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PUCO

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

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. 16-321-GA-UEx for the period April 1, 2015 through March 31, 2016. 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. 16-321-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 with no exception. We obtained supporting schedules for the following items from April 1, 2015 through March 31, 2016:
 - a) Bad debt charge-offs for the period from April 1, 2015 through March 31, 2016 of \$43,904,154.
 - b) Recoveries of bad debts through the rider for the period from April 1, 2015 through March 31, 2016 of \$19,311,415.
 - c) Other recoveries for the period from April 1, 2015 through March 31, 2016 of \$29,274,826.
 - d) Carrying charges on over recoveries for the period from April 1, 2015 through March 31, 2016 of \$19,260.
2. We compared bad debt charge-offs from the schedule 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 identified no differences.

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3. We randomly selected the June 2015, December 2015, and March 2016 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 confirmed whether 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"), Small General Schools Transportation Service ("SGSTS"), General Transportation Service ("GTS"), General Schools Transportation Service ("GSTS"), Full Requirements Small General Transportation Service ("FRSGTS"), Full Requirements General Transportation Service ("FRGTS"), and Full Requirements General Schools Transportation Service ("FRGSTS") accounts by comparing the billing category numbers in the reports to the billing category definitions 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. 14-0321-GA-UEX for May 30, 2014 through May 21, 2015 and Case No. 15-321-GA-UEX for June 1, 2015 through May 31, 2016 and confirmed that the approved rates have been applied to eligible volumes by comparing the rates to approved tariff sheets 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 and identified no differences.
 - a) We randomly selected three charge-offs 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 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 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. above to the Operating Companies Money Pool Rates schedules as provided by NiSource Treasury and identified no differences.
6. We recalculated carrying cost calculations for the months of June 2015, December 2015 and March 2016 with no exception.

Accounts Receivable Regulatory Asset Balance

1. We obtained the Accounts Receivable Regulatory Asset balance from the general ledger at March 31, 2016.

2. We proved the mathematical accuracy of the monthly reconciliation of the Accounts Receivable Regulatory Asset balance deferred as of March 31, 2016 with no exception and agreed the reconciliation to the general ledger balance obtained in 1. and identified no differences.
3. We randomly selected June 2015, December 2015, and March 2016, and obtained the corresponding 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 with no exception.

Individual exceptions in the course of the procedures described above of less than \$1,000 were not included in our report on these agreed upon procedures.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. 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 2 Touche LLP

September 23, 2016