

FILE

PUCO EXHIBIT FILING

16

Date of Hearing: October 30, 2012

Case No. 12-0216 -GA-GCR / 12-0316 -GA-UEX

PUCO Case Caption: _____ In the Matter of the
_____ Regulation of the Purchased
_____ Gas Adjustment Clause
_____ Contained Within the Rate
_____ Schedules of Suburban Natural
_____ Gas Company, and Related
_____ Matters.
_____ In the Matter of the
_____ Uncollectible Expense Rider
_____ of Suburban Natural Gas
_____ Company, and Related Matters.

List of exhibits being filed:

Joint Exb # 1 - Joint Stipulation and Recommendation
Company Exb # 1 - Proof of Publication

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 to the PUCO Business Technician 11/19/12 Date Processed 11/20/12

PUCO

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2012 NOV 20 PM 3:25

Reporter's Signature: Valerie Snak
Date Submitted: 11/19/12

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
 Regulation of the Purchased :
 Gas Adjustment Clause : Case No.
 Contained Within the Rate : 12-0216-GA-GCR
 Schedules of Suburban Natural :
 Gas Company, and Related :
 Matters. :

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

- - -

PROCEEDINGS

before Bryce A. McKenney, Attorney Examiner, at the
 Public Utilities Commission of Ohio, 180 East Broad
 Street, Room 11-C, Columbus, Ohio, called at 10:05
 a.m. on Tuesday, October 30, 2012.

- - -

ARMSTRONG & OKEY, INC.
 222 East Town Street, Second Floor
 Columbus, Ohio 43215-4620
 (614) 224-9481 - (800) 223-9481
 Fax - (614) 224-5724

- - -

**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. :

JOINT STIPULATION AND RECOMMENDATION

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 adds 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**

**On Behalf of Suburban Natural Gas
Company**

/s/ Werner L. Margard III

Werner L. Margard III
Ryan P. O'Rourke
Assistant Attorneys General
180 E. Broad St., 6th Floor
Columbus, OH 43215
(614) 466-4395

/s/ William J. Michael [per authorization]

William J. Michael
General Counsel
Suburban Natural Gas Company
2626 Lewis Center Road
Lewis Center, OH 43035
(740) 548-2450

PROOF OF PUBLICATION

Deedee Cochenour being duly sworn, says she is Bookkeeper of the Delaware Gazette, a newspaper printed and published in Delaware County, Ohio and of general circulation therein, and that the annexed

Deedee Cochenour

ADVERTISEMENT

Was published in said Newspaper 1 consecutive time(s) the first insertion be in 1st day, October the A.D., 2012

Sworn to before me and subscribed in my presence 1st day October in the A.D., 2012

Printer Fees: \$112.05



KIMBERLY K. MORROW
Notary Public, State of Ohio
My Commission Expires 01/22/2015

Notary Public

Kimberly K. Morrow

AFFIDAVIT

THE DELAWARE GAZETTE CO.

10 N SANDUSKY ST STE 203., PO BOX 100
DELAWARE, OHIO 43015-01

Suburban Natural Gas
Public Hearing 10-30-12

2012 to Bill Rendered

Cost: \$112.05

Ran October 1, 2012

Payable by 15th of following month. Please send this statement when paying.

COPY OF ADVERTISEMENT

Please remit payment to:

OCM, LLC

PO BOX 4536

CAROL STREAM, IL 60197

Acct# 68230
IO# 2323525

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. 12-216-GA-GCR to review the gas cost recovery rates of Suburban Natural Gas Company and the operation of its Purchased Gas Adjustment Clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on Tuesday, October 30, 2012, at the office of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215-3793. All interested persons will be given an opportunity to be heard. Further information may be obtained by viewing the Commission's web page at <http://www.puc.state.oh.us>, or by contacting the Commission's hotline at 1-800-686-7826 or for TTY at 1-800-686-1570.

Affidavit of Publications

Newspaper: *The Marion Star*

State Of Ohio

Advertiser: Account #: *54218*
Suburban Natural Gas Company

RE: Ad Order #: *0000821007* Ad Net Cost:
\$ *150.00*

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for the above mentioned newspaper, hereby certify that the attached advertisement appeared in said newspaper on the following dates:

October 1, 2012

(Last Run Date:).

Subscribed and sworn to me this *17th* day of *October*, *2012*

Sherrie L Shope

NOTARY PUBLIC

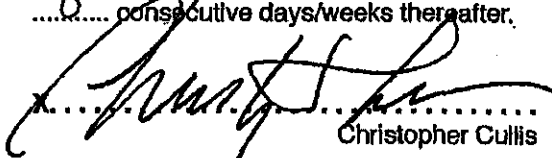


Sherrie L. Shope
Notary Public
State of Ohio
My Commission Expires
June 5, 2016

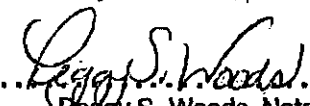
PROOF OF PUBLICATION

State of Ohio, Henry County, ss.

Christopher Cullis, being first duly sworn, deposes and says that he is the Publisher of the Northwest Signal, a daily newspaper published in Napoleon, in said Henry County, Ohio, and of general circulation therein; that the annexed advertisement and notice was printed and published in said newspaper for days/weeks, the first insertion being on the 1st day of Oct, 2012 and for consecutive days/weeks thereafter.

X. 
Christopher Cullis

Subscribed to in my presence and sworn before me this 17 day of October, 2012.

X. 
Peggy S. Woods, Notary Public
My Commission expires: September 4, 2016

Notary Fees \$ 1.00
Printer's Fees \$ 60.60

LEGAL NOTICE

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The State of Ohio }
County of Wood, SS. }

Certificate of Publication

LEGAL NOT

The Public Utilities Commission of C
for public hearing Case No. 12-216-
review the gas cost recovery rates c
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Purchased Gas Adjustment Clause,
matters. This hearing is scheduled
10:00 a.m. on Tuesday, October 31
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Street, Hearing Room 11-C, Collin
43215-3793. All interested persons
an opportunity to be heard. Fu
mation may be obtained by viewing
mission's web page at <http://www.oh.us>, or contacting the Commission's
1-800-686-7826 or for TTY at 1-800-61

Maurice Burnman, an advertising representative
of THE SENTINEL TRIBUNE, a newspaper published and of general circulation in the City
of Bowling Green and in the county of Wood, State of Ohio, being duly sworn according to
law, says that a notice, a true copy of which is hereto attached, was published in said paper
on Oct. 1, 2012

Maurice Burnman
Sworn to and subscribed before me this 18th day of October, 2012

Susan Businger
Notary Public, Wood County, Ohio

Total \$ 73.50

ad #
36970



SUSAN BUSINGER
Notary Public
In and for the State of Ohio
My Commission Expires
May 23, 2013

The State of Ohio }
County of Wood, SS. }

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Certificate of Publication

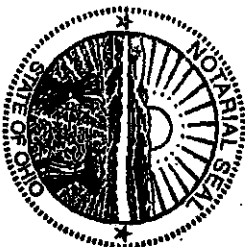
Julie Burner, an advertising representative
of the WILSON TRIBUNE, a newspaper published and of general circulation in the City
of Wilson and in the county of Wood, State of Ohio, being duly sworn according to
a notice, a true copy of which is hereto attached, was published in said paper
on Oct. 1, 2012

Maury Burner
subscribed before me this 18th day of October, 2012

Susan Businger
Notary Public, Wood County, Ohio

Total \$ 73.50

ad #
36970



SUSAN BUSINGER
Notary Public
In and for the State of Ohio
My Commission Expires
May 23, 2013