

## **THE PUBLIC UTILITIES COMMISSION OF OHIO**

**IN THE MATTER OF THE AUDIT OF THE  
CHOICE/SSO/SCO RECONCILIATION  
RIDER OF COLUMBIA GAS OF OHIO, INC.**

**CASE NO. 20-221-GA-EXR**

**IN THE MATTER OF THE AUDIT OF THE  
UNCOLLECTIBLE EXPENSE RIDER OF  
COLUMBIA GAS OF OHIO, INC.**

**CASE NO. 20-321-GA-UEX**

**IN THE MATTER OF THE AUDIT OF THE  
PERCENTAGE OF INCOME PAYMENT PLAN  
RIDER OF COLUMBIA GAS OF OHIO, INC.**

**CASE NO. 20-421-GA-PIP**

### **FINDING AND ORDER**

Entered in the Journal on December 2, 2020

#### **I. SUMMARY**

{¶ 1} The Commission adopts the findings set forth in the audit reports regarding the CHOICE/SSO/SCO reconciliation rider, uncollectible expense rider, and percentage of income payment plan rider of Columbia Gas of Ohio, Inc.

#### **II. DISCUSSION**

{¶ 2} Columbia Gas of Ohio, Inc. (Columbia) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} Pursuant to R.C. 4905.302, natural gas companies implement purchased gas adjustment mechanisms, which allow them to adjust the rates they charge customers in accordance with any fluctuation in the cost the company incurs for the gas it sells to customers. R.C. 4905.302 also directs the Commission to audit the companies' gas cost recovery (GCR) rates and to review each company's production and purchasing policies and their effect upon the rates.

{¶ 4} R.C. 4929.04, among other things, authorizes the Commission, upon the application of a natural gas company such as Columbia, to exempt any commodity sales

service or ancillary service from all provisions of R.C. Chapter 4905, including the GCR provisions contained in R.C. 4905.302.

{¶ 5} On December 2, 2009, the Commission authorized Columbia to replace its existing GCR mechanism, initially with a market-based standard service offer (SSO) rate, and subsequently, with a market-based standard choice offer (SCO) rate. *In re Columbia Gas of Ohio, Inc.*, Case No. 08-1344-GA-EXM (*Columbia SSO Case*), Opinion and Order (Dec. 2, 2009); *In re Columbia Gas of Ohio, Inc.*, Case No. 12-2637-GA-EXM, Opinion and Order (Jan. 9, 2013).

{¶ 6} With the elimination of the GCR mechanism, costs and credits that were once recovered through the GCR are now to be recovered through the CHOICE/SSO/SCO reconciliation rider (CSRR). The stipulation approved in the *Columbia SSO Case* provided that all aspects of the proposed cost recovery through the CSRR are to be reviewed as part of an annual financial audit that would be conducted by an outside auditor, docketed, and reviewed by Staff.

{¶ 7} On December 17, 2003, the Commission approved five gas distribution companies' applications to recover uncollectible expenses (UEX) through riders. *In re Columbia Gas of Ohio, Inc.*, Case No. 03-1127-GA-UNC, Finding and Order (Dec. 17, 2003). A requirement of the Order in that case was that the new UEX riders would be audited in the course of each company's GCR audit. With the elimination of Columbia's GCR, the UEX rider is to be audited in the course of Columbia's audit of the CSRR.

{¶ 8} Furthermore, the Commission has authorized the utility companies, including Columbia, to recover percentage of income payment plan (PIPP) arrearages associated with providing natural gas service through their PIPP riders. *In re Establishment of Recovery Method for Percentage of Income Payment Plan*, Case No. 87-244-GE-UNC, Finding and Order (Aug. 4, 1987).

{¶ 9} By Entry issued March 11, 2020, the Commission initiated the financial audits of Columbia's CSRR, UEX, and PIPP riders. Columbia's auditor, to be selected by Columbia, was directed to docket its audit findings for the CSRR in Case No. 20-221-GA-EXR (*Columbia 2020 CSRR Case*); audit findings for the UEX rider in Case No. 20-321-GA-UEX (*Columbia 2020 UEX Case*); and audit findings for the PIPP rider in Case No. 20-421-GA-PIP (*Columbia 2020 PIPP Case*). The auditor was directed to docket all three audit reports in their respective dockets by October 23, 2020. Interested persons were directed to file comments and reply comments by November 6, 2020, and November 20, 2020, respectively.

{¶ 10} The audit report for the CSRR, for the period April 1, 2019, through March 31, 2020, was filed on October 21, 2020, in the *Columbia 2020 CSRR Case*. The audit was performed by Deloitte & Touche LLP (D&T). The report details the procedures agreed to by Columbia and Staff that were performed by D&T. No discrepancies were found during the audit.

{¶ 11} No comments or reply comments were filed regarding the CSRR audit.

{¶ 12} The audit report for the UEX rider, for the period April 1, 2019, through March 31, 2020, was filed on October 21, 2020, by D&T in the *Columbia 2020 UEX Case*. The audit was performed by Deloitte & Touche LLP (D&T). The report details the procedures agreed to by Columbia and Staff that were performed by D&T. No discrepancies were found during the UEX audit.

{¶ 13} No comments or reply comments were filed regarding the UEX audit.

{¶ 14} The audit report for the PIPP rider, for the period April 1, 2019, through March 31, 2020, was filed on October 21, 2020, by D&T in the *Columbia 2020 PIPP Case*. The audit was performed by Deloitte & Touche LLP (D&T). The report details the procedures agreed to by Columbia and Staff that were performed by D&T. No discrepancies were found during the PIPP audit.

{¶ 15} No comments or reply comments were filed regarding the PIPP audit.

{¶ 16} The Commission has reviewed the reports filed in these dockets by D&T. The Commission concludes that the findings of D&T, as set forth in the audit reports docketed in the *Columbia 2020 CSRR Case*, *Columbia 2020 UEX Case*, and *Columbia 2020 PIPP Case*, should be adopted.

### III. ORDER

{¶ 17} It is, therefore,

{¶ 18} ORDERED, That the findings of D&T set forth in the audit reports docketed in these cases be adopted. It is, further,

{¶ 19} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 20} ORDERED, That a copy of this Finding and Order be served upon Columbia and upon all other persons of record in these proceedings.

#### COMMISSIONERS:

*Approving:*

M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

JML/hac

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**Case No(s). 20-0221-GA-EXR, 20-0321-GA-UEX, 20-0421-GA-PIP**

Summary: Finding & Order adopting the findings set forth in the audit reports regarding the CHOICE/SSO/SCO reconciliation rider, uncollectible expense rider, and percentage of income payment plan rider of Columbia Gas of Ohio, Inc. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio