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

The Board of Directors  
Columbia Gas of Ohio, Inc.  
Columbus, Ohio 43215

*11-221-GA-GCR*  
Case No. ~~08-1344-GA-EXM~~

**Dear Members of the Board of Directors:**

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 compliance with the terms outlined by the PUCO related to the Company's CHOICE/SSO Reconciliation Rider (CSRR) rate filings for the period from April 1, 2010 through March 31, 2011. The Company's management is responsible for compliance with those terms. 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:

**Agreed-upon procedures for the CHOICE/SSO Reconciliation Rider (CSRR) rate filings:**

1. We obtained each quarterly CSRR rate filing for the period from April 2010 through March 2011 and recalculated the mathematical accuracy of each filing.
2. We agreed each "Previous Quarter," "Previous Second Quarter" and "Third Previous Quarter" adjustment listed on the current quarter's filing to the respective previous quarter's CSRR filing.
3. We obtained a schedule of the CHOICE/SSO Reconciliation Rider calculations effective during the period of April 2010 through March 2011. We proved the mathematical accuracy of the schedules and compared the CHOICE/SSO Reconciliation Rider to approved tariff sheets.
  - a. We obtained a schedule of the monthly Off-System Sales (OSS) and Capacity Release (CR) margins from April 2010 through March 2011 and agreed the total of OSS and CR margins to the general ledger amounts.
  - b. For each month included in step 4.a., we recalculated the amount of OSS and CR margin to be passed back to the customer (which is included in the detail obtained in step 1). We recalculated based on the applicable PUCO order. We agreed the total margin to be passed back to the general ledger amounts.
  - c. We obtained a detail of the transactions that make up the OSS and CR margins in step 1 above. We made 10 random selections (5 OSS & 5 CR) of individual transactions.

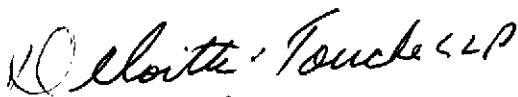
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We obtained supporting documentation for each selection. We recalculated the margins recorded for each transaction. If applicable, we agreed the cost component of the margin selected to supporting documentation.

- d. We obtained detail of the monthly OSS and CR pass back volumes for April 2010 through March 2011 and recalculated the dollar value passed back by multiplying by the volumes passed back to the applicable CHOICE Program Sharing Credit rate. We agreed the dollar amount passed back to the general ledger amounts.
- e. We randomly selected 25 customer bills (6 residential CHOICE, 6 commercial CHOICE, 7 residential sales, and 6 commercial sales) from the period of April 2010 through March 2011 and agreed the CHOICE/SSO Reconciliation Rider was properly applied on each customer bill with the following exception.
  - COH did not apply the Regulatory Assessment Rider of \$0.0177/Mcf to the April 2010 billing for customer #: 14662557, a residential sales customer. As a result, the customer's bill was understated by \$0.61. On further investigation, the Company determined that this exception affected 11,300 customers with a total impact of \$2,353.98. The exception was subsequently corrected by Columbia Gas of Ohio.
4. For each quarterly filing for April 2010 through March 2011 (a total of 4 filings), we agreed the account activity for each account included in the Computation of Actual Cost Adjustment to Columbia Gas of Ohio's general ledger.
5. For each filing, we agreed the account activity for each account included in the Computation of Supplier Refund and Reconciliation Adjustment to Columbia Gas of Ohio's general ledger.
6. For each quarterly filing, we agreed the account activity for each account included in the Computation of Off-System Sales/Capacity Release Sharing Adjustment to Columbia Gas of Ohio's general ledger.
7. We agreed the CHOICE/Sales Throughput TME to supporting detail.
8. For the 7 residential sales and 6 commercial sales selected in step 4.e. we agreed the total CHOICE/SSO Rider was properly applied on each customer bill.

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 and use of the management of the Company and its affiliates and the PUCO, and is not intended to be, and should not be, used by anyone other than these specified parties.



September 16, 2011