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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Columbia Gas of Ohio, Inc.
Columbus, OH 43215

Case No. 13-221-GA-EXR
Case No. 13-321-GA-UXX

We have performed the procedures enumerated below, which were agreed to by Columbia Gas of Ohio, Inc. (the "Company") and provided to the Public Utilities Commission of Ohio (the "PUCO"), solely to assist you in evaluating the Company's recovery of uncollectible customer accounts receivable through a bad debt recovery mechanism as described in the Public Utilities Commission of Ohio Case No. 03-1127-GA-UNC. The Company's management is responsible for compliance with the bad debt recovery mechanism. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

Uncollectible Customer Accounts Receivable Recovery Mechanism

1. We obtained from Company management, and proved the mathematical accuracy of the accounting schedules summarizing bad debt tracker activity by month and supporting schedules for the following items from April 1, 2012 to December 31, 2012 and from January 1, 2013 to March 31, 2013 and identified no differences.
 - a) Bad debt charge offs for the period from April 1, 2012 through December 31, 2012 of \$35,529,703 and from January 1, 2013 through March 31, 2013 of \$9,010,925.
 - b) Recovery of bad debts through the riders for the period from April 1, 2012 through December 31, 2012 of \$(4,117,922) and from January 1, 2013 through March 31, 2013 of \$(7,054,128).
 - c) Other recoveries for the period from April 1, 2012 through December 31, 2012 of \$(27,715,327) and from January 1, 2013 through March 31, 2013 of \$(8,780,825).
 - d) Carrying charges for the period from April 1, 2012 through December 31, 2012 of \$10,675 and from January 1, 2013 through March 31, 2013 of \$11,863.
2. We compared bad debt charge offs from the schedule obtained in 1. a) above to Distributed Information System ("DIS"), Gas Accounting System ("GMB/GAS"), and Transportation Next Generation ("GTS") reports and identified one difference indicated below.

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- a) Total bad debts charged off per the general ledger was \$2,883,294 compared to the amount of \$2,895,454 on the charge off query obtained from DIS, GMB/GAS and GTS.
3. We randomly selected the June 2012, October 2012 and March 2013 data included in the schedules obtained in 1. b) above and performed the following procedures:
 - a) We compared sales, CHOICE and transportation volumes to appropriate DIS, GMB/GAS, and GTS reports to determine whether such eligible volumes relate only to SGS, GS, SGTS, GTS, FRSGTS, and FRGTS accounts for the months of June 2012, October 2012, and March 2013 and identified no differences.
 - b) We compared the bad debt recovery rates for the Company with those permitted by the PUCO, as outlined in Case No. 11-321-GA-UEX and Case No. 12-321-GA-UEX, and determine that the rates have been applied to eligible volumes for the months of June 2012, October 2012, and March 2013.
4. We agreed bad debt charge offs, bad debts recovered in base rates, and other recoveries per the schedules obtained in 2. and 3. above to the schedule obtained in 1. above for the months selected in 3.
 - a) We selected three charge offs for each month selected and obtained the customer billing history from DIS. We documented the dates and transactions up to and including the charge off of the customer's outstanding balance.
 - b) We selected three recoveries for each month selected and obtained the customer history from DIS. We documented the dates and transactions up to and including the recovery of the customer's outstanding balance. We documented the General Ledger account(s) to which third party fees, if any, are recorded.
5. We agreed the interest rate utilized by the Company to calculate the monthly carrying charges for the months selected in 3. to the Operating Companies Money Pool Rates schedule.
6. We recalculated carrying cost calculations (obtained in 5. above) for the months of June 2012, October 2012, and March 2013.

Accounts Receivable Regulatory Asset Balance

1. We obtained the Accounts Receivable Regulatory Asset balance from general ledger account 182-3499 at December 31, 2012 and March 31, 2013.
2. We recalculated amounts and calculations used to support of the Accounts Receivable Regulatory Asset balance deferred as of December 31, 2012 and March 31, 2013.
3. We selected three months and obtained the corresponding monthly voucher OPR-02-401. The total charge offs per the voucher equal total deferrals to the Accounts Receivable Regulatory asset and the PIPP regulatory asset for the months of June 2012, October 2012, and March 2013 and identified no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we

performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information use of the management of the Company and the PUCO and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Tardie LLP

October 16, 2013