



21 East State Street • 17th Floor • Columbus, OH 43215-4288
Tel: 614.469.8000 • Fax: 614.469.4653

Frank P. Darr
(614) 719-2855-Direct Dial
fdarr@mwncmh.com

June 29, 2015

ELECTRONIC FILING

Barcy McNeal
Secretary, Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

**Re: In the Matter of the Application of Ohio Gas Company for
Approval to Change Accounting Methods, Case No. 15-222-
GA-AAM**

Dear Secretary McNeal:

The Ohio Gas Company filed an application for approval to change accounting methods on January 28, 2015 in Case No. 15-222-GA-AAM. On June 25, 2015, the Staff of the Public Utilities Commission of Ohio ("Staff") filed a Supplemental Staff Review and Recommendation's Letter ("Supplemental Review").

With the exception of the following, the Ohio Gas Company has no objections with the Supplemental Review.

The Ohio Gas Company identified one recommendation that appears ambiguous. On page two of the Supplemental Review, Staff recommends that the total deferred balance for the geographic information system project, plus carrying charges set at 4%, should not exceed \$925,000. Based on the prior paragraph in the Staff's letter, the Ohio Gas Company believes that the Staff's recommendation should be clarified to mean that the deferred balance cap should consist of a principal amount up to \$925,000 and that the Ohio Gas Company should be permitted to adjust that balance for carrying charges on the deferred expenses up to \$925,000 at a rate of 4%. If that understanding is correct, then the Ohio Gas Company has no objection to the Supplemental Review.

If Staff is recommending that the deferred balance including carrying charges should be capped at \$925,000, however, the Ohio Gas Company believes that the

{C47590:2 }

recommendation is inconsistent with the Staff's prior recognition on page 2 of the Supplemental Review that project costs eligible for deferral accounting should be \$925,000. Inclusion of the carrying charges in the calculation of the cap would limit the amount of expenses of the project subject to deferral since the project costs would have to be reduced to accommodate the carrying charges. Additionally, the calculation of the principal would be unworkable since the total carrying charges cannot be calculated at this time and the Ohio Gas Company has not determined when it may seek authorization to amortize the deferred balance. Due to these concerns, the Ohio Gas Company would object to a cap on the total deferred balance that included the carrying charges.

The Ohio Gas Company does not waive any rights it may have to seek review of a Commission order regarding the application.

If you have any questions, please contact the undersigned.

Sincerely,

/s/ Frank P. Darr
Frank P. Darr

Attorney for the Ohio Gas Company

FPD:klb

cc: Parties of Record

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/29/2015 4:34:20 PM

in

Case No(s). 15-0222-GA-AAM

Summary: Correspondence regarding Staff's Supplemental Review and Recommendation electronically filed by Mr. Frank P Darr on behalf of Ohio Gas Company