

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Audit of the)
CHOICE/SSO/SCO Reconciliation) Case No. 18-221-GA-EXR
Rider of Columbia Gas of Ohio, Inc.)

In the Matter of the Audit of the Uncol-)
lectible Expense Rider of Columbia Gas) Case No. 18-321-GA-UEx
of Ohio, Inc.)

In the Matter of the Audit of the Per-)
centage of Income Payment Plan Rider) Case No. 18-421-GA-PIP
of Columbia Gas of Ohio, Inc.)

**COMMENTS OF
COLUMBIA GAS OF OHIO, INC.**

Introduction

On March 28, 2018, the Commission issued an Entry (“Entry”) in these proceedings in which it established a procedural schedule and initiated financial audits of Columbia Gas of Ohio, Inc.’s (“Columbia”) Choice/Standard Choice Offer Reconciliation Rider (“CSRR”), Uncollectible Expense Rider (“UEx”) and Percentage of Income Payment Plan Tariff Schedule Rider (“PIPP”) to be performed by Columbia’s auditor. The Entry required the final audit reports to be filed by October 19, 2018, with comments and reply comments filed by November 2, 2018 and November 16, 2018, respectively. Columbia’s auditor, Deloitte & Touche LLP (“Deloitte”), conducted audits of the CSRR, UEx, and PIPP. The audit period for all three audit reports is the period of April 1, 2017 through March 31, 2018. Deloitte filed the final CSRR, UEx, and PIPP audit reports on October 19, 2018. Columbia hereby submits its comments to each audit report.

CSRR Audit

The CSRR Audit Report found Columbia's application and accounting systems accurate in most respects, but it did identify several discrepancies. Columbia examined each of these discrepancies and provides in response the following comments:

Audit Paragraph 3(b)(i)

Deloitte found that Columbia's quarterly CSRR filing effective October 2017 reflected a variance in the reported pass back of Off-System Sales ("OSS") and Capacity Release ("CR") revenue from supporting documentation. This variance of (\$1,445) in June 2017 resulted from a formula error in the supporting documentation used to calculate the pass back of OSS and CR. This error was corrected in July 2017 and the amount was properly reflected in Columbia's quarterly CSRR filing effective January 2018.

Audit Paragraph 4(a) & 4(b)

Deloitte found that the account activity for accounts 24220300 and 25407150, included in the computation of Actual Cost Adjustment in the July 2017 quarterly filing, was \$331,899 and \$931,283, respectively, as compared to the general ledger activity of \$333,932 and \$929,250 for those accounts, respectively. The variance of \$2,033 between each account on the filing and the general ledger is offsetting. Therefore the individual accounts in the quarterly filing do not agree to the general ledger; however, the total activity reported in the quarterly filing was accurate and agreed to the general ledger.

The difference noted above was corrected the following quarter, therefore Deloitte noted an additional variance in the October 2017 quarterly filing for the correction. The proper Actual Cost Adjustment was reported in each quarterly filing, no further action is required.

Audit Paragraph 5(a)

Deloitte found that the account activity for account 24220300, included in the Computation of Supplier Refund and Reconciliation Adjustment in the July 2017 quarterly filing, was \$724.00 as compared to the general ledger activity of \$1,857.00. This \$1,133 difference consisted of a \$1,083 refund that was previously reflected in the April 2017 quarterly filing and an additional \$50 marketer review

fee that was booked to the incorrect account but has since been corrected. No further action is required.

UEX Audit

Audit Paragraph 4

The Audit Report identified an overstatement of \$104,609 in bad debts recovered through the rider versus booked in June 2017. This discrepancy resulted from the inadvertent use of PIPP recoveries for June 2017 in lieu of actual bad debt recoveries for that month. There was no misstatement of PIPP information as the PIPP entry was booked independently. This discrepancy was identified and corrected in the July 2017 business. There was no impact on customers because the books were corrected and the true-up mechanism will account for any timing differences.

PIPP Audit

The PIPP Audit Report found Columbia's application and accounting systems accurate in most respects, but it did identify a discrepancy. Columbia examined this discrepancy, and provides the following comment:

Audit Paragraph C(1)(a)(1)

Deloitte noted that one selected customer arrearage of \$2,459.30, reported in June 2017, did not agree with the customer's invoiced amount of \$209.57. This particular customer was in the process of recertifying. The higher arrearage included on the internal reports was from a pre-program default prior to 1989. The arrearage was removed from the report in December 2017. The \$209.57 invoiced to the customer reflected the amount due on their May 2017 statement. The customer was not on PIPP or any other payment plan at the time of the May statement. The customer re-enrolled in PIPP later in the month of May. No further action is required.

Conclusion

Columbia agrees with the findings contained in Deloitte's audit reports filed in these proceedings. All variances identified in the audit reports have been corrected. For these reasons, Columbia requests the Commission's issuance of an Entry in these dockets accepting the audit reports and closing these matters.

Respectfully submitted by,

COLUMBIA GAS OF OHIO, INC.

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Summary: Comments on Deloitte Touche Audits of CSRR, UEX, and PIPP electronically filed by Cheryl A MacDonald on behalf of Columbia Gas of Ohio, Inc.