) | |
| and Related Matters. |) | |

STIPULATION AND RECOMMENDATION

Ohio Adm. Code 4901-1-30 provides that 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 and agreement of The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO" or the "Company"), the Staff of the Public Utilities Commission of Ohio ("Staff") (which, for purposes of entering into this Stipulation and Recommendation, will be considered a party by virtue of Ohio Adm. Code 4901-1-10(C)), and Office of the Ohio Consumers' Counsel ("OCC") (collectively, the "Signatory Parties"), and to recommend that the Public Utilities Commission of Ohio ("PUCO" or 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, is supported by adequate data and information; represents, as an integrated and complete document, a just and reasonable resolution of all 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. 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, neither this Stipulation nor the information and data contained herein or 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. The Signatory Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation in these proceedings or in any other proceeding.

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

1. Pursuant to Staff's Recommendations and as reflected in DEO's Application, the PIR annualized revenue requirement is \$46,716,686.08. The PIR Cost Recovery Charge for each rate class is as follows:

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|--------------|---|
| GSS/ECTS | \$2.80 per month |
| LVGSS/LVECTS | \$23.68 per month |
| GTS/TSS | \$107.94 per month |
| DTS | \$0.0384 per Mcf, capped at \$1,000 per month |

The Signatory Parties request that the Commission authorize DEO to file new tariffs that reflect these rates, effective with the first billing cycle in May 2012.

2. Pursuant to Staff's Recommendations and as reflected in DEO's Application, due to the Stipulation approved in Case No. 11-2401-GA-ALT, the O&M Savings are \$500,000.¹

3. The Signatory Parties agree to admit the following exhibits into the record:

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|-------------------|---|
| Joint Exhibit 1.0 | Stipulation and Recommendation |
| DEO Exhibit 1.0 | Direct Testimony of Vicki H. Friscie |
| DEO Exhibit 2.0 | Supplemental Direct Testimony of Vicki H. Friscie |
| DEO Exhibit 3.0 | Application |
| Staff Exhibit 1.0 | Staff Comments and Recommendations |
| OCC Exhibit 1.0 | OCC Comments and Recommendations |

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 thirty 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, including service to all the Parties. 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 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 thirty days of the Commission's entry on rehearing. Other Signatory Parties

¹ The Company's Application represents a filing for the six-month period July 1 through December 31, 2011. The \$500,000 O&M cost savings represents ½ of the annual minimum O&M cost savings amount (\$1 million) that Dominion agreed to in the Stipulation approved in Case No. 11-2401-GA-ALT.

to the Stipulation agree to defend and shall not oppose the withdrawal and termination of the Stipulation by any other Party.² Upon notice of termination or withdrawal by any Signatory Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In any such event, this proceeding shall go forward at the procedural point at which this Joint Stipulation and Recommendation was filed, and the Parties will be afforded the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Joint Stipulation and Recommendation had never been executed.

²Any Signatory Party has the right, in its sole discretion, to determine what constitutes a "material" change for purposes of that Party withdrawing from the Stipulation.

The undersigned hereby stipulate and agree that each presents that it is authorized to enter into this Stipulation and Recommendation on this 6th day of April, 2012. This Stipulation and Recommendation may be signed in counterparts.

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

By: Melissa L. Thompson
Counsel
Date: 4/6/2012

Staff of the Public Utilities Commission of Ohio

By: Steven Reilly / ^{MLT} per e-mail
Counsel authorization
Date: 4/6/2012

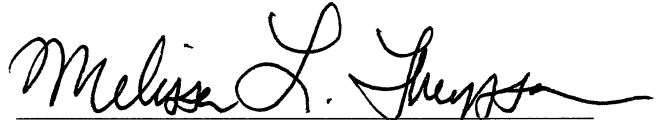
Office of the Ohio Consumers' Counsel ^{MLT}
By: Larry Sauer / per e-mail
Counsel authorization
Date: 4/6/2012

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 6th day of April, 2012:

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

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/6/2012 9:45:36 AM

in

Case No(s). 12-0812-GA-RDR

Summary: Stipulation and Recommendation electronically filed by Ms. Melissa L. Thompson on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio and Staff of the Public Utilities Commission and Office of the Ohio Consumers' Counsel