

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of The East Ohio Gas)
Company d/b/a Dominion East Ohio) Case No. 10-604 -GA-PIP
Percentage of Income Payment Plan Rider)
Audit.

ENTRY

The Commission finds:

- (1) The East Ohio Gas Company d/b/a Dominion East Ohio (DEO) is a gas or natural gas company as defined by Section 4905.03(A)(5) and (6), Revised Code, and a public utility by reason of Section 4905.02, Revised Code. As such, DEO is subject to the jurisdiction of the Public Utilities Commission of Ohio (Commission), in accordance with Sections 4905.04 and 4905.05, Revised Code.
- (2) By Finding and Order issued March 24, 2010, in Case No. 09-2011-GA-PIP, *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for the Adjustment of its Interim Emergency and Temporary Percentage of Income Payment Plan Rider*, the Commission ordered an audit of DEO's Percentage of Income Payment Plan (PIPP) Rider stating that such an audit would provide an appropriate venue to examine DEO's PIPP arrearages.
- (3) Through this entry, the Commission is initiating the financial audit of DEO's PIPP Rider. The PIPP audit will be for the period February 2006 through December 2009, and will be conducted by an external financial auditor. The auditor should docket its findings for the audit in this case number. The due date of the PIPP Rider audit report is September 24, 2010.
- (4) DEO shall select the auditor to perform the audit described in this entry. The selected auditor is required to submit a certificate of accountability attesting to the accuracy of financial data pertaining to the period specified above. Reference should be made to any errors, omissions, or redundancy of costs from the calculations supporting the PIPP Rider rate.

- (5) As part of the PIPP audit, the auditor shall verify the accuracy of the balance of accumulated deferred PIPP as of December 31, 2009, by performing the following procedures for the period February 2006 through December 2009:
- (a) Review the mathematical accuracy of accounting schedules summarizing the deferred PIPP balances by month and ensure the balances are properly reflected in the PIPP Rider calculation and reconciled with the general ledger;
 - (b) Trace PIPP deferrals, recoveries, revenue sharing amounts, and reverification charges to source documentation;
 - (c) Review supporting documentation for the Tennessee Gas PCB refund credited to the PIPP deferral in December 2009;
 - (d) Determine that carrying charges on the accumulated deferred PIPP balances were properly calculated using DEO's short term debt rate, net of tax; and
 - (h) Determine that volumes used to calculate the PIPP Rider rate agree with volumes billed to customers paying the PIPP Rider.

The auditor shall also verify that the PIPP rate in effect for the period February 2006 through December 2009 was accurately applied to customers' bills.

- (6) The Commission directs that all costs associated with the PIPP Rider audit be paid by DEO and may be recovered through the PIPP Rider.
- (7) The auditor shall perform the audit as an independent contractor. Any conclusions, results, or recommendations formulated by the auditor may be examined by any participant to the proceeding for which the audit reports were generated. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by the auditor or its agents in the preparation and presentation of this audit report.

- (8) The auditor will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under Sections 4903.03, 4905.06, 4905.15, and 4905.16, Revised Code. The auditor is subject to the Commission's statutory duty under Section 4901.16, Revised Code, which states:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

- (9) Upon request of the auditor or Staff, DEO shall provide any and all documents or information requested. DEO may conspicuously mark such documents or information "confidential." In no event, however, shall DEO refuse to provide or delay in providing such documents or information.
- (10) Once disclosure is permitted by Section 4901.16, Revised Code, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission is moved for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Rule 4901-1-07, Ohio Administrative Code.
- (11) The Commission finds that complete documentation of the financial audit process within the auditor's work papers is essential. The financial auditor for this proceeding shall ensure

that the report and work papers are complete reflections of the financial audit process.

- (12) The Commission finds it appropriate to call for comments on the financial audit of the PIPP Rider. Such comments should be limited to the audit of this rider and the recovery of the associated costs. Accordingly, interested persons may file comments and reply comments on the audit by October 25, 2010, and November 15, 2010, respectively.

It is, therefore,

ORDERED, That, pursuant to finding (3), the audit for the effective period of DEO's PIPP Rider be filed in the above case number by September 24, 2010. It is, further,

ORDERED, That DEO bear the cost of the financial audit as provided in finding (6). It is, further,

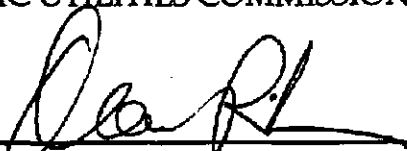
ORDERED, That DEO and the auditor shall observe the requirements set forth herein. It is, further,

ORDERED, That the auditor shall provide the documentation necessary to support its conclusions and recommendations, as specified in finding (11). It is, further,

ORDERED, That comments and reply comments on the financial audit of DEO's PIPP Rider, be filed in this case, in accordance with finding (12). It is, further,

ORDERED, That a copy of this entry shall be served upon DEO and upon all other persons of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Paul A. Centolella


Valerie A. Lemmie


Steven D. Lesser


Cheryl L. Roberto

RS:js

Entered in the Journal

MAY 19 2010


Renee J. Jenkins

Renee J. Jenkins
Secretary