

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Uncollectible)
Expense Rider of The East Ohio Gas)
Company d/b/a Dominion East Ohio) Case No. 11-319-GA-UEx
and Related Matters.)

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)(4) and (5), 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 opinion and order issued June 18, 2008, in *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 07-1224-GA-EXM, the Commission authorized DEO to proceed with the second phase of its plan to eliminate its gas cost recovery (GCR) mechanism and implement a market-based standard service offer (SSO), through a wholesale auction for percentage of income payment plan (PIPP), choice-ineligible, and transitional customers, and a standard choice offer (SCO), through a retail auction for choice-eligible SSO customers.

On February 11, 2010, the Commission accepted the results of DEO's auction for SSO service and for SCO service to be effective April 1, 2010 through March 31, 2011.

- (3) With the elimination of the GCR mechanism, costs and credits that were once recovered through the GCR were now to be recovered through the Transportation Migration Rider - Part B (TM rider). By opinion and order issued May 26, 2006, the Commission approved a stipulation in *In the Matter of the Restructured Commodity Service Function of The East Ohio Gas Company d/b/a Dominion East Ohio*, Case No. 05-474-GA-ATA, which provided that all aspects of the proposed cost recovery through the TM rider are to be reviewed as part of an annual financial audit that would be conducted by an outside auditor, docketed, and reviewed by Staff.
- (4) By opinion and order issued December 17, 2003, in *In the Matter of the Joint Application of The East Ohio Gas Company d/b/a Dominion East Ohio, et al., for Approval of an Adjustment Mechanism to Recover Uncollectible Expenses*, Case No. 03-1127-GA-ATA, the Commission approved five gas distribution companies' applications to recover uncollectible expenses through a rider (UEX rider). A requirement of the order in that case was that the new UEX rider would be audited in the course of a company's GCR audit. With the elimination of DEO's GCR, the UEX rider should be audited in the course of DEO's audit of the TM rider.
- (5) By entry issued April 19, 2011, the Commission initiated the financial audits of DEO's TM and UEX riders, in Case Nos. 11-219-GA-EXR (11-219) and 11-319-GA-UEX (11-319), respectively. The audit of the TM rider covers the period from April 1, 2010 through March 31, 2011, and the audit of the UEX rider is for calendar year 2010, and the first quarter of 2011. The auditor, to be selected by DEO, was directed to docket both audit reports in their respective

dockets by August 19, 2011. Interested parties were directed to file comments and reply comments by September 19, 2011, and October 11, 2011, respectively.

- (6) The audit report for the TM rider, for the period of April 1, 2010 through March 31, 2011, was filed on August 18, 2011, by Deloitte & Touche LLP (D&T) in 11-219. The report details the procedures agreed to by DEO and Staff that were performed by D&T. In its report, D&T did not note any discrepancies in DEO's calculation of the TM rider rate.
- (7) The audit report for the UEX rider, for calendar year 2010, and the first quarter of 2011, was filed on August 18, 2011, by D&T in 11-319. The report details the procedures agreed to by DEO and Staff that were performed by D&T. In its report, D&T did not note any discrepancies in DEO's calculation of the UEX rider rate.
- (8) The Commission has reviewed the reports filed in these dockets by D&T and notes that no comments were filed regarding either the TM or UEX rider audits. Moreover D&T noted no discrepancies in DEO's calculation of either the TM or UEX rider. Therefore, the Commission concludes that the findings of D&T, as set forth in the audit reports docketed in 11-219 and 11-319, should be adopted by the Commission.

It is, therefore,

ORDERED, That the findings of D&T, set forth in the audit reports docketed in these cases, be adopted. It is, further,


ORDERED, That nothing in this finding and order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this finding and order be served upon DEO and upon all other persons of record in these proceedings.

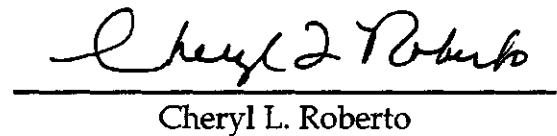
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella


Steven D. Lesser

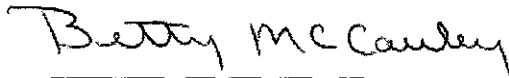

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Secretary