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Case No. 05-219-GA-GCR

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
East Ohio Gas Company
Cleveland, OH

We have performed the procedures enumerated below, which were agreed to by the East Ohio Gas Company (the "Company") and provided to the Public Utility Commission of Ohio (the "PUCO") and the Ohio Consumers' Counsel (the "OCC") with respect to the Company's Energy Choice costs incurred in conjunction with the Public Utility Commission of Ohio Case Nos. 96-1019-GA-ATA and 00-1370-GA-ATA for the period from August 1, 2004 to December 31, 2005. The Company's management is responsible for the Energy Choice cost records. 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 we performed and our findings are as follows:

Validity of Costs

- a) We obtained from Company Management the Project accounting schedules detailing the cost incurred in conjunction with the Energy Choice Program from August 1, 2004 through December 31, 2005.
- b) We proved the mathematical accuracy of the schedules obtained in a. above and noted no exceptions.
- c) We compared the total cost from the schedule obtained in a. above to SAP general ledger account number 1242160 and found them to be in agreement.
- d) We selected a random sample of 10 cost items included on the schedule obtained in a. above.
- e) We obtained the vendor invoice and the Company payment authorization form for each of the items selected in d. above from Company Management.
- f) We inspected the invoice and the Company payment authorization form and compared the nature of the costs with those permitted by Attachment A of the

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Public Utilities Commission of Ohio Stipulation and Recommendation, Case No. 00-1370-GA-ATA and found them to be in agreement.

Recovery of Costs

- a) We selected a random sample of 25 individual customer monthly bills for the period from August 1, 2004 through December 31, 2005.
- b) We inspected the bills selected in a. above and verified that the authorized Energy Choice Rider amount is not included in customer bills as the Company discontinued charging the authorized Rider in February of 2003.

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 specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

May 18, 2006