

October 14, 2016

Ms. Barcy F. McNeal
Director, Office of Administration
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: *In re Application of Dominion East Ohio*, Case No. 16-0219-GA-EXR

Dear Ms. McNeal,

Please find attached the Independent Accountants' Report on Applying Agreed-Upon Procedures, supplied in accordance with the Commission's April 14, 2016 Entry in the above-captioned case. The East Ohio Gas Company d/b/a Dominion East Ohio does not object to the adoption by the Commission of the findings set forth in the audit report. Please file the report in the above-captioned docket.

Please let me know if there are any questions.

Regards,

/s/ Rebekah J. Glover
Rebekah J. Glover

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The East Ohio Gas Company
Cleveland, Ohio

RE: Public Utility Commission of Ohio Case No. 16-219-GA-EXR

We have performed the procedures enumerated below which were agreed to by The East Ohio Gas Company (a wholly-owned subsidiary of Dominion Resources, Inc.) (the "Company") and the Public Utility Commission of Ohio (the "PUCO") (collectively, "the specified parties"), solely to assist the PUCO with respect to its evaluation of the Company's compliance with PUCO Case Nos. 07-1224-GA-EXM and 05-474-GA-ATA in conjunction with the calculation of the Transportation Migration Rider – Part B ("TMR") for the period May 1, 2015 through April 30, 2016, as ordered in the entry dated April 14, 2016 in PUCO Case No. 16-219-GA-EXR. The Company's management is responsible for the Company's compliance with these requirements. 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 were performed and our findings are as follows:

Rate Calculation

- A. We obtained from the PUCO website the TMR rate filings for the effective period of May 1, 2015 through April 30, 2016. We obtained from Company management the associated rate calculation schedules for this period and compared the rate on the TMR rate filings to the rate calculation schedules obtained from Company management and found them to be in agreement. Additionally, we performed the following procedures on the rate calculation schedules:
 - 1. We recalculated (1) the net "Deferrals/Recoveries to Date" amount shown on the rate calculation schedules as the operational balancing costs and related credits, less TMR recoveries to date, and (2) the "Net Costs Yet to be Recovered" as the sum of the net "Deferrals/Recoveries to Date" and the "Expected Annualized Demand Costs".
 - 2. On the rate calculation schedules, concerning the derivation of the TMR rates, we performed the following procedures:
 - i. We recalculated the rate shown on the rate calculation schedules obtained above as (1) the Expected Annualized Demand Costs, plus the actual operational balancing costs and related credits deferred from October 2006

through February 2015, less TMR recoveries for the same period; divided by (2) the planned 12-month recovery volumes through April 2016, for the TMR filing in May 2015.

- ii. We recalculated the rate shown on the rate calculation schedules obtained above as (1) the Expected Annualized Demand Costs, plus the actual operational balancing costs and related credits deferred from October 2006 through May 2015, less TMR recoveries for the same period; divided by (2) the planned 12-month recovery volumes through July 2016, for the TMR filing in August 2015.
 - iii. We recalculated the rate shown on the rate calculation schedules obtained above as (1) the Expected Annualized Demand Costs, plus the actual operational balancing costs and related credits deferred from October 2006 through August 2015, less TMR recoveries for the same period; (2) divided by the planned 12-month recovery volumes through October 2016, for the TMR filing in November 2015.
 - iv. We recalculated the rate shown on the rate calculation schedules obtained above as (1) the Expected Annualized Demand Costs, plus the actual operational balancing costs and related credits deferred from October 2006 through November 2015, less TMR recoveries for the same period; (2) divided by the planned 12-month recovery volumes through January 2017, for the TMR filing in February 2016.
- B. We compared the Expected Annualized Demand Costs, for each of the TMR rate filings listed in procedure A. above, to the Gas Storage Service and Pipeline Reservation schedule, obtained from Company management, prepared in connection with each TMR filing, and found them to be in agreement.
- C. For each of the TMR filings listed in A. above, we compared the actual Operating Balancing Costs Deferred shown in the rate calculation schedules for each of the applicable months within 2015 to the corresponding monthly costs shown in the Schedule 23 – Requirements and Supply, provided by Company management, and found them to be in agreement.
- D. For each of the TMR filings listed in A. above, we compared the TMR recoveries shown in the rate calculation schedules for each of the applicable months within 2015 to supporting schedules provided by Company management, and found them to be in agreement.
- E. We compared the planned 12-month recovery volumes shown in the rate calculation schedules, for each of the date ranges listed in procedure A.2 above, to supporting schedules provided by Company management, and found them to be in agreement.
- F. We obtained from Company management the Deferral and Recovery of Operational Balancing Costs schedules covering the period of monthly activity included in the rate filings for the period May 1, 2015 through April 30, 2016. We haphazardly selected the months of April, July and November of 2015, and February of 2016 and compared the (1) Unrecovered Gas Costs and the (2) Gas Costs Recovered for each selected month within the schedule to the corresponding amounts on Schedule 23 – Requirements and Supply, and found them to be in agreement.

- G. We obtained from Company management a reconciliation of (1) the deferred gas costs (SAP account number 1194045) as of April 30, 2016 to (2) the corresponding unrecovered balance as of April 30, 2016 included in the Operational Balancing Costs schedule obtained in F. above; and found that the balance is in agreement.

Cost Procedures

We performed the following procedures on the cost components of the TMR:

- H. For each of the months selected in F. above, we performed the following procedures:
1. For each selected month, we compared (1) the total costs listed in Schedule 23 – Requirements and Supply referenced in F. above to (2) supporting schedules provided by Company management, and found them to be in agreement.
 2. We haphazardly selected seven individual costs for each of the four months selected (28 selections in total) from the schedules obtained in H.1 above and compared such selected individual costs to counterparty invoices or other relevant documentation, and found them to be in agreement.

Application of Rider Rates

We performed the following procedure in relation to the application of the TMR rates:

1. We obtained from Company management, a detail of customer billings and haphazardly selected seven individual customer billings from each month selected in F. above (28 selections in total, including 20 selections from the CCS billing system and 8 selections from the SBS billing system) and compared the TMR rate used in the calculation of the customer's bill calculation to the applicable TMR rate filing, and found them to be in agreement, with the exception of Special Billing System customers with a rate class of GTS, DTS or TSS, whom Company management has informed us are not subject to the TMR provisions.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance with PUCO Case Nos. 07-1224-GA-EXM and 05-474-GA-ATA in conjunction with the calculation of the Transportation Migration Rider – Part B for the period May 1, 2015 through April 30, 2016. 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.

Debitte & Touche LLP

October 13, 2016

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 16-0219-GA-EXR

Summary: Text Independent Accountants' Report on Applying Agreed-Upon Procedures electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio