#### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval, Pursuant to Revised Code Section 4929.11, of a Tariff to Recover Conservation Expenses and Decoupling Revenues Pursuant to Automatic Adjustment Mechanisms and for Such Accounting Authority as May Be Required to Defer Such Expenses and Revenues for Future Recovery through Such Adjustment Mechanisms.

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Case No. 05-1444-GA-UNC

### VECTREN ENERGY DELIVERY OF OHIO, INC.'S AND OHIO PARTNERS FOR AFFORDABLE ENERGY'S JOINT MOTION FOR CERTIFICATION OF AN INTERLOCUTORY APPEAL OF THE ATTORNEY EXAMINER'S ENTRY DATED JANUARY 23, 2007

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January 29, 2007

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# TABLE OF CONTENTS

# <u>Page</u>

Ι.	BACKGROUND8		
u.	STANDARD OF REVIEW15		
III.	INTERLOCUTORY APPEAL16		
	THE COMMISSION MUST FIND THAT THE PROCEDURAL PROCESS SET OUT IN THE ATTORNEY EXAMINER'S JANUARY 23, 2007 ENTRY IS IN VIOLATION OF THE STATUTORY PROCEDURE REQUIRED AFTER COMMISSION APPROVAL OF AN ALTERNATIVE REGULATION PLAN AS PRESCRIBED BY SECTION 4929.07, REVISED CODE.		
IV.	CONCLUSION22		
CERTIFICATE OF SERVICE			

EXHIBITS

#### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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J

Pursuant to Ohio Administrative Code ("O.A.C.") 4901-1-15(B), Vectren Energy Delivery of Ohio, Inc. ("VEDO") and Ohio Partners for Affordable Energy ("OPAE") hereby move that the Public Utilities Commission of Ohio's ("Commission" or "PUCO") Legal Director, Deputy Legal Director, Attorney Examiner or Presiding Hearing Officer certify to the Commission an Interlocutory Appeal of the Attorney Examiner's Entry filed in this proceeding on Tuesday, January 23, 2007 ("January 23 Entry", which is attached hereto as Exhibit I). The appeal described below is made, in large part, to address the likelihood that the Office of Consumers' Counsel ("OCC") will, absent the Commission providing the relief requested herein, use the balance of the proceeding that has been identified by the Attorney Examiner to further protest the Commission's September 13, 2006 Opinion and Order and to promote delay in the implementation of conservation programs that have been established by the collaborative, including OCC. Having already filed its appeal of the September 13 final order, after being denied rehearing, the OCC should not be afforded this opportunity to further attack the Commission's decision.

By Entry dated December 29, 2006 ("December 29 Entry"), the Attorney Examiner indicated, among other things, that a hearing would be held as a result of the parties' submission of another document submitted to confirm support for the plan approved by the Commission. The Parties pursued an interlocutory appeal from the December 29 Entry which was, in part, certified to the Commission. Because the Attorney Examiner determined that a new or novel question of law was not presented, the Attorney Examiner did not certify the portion of the interlocutory appeal that urged the Commission to find that any further hearing in this proceeding was unnecessary. In reaching this conclusion, the Attorney Examiner cited a decision in *In the Matter of the Regulation of the Purchased Gas Adjustment Contained Within the Rate Schedules of The East Ohio Gas Company and Related Matters*, Case No. 97-219-GA-CGR (January 14, 1999).

In paragraph 6 of the *January 23 Entry*, the Attorney Examiner reiterated his previous determination that a hearing should be held on a Stipulation and Recommendation filed on December 21, 2006 ("*December 21 Stipulation*") and an Amended Stipulation and Recommendation ("*Amended Stipulation*") required to be filed on January 12, 2007 in this case, the terms and conditions of which are identical, although stated differently.<sup>1</sup> In paragraph 8 of his *January 23 Entry*, the Attorney

<sup>&</sup>lt;sup>1</sup> Entry dated December 29, 2006, Paragraph 6, page 2.

Examiner established a procedural schedule that not only set a date for an evidentiary hearing, but established dates for discovery and the filing of testimony, as well. The *January 23 Entry* was silent on the scope of hearing as well as the scope of the newly permitted discovery and testimony.

The record in this proceeding shows that a Stipulation and Recommendation was submitted in this proceeding on April 10, 2006 (*"First Stipulation"*) and jointly supported by the Parties and the Ohio Consumers' Counsel ("OCC").<sup>2</sup> The *First Stipulation's* proposed resolution of the issues was contested in this proceeding thereby requiring the Commission to issue a decision in accordance with Section 4903.09, Revised Code. The Commission considered VEDO's application in this proceeding pursuant to Section 4929.05, Revised Code, and resolved the contested issues in an Opinion and Order issued on September 13, 2006 (*"September 13 Opinion and Order"*). The contested issues were resolved, after hearing, based on the evidence submitted by the signatory parties to the *First Stipulation* as well as the evidence presented by the Staff and the information (including sworn testimony provided by residential customers) the Commission obtained from the public hearing process.

On September 28, 2006, soon after the September 13 Opinion and Order, VEDO filed to revise its rate schedules for the purpose of implementing the plan approved in the September 13 Opinion and Order. See Cover Letter and Tariff Sheet filed on September 28, 2006 in this case and Case No. 89-8005-GA-TRF.

3

 $<sup>^2</sup>$  A stipulation entered into and sponsored by parties to a Commission proceeding is merely a recommendation made to the Commission and is not legally binding on the Commission. The Commission is free to take a stipulation into consideration and it generally makes good sense for the Commission to do so. But, it must determine what is just and reasonable from the evidence presented at the hearing. *Duff v. Pub. Util. Comm.* 56 Ohio St 2d 376 at 379 (1978).

In response to the September 13 Opinion and Order, OCC filed an application for rehearing, and VEDO filed a response clearly indicating its intention to implement the plan approved by the Commission and stating as follows:

While VEDO supported the Stipulation and will continue to work with OCC and others to make further progess in the future, it has elected to put its litigation position aside in favor of moving forward with the program the Commission has approved.<sup>3</sup>

In the Commission's Entry on Rehearing on November 8, 2006 ("November 8 Rehearing Entry"), the Commission refused to grant OCC's motion to strike VEDO's response. At page 2 of the November 8 Rehearing Entry the Commission ruled that it "...is incumbent upon the parties to state their position as to the legality, policy and

feasibility of *implementation*<sup>4</sup> of the modifications" adopted by the Commission.

Following the *November 8 Rehearing Entry*, OCC filed a Notice of Termination and Withdrawal from the *First Stipulation* ("OCC's Notice") on December 8, 2006. OCC's Notice, whatever effect it had on the *First Stipulation*, did nothing to change the legal status of the Commission's *September 13 Opinion and Order* or the *November 8 Rehearing Entry*.<sup>5</sup> It is important to note that the *First Stipulation* specifically required the signatory parties to (at page 9) "...convene immediately to work in good faith to

<sup>&</sup>lt;sup>3</sup> See Vectren Energy Delivery of Ohio, Inc.'s Memorandum in Response to the Office of the Consumers' Counsel's Application for Rehearing at 11 (October 23, 2006).

<sup>&</sup>lt;sup>4</sup> Emphasis added.

<sup>&</sup>lt;sup>5</sup> The effect of an order issued by the Commission in a contested proceeding can only be modified through a Commission order and not by actions of an Attorney Examiner. Even when the Commission is reversed by the Ohio Supreme Court, the finality of the Commission's orders is respected until the Commission complies with the Court's decision by issuing an order which supersedes the reversed order. *Cleveland Electric Illum. Co. v. Public Util. Comm.*, 46 OS2d 105, 75 OO2d 172, 346 NE2d 778. Any other outcome would fundamentally violate the goal of bringing finality to the resolution of disputes in a way that permits parties to act in accordance with the findings issued by adjudicatory bodies such as the Commission. Based on the facts and circumstances presented in this case, OCC's Notice cannot and does not, as a matter of law, invalidate or suspend the Commission's September 13 Opinion and Order.

achieve an outcome that substantially satisfies the intent of the Commission or proposes a reasonable equivalent thereto to be submitted to the Commission for its consideration" in the event the Commission did not adopt the Stipulation in its entirety. Instead of attempting to satisfy the intent of the Commission, OCC elected to attack the Commission's determinations because they provided a different outcome than recommended in the *First Stipulation*.

To streamline the Commission's disposition of any issues raised by OCC's Notice, VEDO, OPAE, and Staff submitted the *December 21 Stipulation* which confirmed VEDO's previously announced intention to implement the plan approved by the Commission and provided notice of the signatory parties' combined implementation intentions with regard to such plan. As a result of these same parties' effort to comply with the suggestion provided by the Attorney Examiner in the *December 29 Entry*, they filed an *Amended Stipulation* on January 12, 2007. The terms and conditions of the *Amended Stipulation* and the *December 21 Stipulation* describe and embrace a plan that is identical to the plan approved by the *September 13 Opinion and Order*.

While the Attorney Examiner's January 23 Entry is silent on the scope of the hearing, it more clearly signals a process that is not required by the *First Stipulation* or otherwise by law and is contrary to the requirements of Section 4929.07, Revised Code. There is no authority supporting the right to a hearing on a stipulation that merely affirms the contents of a previously-issued final order in an already litigated contested proceeding and communicates the joint intent of parties to implement the alternative regulation plan approved by the Commission. The process outlined in the Attorney Examiner's *January 23 Entry* also indicates that the Attorney Examiner's previous

5

reliance on *In the Matter of the Regulation of the Purchased Gas Adjustment Contained Within the Rate Schedules of The East Ohio Gas Company and Related Matters, Case* No. 97-219-GA-CGR (January 14, 1999) is misplaced.<sup>6</sup>

For the reasons stated herein and in accordance with the provisions of Section 4901-1-15, O.A.C., the Parties request certification of an interlocutory appeal because the *January 23 Entry* adopts a procedure inconsistent with the requirements of Section 4929.07, Revised Code, for orders issued approving alternative regulation plans. The appeal presents a new or novel question of interpretation, law, or policy and an immediate determination by the Commission is needed to prevent the likelihood of

<sup>&</sup>lt;sup>8</sup>The law, facts and circumstances that the Commission considered in In the Matter of the Regulation of the Purchased Gas Adjustment Contained Within the Rate Schedules of The East Ohio Gas Company and Related Matters are very different from those presented in this case. OCC had appealed to the Ohio Supreme Court a Commission decision in a 1996 gas cost recovery ("GCR") and long term forecast report ("LTFR") cases ("96 GCR Appeal") based upon the claim that the Commission failed to take into account the effect of the merger of East Ohio Gas Company ("EOG") and West Ohio Gas Company on the resulting GCR rate of EOG. OCC claimed that the Commission had deferred the specific issue from a prior case to the 96 GCR case and that the Commission subsequently erred by finding (in the 96 GCR case) that the merger issue had been previously decided. While the 96 GCR Appeal was pending, the 1997 GCR and LTFR cases for EOG were proceeding and were consolidated by the Commission. OCC. the Commission's Staff and EOG submitted a stipulation that purported to resolve all of the issues in the 1997 GCR/LTFR proceeding but included a paragraph that said "Unless the Ohio Supreme Court reverses and remands... the issue of the combination of the GCR rates, this agreement ... settles all outstanding issues... regarding the reasonableness of the combination of the GCR rates...." Id., Stipulation at 4 (October 27, 1998). The PUCO adopted the stipulation but ruled that OCC could make its case as to the merger-impact issue or any other issue impacting in the 1997 GCR/LTFR proceeding. The Commission made the ruling because OCC had argued extensively that the Commission had denied OCC a hearing on the merger issue. However, as a result of the Commission's ruling, OCC and EOG jointly withdrew from the stipulation and filed a new Stipulation that included the following, "With the exception of the issue reserved for consideration and/or litigation in paragraph seven of this stipulation ...." Id., Stipulation at 6 (December 4, 1998). Paragraph seven was a restatement of the exception for a remand from the Supreme Court. In response to the second stipulation, the Commission issued a supplemental order that held in abeyance its ruling on the stipulation and directed a hearing to be held in an effort to provide OCC with the hearing it claimed it was denied. The PUCO noted that the scope of the hearing did not change -- at issue would be all issues in the 1997 GCR/LTFR case including the reasonableness of the combination of the GCR rates of East Ohio and the former West Ohio Gas Company. At the hearing, there was testimony presented by one witness in support of the second stipulation. OCC did not present any witnesses or evidence, but did reserve its right to present evidence if the Supreme Court remanded the case back to the Commission. Ultimately, the Commission issued a Second Supplemental Order adopting the stipulation.

undue prejudice or expense to one or more of the parties, should the Commission ultimately reverse the ruling in question.

