

September 3, 2021

Ms. Barcy F. McNeal  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

Re: *In re Application of Dominion Energy Ohio*, Case No. 21-319-GA-UEX

Dear Ms. McNeal:

Please find attached the Independent Accountant's Report on Applying Agreed-Upon Procedures, supplied in accordance with the Commission's March 10, 2021 Entry in the above-captioned case. The East Ohio Gas Company d/b/a Dominion Energy Ohio does not object to the adoption by the Commission of the findings set forth in the audit report. Please file the report in the above-captioned docket.

Please let me know if there are any questions.

Respectfully submitted,

/s/ Christopher T. Kennedy  
*Counsel for The East Ohio Gas Company d/b/a  
Dominion Energy Ohio*

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
The East Ohio Gas Company  
Cleveland, Ohio

RE: Public Utility Commission of Ohio Case No. 21-319-GA-UEx

We have performed the procedures enumerated below to assist The East Ohio Gas Company (a wholly-owned subsidiary of Dominion Energy, Inc.) (the "Company") and the Public Utility Commission of Ohio (the "PUCO") with respect to the PUCO's evaluation of the Company's compliance with PUCO Case No. 03-1127-GA-ATA in conjunction with the recovery of uncollectible accounts expense through the Uncollectible Expense Rider ("UEx Rider") for the period April 1, 2020 through March 31, 2021, as ordered in the entry dated March 10, 2021 in PUCO Case No. 21-319-GA-UEx. The Company's management is responsible for the Company's compliance with these requirements.

DEO has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, as described above. Additionally, Dominion Energy Inc. and the PUCO have agreed to and acknowledged that the procedures performed are appropriate for their purposes. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

### **Recovery of Uncollectible Accounts Expense**

A. We obtained from Company management, and recalculated the mathematical accuracy of, the workbook containing the UEx Rider deferral activity by month and supporting schedules for the following items for the period of April 1, 2020 through December 31, 2020, and the quarter ended March 31, 2021:

1. Bad debt charge-offs
2. Recovery of bad debts through the effective rider rate
3. Customer and other recoveries
4. Carrying charges
5. Cost of commission-ordered audits
6. Reconciliation adjustments

No exceptions were found as a result of recalculating the above noted workbooks.

B. We compared the sum of bad debt charge-offs for the year ended December 31, 2020, as summarized on the schedule obtained in procedure A.1 above to the sum of the corresponding amounts in the reports provided by Company management from the

Company's Customer Care System ("CCS") and Special Billing System ("SBS"), after excluding customer accounts within the CCS and SBS reports associated with customers which are not subject to the Percentage of Income Payment Plan ("PIPP") rider, as identified by Company management, and found them to be in agreement.

- C. We haphazardly selected the months of June, August, and November of 2020 and January of 2021 and performed the following procedures on the UEX Rider recoveries included in the schedule obtained in A.2 above:
1. We compared monthly volumes for (1) sales, Energy Choice, and other transportation customers included in the schedule in A.2 to (2) volumetric CCS and SBS reports, provided by Company management, after excluding customer accounts within the CCS and SBS reports associated with customers which are not subject to the PIPP rider, as identified by Company management, and found them to be in agreement with the exception of January 2021 volumes for CCS transportation customers. The Company has informed us this was due to a transposition error. Monthly volumes for transportation customers per the schedule were 700,575.8 McF and monthly volumes for transportation customers per the CCS report were 700,757.8 McF for a difference of 182 McF. The Company has informed us that the UEX rate was not impacted by the error in transportation customer volumes for January 2021 as the UEX rate is based on projected volumes for April 2021 through March 2022.
  2. We compared (1) the UEX Rider rates shown in the schedule obtained in A.2 above, for each selected month, to (2) the applicable rate filing approved by the PUCO, as outlined in Case Nos. 19-319-GA-UEX and 20-319-GA-UEX, and found them to be in agreement.
  3. We ascertained that the respective rates referenced in C.2 were applied to the eligible customer volumes in the applicable billing system by comparing the corresponding CCS and SBS billing summaries, obtained from management, to the rates referenced in C.2, and found them to be in agreement.
- D. We compared total customer recoveries and total late payment charges shown in the schedules obtained in A.3 for months selected in C. above to CCS and SBS reports provided by Company management and found them to be in agreement.
- E. We obtained from Company management the Company's money pool interest rate for the months selected in C. above and compared such interest rates to the interest rates utilized by the Company to calculate the monthly carrying charges in the schedules obtained in A.4 above, and found them to be in agreement.
- F. We used (1) the rates obtained in E above, net of the impact of the statutory federal income tax rate of 21 percent, in months with an under-recovered balance, and (2) the average of the previous month and current month actual billed UEX balances to calculate the UEX balance carrying charges for the selected month, and compared those amounts to the amounts included in the schedules obtained in A.4 for the months selected in C above, and found them to be in agreement.
- G. We performed the following procedures in relation to the UEX Rider Regulatory Asset balance as of December 31, 2020 and March 31, 2021:
1. We obtained from Company management (1) a reconciliation of the UEX Rider Regulatory Asset balance used in calculating the UEX Rider rate, showing the totals

of each activity type impacting the UEX Rider Regulatory Asset balance, for the year ended December 31, 2020 and the quarter ended March 31, 2021, and (2) the balance of SAP account number 1171160, at December 31, 2020 and March 31, 2021, and found that the Company had identified reconciling items for activity during the periods ended December 31, 2020 and March 31, 2021. The Company has informed us that these reconciling items relate to timing differences that result from the estimated amounts recorded to the SAP general ledger each month, in accordance with the Company's policies, which are updated with the actual balances in the subsequent month.

2. We obtained from Company management the schedule of general ledger activity of SAP account 1171160 and compared the balances on this schedule at December 31, 2020 and March 31, 2021 to the corresponding balances within the reconciliation in step G.1 above and found them to be in agreement.
  3. We compared the totals of each activity type impacting the UEX Rider Regulatory Asset balance amounts shown on the schedules obtained in A.1 through A.6 for the year ended December 31, 2020 and the quarter ended March 31, 2021 to the corresponding totals within the reconciliations in G.1 above and found them to be in agreement.
- H. We performed the following procedures on UEX Rider charge-offs and recoveries:
1. We haphazardly selected 23 bad debt charge-offs (20 from CCS and 3 from SBS) for the year ended December 31, 2020 from the schedule obtained in A.1 above and performed the following procedures on each selection:
    - i. We inspected the associated customer's status in the billing system and found that none of the customers participated in the PIPP program.
    - ii. We inspected the associated customer's billing system account detail for the year ended December 31, 2020, provided by Company management, and found that the total charge-offs for the associated customers reported in the billing system for the year ended December 31, 2020 were included in the supporting schedules obtained in A.1 above.
    - iii. We inspected the associated customer's billing system account detail and found that the customer billing detail indicated (1) notification of missed payments was sent to the customer, (2) a final bill had been issued, and (3) the account has been assigned to collections, unless the billing system account detail indicates that the selected charge-off was related to a bankruptcy, a new customer connection, or a reconnection.
  2. We haphazardly selected June, August, and November of 2020 and January of 2021, and obtained from Company management a schedule of recoveries by customer for each selected month and compared the total recoveries shown on each schedule obtained to the corresponding amounts in the schedule obtained in A.3 above and found them to be in agreement.
  3. We haphazardly selected two customers from each schedule obtained in H.2 above (eight in total) and compared the recovery amount for the selected customer, included in the schedule obtained in H.2 above, to the respective recovery amount included in the monthly account detail for the selected customer, obtained from Company management, and found them to be in agreement.

4. We haphazardly selected June, August, and November of 2020 and January of 2021, and obtained from Company management a billing system analysis of late payment charges for such selected months, and compared the (1) total of late payment charges for each selected month within the billing system to (2) the respective late payment charge amounts included as a component of customer recoveries in the schedule obtained in A.3 above, and found them to be in agreement for November 2020 and January 2021. For June and August of 2020, management informed us that there was a suspension of late payment charges for these months as a result of the COVID-19 pandemic and we obtained from management a billing system analysis of activity during these months and found that no late charges were charged during these months.
5. We haphazardly selected four customers from the billing system support obtained for each month selected in H.4 (eight in total) and compared (1) the late payment charge to (2) the associated customer account detail, obtained from Company management, and found them to be in agreement.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with PUCO Case No. 03-1127-GA-ATA in conjunction with the recovery of uncollectible accounts expense through the uncollectible expense rider for the period April 1, 2020 through March 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*DeBaitte & Touche LLP*

August 31, 2021

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**9/3/2021 10:03:36 AM**

**in**

**Case No(s). 21-0319-GA-UEX**

Summary: Report Report of Independent Accountants' on Applying Agreed-Upon Procedures electronically filed by Christopher T. Kennedy on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio