

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the	:	
Purchased Gas Adjustment Clause	:	Case No. 13-206-GA-GCR
Contained Within Rate Schedules of	:	
Brainard Gas Corporation.	:	

STIPULATION AND RECOMMENDATION

I. INTRODUCTION

This case is before the Public Utilities Commission of Ohio ("Commission") pursuant to Ohio Administrative Code Rules 4901:1-14-07 and 4901:1-14-08, for review of the Financial Audit of the Gas Cost Recovery Mechanism of Brainard Gas Corporation for the Effective GCR Period from July 1, 2011 through June 30, 2013 ("Audit Report"), which was prepared by the Staff of the Commission ("Staff") and filed with the Commission on December 20, 2013.

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 such proceeding. Pursuant to Rule 4901-10(C), O.A.C., the Staff is considered a party for the purpose of entering into a stipulation under Rule 4901-1-30, O.A.C. The purpose of this document is to set forth the understanding of Brainard Gas Corporation ("Brainard") and the Staff (collectively, the "Parties") and to resolve all of the issues in this proceeding.

II. STIPULATION AND RECOMMENDATION

While it is understood by the Parties that this Stipulation and Recommendation is not binding upon the Commission, the Parties state that the Stipulation is an agreement

among the Parties to this proceeding; is supported by adequate data and information; represents a just and reasonable resolution of all of the issues in this proceeding; violates no regulatory principle or practice; is the product of serious bargaining among knowledgeable and capable parties in a cooperative process undertaken by the Parties to settle this case; and, accordingly, is entitled to careful consideration and should be adopted by the Commission in its entirety.

The Stipulation and Recommendation shall not be cited as precedent for or against any signatory party, if the Commission approves it. This Stipulation and Recommendation is submitted for the purpose of this case and should not be understood to reflect the positions that either the Staff or Brainard would have taken if all the issues in these proceedings were litigated. As is the case with most Stipulations and Recommendations reviewed by the Commission, the willingness of the Parties to jointly sponsor this document is predicated on the reasonableness of the Stipulation and Recommendation taken as a whole.

This Stipulation and Recommendation is submitted subject to the condition that the Commission adopts each and every item specifically set forth below. In the event this condition is not satisfied, at the option of any of the parties who so request, this Stipulation and Recommendation may be withdrawn, in which event it shall not be regarded in any way as part of the record in these proceedings and shall not be used for any purpose in these or any other proceedings. In the event said condition is not satisfied, it is understood that the Parties shall be entitled to fully litigate, including all rights of appeal, all issues which each has attempted to resolve herein just as though

this Stipulation and Recommendation had never been submitted and the proceeding begun anew.

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

A. Brainard is a natural gas company pursuant to RC 4904.03(A)(6) and, as such, is a public utility subject to the jurisdiction of the Commission.

B. Staff completed an audit of Brainard's Gas Cost Recovery ("GCR") rates for the period July 1, 2011 through June 30, 2013. The Audit Report shall be identified as Commission Ordered Exhibit 1 and admitted into evidence in this proceeding.

C. The Parties agree that all of the findings and recommendations in the Audit Report are reasonable and should be adopted. Specifically, the findings and recommendations to be implemented are as follows:

1. Brainard will implement a reconciliation adjustment of (\$7,988) in the customers' favor. The reconciliation adjustment shall be applied in the first GCR filing following the Opinion and Order in this case. The adjustment eliminates the premiums charged by John D. Oil and Gas Marketing ("JODGM") on local production and agency fees on interstate supply purchases. The adjustment also reduces the Cobra monthly meter fee of \$125 to reflect the transportation volumes that pass through the Bridge Road Meter.

2. Brainard will implement a reconciliation adjustment of (\$363) in the customers' favor. This reconciliation adjustment should be applied in the first GCR filing following the Opinion and Order in this case.

3. Brainard will work with the Commission Staff and the Ohio Consumer's Counsel ("OCC") to restructure its gas procurement and asset management policies and procedures in conjunction with Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company, pursuant to the recommendations in the Staff Report and the directives in the November 13, 2013 Opinion and Order issued by the Commission in Case Nos. 12-0209-GA-GCR, 12-0212-GA-GCR, 12-0309-GA-UEX, and 12-0312-GA-UEX (the "November 13, 2013 Opinion and Order"). Staff will have final approval over this process.

4. Pursuant to the November 13, 2013 Opinion and Order and the recommendations in the Audit Report, Brainard will cancel all contracts with JDOGM and use in-house personnel to purchase gas supplies until Brainard's gas procurement and asset management policies and procedures have Staff approval in accordance with Paragraph 3.

5. On the first day of each month, Brainard will conduct the visual meter reading of its transportation customers within one (1) hour of the electronic meter reading of the Bridge Road meter on the Cobra Pipeline system.

6. Within 60 days of the issuance of an Opinion and Order in this case, Brainard will file all transportation agreements that deviate from its tariff with the Commission for approval.

7. Within 90 days of the issuance of an Opinion and Order in this case, Brainard will implement a system for Brainard to maintain imbalance accounts of its transportation customers as required by Brainard's tariff. Within 30 days of the

issuance of an Opinion and Order in this case, Brainard will begin working with the Staff to develop this system.

D. 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 and respectfully request that the Commission adopt the foregoing Stipulation in its entirety.

Respectfully submitted to the Commission on 14th day of February,
2014.

BRAINARD GAS CORPORATION

By: Mark S. Yurick / per e-mail signature authority on 2/12/14
Mark S. Yurick (0039176)
Direct: (614) 334-7197
Zachary D. Kravitz (0084238)
Email: zkravitz@taftlaw.com
Direct: (614) 334-6117
Taft, Stettinius & Hollister, LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215
Telephone: (614) 221-4000
Facsimile: (614) 221-4012
Attorneys for Brainard Gas Corporation

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

By: Vern D. Parram
William L. Wright
Vern Margard
Devin D. Parram
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Fl
Columbus, OH 43215-3793
(614) 466-4397 (phone)

(614) 644-8764 (fax)
devin.parram@puc.state.oh.us
William.wright@puc.state.oh.us
werner.margard@puc.state.oh.us

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Summary: Stipulation electronically filed by Mr. Devin D Parram on behalf of PUCO Staff