The reasons for the relief requested are set forth in the attached Interlocutory Appeal and Memorandum in Support which are incorporated herein by reference

Respectfully submitted,

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Case No. 05-1444-GA-UNC

## MEMORANDUM IN SUPPORT OF JOINT MOTION FOR CERTIFICATION OF AN INTERLOCUTORY APPEAL OF THE ATTORNEY EXAMINER'S ENTRY DATED JANUARY 23, 2007

#### I. BACKGROUND

On November 28, 2005, VEDO filed an application, pursuant to Section 4929.11, Revised Code, for approval of a tariff to recover conservation expenses and decoupling revenues pursuant to automatic adjustment mechanisms and for such accounting authority as may be required to defer such expenses and revenues for future recovery through those mechanisms (*"Conservation Application"*).

On February 1, 2006, VEDO gave a technical presentation of its *Conservation Application* at the Commission pursuant to an Entry issued on January 30, 2006.

Subsequently, on February 7, 2006, the Attorney Examiner issued an Entry finding that the *Conservation Application* be "considered a request for an alternate rate plan as described in Section 4929.01(A), Revised Code and thus ... controlled by

Section 4929.05, Revised Code." *Conservation Application*, Entry at 2 (February 7, 2006).<sup>7</sup> On February 27, 2006, VEDO filed a Motion to Incorporate Standard Filing Requirements from Rate Case requesting that certain of the standard filing requirements ("SFRs") from VEDO's recent rate case, Case No. 04-571-GA-AIR, be incorporated in the record of this proceeding. The request was granted by Entry dated March 16, 2006.

On March 9, 2006, VEDO filed the testimony of three witnesses, including testimony of Jerrold L. Ulrey, which addressed VEDO's compliance with various provisions identified in Chapter 4929, Revised Code, as such provisions may apply to the Commission's alternative regulation authority.

On March 10, 2006, VEDO filed a Motion for Waiver of Rules 4901:1-19-05 and 4901:1-19-03(B), O.A.C. (including the provisions for alternative rate plan applications and seeking a waiver of rule requirements). The request was granted by Entry dated April 5, 2006.

On March 20, 2006 and prior to the filing of the *First Stipulation*, OCC filed the testimony of Wilson Gonzalez. At page 20 of his prepared testimony, Mr. Gonzalez, acting on advice of counsel, referenced Section 4929.02(A), Revised Code (part of the alternative regulation Chapter) as providing a statutory or regulatory mandate in favor of

<sup>&</sup>lt;sup>7</sup> VEDO has previously supported the Commission's decision to consider its Application and the *First Stipulation* pursuant to Section 4929.05, Revised Code, consistent with the record incorporated from VEDO's most recent rate case, as being appropriate and lawful. VEDO has also submitted that authority to approve the Sales Reconciliation Rider ("SRR") is supported not only by Section 4929.11, Revised Code (as filed by VEDO and asserted by OCC), but also by Section 4909.18, Revised Code, pursuant to which it can be considered either as the Section 4908.18 application contemplated by Section 4929.05, Revised Code, or as a stand-alone application. If considered as a stand-alone application not for an increase in rates, the Commission may approve it without hearing. Finally, the Commission could have exercised its authority in Sections 4906.26 and 4905.37, Revised Code, to consider and remedy the adequacy of the utility's opportunity to realize its revenue requirements.

conservation programs. After sponsoring Mr. Gonzalez's testimony, OCC has since argued that the Commission acted improperly by using its alternative regulation authority to process VEDO's application. At page 27 of his prepared testimony, Mr. Gonzalez stated that "[t]he OCC believes that the SRC [now the SRR] should only be adopted if the Company is willing to make a substantial multi-year commitment to energy efficiency." Of course, VEDO has now notified the Commission that it is willing to implement an alternative regulation plan that includes a commitment by VEDO – not its customers – to provide \$2,000,000 to fund energy efficiency programs. This testimony sponsored by OCC is part of the record evidence which the Commission had before it when it issued its *September 13 Opinion and Order* in this contested proceeding.

On March 26, 2006, the Commission held a public hearing in Dayton, Ohio and received both sworn and unsworn statements from customers.

On April 10, 2006, VEDO, OPAE, and OCC filed the *First Stipulation* in this case which proposed a resolution of the contested issues in this proceeding.<sup>8</sup> The *First Stipulation* noted that it was not binding on the Commission. Rebuttal testimony responding to the proposals and positions contested by the Commission's Staff and in

<sup>&</sup>lt;sup>8</sup> In accordance with past precedent and the rulings of the Ohio Supreme Court, a stipulation entered into and sponsored by parties is merely a recommendation made to the Commission and is not legally binding on the Commission. The Commission is free to take a stipulation into consideration and it generally makes good sense for the Commission to do so. But, it must determine what is just and reasonable from the evidence presented at the hearing. *Duff v. Pub. Util. Comm.* 56 Ohio St 2d 376 at 379 (1978). Regardless of the means by which the Commission characterized its decision on the issues raised in this proceeding, the *September 13 Opinion and Order* was and is a final order issued in a contested proceeding in accordance with Section 4903.09, Revised Code.

support of the *First Stipulation* was filed by VEDO, OPAE, and OCC<sup>9</sup> on April 19, 2006; followed by Surrebuttal Testimony of Staff opposing the *First Stipulation* filed on April 21, 2006. The evidentiary hearing convened on April 24, 2006, at which the parties and Staff waived cross-examination of all witnesses and agreed to the admission of all the testimony that was pre-filed in this proceeding. The record was then closed, and the matter was submitted to the Commission for a decision based on the evidence of record.<sup>10</sup>

The Commission issued its September 13 Opinion and Order in which it recited its decision of the matters raised by VEDO's application, as addressed in the *First Stipulation* and opposed by Staff. This decision described modifications to the *First Stipulation* as a means of identifying the Commission's resolution of the contested issues.

Recognizing that the Commission had issued a final order in a contested proceeding, OCC filed an Application for Rehearing ("OCC Application") on October 13, 2006. In its November 8 Rehearing Entry denying the OCC Application, the Commission found that ". . . it appropriately considered the positions, record evidence, and arguments of the signatory and nonsignatory parties. \* \* \* We believe our conclusions are supported by the evidence of record and are not a mistake." November 8 Rehearing Entry at 3-4.

<sup>&</sup>lt;sup>9</sup> At page 2 of Mr. Gonzalez's rebuttal testimony, he noted that he was responding to the Staff's claim that no ratepayer funding should be approved by the Commission. Thus, OCC's own testimony makes it very clear that the question of how energy efficiency programs should be funded was a contested issue.

<sup>&</sup>lt;sup>10</sup> In effect, all the parties to the proceeding recognized that the contested issues were best left to resolution by the Commission because, fundamentally, the questions turned on the Commission's "policy call" guided by Ohio law in circumstances suggesting that steps were necessary to help customers better manage the natural gas price level and volatility risks. The contested issues reflected differences between the parties regarding the size and nature of the steps which the Commission should authorize.

On December 8, 2006, OCC filed its Notice of Termination and Withdrawal from Stipulation. Based on the facts and circumstances presented in this case, OCC's *Notice* cannot and does not, as a matter of law, invalidate or suspend the Commission's *September 13 Opinion and Order.* 

On December 21, 2006, VEDO, OPAE, and the Commission's Staff, filed the *December 21 Stipulation* for the specific purposes of proactively addressing the uncertainty created by OCC's actions and to streamline the resolution of any issues created by OCC's actions. This Stipulation repeated the signatories' acceptance of the *September 13 Opinion and Order* and intention to implement the alternative regulation plan approved in the order.

On December 29, 2006, the Attorney Examiner issued an Entry ("December 29 Entry") that said, in pertinent part, that, "... a hearing is required for consideration of the alternative regulation plan." December 29 Entry at 2. While this is a correct statement of the law, any requirement for a hearing in this proceeding has been satisfied by both a public and evidentiary hearing already held on the application, previously transformed by the Attorney Examiner into an application for an alternative regulation plan. Moreover, the Commission has already ruled, in its November 8 Rehearing Entry, that the September 13 Opinion and Order properly exercised the Commission's alternative regulation authority.

In the December 29 Entry, the Examiner also ordered that VEDO, OPAE, and Staff file a document setting out all the terms and conditions of the December 21 Stipulation within ten business days. VEDO, OPAE, and Staff then filed the Amended Stipulation on January 12, 2007, the terms and conditions are identical to those in the

12

December 21 Stipulation and those in the September 13 Opinion and Order, once again notifying the Commission of their intention to implement the approved alternative regulation plan.

Subsequent to the September 13 Opinion and Order, VEDO has provided multiple public notices of its acceptance of and intent to implement the plan approved by the Commission several times. On September 14, VEDO made a Form 8-K Filing with the Securities and Exchange Commission indicating this intent. (Attached hereto as Exhibit II). On September 28, 2006, fifteen days after the September 13 Opinion and Order, VEDO filed Tariff Sheet No. 43 approved therein along with a cover letter indicating its intent to implement the order as approved. On October 23, 2006, VEDO filed a Response to OCC's Application for Rehearing in which it again asserted its intent to implement the Commission's order.<sup>11</sup> Finally, when OCC filed its Notice of Termination and Withdrawal from the *First Stipulation*, VEDO, along with OPAE and Staff, submitted two additional stipulations notifying the Commission of its intent to proceed with the plan approved by the Commission in its September 13 Opinion and Order.

The Parties' conduct subsequent to the September 13 Opinion and Order has been focused on achieving timely implementation of the order and, at the same time exhibiting respect and cooperation with the Commission's plan for addressing the procedural novelty of this case. All actions taken by the Parties since the issuance of

13

<sup>&</sup>lt;sup>11</sup> The Commission actually acknowledged this notice of intention in its *November 8 Rehearing Entry* when it observed that VEDO stated in its Response to OCC's Application for Rehearing that VEDO "... did not oppose the modifications" and VEDO viewed the Commission's order as "... an important step for use of conservation as an agent for mitigation of price volatility." *November 8 Rehearing Entry* at 3. Further, the Commission indicated that it considered VEDO's Response to OCC's Application for Rehearing as responsive to the duty of the parties to "... state their position as to the legality, policy and feasibility of the implementation of the modifications." *Id.* at 2.

the September 13 Opinion and Order have been taken to maximize the potential for the delivery of assistance programs to VEDO's low-income customers effective January 1, 2007. As evidenced by the December 21 Stipulation and the Amended Stipulation, this intent has been shared by Staff.

As a result of the January 22, 2007 pre-hearing conference held to discuss the scope of the hearing established by the Attorney Examiner, the Parties expected that the procedural process going forward would be strictly limited to any new issues raised by the *December 21 Stipulation* and the *Amended Stipulation* not already contemplated by the *September 13 Opinion and Order* and the *November 8 Rehearing Entry*. Yet, the Attorney Examiner's *January 23 Entry* established an unlawful procedural process permitting new discovery, new testimony, and a date for an evidentiary hearing without any reference to the appropriate scope of what is essentially an inappropriate second opportunity for OCC to ask for rehearing of the *September 13 Opinion and Order*.<sup>12</sup> At this point, the Parties remain concerned that the attempt by the Staff, OPAE and VEDO to provide timely assistance to its customers is being delayed by the confusion surrounding the OCC's actions and by the potential continuation of this proceeding which began on November 28, 2005 even after the Commission rejected any further rehearing of its *September 13 Opinion and Order*.

<sup>&</sup>lt;sup>12</sup> OCC has already served VEDO two sets of discovery totaling forty-five interrogatories, thirty Requests for Production of Documents, and thirty-nine Requests for Admission. Thus, it is clear that the process which has been established by the Attorney Examiner will have VEDO incurring expense that will be unnecessary in the event the Commission ultimately overturns the Attorney Examiner's determination. Based on OCC's litigation oriented strategy in this case, VEDO's objections to OCC's discovery will lead to further fights over the scope of the hearing and what if any incremental discovery rights OCC may have at this juncture. If for no other reason, the Commission should rule on this interlocutory appeal so as to make clear its intentions regarding what if any additional litigation shall be allowed. OCC's discovery requests are attached hereto as Exhibits III and IV. In its proposed procedural schedule (attached as Exhibit V), OCC indicated that its litigation effort is proceeding as though this proceeding was starting anew and looking to exploit a hearing having an undefined scope and purpose to further contest the Commission's use of its alternative regulation authority.

Therefore, in this Interlocutory Appeal, the Parties seek a Commission determination that the *January 23 Entry* must be overturned because it establishes a procedural process following approval of an alternative regulation plan that is in violation of the requirements of Section 4929.07, Revised Code.

The issues raised by the Parties' request for certification and appeal are novel and deserve a prompt and timely Commission response. As the Parties have previously advised the Commission, the incremental funding for programs benefiting low-income customers was scheduled to commence on or about January 1, 2007.<sup>13</sup> The Parties believe that it would be imprudent to commence the incremental funding or begin to deploy additional conservation programs in view of the potential confusion caused by *OCC's Notice* and the regulatory responses resulting therefrom. Accordingly, the Parties have reluctantly agreed that these efforts must be suspended pending the Commission's response to the relief requested herein. A prompt ruling is needed to make the suspension as brief as possible. To the extent the Commission believes that the risks presented by OCC's litigation position may be best managed by an additional order, the Parties request that the Commission satisfy the requirements of Section 4929.07, Revised Code, as discussed below.

#### II. STANDARD OF REVIEW

Pursuant to Ohio Rule 4901-1-15(B), O.A.C, the Commission's Legal Director, Deputy Legal Director, Attorney Examiner or Presiding Hearing Officer may certify an

<sup>&</sup>lt;sup>13</sup> OPAE and its member agencies expended resources to prepare for implementing the low-income customer programs targeted by the Commission's *September 13 Opinion and Order* by hiring additional staff, purchasing or readying equipment and initiating local outreach efforts. Because OCC has been an active participant in the collaborative process, OCC was aware of OPAE's efforts.

interlocutory appeal to the Commission upon finding that: "(1) the appeal presents a new or novel question of interpretation, law, or policy, or is taken from a ruling which represents a departure from past precedent; and, (2) an immediate determination by the Commission is needed to prevent the likelihood of undue prejudice or expense to one or more of the parties, should the Commission ultimately reverse the ruling in question."

As indicated above, VEDO filed the *Conservation Application* on November 28, 2005 and is therefore a necessary party to the proceeding. OPAE is also a party to this proceeding. This interlocutory appeal is being taken from a ruling that presents new and novel questions in a situation where an immediate ruling is necessary to prevent the likelihood of undue prejudice or expense to the Parties. Therefore, certification of this interlocutory appeal should be granted and the Commission should proceed to grant the relief requested herein.

## III. INTERLOCUTORY APPEAL

## THE COMMISSION MUST FIND THAT THE PROCEDURAL PROCESS SET OUT IN THE ATTORNEY EXAMINER'S JANUARY 23, 2007 ENTRY IS IN VIOLATION OF THE STATUTORY PROCEDURE REQUIRED AFTER COMMISSION APPROVAL OF AN ALTERNATIVE REGULATION PLAN AS PRESCRIBED BY SECTION 4929.07, REVISED CODE.

As indicated above, and as pointed out in the Commission's November 8 Rehearing Entry, the Commission dictated that VEDO's Conservation Application and the First Stipulation were reviewed pursuant to Sections 4929.01(A) and 4929.05, Revised Code. Pursuant to those sections of the Revised Code, "a hearing commenced on April 24, 2006, and the evidentiary record was closed and submitted for Commission consideration the same day. At that hearing, the parties stated that all parties had agreed to waive cross-examination of prefiled testimony, to submit all prefiled testimony as evidence of record and to submit the matter on that record. September 13 Opinion and Order at 3.

In its September 13 Opinion and Order addressing the First Stipulation, the Commission thoroughly reviewed the Stipulation in light of the record evidence supplied by members of the public as well as the Commission's Staff, a non-signatory party to the Stipulation. The Commission issued a final order which modified the First Stipulation as the means by which the Commission expressed and defined its resolution of the contested issues.

Pursuant to Section 4903.15, Revised Code, orders of the Commission are effective immediately when entered upon the Commission's journal.<sup>14</sup>

On September 28, 2006, VEDO complied with the Commission's final order, thereby notifying the Commission of its intent to implement the plan approved by the Commission, by filing the appropriate tariff sheet(s) containing the SRR.

Meetings of the collaborative required by the Commission's September 13 Opinion and Order began on October 27, 2006, in which OPAE, Staff, and OCC participated, for the purpose of designing the conservation programs provided by the Order, resulting in agreement on the design of the low-income program to be funded over the next two years.

<sup>&</sup>lt;sup>14</sup> Section 4903.15, states:

Unless a different time is specified therein or by law, every order made by the public utilities commission shall become effective immediately upon entry thereof upon the journal of the public utilities commission. Every order shall be served by United States mail in the manner prescribed by the commission. No utility or railroad shall be found in violation of any order of the commission until notice of said order has been received by an officer of said utility or railroad, or an agent duly designated by said utility or railroad to accept service of said order.

As set out above, VEDO gave multiple notices to the Commission of its intent to

accept and implement the alternative regulation plan approved in the September 13

Opinion and Order. Following those notices, the first of which was made fifteen days

after the September 13 Opinion and Order, the options available to the Commission are

spelled out in Section 4929.07, Revised Code.

The requirements of Section 4929.07, Revised Code, following Commission

approval of an alternative regulation plan are clear and unequivocal:

(A) Within thirty days after the date of issuance of an order approving an exemption or alternative rate plan under section 4929.04 or 4929.05 of the Revised Code or within twenty days after the issuance of a rehearing entry pursuant to section 4903.10 of the Revised Code, whichever is later, the natural gas company shall do either of the following:

(1) File with the public utilities commission a notice of its intention to implement the exemption or alternative rate plan as directed by the commission in its order, and a copy of its revised rate schedules;

(2) Withdraw its exemption application or alternative rate plan request if the commission modifies or does not approve as filed the exemption application or the alternative rate plan request.

(B) If a natural gas company files a notice and revised schedules pursuant to division (A)(1) of this section, the commission, within thirty days after the date of the filing, shall do either of the following:

(1) Approve the revised schedules if the commission finds that there is no material difference between the approved alternative rate plan and the filed schedules;

(2) Disapprove the revised schedules if the commission finds that there is a material difference between the approved alternative rate plan and the filed revised schedules. If the commission disapproves the revised schedules, it shall provide a written order explaining its reasons for doing so, and it shall permit the company an additional thirty days to file revised rate schedules to implement the approved alternative rate plan or permit the company to withdraw the alternative rate plan pursuant to division (A)(2) of this section.

Section 4929.07, Revised Code.

In response to VEDO's notifications of its intention to implement the alternative regulation plan designated and approved by the Commission and the filing of the relevant rate schedules, Section 4929.07 provides the Commission with two available courses of action: (1) approve the tariff filed as being consistent with the approved alternative rate plan; or (2) disapprove the filed tariff, but only if it were materially different from the approved rate plan. If the Commission disapproved the tariff sheet filed in response to the September 13 Opinion and Order, the Commission was obligated to provide information to allow VEDO to correct the material variance between the approved plan and the revised tariff sheets. Of course, the tariff sheets filed by VEDO on September 28, 2006, are identical to the sheets approved by the Commission in its September 13 Opinion and Order, so there is no variance between the tariff sheets filed by VEDO and the plan approved by the Commission.

VEDO, OPAE, and Staff are now faced with a hearing and associated procedural requirements on a stipulation they filed as one of a number of notifications to the Commission that they accept and intend to implement the alternative regulation plan approved by the Commission's *September 13 Opinion and Order*. It is important to note that the *First Stipulation* specifically required the signatory parties to (at page 9) "...convene immediately to work in good faith to achieve an outcome that substantially satisfies the intent of the Commission or proposes a reasonable equivalent thereto to be submitted to the Commission for its consideration" in the event the Commission did not

19

adopt the Stipulation in its entirety. Instead of attempting to satisfy the intent of the Commission, OCC elected to attack the Commission's determinations because they provided a different outcome than recommended in the *First Stipulation*. VEDO and OPAE elected to respect the Commission's intention and so advised the Commission by stating repeatedly and in various ways their intention to move forward and implement the plan approved by the Commission. The Commission's Staff, a non-signatory party to the *First Stipulation*, has joined OPAE and VEDO in support of the plan adopted by the Commission. Even OCC has been engaged in the implementation effort through its participation in the collaborative created by the plan approved by the Commission.

The practical effect of the *January 23 Entry* leaves VEDO, OPAE and Staff guessing about whether and, if so, how they can or should be required to do anything more than they have already done to evidence their support of a plan that the Commission has twice determined is supported by the record already existing in the case. More importantly, the process which the Attorney Examiner has outlined in the *January 23 Entry* appears to ignore the requirements of Section 4929.07, Revised Code.

At the outset of this case, the Commission determined that, of all the options available for its consideration of VEDO's application, it would consider it as an alternative regulation plan application controlled by Section 4929.05, Revised Code. The Commission has said twice that the alternative regulation plan it approved is supported by the evidence submitted on the record at the hearing in this proceeding on April 24, 2006. VEDO (along with OPAE and Staff) have notified the Commission multiple times that they intend to implement the plan approved by Commission in its

20

September 13 Opinion and Order and its November 8 Rehearing Entry. All statutory process requirements associated with the Commission's decision to transform VEDO's Application into an alternative regulation plan application have been met and the Commission has before it tariff sheets which VEDO submitted as part of the implementation effort. The Parties, therefore, submit that the Commission, pursuant to Section 4929.07, Revised Code, must approve the tariff sheets filed by VEDO on September 28, 2006, and permit the implementation of the alternative regulation plan as approved. To the extent that OCC is provided any additional opportunity to be heard in this proceeding, the Commission should: (1) require OCC to withdraw the notice of appeal which was filed in this proceeding; (2) direct that any further opportunity for OCC to be heard shall be limited to any new issues specifically and directly raised by the December 21 and the Amended Stipulations; (3) strictly limit OCC's opportunity to conduct discovery to the subject of any new issues raised by the December 21 and the Amended Stipulations; (4) direct OCC to submit prefiled testimony identifying OCC's position on any new issues raised by the December 21 and the Amended Stipulations, including an explanation as to why the issues were not raised previously by OCC; and, (5) provide the other parties with the opportunity to file responsive testimony following the filing of testimony by OCC.

#### IV. CONCLUSION

For the reasons set forth above, this interlocutory appeal should be certified to the full Commission, and the Commission should expeditiously grant the relief requested herein.

Respectfully submitted,

David C. Rinebolt / () Ohio Partners for Affordable Energy 231 West Lima Street PO Box 1793 Findlay, OH 45840 Telephone: (419) 425-8860 Fax: (419) 425-8862 drinebolt@aol.com

Attorney for Ohio Partners for Affordable Energy

Sámuel C. Randazzo Gretchen J. Hummel Lisa G. McAlister Daniel J. Neilsen McNees Wallace & Nurick, LLC 21 East State Street, 17<sup>th</sup> Floor Columbus, OH 43215 Telephone: (614) 469-8000 Fax: (614) 469-4653 <u>sam@mwncmh.com</u> <u>ghummel@mwncmh.com</u> <u>Imcalister@mwncmh.com</u> <u>dneilsen@mwncmh.com</u>

Attorneys for Vectren Energy Delivery of Ohio, Inc.

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Joint Motion for Certification of an Interlocutory Appeal of the Attorney Examiner's Entry Dated January 23, 2007 has been hand-delivered, sent electronically or served via ordinary U.S. Mail, postage prepaid, this 29th day of January, 2007 to the following parties of record.

Øretchen J/Hummel

Maureen Grady Office of the Ohio Consumers' Counsel 10 West Broad Street, 18<sup>th</sup> Floor Columbus, OH 43215

Anne L. Hammerstein Public Utilities Commission of Ohio Attorney General's Section 180 East Broad Street, 9<sup>th</sup> Floor Columbus, OH 43215

Joseph P. Meissner Attorney at Law Legal Aid Society of Cleveland 1223 West Sixth Street Cleveland, OH 44113

Steven Lesser Attorney Examiner Public Utilities Commission of Ohio 180 East Broad Street Columbus, OH 43215 EXHIBIT I

# FILE

#### BEFORE

#### THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren ) Energy Delivery of Ohio, Inc. for Approval, ) pursuant to Section 4929.11, Revised Code, of ) a Tariff to Recover Conservation Expenses ) and Decoupling Revenues Pursuant to Auto- ) matic Adjustment Mechanisms and for such ) Accounting Authority as May Be Required to ) Defer Such Expenses and Revenues for Future ) Recovery Through such Adjustment Mechanisms. )

Case No. 05-1444-GA-UNC

#### ENTRY

The attorney examiner finds:

- (1) On November 28, 2005, Vectren Energy Delivery of Ohio, Inc. (VEDO) filed an application for approval, pursuant to Section 4929.11, Revised Code, of a tariff to recover conservation expenses and decoupling revenues pursuant to automatic adjustment mechanisms and for such accounting authority as may be required to defer such expenses and revenues for future recovery through such adjustment mechanisms. VEDO's conservation rider would consist of a conservation funding component and a decoupled sales component. On February 7, 2006, the attorney examiner found that the application must be considered a request for an alternate rate plan as described in Section 4929.01(A), Revised Code, and thus the process would be controlled by Section 4929.05, Revised Code.
- (2) On April 10, 2006, VEDO, Ohio Partners for Affordable Energy (OPAE) and the Ohio Consumers' Counsel (OCC) filed a Stipulation and Recommendation (April Stipulation) for the purpose of resolving the issues in this proceeding. The staff of the Commission (Staff) opposed the April Stipulation through testimony and post-hearing brief.
- (3) On September 13, 2006, the Commission issued its Opinion and Order in this case and approved the April Stipulation as modified by the Opinion and Order. On November 8, 2006, the Commission denied the application for rehearing filed by OCC.

This is to certify that the images appearing are an accurate and composite reproduction of a case file document dollvered in the regular course of business. Technician \_\_\_\_\_ Date Processed <u>1-23-07</u>

#### 04-1444-GA-UNC

- (4) On December 8, 2006, OCC filed a Notice of Termination and Withdrawal from Stipulation. OCC stated that the filing was made pursuant to the April Stipulation provision that included the right of a signatory party to terminate and withdraw from the April Stipulation by filing notice within thirty days of the entry on rehearing, if the Commission did not adopt the April Stipulation in its entirety without material modification. OCC offers that, in accordance with the April Stipulation, a hearing should be conducted.
- (5) On December 21, 2006, a second Stipulation and Recommendation (December Stipulation) was filed by VEDO, OPAE and Staff (signatory parties). The signatory parties requested that the Commission affirm the September 13, 2006, Opinion and Order that adopted and modified the April Stipulation, based on the existing record, without further hearing. The signatory parties further requested that the Sales Reconciliation Rider and deferral mechanism adopted in the September 13, 2006, Opinion and Order, continue to be effective, as of the date of the order.
- (6) By entry dated December 29, 2006 (December 29 Entry), the attorney examiner noted that OCC had withdrawn from the April Stipulation and determined that a hearing regarding the December Stipulation should be held. Further, the attorney examiner ordered the signatory parties to file a document which sets out all the terms and conditions of the December Stipulation.
- (7) On January 12, 2007, pursuant to the attorney examiner's entry of December 29, 2006, the signatory parties filed an amended Stipulation and Recommendation (January Stipulation).
- (8) A prehearing conference was held on January 22, 2007.
- (9) The following procedural schedule should be adopted for consideration of the January Stipulation:
  - (a) Discovery requests, except for depositions, should be served by February 7, 2007.
  - (b) Testimony should be filed by February 21, 2007.

The evidentiary hearing shall commence on February 28, 2007, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-C, 180 E. Broad St., Columbus, Ohio 43215.

It is, therefore,

ORDERED, That the procedural schedule for this proceeding be adopted as set forth in Finding (9). It is, further,

ORDERED, That an evidentiary hearing commence on February 28, 2007, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-C, 180 E. Broad St., Columbus, Ohio 43215. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: Gregory A. Price Attorney Examiner

/ct du

Entered in the Journal

JAN 2.3 2007

( Jestin) 'n.

Reneé J. Jenkins Secretary

EXHIBIT II



# Form 8-K

# **VECTREN CORP - VVC**

Filed: September 14, 2006 (period: September 13, 2006)

Report of unscheduled material events or corporate changes.

# Table of Contents

Item 8.01. Other Events. SIGNATURES INDEX TO EXHIBITS

EX-99.1 (EXHIBIT 99.1)

EX-99.2 (EXHIBIT 99.2)

#### SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

#### FORM 8-K **CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) September 13, 2006

**VECTREN CORPORATION** (Exact name of registrant as specified in its charter)



	<u>nmission</u> 'ile No.	<u>Registrant, State of Incorporation, Address,</u> <u>and Telephone Number</u>	<u>I.R.S Employer</u> Identification No.	
1	-15467	Vectren Corporation (An Indiana Corporation) One Vectren Square, Evansville, Indiana 47708 (812) 491-4000	35-2086905	
1	-16739	Vectren Utility Holdings, Inc. (An Indiana Corporation) One Vectren Square, Evansville, Indiana 47708 (812) 491-4000	35-2104850	
		Former name or address, if changed since last report: N/A		
Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:				
X Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)				
x	Soliciting material pursu	ant to Rule 14a-12 under the Exchange Act (17 CFR 240.1	4a-12)	
х	Pre-commencement con	umunications pursuant to Rule 14d-2(b) under the Exchang	e Act (17 CFR 240.14d-2(b))	
x	Pre-commencement con	munications pursuant to Rule 13e-4(c) under the Exchange	e Act (17 CFR 240.13e-4(c))	

Vectren Corporation (the Company) announced on Wednesday, September 13, 2006, that its wholly-owned subsidiary, Vectren Energy Delivery of Ohio (VEDO), has received approval from the Public Utilities Commission of Ohio (PUCO) to implement a conservation program and a rate design change that moves away from volumetric ratemaking and aligns the Company's and customers' interest to conserve natural gas. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is hereby furnishing cautionary statements identifying important factors that could cause actual results of the Company and its subsidiaries, including Vectren Utility Holdings, Inc., to differ materially from those projected in forward-looking statements of the Company and its subsidiaries made by, or on behalf of, the Company and its subsidiaries. These cautionary statements are attached as Exhibit 99.2.

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VECTREN CORPORATION VECTREN UTILITY HOLDINGS, INC.

September 14, 2006

By: /s/ M. Susan Hardwick M. Susan Hardwick

Vice President and Controller

#### INDEX TO EXHIBITS

The following Exhibits are filed as part of this Report to the extent described in Item 8.01:

Exhibit Number	Description
<u>99.1</u> 99.2	PUCO Approves Conservation Program for Vectren Energy Delivery of Ohio Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995



News

# Release

Vectren Corporation

One Vectren Square

Evansville, IN 47708

September 13, 2006 FOR IMMEDIATE RELEASE

Media Contact: Mike Roeder, (812) 491-4143 or <u>mroeder@vectren.com</u> Investor Contact: Steve Schein, (812) 491-4209 or sschein@vectren.com

#### PUCO Approves Conservation Program for Vectren Energy Delivery of Ohio

COLUMBUS, OHIO (Sept. 13, 2006) - Today, the Public Utilities Commission of Ohio (PUCO) approved a proposal by Vectren Energy Delivery of Ohio (VEDO), a wholly-owned subsidiary of Vectren Corporation (Vectren; NYSE: VVC), to implement a conservation program and a rate design change that moves away from volumetric ratemaking and aligns the company's and customers' interest to conserve natural gas.

Originally filed with the PUCO as a settlement agreement between VEDO, the Office of the Ohio Consumers Counsel (OCC) and the Ohio Partners for Affordable Energy (OPAE), the order, which modifies the settlement, establishes a two year, \$2 million low-income conservation program to be paid by VEDO. It also establishes a sales reconciliation rider (SRR) intended to be a recovery mechanism for the difference between the rate base revenues actually collected by the company and the base revenues approved in the company's most recent rate case.

"We are pleased with today's commission action and are excited to be among the first companies in the country to establish a rate mechanism that will allow us to encourage our Ohio customers to conserve energy," Niel C. Ellerbrook, Chairman, CEO and President of Vectren said. "The outcome of this order is consistent with our desire to better align our interests with our customers. An added benefit of this order will be the creation of additional conservation programs for low-income customers who are most harmed by recent high and volatile natural gas prices."

Traditionally, regulation has provided for a significant portion of fixed cost recovery through throughput or volume charges, which motivate gas utilities to promote increased customer consumption. The approved rate design change marks a departure from tradition and is an approach advocated by energy efficiency experts, consumer advocates and the natural gas industry. In light of increasing and extremely volatile natural gas commodity costs, the objective of this rate design change is to align the interests of the company with customers by supporting conservation.

#### About Vectren

Vectren Corporation (NYSE: VVC) is an energy holding company headquartered in Evansville, Ind. Vectren's energy delivery subsidiaries provide gas and/or electricity to more than one million customers in adjoining service territories that cover nearly two-thirds of Indiana and west central Ohio. Vectren's nonutility subsidiaries and affiliates currently offer energy-related products and services to customers throughout the Midwest and Southeast. These include gas marketing and related services; coal production and sales; and energy infrastructure services. To learn more about Vectren, visit<u>www.vectren.com</u>.

This document contains forward-looking statements, which are based on management's beliefs and assumptions that derive from information currently known by management. Vectren wishes to caution readers that actual results could differ materially from those contained in this document. Additional detailed information concerning a number of factors that could cause actual results to differ materially from the information that is provided to you is readily available in our annual report on Form 10-K filed with the Securities and Exchange Commission on Feb. 16, 2006.

#### **Forward-Looking Information**

A "safe harbor" for forward-looking statements is provided by the Private Securities Litigation Reform Act of 1995 (Reform Act of 1995). The Reform Act of 1995 was adopted to encourage such forward-looking statements without the threat of litigation, provided those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the statement. Certain matters described herein are forward-looking statements. Such statements are based on management's beliefs, as well as assumptions made by and information currently available to management. When used in this filing, the words "believe", "anticipate", "endeavor", "estimate", "expect", "objective", "projection", "forecast", "goal" and similar expressions are intended to identify forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, factors that could cause the Company's actual results to differ materially from those contemplated in any forward-looking statements include, among others, the following:

- •□Factors affecting utility operations such as unusual weather conditions; catastrophic weather-related damage; unusual maintenance □or repairs; unanticipated changes to fossil fuel costs; unanticipated changes to gas supply costs, or availability due to higher demand, shortages, transportation problems or other developments; environmental or pipeline incidents; transmission or distribution incidents; unanticipated changes to electric energy supply costs, or availability due to demand, shortages, transmission problems or other developments; or electric transmission or gas pipeline system constraints.
- Increased competition in the energy environment including effects of industry restructuring and unbundling.
- Regulatory factors such as unanticipated changes in rate-setting policies or procedures, recovery of investments and costs made under traditional regulation, and the frequency and timing of rate increases.

• Financial or regulatory accounting principles or policies imposed by the Financial Accounting Standards Board; the Securities and Exchange Commission; the Federal Energy Regulatory Commission; state public utility commissions; state entities which regulate electric and natural gas transmission and distribution, natural gas gathering and processing, electric power supply; and similar entities with regulatory oversight.

• Economic conditions including the effects of an economic downturn, inflation rates, commodity prices, and monetary fluctuations.

- Increased natural gas commodity prices and the potential impact on customer consumption, uncollectible accounts expense, unaccounted for gas, and interest expense.
- Changing market conditions and a variety of other factors associated with physical energy and financial trading activities including, but not limited to, price, basis, credit, liquidity, volatility, capacity, interest rate, and warranty risks.
- Direct or indirect effects on the Company's business, financial condition or liquidity resulting from a change in credit ratings, changes in interest rates, and/or changes in market perceptions of the utility industry and other energy-related industries.
- Employee or contractor workforce factors including changes in key executives, collective bargaining agreements with union employees, or work stoppages.
- Legal and regulatory delays and other obstacles associated with mergers, acquisitions, and investments in joint ventures.
- Costs and other effects of legal and administrative proceedings, settlements, investigations, claims, and other matters, including, but not limited to, those described in the Company's periodic SEC filings.
- Changes in federal, state or local legislature requirements, such as changes in tax laws or rates, environmental laws and  $\Box$  regulations.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of changes in actual results, changes in assumptions, or other factors affecting such statements.

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EXHIBIT III

### BEFORE

#### THE PUBLIC UTILITIES COMMISSION OF OHIO

)

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval, Pursuant to Revised Code Section 4929.11, of Tariffs to Recover Conservation Expenses and Decoupling Revenues Pursuant to Automatic Adjustment Mechanisms and for Such Accounting Authority as May be Required to Defer Such Expenses and Revenues for Future Recovery through Such Adjustment Mechanisms.

Case No. 05-1444-GA-UNC

## INTERROGATORIES, REQUEST FOR PRODUCTION OF DOCUMENTS, AND REQUESTS FOR ADMISSION PROPOUNDED TO VECTREN ENERGY DELIVERY OF OHIO, INC. BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL FIRST SET

)

(January 18, 2007)

The Office of The Ohio Consumers' Counsel ("OCC") in the above-captioned proceedings before the Public Utilities Commission of Ohio (hereinafter, "PUCO" or "Commission") submits the following Interrogatories, Requests for Production of Documents, and Requests for Admission, pursuant to Sections 4901-1-19, 4901-1-20 and 4901-1-22 of the Ohio Adm. Code for response from the Vectren Energy Delivery of Ohio, Inc. ("Vectren" "VEDO" or "Company") within a 10 calendar day period (but no later than within 20 days of service, as provided for in the Commission's rules) and no later than within a shorter time as the Commission, legal director, the deputy legal director, or an attorney examiner assigned to this case may allow. An electronic response should be

provided to the extent possible to the Office of the Ohio Consumers' Counsel ("OCC") at the following address:

Maureen R. Grady Jacqueline L. Roberts Assistant Consumers' Counsel 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 grady@occ.state.oh.us roberts@occ.state.oh.us

Additionally, Vectren must follow the instructions provided herein in responding to the inquiries.

#### **DEFINITIONS**

As used herein the following definitions apply:

1. "Document" or "Documentation" when used herein, is used in its customary broad sense, and means all originals of any nature whatsoever, identical copies, and all non-identical copies thereof, pertaining to any medium upon which intelligence or information as is available to Vectren or is recorded in your possession, custody, or control regardless of where located; including any kind of printed, recorded, written, graphic, or photographic matter and things similar to any of the foregoing, regardless of their author or origin. The term specifically includes, without limiting the generality of the following: punchcards, printout sheets, movie film, slides, PowerPoint slides, phonograph records, photographs, memoranda, ledgers, work sheets, books, magazines, notebooks, diaries, calendars, appointment books, registers, charts, tables, papers, agreements, contracts, purchase orders, checks and drafts, acknowledgments, invoices, authorizations, budgets, analyses, projections, transcripts, minutes of meetings of any kind, telegrams, drafts, instructions, announcements, schedules, price lists, electronic copies, reports, studies, statistics, forecasts, decisions, and orders, intraoffice and inter-office communications, correspondence, financial data, summaries or records of conversations or interviews, statements, returns, diaries, workpapers, maps, graphs, sketches, summaries or reports of investigations or negotiations, opinions or reports of consultants, brochures, bulletins, pamphlets, articles, advertisements, circulars, press releases, graphic records or representations or publications of any kind (including microfilm, videotape and

records, however produced or reproduced), electronic (including e-mail), mechanical and electrical records of any kind and computer produced interpretations thereof (including, without limitation, tapes, tape cassettes, disks and records), other data compilations (including, source codes, object codes, program documentation, computer programs, computer printouts, cards, tapes, disks and recordings used in automated data processing together with the programming instructions and other material necessary to translate, understand or use the same), all drafts, prints, issues, alterations, modifications, changes, amendments, and mechanical or electric sound recordings and transcripts to the foregoing. A request for discovery concerning documents addressing, relating or referring to, or discussing a specified matter encompasses documents having a factual, contextual, or logical nexus to the matter, as well as documents making explicit or implicit reference thereto in the body of the documents. Originals and duplicates of the same document need not be separately identified or produced; however, drafts of a document or documents differing from one another by initials, interlineations, notations, erasures, file stamps, and the like shall be deemed to be distinct documents requiring separate identification or production. Copies of documents shall be legible.

2. "Communication" shall mean any transmission of information by oral, graphic, written, pictorial, or otherwise perceptible means, including, but not limited to, telephone conversations, letters, telegrams, and personal conversations. A request seeking the identity of a communication addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or

logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.

- 3. The "substance" of a communication or act includes the essence, purport or meaning of the same, as well as the exact words or actions involved.
- 4. "And" or "Or" shall be construed conjunctively or disjunctively as necessary to make any request inclusive rather than exclusive.
- 5. "You," and "Your," or "Yourself" refer to the party requested to produce documents and any present or former director, officer, agent, contractor, consultant, advisor, employee, partner, or joint venturer of such party.
- Each singular shall be construed to include its plural, and vice versa, so as to make the request inclusive rather than exclusive.
- 7. Words expressing the masculine gender shall be deemed to express the feminine and neuter genders; those expressing the past tense shall be deemed to express the present tense; and vice versa.
- 8. "Person" includes any firm, corporation, joint venture, association, entity or group of persons, unless the context clearly indicates that only an individual person is referred to.
- 9. "Identify," or "state the identity of," or "identified" means as follows:
  - A. When used in reference to an individual, to state his full name and present or last known position and business affiliation, and his position and business affiliation at the time in question;

- B. When used in reference to a commercial or governmental entity, to state its full name, type of entity (e.g., corporation, partnership, single proprietorship), and its present or last known address;
- C. When used in reference to a document, to state the date, author, title, type of document (e.g., letter, memorandum, photograph, tape recording, etc.), general subject matter of the document, and its present or last known location and custodian;
- D. When used in reference to a communication, to state the type of communication (i.e., letter, personal conversation, etc.), the date thereof, and the parties thereto and the parties thereto and, in the case of a conversation, to state the substance, place, and approximate time thereof, and identity of other persons in the presence of each party thereto;
- E. When used in reference to an act, to state the substance of the act, the date, time, and place of performance, and the identity of the actor and all other persons present.
- The terms "PUCO" and "Commission" refer to the Public Utilities Commission of Ohio, including its Commissioners, personnel (including Persons working in the Public Utilities Section of the Ohio Attorney General's Office), and offices.
- 11. The term "e.g." connotes illustration by example, not limitation.
- "Rule 4901:X-XX-XX" means the Chapter 4901 rule contained within the Ohio Administrative Code.

- "Vectren" "VEDO" and/or "Company" mean the Vectren Energy Delivery of Ohio Inc. unless otherwise noted.
- 14. "Ohio EPA" means the Ohio Environmental Protection Agency.
- 15. "U.S. EPA" means the United State Environmental Protection Agency.
- 16. Unless otherwise stated, "Application" and/or "Schedule" refer to the documents contained in the Application For Approval of Tariffs to Recover Conservation Expenses and Decoupling Revenues that was filed in Case No. 05-1444-GA-UNC at the PUCO.

#### **INSTRUCTIONS FOR ANSWERING**

- 1. All information is to be divulged which is available to Vectren, Vectren's attorney, agents, or other representatives of Vectren or its attorney.
- 2. Where an interrogatory calls for an answer in more than one part, each part should be separate in the answer so that the answer is clearly understandable.
- 3. Each interrogatory shall be answered separately and fully in writing and under oath, unless it is objected to, in which event the reasons for objection shall be stated in lieu of an answer. The answers are to be signed by the person making them, and the objections are to be signed by the attorney making them. The objections shall be signed by the attorney or other person making them.
- If any answer requires more space than provided, continue the answer on the reverse side of the page or on an added page.
- 5. Your organization(s) is requested to produce and permit inspection and copying of designated documents that are in your possession, control or custody. Possession, control, or custody shall be defined to include documents within your physical control or custody, as well as documents that are physically controlled or possessed by any other person acting or purporting to act on your behalf, whether as an officer, director, employee, agent, independent contractor, attorney, consultant, witness, or otherwise.
- 6. Where these requests seek quantitative or computational information (e.g., models, analyses, databases, and formulas) stored by your organization(s) or its consultants in computer-readable form, in addition to providing hard copy (if an electronic

response is not otherwise provided as requested), you are requested to produce such computer-readable information, in order of preference:

- A. Microsoft Excel worksheet files on compact disk;
- B. other Microsoft Windows or Excel compatible worksheet or database diskette files;
- C. ASCII text diskette files; and
- D. such other magnetic media files as your organization(s) may use.
- 7. Conversion from the units of measurement used by your organization(s) in the ordinary course of business need not be made in your response; e.g., data requested in Ccf may be provided in Gallons as long as the unit measure is made clear.
- 8. Unless otherwise indicated, the following requests shall require you to furnish information and tangible materials pertaining to, in existence, or in effect for the whole or any part of the period from November 28, 2005 up through and including the date of your response.
- 9. Responses must be complete when made, and must be supplemented, consistent with Ohio Adm. Code 4901-1-16(D).
- 10. With respect to responding to a request for admission, Vectren is to respond by written answer or objection, and must sign the written answer or objection. If an objection is made, Vectren shall set forth the reasons therefore. The answer shall specifically deny the matter or set forth in detail the reasons why Vectren cannot truthfully make an admission or denial. Vectren's denial shall fairly meet the substance of the requested admission, and when good faith requires that Vectren

qualify its answer or deny only part of the matter of which an admission is requested, Vectren shall specify that portion which is true and qualify or deny the remainder. Vectren may not give lack of information as a reason for failure to admit or deny a matter unless it states that it has made reasonable inquiry and that information known or readily obtainable is insufficient to enable Vectren to make an admission or denial. If Vectren considers the truth of a matter of which an admission has been requested to be a genuine issue for the hearing, it may not, on that basis alone, object to the request, but may deny the matter or set forth the reasons why an admission or denial cannot be made.

11. In the event that a claim of privilege is invoked as the reason for not responding to discovery, the nature of the information with respect to which privilege is claimed shall be set forth in responses together with the type of privilege claimed and a statement of all circumstances upon which the respondent to discovery will rely to support such a claim of privilege. Respondent to the discovery must a) identify (see definition) the individual, entity, act, communication, and/or document that is the subject of the withheld information based upon the privilege claim, b) identify all persons to whom the information has already been revealed, and c) provide the basis upon which the information is being withheld and the reason that the information is not provided in discovery.

#### **INTERROGATORIES**

 Please identify the persons present, the specific matters discussed, and documents generated or provided pursuant to any and all contact between any employee or persons working for, or in conjunction with, or under the direction of Vectren Energy Delivery of Ohio Inc. and the Commission, as defined pursuant to Ohio Rev. Code 4901.02, and employees of the Commission assisting with the development of and presentation of the Staff's position in Case No. 05-1444-GA-UNC, pertaining to any and all aspects of Case No. 05-1444-GA-UNC from April 19, 2006 to present.

2. Please identify the specifics of all negotiations and or settlement discussions that occurred on or after April 19, 2006 up until the present date between any employee or individual working for, in conjunction with, or under the direction of Vectren Energy Delivery of Ohio Inc. and any other party to Case No. 05-1444-GA-UNC, including employees of the Commission assisting or involved with the presentation of the case, and the Commission, as defined pursuant to Ohio Rev. Code 4901.02, and OPAE. Please indicate the time, location, duration, method, individuals present, issues discussed, and documents presented or discussed in the process.

