

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. 16-0319-GA-UEX

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. 16-319-GA-UEx

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 No. 03-1127-GA-ATA in conjunction with the recovery of uncollectible accounts expense through the Uncollectible Expense Rider ("UEx Rider") for the period April 1, 2015 through March 31, 2016, as ordered in the entry dated April 14, 2016 in PUCO Case No. 16-319-GA-UEx. 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:

Recovery of Uncollectible Accounts Expense

- A. We obtained from Company management, and recalculated the mathematical accuracy of, the workbook containing the UEx Rider deferral activity by month and supporting schedules for the following items for the period of April 1, 2015 through December 31, 2015, and the quarter ended March 31, 2016:
 1. Bad debt charge-offs
 2. Recovery of bad debts through the effective rider rate
 3. Customer and other recoveries
 4. Carrying charges
 5. Cost of commission-ordered audits
 6. Reconciliation adjustments
- B. We compared the sum of bad debt charge-offs for the year ended December 31, 2015, as summarized on the schedule obtained in procedure A.1 above to the sum of the corresponding amounts in the reports provided by Company management from the Company's Customer Care System ("CCS") and Special Billing System ("SBS"), after excluding customer accounts within the CCS and SBS reports, associated with customers which are not subject to the Percentage of Income Payment Plan ("PIPP") rider, as identified by Company management, and found them to be in agreement.

- C. We haphazardly selected the months of April, August, and November of 2015 and February of 2016 and performed the following procedures on the UEX Rider recoveries included in the schedule obtained in A.2 above:
1. We compared monthly volumes for (1) sales, Energy Choice, and other transportation customers included in the schedule in A.2 to (2) volumetric CCS and SBS reports, provided by Company management, after excluding customer accounts within the CCS and SBS reports, associated with customers which are not subject to the PIPP rider, as identified by Company management, and found them to be in agreement.
 2. We compared (1) the UEX Rider rates shown in the schedule obtained in A.2 above, for each selected month, to (2) the applicable rate filing approved by the PUCO, as outlined in Case Nos. 14-319-GA-UEX and 15-319-GA-UEX, and found them to be in agreement.
 3. We ascertained that the respective rates referenced in C.2 were applied to the eligible customer volumes in the applicable billing system by comparing the corresponding CCS and SBS billing summaries, obtained from management, to the rates referenced in C.2, and found them to be in agreement.
- D. We compared total customer recoveries and total late payment charges shown in the schedules obtained in A.3 for months selected in C. above to CCS and SBS reports provided by Company management, and found them to be in agreement.
- E. We obtained from Company management the Company's money pool interest rate for the months selected in C. above and compared such interest rates to the interest rates utilized by the Company to calculate the monthly carrying charges in the schedules obtained in A.4 above, and found them to be in agreement.
- F. We used (1) the rates obtained in E above, net of the impact of the statutory federal income tax rate of 35 percent in months with an under-recovered balance, and (2) the average of the previous month and current month actual billed UEX balances to calculate the UEX balance carrying charges for the selected month, and compared those amounts to the amounts included in the schedules obtained in A.4 for the months selected in C above, and found them to be in agreement.
- G. We performed the following procedures in relation to the UEX Rider Regulatory Asset balance as of December 31, 2015 and March 31, 2016:
1. We obtained from Company management (1) a reconciliation of the UEX Rider Regulatory Asset balance used in calculating the UEX Rider rate, showing the totals of each activity type impacting the UEX Rider Regulatory Asset balance, for the year ended December 31, 2015 and the quarter ended March 31, 2016, and (2) the balance of SAP account number 1171160, at December 31, 2015 and March 31, 2016, and found that the Company has identified reconciling items for activity during the periods ended December 31, 2015 and March 31, 2016 as a result of timing differences. The Company has informed us that these differences result from the estimated amounts recorded to the SAP general ledger each month, in accordance with the Company's policies, which are updated with the actual balances in the subsequent month.

2. We obtained from Company management the schedule of general ledger activity of SAP account 1171160 and compared the balances on this schedule at December 31, 2015 and March 31, 2016 to the corresponding balances within the reconciliation in step G.1 above, and found them to be in agreement.
 3. We compared the totals of each activity type impacting the UEX Rider Regulatory Asset balance amounts shown on the schedules obtained in A.1 through A.6 for the year ended December 31, 2015 and the quarter ended March 31, 2016 to the corresponding totals within the reconciliations in G.1 above and found them to be in agreement.
- H. We performed the following procedures on UEX Rider charge-offs and recoveries:
1. We haphazardly selected 23 bad debt charge-offs (20 from CCS and 3 from SBS) for the year ended December 31, 2015 from the schedule obtained in A.1 above and performed the following procedures on each selection:
 - i. We inspected the associated customer's status in the billing system and found that none of the customers participated in the PIPP program.
 - ii. We inspected the associated customer's billing system account detail for the year ended December 31, 2015, provided by Company management, and found that the total charge-offs for the associated customers reported in the billing system for the year ended December 31, 2015 were included in the supporting schedules obtained in A.1 above.
 - iii. We inspected the associated customer's billing system account detail and found that the customer billing detail indicated (1) notification of missed payments was sent to the customer, (2) a final bill had been issued, and (3) the account has been assigned to collections, unless the billing system account detail indicates that the selected charge-off was related to a bankruptcy, a new customer connection, or a reconnection.
 2. We haphazardly selected April, August, and November of 2015, and February of 2016, and obtained from Company management a schedule of recoveries by customer for each selected month and compared the total recoveries shown on each schedule obtained to the corresponding amounts in the schedule obtained in A.3 above and found them to be in agreement.
 3. We selected 2 customers from each schedule obtained in H.2 above (8 in total) and compared the recovery amount for the selected customer, included in the schedule obtained in H.2 above, to the respective recovery amount included in the monthly account detail for the selected customer, obtained from Company management, and found them to be in agreement.
 4. We selected April, August, and November of 2015, and February 2016, and obtained from Company management billing system support for late payment charges for such selected months, and compared the (1) total of late payment charges for each selected month within the billing system to (2) the respective late payment charge amounts included as a component of customer recoveries in the schedule obtained in A.3 above, and found them to be in agreement.

5. We selected 2 customers from the billing system support obtained for each month selected in H.4 (8 in total) and compared (1) the late payment charge to (2) the associated customer account detail, obtained from Company management, and found them to be in agreement.

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 No. 03-1127-GA-ATA in conjunction with the recovery of uncollectible accounts expense through the uncollectible expense rider for the period April 1, 2015 through March 31, 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

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in

Case No(s). 16-0319-GA-UEX

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