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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation)	
of the Purchased Gas Adjustment)	
Clauses Contained Within the Rate)	Case No. 13-0217-GA-GCR
Schedules of the Waterville Gas & Oil)	
Company and Related Matters.)	
)	
In the Matter of the Uncollectible)	
Expense Rider of Waterville Gas & Oil)	Case No. 13-0317-GA-UEx
Company and Related Matters.)	

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STIPULATION AND RECOMMENDATION

This case is before the Commission pursuant to Rules 4901:1-14-07 and 4901:1-14-08, Ohio Administrative Code (OAC), for review of the Financial Audit of the Gas Cost Recovery Mechanism of Waterville Gas & Oil Company for the Effective GCR Period February 1, 2011 to January 31, 2013 (Financial Report), and of the Audit of the uncollectible expense rider for the period January 2011 through December 2012 (Uncollectible Audit) both of which were prepared by the staff of the Commission (Staff), and filed with the Docketing Division on March 14, 2013 and March 4, 2013, respectively. Waterville Gas & Oil Company (Waterville) agrees with all the findings and endorses all the recommendations made by Staff in both Audit Reports.

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

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30, O.A.C. There are no matters in dispute between Waterville and the Staff (collectively, “the Parties”). The Parties stipulate and agree to resolve all issues in the instant proceeding.

While the Parties recognize that this Stipulation and Recommendation (Stipulation) is not binding upon the Commission, the Parties state that the Stipulation is an agreement among all Parties to this proceeding; that the Stipulation is supported by adequate data and information; that it represents a just and reasonable resolution of all issues in this proceeding; that it violates no regulatory principle or practice; and that, accordingly, the Stipulation is entitled to careful consideration and should be adopted in its entirety by the Commission.

This Stipulation shall not be cited as precedent for or against any signatory Party, if it is approved by the Commission. This Stipulation is a compromise involving a balancing of competing positions, and it does not necessarily reflect the position that any Party would have taken if these issues had been fully litigated.

The Parties believe that this Stipulation represents a reasonable compromise of varying interests. If the Commission's Order adopting this Stipulation in this proceeding materially modifies the Stipulation, Waterville may withdraw its consent for joining this Stipulation by filing an application for rehearing aimed at preserving the Stipulation as filed. Unless the Commission adopts this Stipulation on rehearing without material modification, in which case Waterville would again be bound, this Stipulation shall after rehearing become null and void and shall not constitute any part of the record in this proceeding, nor shall it be used for any purpose in this proceeding or any other proceeding.

Prior to any party seeking rehearing pursuant to the above provision, the Parties agree to convene immediately to work in good faith to achieve an outcome that substantially satisfies the

intent of the Commission or proposes a reasonable equivalent to be submitted to the Commission for its consideration.

Subject to the terms and conditions set forth in this Stipulation, the Parties agree, stipulate and recommend that the Commission find as follows:

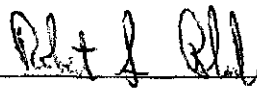
- A. That Waterville is a natural gas company within the meaning of Section 4905.03(A)(6), Revised Code, and as such, is a public utility subject to the jurisdiction and supervision of the Commission.
- B. Staff completed an audit of Waterville's Gas Cost Recovery rates for the periods of February 1, 2011 through January 31, 2013 for conformity in accordance with Chapter 4901:1-14, OAC and related appendices. The audit report shall be identified as Staff Exhibit 1 and admitted into evidence in the record in this proceeding.
- C. Waterville's GCR rates were accurately calculated by Waterville during the audit period, in accordance with the provisions of Chapter 4901:1-14, OAC.
- D. The parties agree that all findings and recommendations contained in the Financial Report are reasonable and should be adopted. More specifically, the findings and recommendations to be implemented are as follows:
 - 1. Staff recommends that Waterville continue to refine its expected gas cost (EGC) calculation so as to continue reducing over-collection from its customers.
 - 2. Staff recommends that Waterville continue its practice of accurately calculating its GCR rate.
- E. Staff completed an audit of Waterville of its uncollectible expense rider for the period January 2011 through December 2012 pursuant to the Commission order.

The audit report shall be identified as Staff Exhibit 2 and admitted into evidence in the record in this proceeding.

- F. Waterville accurately applied the appropriate UEX Rider rate to customer bills and to monthly sales volumes throughout the audit period.
- G. The parties agree that all the findings and recommendations contained in the Uncollectible Audit are reasonable and should be adopted.
- H. In satisfaction of the requirements of Revised Code section 4905.302(C) and 4901:1-14, OAC, Waterville caused notice to be published in various newspapers of general circulation throughout Waterville's service territory for this proceeding. The affidavits shall be identified as Waterville Exhibit 1 and admitted into evidence in the record in this proceeding.
- I. This Joint Stipulation and Recommendation shall be identified as Joint Exhibit 1 and admitted into evidence in the record in this proceeding.

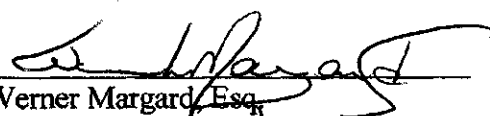
The undersigned are authorized representatives of the parties to this Stipulation, who stipulate and agree to enter into this Stipulation on behalf of their respective parties this 18th day of ~~April~~^{May}, 2013, and respectfully request that the forgoing Stipulation be adopted.

**THE WATERVILLE GAS & OIL
COMPANY**



President

**THE STAFF OF THE PUBLIC
UTILITIES COMMISSION OF OHIO**



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