#### **RESPONSE:**

3. Please provide the actual residential and commercial customer volumetric usage of gas that has occurred, on a monthly billed usage basis, since the opinion and order was issued in the previous rate case.

Please identify for the latest twelve month period available, on a billed usage monthly basis, the average use per residential and commercial customer.
 RESPONSE:

5. Please identify all expenses and the dates the expenses were incurred associated with the Company going forward with the implementation of the low income programs under the Commission's September 13, 2006 Opinion and Order.

# **RESPONSE:**

Please identify for each month, for years one and two, the "projected sales volumes" referenced in the Company's September 28, 2006 SRR filing.
 RESPONSE:

 Please identify each expert witness expected to testify at the hearing and state the subject matter on which the expert is expected to testify.

## **RESPONSE:**

8. Please provide copies of all documents that underlie, are referenced in, or form the basis for, the testimony that is to be presented at the upcoming evidentiary hearing in this case.

## **RESPONSE:**

- Referring to the Vectren Quarterly Conference call, "2006 and 2007 Earnings Guidance", that took place on December 14, 2007,
  - a. Please identify for the slide entitled "Earnings Guidance" the specific
     2007 EPS growth for utility (\$1.20 to \$1.30) that is attributable to the
     Ohio decoupling Opinion and Order.

b. Please identify the specific 2008 EPS growth for utility that is projected and attributable to the Ohio decoupling Opinion and Order.

# **RESPONSE:**

c. Please explain, per the remarks of Niel Ellerbrook, the "significant improvement in performance because of those (Ohio and Indiana) orders."
 (Page 2, Corrected Transcript).

**RESPONSE:** 

d. Please identify for Ohio the Company's 2007 projected consumption decline "and in 2007, we are likely to see more" (Page 2, Corrected Transcript).

**RESPONSE:** 

.

e. What were the Ohio residential and commercial gas margins, as referenced in the corrected transcript at 10), prior to the decoupling orders?

### **RESPONSE:**

 f. Referring to slide 10, "2007 Gas Utility Margin Growth" what portion of the 2006 incremental decoupling recovery is attributable to Ohio?

# **RESPONSE:**

g. Referring to slide 10, "2007 Gas Utility Margin Growth" does the 2007
 gas utility margin reflect any impact of the Ohio decoupling recovery? If
 so, please specify the effect.

 h. Referring to Page 10, Corrected Transcript, what is the basis for the statement that "we believe by the end of '07, 100% of residential and conservation margins will be subject" to recovery?

## **RESPONSE:**

i. Please identify what efforts have been undertaken in Ohio to address the "exposure to weather in Ohio." (Page 10, Corrected Transcript.)

### **RESPONSE:**

j. Please specify the basis underlying the statement made by Jerome
Benkert, Jr. at Corrected Transcript, page 12, that "the decoupling orders will help to boost those returns up a bit."

k. Please provide the basis for the statement that the decline in consumption
"is just normal dial back right now." (Page 13, Corrected Transcript.)
What is the Ohio portion of the "incremental margin impact of \$8 to \$12
million depending on average customer use"

## **RESPONSE:**

 What is the Ohio portion of the "2006 decline in residential AUPC 14% from last rate cases" See Slide 6 "Conservation Orders in Place"?
 RESPONSE:

m. Please explain how the "conservation/decoupling orders stabilize earnings
 & reduce risk" See Slide 8 "2007 Utility Outlook."

10. Please explain the exact parameters of the "broader base of VEDO customers" that the collaborative is designing programs for. See Amended Stipulation and Recommendation at page 3. How many of VEDO's customers are in that "broader base"? How many VEDO customers are there that are "low income" as defined by federal poverty guidelines? What is the magnitude % and number of customers that will be eligible for low income assistance reached under the broader approach to defining "low income?

### **RESPONSE:**

11. Is the "expanded capability to offer assistance" (Amended Stipulation and Recommendation at 4) referring to strictly low income assistance, however defined by the Collaborative?

12. If the Amended Stipulation is not "adopted fully and completely without modification" does VEDO's funding of the \$2 million low income two-year conservation program go away? (Amended Stipulation and Recommendation at 5.)

## **RESPONSE:**

13. Does the flexibility referred in footnote 4, Amended Stipulation and Recommendation, intend to allow more than "low income" conservation programs?

## **RESPONSE:**

14. How is good faith defined by Vectren as referenced at page 7, Amended Stipulation and Recommendation?

15. Referring to the "efforts by VEDO to promote the identification and implementation of programs designed (through the Collaborative) to provide customers with more tools to reduce the quantity of natural gas otherwise required to meet their energy requirements as well as the relative level of the customers' total monthly bill" (Amended Stipulation and Recommendation at 6) -- are these efforts of value only to recipients of "low income weatherization" as defined by the collaborative?

### **RESPONSE:**

16. What are the "applicable customer classes" referenced on page 8 of the Amended Stipulation and Recommendation?

#### **RESPONSE:**

17. Has the Company done any study/analysis of the impact of the SRR on low income customers? If so, please provide copies of such.

18. Will the low income customers be exempt from the SRR? If so, why? If not why not?

# **RESPONSE:**

How is it envisioned that the SRR would be "superseded by a rate design or other mechanism" as referenced in Amended Stipulation and Recommendation at page 9?

**RESPONSE:** 

20. What kind of "rate structure or design changes" are being referenced on page 10 of the Amended Stipulation and Recommendation?

24. Does the Amended Stipulation and Recommendation preclude the Commission from ordering rate relief to customers, in the form of a decrease in rates?RESPONSE:

25. Does the Amended Stipulation and Recommendation preclude the Commission from ordering an investigation into the reasonableness of Vectren's rates? **RESPONSE:** 

267. Does the Amended Stipulation and Recommendation preclude OCC from filing a complaint case against Vectren?

21. Please explain how the Amended Stipulation "does not constitute an increase in rates" as claimed on page 10?

# **RESPONSE:**

22. Is the "acceptance of the Commission's designation of the application in this proceeding as a request for an alternative rate plan" an opinion rendered by your legal counsel?

**RESPONSE:** 

23. Please explain fully how the stipulation does not violate regulatory principles. Is that an opinion rendered by your legal counsel? Does the stipulation violate any regulatory practices in Ohio?

27. Define what a "material modification" of the Amended Stipulation would be. If the Commission denies the Company the flexibility to extend the programs to a broader base of "low income" customers, would that be a material modification? RESPONSE:

28. Are the parties to the Stipulation required to either not oppose or support "the amortization of such deferred balance in the next rate case proceeding" (Amended Stipulation and Recommendation at 12)

### **REQUESTS FOR PRODUCTION OF DOCUMENTS**

- Please provide copies of all documents pertaining to any and all contact between any employee or persons working for, in conjunction with, or under the direction of, Vectren Energy Delivery of Ohio Inc. and the Commission, as defined pursuant to Ohio Rev. Code 4901.02, and the employees of the Commission, as pertaining to any and all aspects of Case No. 05-1444-GA-UNC from April 19, 2006 to present. Documents on file in Case No. 05-1444-GA-UNC need not be provided.
- 2. Please provide documents, including work papers, and all avoided costs used in the analysis, which pertain to cost-benefit analysis of the Vectren Energy Delivery of Ohio Inc. DSM portfolio presented in its November 28, 2005 application to the PUCO or any subsequent proposal made by Vectren.
- Please provide copies of all cost benefit analyses, including work papers that pertain to Vectren's Indiana DSM portfolio and all costs included in the avoided cost analysis.
- 4. Please provide copies of all documents, including work papers that pertain to Gilbert Peach's comprehensive study of the market potential for gas conservation, and all costs included in the avoided cost analysis, in Vectren's service territory in Indiana.

- 5. Please provide all documents that pertain to the Company's most current projected annual variance for Ohio residential and commercial customers to be captured pursuant to the SRR for years one and two, including actual variances recorded to date.
- 6. Please provide all documents, including workpapers, and documents referenced in or underlying the direct and rebuttal testimony of Vectren witnesses Ulrey, Petitt, and Karl, which testimony was filed on or before April 19, 2006.
- Please provide all documents, including workpapers, and documents referenced in or underlying all forms of testimony of Vectren's witnesses to be presented on or after January 22, 2007.
- 8. Please provide copies of documents evidencing the accounting deferral that is occurring, due to the Commission's approval of the application, of the "calculated differences between Actual Base Revenues and Adjusted Order Granted Base Revenues for the applicable Rate Schedules for subsequent return or recovery via the SRR" as referenced in the Company's September 28, 2006 SRR filing.

- 9. Please provide copies of all documents pertaining to the financial and regulatory consequences of the Commission's September 13, 2006 Opinion and Order, as well as documents pertaining to options for the company to pursue under the Opinion and Order, including but not limited to financial filings and communications with shareholders.
- Please provide copies of all press releases issued by Vectren regarding the Commission's September 13, 2006 Opinion and Order and any other subsequent Commission Entries issued in this case.
- 11. Please provide copies of all documents, generated by the Company, including filings to the SEC, and communications with shareholders that reference this case and/or the PUCO's September 13, 2006 Opinion and Order.
- 12. Please provide copies of all documents pertaining to the financial and regulatory consequences of the OCC's Notice of Withdrawal and Termination, as well as documents pertaining to options for the company to pursue, both internal to the company and those released to the public.

- 13. Please provide copies of all documents pertaining to the financial and regulatory consequences of the Commission's approval of continued deferral accounting via Entry dated January 10, 2007, as well as documents pertaining to options for the company to pursue, including, but not limited to, characterizations made by the company both internally and to the public.
- 14. Please provide copies of all documents, including filings to the SEC, communications with shareholders, the Board of Directors or any other internal documents or documents publicly released that relate to the OCC's Notice of Withdrawal and Termination.
- 15. Please provide copies of all documents, including filings to the SEC, and communications with shareholders or the Board of Directors related to reporting of the Commission's approval of continued deferral accounting via Entry dated January 10, 2007.
- 16. Please provide copies of all documents, including workpapers, that contain costbenefit information on the low income program being undertaken in response to the Commission's September 13, 2006 Opinion and Order.

- 17. Please provide copies of all documents, including workpapers, that contain costbenefit information on the existing low income program in Vectren's service territory that was in place prior to the Commission's September 13, 2006 Opinion and Order.
- Please provide copies of all documents that underlie or form the basis for the information presented in Slide 3 "Earnings Guidance" as presented in the "2006 & 2007 Earnings Guidance" Conference Call and Webcast December 14, 2006.
- 19. Please provide copies of all data that support the statement that "we have about 90% of the residential and commercial margins covered under decoupling orders" Niel Ellerbrook at Page 3, Corrected transcript, "2006 & 2007 Earnings Guidance" Conference Call and Webcast, December 14, 2006.
- 20. Please provide copies of all documents that underlie or form the basis for the information presented in Slide 10 "2007 Gas Utility Margin Growth" as presented in the "2006 & 2007 Earnings Guidance" Conference Call and Webcast, December 14, 2006.
- 21. Please provide copies of all documents that underlie or form the basis for the remarks of Neil Ellerbrook referenced in OCC Interrogatory Number 9 c.

- 22. Please provide copies of all documents that underlie or form the basis for the remarks of Neil Ellerbrook referenced in OCC Interrogatory Number 9 d.
- Please provide copies of all documents that underlie or form the basis for the Niel Ellerbrook's remarks referenced in OCC Interrogatory Number. 9 h.
- 24. Please provide copies of all documents pertaining to OCC Interrogatory Number9 i.
- Please provide copies of all documents pertaining to OCC interrogatory Number 9
   j.
- 26. If there are any documents, including studies, data or analysis that support the statement referenced in OCC Interrogatory Number 9 k, please provide a copy of such.
- 27. Please provide copies of all documents that pertain to the conclusions referenced in OCC Interrogatory Number 9 m, along with any study, or analysis done related to the stabilization of earnings and reduction of risk in Ohio as a result of the decoupling order. If documents exist that are in the companies possession and control that are more generic on the stabilization of earnings and reduction of risk, and are not necessarily Ohio specific, please provide those as well.

- 28. Please provide documents concerning any analysis the Company has undertaken related to potential additional rate filings for Ohio, as referenced by Jerome Benkert, Jr. at Corrected Transcript, page 12, "2006 & 2007 Earnings Guidance" Conference Call and Webcast, December 14, 2006.
- 29. Please provide documents that underlie or support the basis for statements made by Niel Ellerbrook at Corrected Transcript, page 13, "2006 & 2007 Earnings Guidance" Conference Call and Webcast, December 14, 2006, regarding "extraordinary declines in consumption and as best we can tell since the last base rate cases, cumulatively that number is in the ballpark of 14%" -- What are the Ohio specific figures for declines in consumption?
- 30. Please provide all documents that underlie or form the basis for the information presented in Slide 4 "Doing what we said", 2006 & 2007 Earnings Guidance" Conference Call and Webcast, December 14, 2006.
- 31. Please provide copies of all agreements (all forms, including, by way of example only, draft agreements, notes of settlement discussions, and memoranda of understanding) between Vectren Ohio, OPAE, and the Commission Staff that were entered into on or after April 21, 2006 that pertain to provisions regarding energy efficiency and decoupling. This request asks for final agreements, and does not seek information regarding offers to compromise a disputed matter or documents used in compromise negotiations.

- 32. If the answer to Request to Admit Number 7 is "admit" please provide a copy of the agreement(s).
- 33. Please provide the following information concerning Vectren Ohio's avoided cost assuming an aggressive implementation of energy efficiency programs:
  - a. distribution system related avoided costs
  - b. commodity avoided cost on peak day, winter, and annual
  - c. demand avoided cost on peak day, winter, and annual

### Where:

- Peak day refers to decreasing the Company's firm sendout by a constant amount on the 15 coldest days of year.
- Winter refers to weather sensitive load reduction by decreasing the Company's firm sendout in proportion to heating degree days, with maximum reduction occurring on the coldest day (Company's design day) and no reduction occurring on zero heating degree days.
- Annual refers to a decrease in the Company's firm sendout by a constant amount on every day of the non-winter months.

#### REQUESTS FOR ADMISSION

- Admit or deny: for each of the settlement and negotiations discussions referenced in response to OCC First Set of Discovery, Interrogatory No. 2: That OCC was not invited by Vectren to attend or participate.
- Admit or deny: that the statements contained in Vectren Witness Ulrey's direct and rebuttal testimony filed in this docketed proceeding on March 9, 2006, and April 19, 2006 respectively, remain true and accurate to the best of his knowledge as of January 22, 2007.
- 3. Admit or deny: that the statements contained in Vectren Witness Petitt's direct testimony filed on March 9, 2006, in this docketed proceeding remain true and accurate to the best of his knowledge as of January 22, 2007.
- 4. Admit or deny: that the attached document, "2006 & 2007 Earnings Guidance
  Conference Call and Webcast December 14, 2007 [sic]" is genuine. (Attachment
  1)
- 5. Admit or deny: that the attached "2006 & 2007 Earnings Guidance Conference Call and Webcast December 14, 2007 [sic], Appendix" is genuine. (Attachment 2)

- Admit or deny: that the attached document "Corrected Transcript of the 2006 & 2007 Earnings Guidance Conference Call and Webcast December 14, 2007" is genuine. (Attachment 3)
- Admit or deny: that the attached press release "PUCO Approves conservation Program for Vectren Energy Delivery of Ohio," dated September 13, 2006 is genuine. (Attachment 4)
- Admit or deny: that the attached press release "Vectren Receives Approval of Comprehensive Conservation Proposal to Help Indiana Customers Conserve, Save Money on Natural Gas Bills," dated December 1, 2006 is genuine. (Attachment 5)
- Admit or deny: that the attached news release "Vectren Issues Initial 2007
   Earnings Guidance," dated December 13, 2006 is genuine. (Attachment 6)
- 10. Admit or deny: that the attached news release "Vectren Corporation Reports Year to Date and Third Quarter Results," dated November 2, 2006 is genuine.
   (Attachment 7)
- 11. Admit or deny: that the decoupling approved in Ohio is a type of innovative regulation.

- 12. Admit or deny: that, pursuant to the Ohio Commission's September 13, 2006 Opinion and Order, Vectren will be among the first companies in the country to establish a rate mechanism that will allow Vectren to encourage its Ohio customers to conserve energy.
- Admit or deny: that Vectren entered into an agreement with OPAE or the Commission Staff, or the Commission as defined pursuant to Rev. Code 4901.02 separate from the April 21, 2006 Stipulation filed in PUCO Case No. 05-1444-GA-UNC.
- 14. Admit or deny: that last year Vectren Corporation recognized the need for a fundamental shift in utility rate design and filed conservation programs in Ohio and Indiana designed to encourage the reduction of energy usage.
- 15. Admit or deny: that the conservation programs filed by Vectren in Ohio departs from volumetric ratemaking as the method for recovering revenue requirements.
- 16. Admit or deny: that the Ohio commission has taken an important step by approving a rate design change that allows the Company to become a conservation advocate.

- Admit or deny: that year to date earnings from Vectren Corporation decreased
  \$7.8 million primarily due to lower wholesale power marketing earnings and
  lower volumes of gas sold as customers respond to high energy prices.
- 18. Admit or deny: that Vectren Corporation will benefit from, including but not limited to, reduced risks, under the new rate design and conservation program orders implemented for Ohio and Indiana North gas utility territories.
- 19. Admit or deny: that the new rate design (in Ohio and Indiana) is in effect for approximately 90% of Vectren Corporation and provides for recovery of substantially all of the costs found to be appropriate in prior rate cases.
- 20. Admit or deny: that the decrease in earnings per share for Vectren Corporation in 2006 is primarily attributable to a decline in average use per customer along with increased depreciation and interest expense.
- 21. Admit or deny: that for Vectren Corporation improved utility margins projected in 2007 will reflect the benefits of a full year of conservation /decoupling recovery, incremental returns on environmental expenditures and expected gas and electric base rate relief in late summer of 2007.

- 22. Admit or deny: that the decoupling order in Ohio will address the issue of the decline in gas customer consumption that occurred in 2006 (as compared to 2005).
- 23. Admit or deny: that the new conservation-oriented rates in Ohio are designed to stabilize gross margin and effectively provide that Vectren can recover substantially all the costs that were approved in Vectren's last rate cases, by stabilizing margins.
- Admit or deny: that the incremental revenues from decoupling for Vectren Corporation are estimated to be between \$8 to \$12 million in 2007.
- 25. Admit or deny: that in Ohio the expenditures for conservation dollars were part of receiving a decoupling order.
- 26. Admit or deny: for Vectren Corporation, 90% of its residential and commercial gas margins are subject to conservation tariffs, and by the end of '07 100% of residential and conservation margins will be subject to conservation tariffs.
- Admit or deny: that for Ohio the decoupling order will boost Vectren Corporation's return on investment.

- 28. Admit or deny: that Vectren Corporation is one of the first companies in the country to implement a Commission approved rate mechanism (decoupling) that will allow Vectren to encourage its customers to conserve energy.
- 29. Admit or deny: that the approved Ohio rate design change (per the September 13, 2006 Opinion and Order in this case) marks a departure from traditional ratemaking in Ohio.
- 30. Admit or deny: that the Ohio rate design change (per the September 13, 2006 Opinion and Order in this case) is a fundamental change to the existing ratemaking paradigm.
- 31. Admit or deny: that the Ohio rate design change (per the September 13, 2006Opinion and Order in this case) is innovative regulation.

For each of these separate admissions, please admit or deny that each of the following statements were made by an agent of Vectren Corporation, concerning a matter within the scope of his employment, and were made during the existence of the employment relationship:

32. "Last year we recognized the need for a fundamental shift in utility rate design and filed conservation programs in Ohio and Indiana designed to encourage energy savings" Niel Ellerbook, Vectren Corporation Reports Year to Date and Third Quarter Results" November 2, 2006.

- 33. "These programs [Ohio and Indiana conservation programs] moved away from volumetric ratemaking and provided the foundation to aggressively help our customers use less energy and reduce their energy bills." Niel Ellerbook, Vectren Corporation Reports Year to Date and Third Quarter Results" November 2, 2006.
- 34. "The Ohio commission has taken an important step by recently approving a rate design change that allows the Company to become a conservation advocate and authorizing an expanded low-income conservation program that will better align the Company's and customers' interest to conserve natural gas." Niel Ellerbook, Vectren Corporation Reports Year to Date and Third Quarter Results" November 2, 2006.
- 35. "Our utility businesses will benefit from new rate design and conservation program orders recently implemented for our Ohio and Indiana North gas utility territories that enable us to help our customer lower their gas bills by promoting reduced consumption." Niel Ellerbrook, News Release "Vectren Issues Initial 2007 Earnings Guidance," December 13, 2006.
- 36. "The new rate design is in effect for approximately 90% or our gas customers and provides for recovery of substantially all of the costs found to be appropriate in

prior rate cases while at the same time authorizing comprehensive programs designed to help customers lower their bills by using less gas commodity." Niel Ellerbrook, News Release "Vectren Issues Initial 2007 Earnings Guidance," December 13, 2006.

- 37. "We are pleased with today's commission action and are excited to be among the first companies in the country to establish a rate mechanism that will allow us to encourage our Ohio customers to conserve energy." Niel Ellerbrook, News Release "PUCO approves conservation program for Vectren Energy Delivery of Ohio," September 13, 2006.
- 38. "The approved rate design change marks a departure from tradition and is an approach advocated by energy efficiency experts, consumer advocates and the natural gas industry." Niel Ellerbrook, News Release "PUCO approves conservation program for Vectren Energy Delivery of Ohio," September 13, 2006.
- 39. "This fundamental change to the ratemaking paradigm will allow us to aggressively support customer conservation efforts, thus helping customers lower the total cost of their natural gas bills without penalizing the company for achieving reductions in customer usage." Niel Ellerbrook, News Release "Vectren Receives Approval of Comprehensive Conservation Proposal to Help Indiana Customers Conserve, Save Money on Natural Gas bills" December 1, 2006.

#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the Interrogatories, Requests for Production of Documents, and Requests for Admission Propounded To The Vectren Energy Delivery of Ohio Inc. By The Office Of The Ohio Consumers' Counsel, First Set, was provided to the persons listed below via first class U.S. Mail, postage prepaid, this 18<sup>th</sup> day of January 2007.

> Jacqueline L. Roberts Assistant Consumers' Counsel

# DUANE W. LUCKEY ANNE HAMMERSTEIN

Assistant Attorney General Chief, Public Utilities Section 180 East Broad Street, 9<sup>th</sup> Floor Columbus, Ohio 43215-3793

#### JOSEPH P. MEISSNER

Legal Aid Society of Cleveland 1223 West Sixth Street Cleveland, Ohio 44113

#### **GRETCHEN J. HUMMEL**

McNees, Wallace & Nurick Fifth Third Center 21 East State Street, Suite 1700 Columbus, Ohio 43215

#### **DAVID RINEBOLT**

Ohio Partners For Affordable Energy Law Director P.O. Box 1793 Findlay, Ohio 45839-1793 EXHIBIT IV

#### BEFORE

## THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren ) Energy Delivery of Ohio, Inc. for ) Approval, Pursuant to Revised Code ) Section 4929.11, of Tariffs to Recover ) **Conservation Expenses and Decoupling** ) **Revenues Pursuant to Automatic** ) Adjustment Mechanisms and for Such ) Accounting Authority as May be Required ) to Defer Such Expenses and Revenues for ) Future Recovery through Such Adjustment ) Mechanisms. )

Case No. 05-1444-GA-UNC

# INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS PROPOUNDED TO VECTREN ENERGY DELIVERY OF OHIO, INC. BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL SECOND SET

(January 24, 2007)

The Office of The Ohio Consumers' Counsel ("OCC") in the above-captioned proceedings before the Public Utilities Commission of Ohio (hereinafter, "PUCO" or "Commission") submits the following Interrogatories, Requests for Production of Documents, and Requests for Admission, pursuant to Sections 4901-1-19, 4901-1-20 and 4901-1-22 of the Ohio Adm. Code for response from the Vectren Energy Delivery of Ohio, Inc. ("Vectren" "VEDO" or "Company") within a 10 calendar day period (but no later than within 20 days of service, as provided for in the Commission's rules) and no later than within a shorter time as the Commission, legal director, the deputy legal director, or an attorney examiner assigned to this case may allow. An electronic response should be provided to the extent possible to the Office of the Ohio Consumers' Counsel ("OCC") at the following address:

Maureen R. Grady Jacqueline L. Roberts Assistant Consumers' Counsel 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 grady@occ.state.oh.us roberts@occ.state.oh.us

Additionally, Vectren must follow the instructions provided herein in responding to the inquiries.

