

## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of  
Columbia Gas of Ohio, Inc.

We have performed the procedures enumerated below on the financial data associated with the Uncollectible Expense Rider ("UEX") for the period April 1, 2020 through March 31, 2021, in conjunction with the Public Utilities Commission of Ohio ("PUCO") Case No. 21-321-GA-UEX. Columbia Gas of Ohio, Inc. (a wholly-owned subsidiary of NiSource Inc.) (the "Company" or "you" or "your") is responsible for the completeness and accuracy of the financial data provided to us in connection with our procedures and for compliance with the requirements of the uncollectible expense recovery mechanism.

The Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, as described above. Additionally, the Company has acknowledged that the procedures performed are appropriate for their purposes.

We make no representation regarding the appropriateness of the procedures performed either for the purpose for which our report has been requested or for any other purpose. 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.

### Uncollectible Expense Rider ("UEX")

We performed the following procedures in relation to the UEX mechanism from April 1, 2020 through March 21, 2021:

1. We obtained from Company management and proved the mathematical accuracy of the accounting schedules summarizing UEX mechanism activity by month and noted no exceptions. We obtained supporting schedules for the following items for the period of April 1, 2020 through March 31, 2021:
  - a. Bad debt charge-offs of \$18,404,496.
  - b. Recoveries of bad debts through the rider of \$11,949,881.

- c. Other recoveries of \$11,233,642.
  - d. Carrying charges on under recoveries of \$3,185.
- 2. We compared bad debt charge-offs from the schedules obtained in 1. above to the Distributed Information System ("DIS"), Gas Accounting System ("GMB/GAS"), and Gas Transportation System ("GTS") reports obtained from Company management and noted no exception greater than \$1,000.
- 3. We randomly selected the June 2020, December 2020, and March 2021 data included in the schedules obtained in 1.b and 1.c above and performed the following procedures:
  - a. We compared sales, CHOICE, Standard Choice Offering ("SCO"), and transportation volumes to appropriate DIS, GMB/GAS, and GTS reports and noted no exceptions greater than \$1,000.
  - b. We confirmed that such eligible volumes related only to Small General Service ("SGS"), Small General Schools Service ("SGSS General Service ("GS"), General Schools Service ("GSS"), Small General Transportation Service ("SGTS"), General Transportation Service ("GTS"), Full Requirements Small General Transportation Service ("FRSGTS"), and Full Requirements General Transportation Service ("FRGTS) accounts by comparing the billing category numbers in the reports to the billing category definitions and noted no exceptions.
  - c. We compared the bad debt recovery rates for the Company with those permitted by the PUCO, as initially outlined in Case No. 03-2572-GA-ATA and with rates approved in Case No. 19-321-GA-UEX for May 31, 2019 through May 28, 2020 and Case No. 20-321-GA-UEX for May 29, 2020 through May 27, 2021 and determined the rates have been applied to eligible volumes by comparing the rates to approved tariff sheets and noted no exceptions.
- 4. We compared bad debt charge-offs, bad debts recovered through the rider, 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. and noted no exceptions.
  - a. We randomly selected three charge-offs for each month and obtained the customer billing history from DIS. We documented within our detailed work papers the date of last payment, final bill issuance date, gas shut-off date, date on which the bill was sent to collection agency, and the charge-off date of the customer's outstanding balance.
  - b. We randomly selected three recoveries for each month and obtained the customer billing history from DIS. We documented within our detailed work papers the original charge-off date and the recovery date of the customer's outstanding balance. No third-party fees were attributed to any of our recovery selections.

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 schedules as provided by NiSource Treasury and noted no exceptions.
6. We recalculated carrying cost calculations included in the schedules obtained in 1. for the months of June 2020, December 2020 and March 2021 and noted no exceptions greater than \$1,000.

### **Accounts Receivable Regulatory Asset Balance**

We performed the following procedures in relation to the Accounts Receivable Regulatory Asset Balance at March 31, 2021:

1. We obtained the Accounts Receivable Regulatory Asset/Liability Balance from the general ledger at March 31, 2021.
2. We proved the mathematical accuracy of the monthly reconciliation of the Accounts Receivable Regulatory Asset/Liability Balance deferred as of March 31, 2021 with no exception and agreed the reconciliation to the general ledger balance obtained in 1. and noted no exceptions greater than \$1,000.
3. We randomly selected June 2020, December 2020, and March 2021 from the schedule obtained in 2. and obtained the corresponding monthly voucher OPR24. We inspected the vouchers and verified that PIPP bad debt charge-offs and recoveries were separated from total deferrals to the Accounts Receivable Regulatory Asset/Liability and that they were being deferred to the PIPP regulatory asset for the months selected and noted no exceptions greater than \$1,000.

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 accuracy of the financial data associated with the UEX for the period April 1, 2020 through March 31, 2021, in conjunction with PUCO Case No. 21-321-GA-UEX. 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 are required to be independent of 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 and the PUCO, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Deloitte & Touche LLP*

October 21, 2021

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Summary: Report Independent Accountant's Report of Deloitte & Touche LLP electronically filed by Ms. Melissa L. Thompson on behalf of Columbia Gas of Ohio, Inc.