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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

We have performed the procedures enumerated below, which were agreed to by Columbia Gas of Ohio, Inc. (the "Company") and the Public Utilities Commission of Ohio (the "PUCO") in connection with the Company's and the PUCO's evaluation of uncollectible expense through a bad debt recovery mechanism for the period April 1, 2017 through March 31, 2018. The Company is responsible for compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the 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. 18-321-GA-UEx

1. We obtained from the 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, 2017 through March 31, 2018:
 - a) Bad debt charge-offs of \$31,435,013.
 - b) Recoveries of bad debts through the rider of \$7,914,519.
 - c) Other recoveries of \$20,260,896.
 - d) Carrying charges on over recoveries of \$29,445.
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.
3. We randomly selected the June 2017, December 2017, and March 2018 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

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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. 16-321-GA-UEx for June 1, 2016 through May 31, 2017 and Case No. 17-321-GA-UEx for June 1, 2017 to May 31, 2018 and determined 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 the following difference:
- Bad debts recovered through the rider for June 2017 per the schedule obtained in 1. above were \$104,609 greater than bad debts recovered through the rider for June 2017 per the schedule obtained in 3. above.
- a) We randomly selected three charge-offs for each month and obtained the customer billing history from DIS. We 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 documented within our detailed work papers the original charge-off date and the recovery date of the customer's outstanding balance. No third-party fees were attributed to any of our recovery selections.
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 2017, December 2017 and March 2018 with no exception.

Accounts Receivable Regulatory Asset Balance

- 1. We obtained the Accounts Receivable Regulatory Asset balance from the general ledger at March 31, 2018.
- 2. We proved the mathematical accuracy of the monthly reconciliation of the Accounts Receivable Regulatory Asset balance deferred as of March 31, 2018 with no exception and agreed the reconciliation to the general ledger balance obtained in 1. and identified no differences.

3. We randomly selected June 2017, December 2017, and March 2018 from the schedule received in 2., and obtained the corresponding monthly voucher OPR24. We inspected the vouchers 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 selected 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.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with PUCO Case No. 03-2572- GA-ATA and No. 18-321-GA-UEX in conjunction with the Company's recovery of uncollectible customer accounts receivable through a bad debt recovery mechanism for the period April 1, 2017 through March 31, 2018. Accordingly, we do not express such an opinion or conclusion. 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 Company and the PUCO and is not intended to be, and should not be, used by anyone other than the specified parties.

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October 19, 2018