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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of:	)	
Duke Energy Ohio, Inc.,	)	Case No. 08-218-GA-GCR
Vectren Energy Delivery of Ohio, Inc., and	)	Case No. 08-220-GA-GCR
Columbia Gas of Ohio, Inc.,	)	Case No. 08-221-GA-GCR
and Related Matters.	)	

ENTRY

The Commission finds:

(1) Duke Energy Ohio, Inc. (Duke Ohio); Vectren Energy Delivery of Ohio, Inc. (Vectren); and Columbia Gas of Ohio, Inc. (Columbia), (collectively, "Companies") are gas or natural gas companies as defined by Section 4905.03(A)(5) and (6), Revised Code, and public utilities by reason of Section 4905.02, Revised Code. As such, the Companies are subject to the jurisdiction of the Public Utilities Commission of Ohio (Commission), in accordance with Sections 4905.04 and 4905.05, Revised Code.

(2) Section 4905.302, Revised Code, and Rule 4901:1-14-07, Ohio Administrative Code (O.A.C.), require that the Commission conduct, or cause to be conducted, periodic audits of each gas or natural gas company. Such audits shall be performed with regard to the Companies captioned above and shall review each Company's compliance with the gas cost recovery (GCR) mechanism for the GCR rates effective as follows:

Company	Financial Audit Period	Report Due
Duke Ohio	09/01/07-08/31/08	10/09/08
Vectren	11/01/07-06/30/08	09/18/08
Columbia	11/01/07-10/31/08	11/20/08

(3) Each of the Companies shall select the auditor to perform the audit described in this Entry. The selected auditors are required to submit a Certificate of Accountability, as described in Rule 4901:1-14-07(C), O.A.C., and the appendix to that rule, attesting to the accuracy of financial data pertaining to the period of the

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GCR rate activity specified above. Reference should be made to any errors or deviations from the calculations prescribed within Chapter 4901:1-14, O.A.C. Pursuant to this rule, each auditor shall assure the Commission that:

(a) The costs reflected in the Company's GCR rates were properly incurred by the Company.
(b) The GCR rates were accurately computed by the Company.
(c) The GCR rates were accurately applied to customer bills.
(d) If it changed from historical volumes to weather-normalized and/or forecasted volumes, the Company has reasonably applied such approach throughout the audit period.

The financial auditor shall also include discussions of the Company's compliance with any and all applications granted for revisions to its filed GCR rates pertinent to the audit period, as well as the Company's compliance with the financial directives of the Commission's Opinion and Order in each of the following cases:

Duke Ohio	07-218-GA-GCR
Vectren	07-220-GA-GCR
Columbia	07-221-GA-GCR

(4) Rule 4901:1-14-08, O.A.C., requires the Commission to hold a public hearing at least sixty days after the filing of each audit report required under paragraph (C) of Rule 4901:1-14-07, O.A.C.

(5) Public hearings shall be held in these matters pursuant to Section 4905.302(C), Revised Code, to allow the Commission to review the operation of the Companies' purchased gas adjustment clauses and related matters. Each of the hearings shall be held, beginning at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Columbus, Ohio. At that time, all interested persons will be given an opportunity to be heard. The first day of each Company's hearing shall be as follows:

Duke Ohio	December 9, 2008
Vectren	November 18, 2008
Columbia	January 20, 2009

(6) Rule 4901:1-14-08(C), O.A.C., specifies the requirement for notice of hearings, which each Company should cause to be published between fifteen and thirty days prior to the date set for its hearing. The notice may be provided by newspaper publication (in a section other than the legal notices section), bill message, bill insert, or direct mailing to the customers. The notice shall be published in substantially the following form, as individually applicable:

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. [applicable number], to review the gas cost recovery rates of [applicable company], the operation of its Purchased Gas Adjustment Clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on [applicable day of week], [applicable date], at the offices of the Commission, 180 East Broad Street, Columbus, Ohio. All interested parties will be given an opportunity to be heard. Further information may be obtained by contacting the Commission's Hotline at (800) 686-7826. The hearing impaired can reach the Commission via TTY at (800) 686-1570 or, in Columbus, at 466-8180.

(7) The Commission directs that all costs associated with the audits be borne by the respective Company, consistent with Rule 4901:1-14-07(A), O.A.C.

(8) The auditors shall file the audit reports with the Commission no later than sixty days prior to each scheduled hearing date.

(9) The direct testimony of any witness testifying on behalf of one of the Companies should be filed at least 16 days prior to that Company's hearing. All direct testimony to be presented by any other party in a given proceeding should be filed at least seven days prior to the hearing.

(10) The auditors shall perform the audits as independent contractors. Any conclusions, results, or recommendations formulated by the auditors may be examined by any participant to the proceeding for which the audit report was generated. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by the auditors or

their agents in the preparation and presentation of the audit reports.

(11) The auditors will execute their 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 auditors are 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.

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, O.A.C.

(12) Upon request of the auditor or Staff, each Company being audited shall provide any and all documents or information requested. The Company may conspicuously mark such documents or information "confidential." In no event, however, shall the Company refuse to provide or delay in providing such documents or information.

(13) The Commission finds that complete documentation of the financial audit process within the report and auditor's work papers is essential. The financial auditor(s) for these proceedings

> shall ensure that the reports and work papers are complete reflections of the financial audit process. In the event we experience difficulty in gaining access to necessary documentation, the Commission may require a Request For Proposals for the selection of the financial auditors in subsequent audits.

It is, therefore,

ORDERED, That audits for the effective periods pursuant to Finding (2), herein, shall be filed with the Commission. It is, further,

ORDERED, That public hearings shall be conducted in these matters consistent with the Findings herein, at the time specified in Finding (5). It is, further,

ORDERED, That the notice required in Finding (6) shall be provided as set forth in that finding and in substantially the form specified. It is, further,

ORDERED, That the Companies bear the cost of the financial audit as provided in Finding (7). It is, further,

ORDERED, That the Companies and the auditors shall observe the requirements set forth herein. It is, further,

ORDERED, That the auditors shall provide the documentation necessary to support their conclusions and recommendations, as specified in Finding (13). It is, further,

ORDERED, That a copy of this Entry shall be served upon the Companies and upon all other parties of record in these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Paul A. Centolella

Ronda Hartman Fergus

Valerie A. Lemmie

Donald L. Mason

RS:sm

Entered in the Journal
MAR 12 2008

Reneé J. Jenkins
Secretary