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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Columbia Gas of Ohio, Inc.
Columbus, OH 43215

PUCO

2015 SEP 24 PM 3:40

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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 recovery of uncollectible customer accounts receivable through a bad debt recovery mechanism as described in the Public Utilities Commission of Ohio Case No. 03-2572-GA-ATA for the period April 1, 2014 through March 31, 2015. The Company's management is responsible for compliance with the bad debt recovery mechanism. 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 Uncollectible Customer Accounts Receivable Recovery Mechanism under Case No. 15-321-GA-UEx

1. We obtained from Company management and proved the mathematical accuracy of the accounting schedules summarizing bad debt recovery mechanism activity by month and identified no differences. We obtained supporting schedules for the following items from April 1, 2014 through March 31, 2015:
 - a) Bad debt charge offs for the period from April 1, 2014 through March 31, 2015 of \$55,320,706.
 - b) Recoveries of bad debts through the rider for the period from April 1, 2014 through March 31, 2015 of \$23,070,167.
 - c) Other recoveries for the period from April 1, 2014 through March 31, 2015 of \$34,226,662.
 - d) Carrying charges on over recoveries for the period from April 1, 2014 through March 31, 2015 of 75,009.
2. We compared bad debt charge offs from the schedule obtained in 1. a) above to the Distributed Information System ("DIS"), Gas Accounting System ("GMB/GAS"), and Gas Transportation System ("GTS") reports obtained from Company management and identified no differences.

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3. We randomly selected the June 2014, December 2014, and March 2015 data included in the schedules obtained in 1. b) and 1.c) above and performed the following procedures:
 - a) We compared sales, CHOICE, SCO, and transportation volumes to appropriate DIS, GMB/GAS, and GTS reports to determine whether such eligible volumes relate only to SGS, SGSS, GS, GSS, SGTS, SGSTS, GTS, GSTS, FRSGTS, FRGTS, and FRGSTS accounts by comparing the billing category numbers in the reports to the billing category definitions for the months of June 2014, December 2014, and March 2015 and identified no differences.
 - b) 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. 13-0321-GA-UEX for May 30, 2013 through May 29, 2014 and Case No. 14-321-GA-UEX for May 30, 2014 through May 30, 2015 and determined that the approved rates have been applied to eligible volumes for the months of June 2014, December 2014, and March 2015 and identified no differences.
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.
 - a) We randomly selected three charge offs for each month selected and obtained the customer billing history from DIS. We inspected, within the DIS customer information system, and documented within our detailed work papers the date of last payment, final bill issuance date, gas shut-off date, date 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 inspected, within the DIS customer information system, and documented within our detailed work papers the original charge off date and the recovery date of the customer's outstanding balance. We documented in our detailed work papers the General Ledger account(s) to which third-party fees, if any, were recorded.
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 schedule as provided by NiSource Treasury and identified no differences.
6. We recalculated carrying cost calculations (obtained in 5. above) for the months of June 2014, December 2014 and March 2015 and identified no differences.

Accounts Receivable Regulatory Asset Balance

1. We obtained the Accounts Receivable Regulatory Asset balance from general ledger at March 31, 2015.
2. We proved the mathematical accuracy of the monthly reconciliation of the Accounts Receivable Regulatory Asset balance deferred as of March 31, 2015 and agreed the reconciliation to the general ledger balance obtained in 1. and identified the following difference:
 - a) The general ledger balance at March 31, 2015 was \$1,076,838 compared to \$1,077,872 per the reconciliation obtained.

3. We obtained monthly voucher OPR24. We inspected the voucher to verify that PIPP bad debt charge offs and recoveries were separated from total deferrals to the Accounts Receivable Regulatory asset and that they were being deferred to the PIPP regulatory asset for the months of June 2014, December 2014, and March 2015 and identified no differences.

For purposes of reporting exceptions, differences due to rounding and reconciling differences of less than \$1,000 were not reported.

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 specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 23, 2015