

**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 : Case No. 12-0216-GA-GCR  
Suburban Natural Gas Company, :  
and Related Matters. :

In the Matter of the Uncollectible Expense :  
Rider of Suburban Natural Gas Company : Case No. 12-0316-GA-UEX  
and Related Matters. :

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**JOINT STIPULATION AND RECOMMENDATION**

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These cases are before the Public Utilities Commission of Ohio (Commission) pursuant to Rules 4901:1-14-07 and 4901:1-14-08, Ohio Administrative Code (O.A.C.), for review of the two audits: (1) the Audit of the Gas Cost Recovery Mechanism of Suburban Natural Gas Company for the Effective GCR Period March 1, 2010 through February 29, 2012 (GCR Audit) prepared by the Staff of the Commission (Staff) and filed in Case No. 12-216-GA-GCR on August 28, 2012; and (2) the Audit of the Uncollectible Expense Mechanisms for the period January 2009 through December 2011 (UEX Audit) filed in Case No. 12-316-GA-UEX on August 30, 2012. Suburban Natural Gas Company (Suburban) has reviewed both Audit Reports and agrees with and endorses all of the Staff findings and recommendations contained therein.

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

There being no matters in dispute between Suburban and the Staff (collectively, “parties”), Suburban stipulates and the Staff recommends as follows:

A. **GCR Audit**

1. That Suburban is a natural gas company within the meaning of Ohio Rev. Code Section 4905.03(A)(5), and, as such, is a public utility subject to the jurisdiction and supervision of the Commission
2. This case is properly before the Commission pursuant to Rule 4901:1-14-08, O.A.C., and the Commission has jurisdiction to determine the issues involved pursuant to Section 4905.302, Revised Code.
3. Pursuant to Rule 4901:1-14-07, O.A.C., the Staff conducted an audit of the Company and compiled its findings in a document entitled, “Financial Audit of the Gas Cost Recovery Mechanisms for the Effective GCR Periods March 1, 2010 through February 29, 2012” (hereinafter “GCR Audit Report”). The GCR Audit Report was filed with the Docketing Division of the Commission on August 28, 2012. The GCR

Audit Report should be identified and admitted into evidence as

“Commission-Ordered Exhibit 1.”

4. Suburban’s Gas Cost Recovery (“GCR”) rates were fairly determined in accordance with the provisions of Ohio Administrative Code Chapter 4901:1-14 during the audit period, except for those instances noted in the GCR Audit Report.
5. Suburban accurately determined and billed the GCR rates for the effective audit period, March 1, 2010 through February 29, 2012, in accordance with Chapter 4901:1-14 and related appendices of the Ohio Administrative Code, except for those instances noted in the GCR Audit Report.
6. Suburban’s GCR rates were properly applied to customer bills during the audit period.
7. Suburban agrees to implement the Staff’s recommendations contained in the GCR Audit Report. More specifically, Suburban agrees to the following audit recommendations:
  - a. Suburban will make a reconciliation adjustment in the amount of \$101 in the customers' favor to account for errors made in the actual adjustment. This adjustment will be applied in the first GCR filing following the Opinion and Order in this case.

- b. Suburban will match the inclusion of its reconciliation adjustments (RAs) to the corresponding actual adjustments (AAs) in its quarterly reporting periods.
  - c. Suburban will use the positive imbalance created by Chase/Bank One (Chase) from January to July 2010 to offset future purchases for sale customers as originally agreed to in the Stipulation and Recommendation filed September 24, 2010 and ordered by the Commission on November 22, 2010, in Case Nos. 10-0216-GA-GCR, *et al.*
  - d. Suburban will align its capacity entitlements as its contracts expire to a level commensurate with its forecasted peak design day (PDD) levels.
- 8. Suburban's level of unaccounted for gas for the audit period under review is reasonable and within the requirements of the Commission rules.
- 9. The Commission should adopt the findings and recommendations contained in the GCR Audit Report.
- 10. Rule 4901:1-14-08(C), O.A.C., requires that the subject natural gas company publish notice of the hearing in its GCR audit proceeding at least fifteen and not more than thirty days prior to the scheduled date of the hearing by: (1) a display ad in a newspaper or newspapers of general circulation throughout its service area; (2) a bill message or bill insert

included with the customer bills; or (3) a separate direct mailing to customers. Suburban has caused notice to be published by display ads in newspapers of general circulation throughout its service area. The proof of publication, attached hereto, should be identified and admitted into evidence as Suburban Exhibit 1, and should be made a part of the record of this proceeding. The Commission should find that the manner of publication described therein complies with Rule 4901:1-14-08(C)(1), O.A.C.

**B. UEX Audit**

1. Pursuant to order of the Public Utilities Commission of Ohio, the Staff conducted an audit of Suburban Natural Gas Company (Suburban) Uncollectible Expense Rider (UEX) rates for January 1, 2009 through December 31, 2011, and compiled its findings in a document entitled, "Audit of the Uncollectible Expense Mechanisms for the period January 2009 through December 2011" (hereinafter "UEX Audit Report"). The UEX Audit Report was filed with the Docketing Division of the Commission on August 30, 2012. The UEX Audit Report should be identified and admitted into evidence as "Commission-Ordered Exhibit 2."
2. Suburban's UEX Rider rates were accurately calculated and billed for the effective audit period, January 1, 2009 through December 31, 2011, except for those instances noted in the UEX Audit Report.

3. Suburban's UEX Rider rates were properly applied to customer bills during the audit period.
4. Suburban agrees to implement the Staff's recommendations contained in the UEX Audit Report. More specifically, Suburban agrees to report the January, 2012 Beginning Balance on its UEX account as (\$124,512).
5. The Commission should adopt the findings and recommendations contained in the UEX Audit Report.

C. **Procedural Matters**

1. This Joint Stipulation and Recommendation should be adopted and admitted into evidence as "Joint Exhibit 1," and made a part of the record of these proceedings. 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 the parties to these proceedings, 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.
2. The agreement of the parties reflected in this Stipulation is expressly conditioned upon its acceptance without material modification by the Commission. In the event the Commission should reject or materially modify all or any portion of this Stipulation, or impose additional conditions or requirements, each party shall have the right, within thirty

(30) days of the Commission's order, to either file an application for rehearing or terminate and withdraw the Stipulation by filing a notice with the Commission. Upon rehearing, either party shall have the right within fifteen (15) days of the Commission's order on rehearing to file a notice of termination or withdrawal of the stipulation. Upon notice of termination or withdrawal pursuant to the above provisions, the Stipulation shall immediately become null and void. In such an 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 file briefs on all issues. The proceedings shall be decided based upon the record and briefs as if this Stipulation had never been executed.

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

WHEREFORE, Suburban and the Staff respectfully request that the foregoing Stipulation be adopted.

In witness whereof, the parties have manifested their consent to this Joint Stipulation and Recommendation affixing their signatures below on this 29th day of October, 2012.

**On Behalf of the Staff of the Public  
Utilities Commission of Ohio**

/s/ Werner L. Margard III

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**On Behalf of Suburban Natural Gas  
Company**

/s/ *William J. Michael* [per authorization]

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**Case No(s). 12-0216-GA-GCR, 12-0316-GA-UEX**

Summary: Stipulation Joint Stipulation and Recommendation submitted by Assistant Attorney General Werner L. Margard III electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio