

Transportation Service ("GTS"), Full Requirements Small General Transportation Service ("FRSGTS") and Full Requirements General Transportation Service ("FRGTS").

- c) We randomly selected three months of data included in the schedules obtained in a)2. above and performed the following procedures:
 - 1. We compared sales, CHOICE® and transportation volumes to appropriate DIS, GMB/GAS, and GTS reports and noted that such eligible volumes relate only to SGS, GS, MGS, SGTS, GTS, FRMGTS, FRSGTS, and FRGTS accounts for the months of July 2005, September 2005, and December 2005.
 - 2. We compared the bad debt recovery rates for the Company with those permitted by the PUCO, as outlined in Case No. 03-2572-GA-ATA and Case No. 04-1520-GA-UEx, and determined that the rates have been applied to eligible volumes for the months of July 2005, September 2005, and December 2005.
- d) We compared bad debt charge offs, bad debts recovered in base rates, and other recoveries per the schedules obtained in b) and c) above to the schedule obtained in a) above for the months of July 2005, September 2005, and December 2005.
- e) We obtained supporting documentation for the interest rate utilized by the Company to calculate the monthly carrying charges for the months of July 2005, September 2005, and December 2005.
- f) We recalculated carrying cost calculations for the months of July 2005, September 2005, and December 2005.
- g) We recalculated the gross receipts tax component of the rider billings for the months of July 2005, September 2005, and December 2005.

Accounts Receivable Regulatory Asset Balance

- a) We obtained the Accounts Receivable Regulatory Asset balance from general ledger account 1823499 at December 31, 2005.
- b) We recalculated amounts and calculations used in support of the Accounts Receivable Regulatory Asset balance deferred as of December 31, 2005.
- c) We agreed the amortization rate of the regulatory asset established in Case No. 01-3278-GA-AAM to the PUCO Order No. 03-1127-GA-UNC.
- d) We selected three months and obtained the corresponding monthly voucher OPR-02-401. We found that the PIPP charge-offs were not included in the Accounts Receivable Regulatory Asset for the months of July 2005, September 2005, and December 2005, by tracing the monthly amount per the DIS system to the journal entry calculation and finally to the general ledger.
- e) We determined that the amounts transferred to the regulatory asset in step b) above did not include charge-offs from PIPP customers by tracing the PIPP charge-offs to inclusion in the PIPP regulatory asset via voucher OPR-02-401.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. 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 management of the Company, the PUCO, and the Ohio Consumers' Counsel and is not intended to be, and should not be, used by any other party.

Debitte; Touche LLP

September 13, 2006