

FILE

JOINT EXHIBIT 1

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Co- )  
lumbia Gas of Ohio, Inc. for Approval of ) Case No. 16-2422-GA-ALT  
an Alternative Form of Regulation to Ex- )  
tend and Increase Its Infrastructure Re- )  
placement Program. )

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JOINT STIPULATION AND RECOMMENDATION

Rule 4901-1-30(A), Ohio Administrative Code ("O.A.C."), provides that any two or more parties may enter into a written stipulation concerning the proposed resolution of some or all of the issues in a proceeding. The purpose of this document is to set forth the understanding of Columbia Gas of Ohio, Inc. ("Columbia"), the Staff of the Public Utilities Commission of Ohio ("Staff")<sup>1</sup> and Ohio Partners for Affordable Energy ("OPAE")<sup>2</sup> (collectively, the "Signatory Parties" or "Parties")<sup>3</sup>, and to recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt this Joint Stipulation and Recommendation ("Stipulation"), resolving all of the issues in this proceeding.

The settlement agreement embodied in this Stipulation was reached only after negotiations between and among knowledgeable and capable parties and reflects a bargained compromise involving a balancing of competing interests. Although the Stipulation does not necessarily reflect the position that any Party would have taken if it had litigated all of the issues addressed below, the Parties believe the Stipulation is supported by adequate data and information, strikes a reasonable balance (as a package) among the various interests represented by the

<sup>1</sup> For the purpose of entering into this Joint Stipulation and Recommendation, Staff is considered a party under Rule 4901-1-10(C), O.A.C.

<sup>2</sup> OPAE filed Objections to the Staff Report on August 15, 2017; however, by signing this Stipulation, OPAE is no longer pursuing its Objections.

<sup>3</sup> Industrial Energy Users-Ohio is also a party to this proceeding, and has indicated that it does not oppose this Joint Stipulation and Recommendation.

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Parties, does not violate any important regulatory principle, and is in the public interest.

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

1. In the Application filed in this docket, Columbia proposed to continue the alternative regulation plan originally approved in Case No. 08-0073-GA-ALT, et al., and extended for a five-year period (with clarifications to its scope<sup>4</sup>) in Case No. 11-5515-GA-ALT, for an additional five-year period (incorporating IRP investments made from January 1, 2018, through December 31, 2022). The Parties agree that the Commission should approve the Application, with the modifications described herein.

#### **REAUTHORIZATION AND TERM**

2. Columbia may continue its Rider IRP mechanism to reflect IRP investments made through December 31, 2022. However, should Columbia file a base rate case with new rates effective before December 31, 2022, the Parties recognize that as part of any such rate case interested parties may challenge any aspect of the IRP and the Commission may, as a result of such challenge or on its own initiative, revise Columbia's IRP prior to December 31, 2022.

#### **ANNUAL RIDER IRP ADJUSTMENT LIMIT AND AMRP O&M SAVINGS**

3. In Columbia's last alternative regulation plan extension filing proceeding there was a contentious dispute regarding the monthly Rider IRP charge to be paid by Columbia's Small General Service<sup>5</sup> (SGS Class). Columbia's annual Rider IRP adjustment filings have sometimes involved disputes regarding, and the amount of, AMRP O&M savings to be credited to customers. The Parties believe these contentious issues can be resolved by setting maximum limits on the monthly Rider IRP charges for each year of the next

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<sup>4</sup> The Signatory Parties agree that the 4,100 miles of Priority Pipe, of which 1,640 miles of Priority Pipe are to be replaced by December 31, 2017, includes pre-1955 unprotected coated steel pipe, which is considered bare steel.

<sup>5</sup> Small General Service includes Small General Sales Service, Small General Schools Sales, Service, Small Gas Transportation Service, Small General Schools Transportation Service, Full Requirements Small General Transportation Service, and Full Requirements Small General Schools Transportation Service.

extended term, while guaranteeing a minimum level of savings to be credited to customers in future Rider IRP adjustment proceedings for the same years. Columbia will continue to pass back the greater of the actual O&M savings or the minimum AMRP O&M savings listed below.

4. The maximum monthly Rider IRP SGS Class rates for investments in Calendar Years 2018 through 2022, and the corresponding guaranteed minimum levels of AMRP O&M savings for those calendar years, will be as follows:

<b>Investment Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Rates Effective</b>	<b>May 2019</b>	<b>May 2020</b>	<b>May 2021</b>	<b>May 2022</b>	<b>May 2023</b>
<b>Maximum Rider IRP SGS Class Rate</b>	\$11.35	\$12.50	\$13.70	\$14.95	\$16.20
<b>Minimum AMRP O&amp;M Savings</b>	\$2.00 million	\$2.00 million	\$2.25 million	\$2.50 million	\$2.50 million

5. The Parties agree that for Columbia's Rider IRP adjustment cases covering investments for years 2018 through 2022, all IRP projects completed during those years are considered projects that otherwise would not have been included in Columbia's capital replacement program and, therefore, there should be no adjustments to the IRP Rider rate on that basis.<sup>6</sup>

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<sup>6</sup> The Opinion an Order approving Columbia's original IRP provided, "Columbia shall provide evidence in its annual Rider IRP applications to show that the rider was not used to recover the costs of projects that otherwise would have been included in its capital recovery program." Case Nos. 08-72-GA-AIR et al, Opinion and Order (December 3, 2008) at 14.

## ADDITIONAL TERMS AND CONDITIONS

6. This Stipulation is expressly conditioned upon the Commission's adoption and approval of the Stipulation in its entirety, without material modification.
7. Should the Commission reject or materially modify all or any part of this Stipulation, the Parties shall have the right, within 30 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 and serving all the Parties. The Parties agree that they will not oppose or argue against any application for rehearing that seeks to uphold the original, unmodified Stipulation.
8. Upon the Commission's issuance of any entry on rehearing that does not adopt the Stipulation without material modification, any party may terminate and withdraw from the Stipulation by filing a notice with the Commission within 30 days of the Commission's entry on rehearing.
9. Upon notice of termination or withdrawal by any party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, the Signatory Parties agree that all Parties should be provided an opportunity to file comments on Columbia's application and/or file objections to the Staff Report.
10. If the Stipulation becomes null and void and the Commission determines that a hearing is necessary, the Parties urge the Commission to give all Parties an opportunity to present testimony, cross-examine witnesses, and brief issues. The Parties further urge the Commission to decide Columbia's application based upon the record and briefs as if this Stipulation had never been executed.
11. The Signatory Parties agree not to oppose the admission into the record of all pre-filed testimony in this matter. The Parties further agree to waive all cross-examination of witnesses providing pre-filed testimony, unless this Stipulation becomes null and void due to a material modification by the Commission.

12. This Stipulation is entered into as an overall compromise and resolution of all of the issues presented in this proceeding. This Stipulation does not necessarily represent the position any Signatory Party would have taken absent the execution of this Stipulation.
13. Except for enforcement purposes or as otherwise specified below, the Signatory Parties agree not to cite this Stipulation, the information and data contained in it, or any Commission Order approving the Stipulation as precedent in any future proceeding for or against any other Signatory Party.
14. Except as otherwise specified in this Stipulation, the Signatory Parties urge the Commission not to construe or apply any specific element or item contained in or supporting the Stipulation as the results that any Signatory Party might support or seek had the Signatory Parties not reached this Stipulation.

#### CONCLUSION

15. The Signatory Parties stipulate, agree, and recommend that the Commission issue a final Opinion and Order in this proceeding, ordering as follows:
  - A. The rates, terms, and conditions agreed to in this Stipulation by all Signatory Parties are approved in accordance with §§ 4929.05, 4929.051(B) and 4929.11, Ohio Revised Code; and
  - B. The Application in this matter is adopted in accordance with the recommendations of the Signatory Parties, subject to the modifications set forth in the Stipulation.

In conclusion, the undersigned Parties respectfully request that the Commission issue an Opinion and Order approving and adopting this Joint Stipulation and Recommendation.

AGREED THIS 18th DAY OF AUGUST, 2017.

/s/ Stephen B. Seiple  
Stephen B. Seiple (0003809)  
Columbia Gas of Ohio, Inc.

/s/ John H. Jones  
(per email authorization 08/17/17)  
John H. Jones (0051913)  
Assistant Attorney General,  
Public Utilities Section  
On behalf of the Staff of the Public Utilities Commission of Ohio

/s/ Colleen L. Mooney  
(per telephone authorization 08/18/17)  
Colleen L. Mooney (0015668)  
Ohio Partners for Affordable Energy

**CERTIFICATE OF SERVICE**

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via electronic mail on the 18th day of August, 2017, upon the parties listed below.

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