#### **DEFINITIONS**

As used herein the following definitions apply:

1. "Document" or "Documentation" when used herein, is used in its customary broad sense, and means all originals of any nature whatsoever, identical copies, and all non-identical copies thereof, pertaining to any medium upon which intelligence or information as is available to Vectren or is recorded in your possession, custody, or control regardless of where located; including any kind of printed, recorded, written, graphic, or photographic matter and things similar to any of the foregoing, regardless of their author or origin. The term specifically includes, without limiting the generality of the following: punchcards, printout sheets, movie film, slides, PowerPoint slides, phonograph records, photographs, memoranda, ledgers, work sheets, books, magazines, notebooks, diaries, calendars, appointment books, registers, charts, tables, papers, agreements, contracts, purchase orders, checks and drafts, acknowledgments, invoices, authorizations, budgets, analyses, projections, transcripts, minutes of meetings of any kind, telegrams, drafts, instructions, announcements, schedules, price lists, electronic copies, reports, studies, statistics, forecasts, decisions, and orders, intraoffice and inter-office communications, correspondence, financial data, summaries or records of conversations or interviews, statements, returns, diaries, workpapers, maps, graphs, sketches, summaries or reports of investigations or negotiations, opinions or reports of consultants, brochures, bulletins, pamphlets, articles, advertisements, circulars, press releases, graphic records or representations or publications of any kind (including microfilm, videotape and

records, however produced or reproduced), electronic (including e-mail), mechanical and electrical records of any kind and computer produced interpretations thereof (including, without limitation, tapes, tape cassettes, disks and records), other data compilations (including, source codes, object codes, program documentation, computer programs, computer printouts, cards, tapes, disks and recordings used in automated data processing together with the programming instructions and other material necessary to translate, understand or use the same), all drafts, prints, issues, alterations, modifications, changes, amendments, and mechanical or electric sound recordings and transcripts to the foregoing. A request for discovery concerning documents addressing, relating or referring to, or discussing a specified matter encompasses documents having a factual, contextual, or logical nexus to the matter, as well as documents making explicit or implicit reference thereto in the body of the documents. Originals and duplicates of the same document need not be separately identified or produced; however, drafts of a document or documents differing from one another by initials, interlineations, notations, erasures, file stamps, and the like shall be deemed to be distinct documents requiring separate identification or production. Copies of documents shall be legible.

2. "Communication" shall mean any transmission of information by oral, graphic, written, pictorial, or otherwise perceptible means, including, but not limited to, telephone conversations, letters, telegrams, and personal conversations. A request seeking the identity of a communication addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or

logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.

- 3. The "substance" of a communication or act includes the essence, purport or meaning of the same, as well as the exact words or actions involved.
- 4. "And" or "Or" shall be construed conjunctively or disjunctively as necessary to make any request inclusive rather than exclusive.
- 5. "You," and "Your," or "Yourself" refer to the party requested to produce documents and any present or former director, officer, agent, contractor, consultant, advisor, employee, partner, or joint venturer of such party.
- Each singular shall be construed to include its plural, and vice versa, so as to make the request inclusive rather than exclusive.
- 7. Words expressing the masculine gender shall be deemed to express the feminine and neuter genders; those expressing the past tense shall be deemed to express the present tense; and vice versa.
- 8. "Person" includes any firm, corporation, joint venture, association, entity or group of persons, unless the context clearly indicates that only an individual person is referred to.
- 9. "Identify," or "state the identity of," or "identified" means as follows:
  - A. When used in reference to an individual, to state his full name and present or last known position and business affiliation, and his position and business affiliation at the time in question;

- B. When used in reference to a commercial or governmental entity, to state its full name, type of entity (e.g., corporation, partnership, single proprietorship), and its present or last known address;
- C. When used in reference to a document, to state the date, author, title, type of document (e.g., letter, memorandum, photograph, tape recording, etc.), general subject matter of the document, and its present or last known location and custodian;
- D. When used in reference to a communication, to state the type of communication (i.e., letter, personal conversation, etc.), the date thereof, and the parties thereto and the parties thereto and, in the case of a conversation, to state the substance, place, and approximate time thereof, and identity of other persons in the presence of each party thereto;
- E. When used in reference to an act, to state the substance of the act, the date, time, and place of performance, and the identity of the actor and all other persons present.
- The terms "PUCO" and "Commission" refer to the Public Utilities Commission of Ohio, including its Commissioners, personnel (including Persons working in the Public Utilities Section of the Ohio Attorney General's Office), and offices.
- 11. The term "e.g." connotes illustration by example, not limitation.
- "Rule 4901:X-XX-XX" means the Chapter 4901 rule contained within the Ohio Administrative Code.

- "Vectren" "VEDO" and/or "Company" mean the Vectren Energy Delivery of Ohio Inc. unless otherwise noted.
- 14. "Ohio EPA" means the Ohio Environmental Protection Agency.
- 15. "U.S. EPA" means the United State Environmental Protection Agency.
- 16. Unless otherwise stated, "Application" and/or "Schedule" refer to the documents contained in the Application For Approval of Tariffs to Recover Conservation Expenses and Decoupling Revenues that was filed in Case No. 05-1444-GA-UNC at the PUCO.

#### **INSTRUCTIONS FOR ANSWERING**

- 1. All information is to be divulged which is available to Vectren, Vectren's attorney, agents, or other representatives of Vectren or its attorney.
- 2. Where an interrogatory calls for an answer in more than one part, each part should be separate in the answer so that the answer is clearly understandable.
- 3. Each interrogatory shall be answered separately and fully in writing and under oath, unless it is objected to, in which event the reasons for objection shall be stated in lieu of an answer. The answers are to be signed by the person making them, and the objections are to be signed by the attorney making them. The objections shall be signed by the attorney or other person making them.
- 4. If any answer requires more space than provided, continue the answer on the reverse side of the page or on an added page.
- 5. Your organization(s) is requested to produce and permit inspection and copying of designated documents that are in your possession, control or custody. Possession, control, or custody shall be defined to include documents within your physical control or custody, as well as documents that are physically controlled or possessed by any other person acting or purporting to act on your behalf, whether as an officer, director, employee, agent, independent contractor, attorney, consultant, witness, or otherwise.
- 6. Where these requests seek quantitative or computational information (e.g., models, analyses, databases, and formulas) stored by your organization(s) or its consultants in computer-readable form, in addition to providing hard copy (if an electronic

response is not otherwise provided as requested), you are requested to produce such computer-readable information, in order of preference:

- A. Microsoft Excel worksheet files on compact disk;
- B. other Microsoft Windows or Excel compatible worksheet or database diskette files;
- C. ASCII text diskette files; and
- D. such other magnetic media files as your organization(s) may use.
- 7. Conversion from the units of measurement used by your organization(s) in the ordinary course of business need not be made in your response; e.g., data requested in Ccf may be provided in Gallons as long as the unit measure is made clear.
- 8. Unless otherwise indicated, the following requests shall require you to furnish information and tangible materials pertaining to, in existence, or in effect for the whole or any part of the period from November 28, 2005 up through and including the date of your response.
- Responses must be complete when made, and must be supplemented, consistent with Ohio Adm. Code 4901-1-16(D).
- 10. With respect to responding to a request for admission, Vectren is to respond by written answer or objection, and must sign the written answer or objection. If an objection is made, Vectren shall set forth the reasons therefore. The answer shall specifically deny the matter or set forth in detail the reasons why Vectren cannot truthfully make an admission or denial. Vectren's denial shall fairly meet the substance of the requested admission, and when good faith requires that Vectren

qualify its answer or deny only part of the matter of which an admission is requested, Vectren shall specify that portion which is true and qualify or deny the remainder. Vectren may not give lack of information as a reason for failure to admit or deny a matter unless it states that it has made reasonable inquiry and that information known or readily obtainable is insufficient to enable Vectren to make an admission or denial. If Vectren considers the truth of a matter of which an admission has been requested to be a genuine issue for the hearing, it may not, on that basis alone, object to the request, but may deny the matter or set forth the reasons why an admission or denial cannot be made.

11. In the event that a claim of privilege is invoked as the reason for not responding to discovery, the nature of the information with respect to which privilege is claimed shall be set forth in responses together with the type of privilege claimed and a statement of all circumstances upon which the respondent to discovery will rely to support such a claim of privilege. Respondent to the discovery must a) identify (see definition) the individual, entity, act, communication, and/or document that is the subject of the withheld information based upon the privilege claim, b) identify all persons to whom the information has already been revealed, and c) provide the basis upon which the information is being withheld and the reason that the information is not provided in discovery.

### **INTERROGATORIES**

29. Please explain how under the Amended Stipulation and Recommendation, filed January 12, 2007, the Company is in "substantial compliance" with the policies of the state as specified in Section 4929.02 of the Revised Code?

# **RESPONSE:**

30. Please explain how under the Amended Stipulation and Recommendation, filed January 12, 2007, the Company is expected to continue to be in "substantial compliance" with the policies of the state as specified in Section 4929.02 of the Revised Code?

# **RESPONSE:**

31. Please explain what efforts were taken by Vectren to comply with the notification requirements of 4901:1-19-05, related to its Amended Stipulation and Recommendation?

32. Please explain what efforts were taken by Vectren to comply with the PFN Exhibit 1 and PFN Exhibit 2 requirements, contained in Ohio Adm. Code 4901:1-19-05(A)(2), as pertaining to Vectren's Amended Stipulation and Recommendation?

# **RESPONSE:**

33. Please explain how Vectren has complied with the Exhibit requirements contained in 4901:1-19-05(C)(1) as pertaining to Vectren's Amended Stipulation and Recommendation?

# **RESPONSE:**

 Please explain how Vectren has complied with the requirements of 4901:1-19-05(C)(2) (a)-(j) as pertaining to Vectren's Amended Stipulation and Recommendation?

 35. Please explain how Vectren has complied with the requirements of 4901:1-19-05(C)(3) as pertaining to Vectren's Amended Stipulation and Recommendation?
 RESPONSE:

36. Please explain the detailed commitments to customers that Vectren is willing to make to promote the policy of the state specified in 4929.02, as required by 4901:1-19-06(C)(2)(j)(3), as pertains to Vectren's Amended Stipulation and Recommendation.

#### **RESPONSE:**

37. Please describe the degree of freedom from R.C. 4909.15 that is sought as pertaining to its Amended Stipulation and Recommendation.

38. Please explain how the Amended Stipulation and Recommendation will facilitate the state's competitiveness in the global economy, consistent with 4929.02(A)(9)? RESPONSE:

39. Please explain how the Amended Stipulation and Recommendation will encourage innovation and market access for cost effective supply and demand side natural gas services and goods?

# **RESPONSE:**

40. Referring to Witness Ulrey's direct testimony at 18, what "informational tools and economic incentives to seek goods and services and make decisions and choices that result in more efficient use and conservation of natural gas" will be provided under the Amended Stipulation and Recommendation?

41. Will the Amended Stipulation and Recommendation "provide customers with a convenient opportunity to obtain information and knowledge so that they can better determine the actions that might best be taken to enhance the energy value they receive through VEDO's system" as claimed for the original stipulation by Witness Ulrey at 18? If so, please explain how this will occur under the Amended Stipulation and Recommendation?

# **RESPONSE:**

42. Please provide the basis for figure presented in the Rebuttal Testimony of Witness Ulrey, at 4, pertaining to average use per residential customer of 84.7 Mcf. Has the Company's estimate of average use per residential customer been updated? If so what is the Company's most recent estimate of average use per residential customer?

43. What circumstances have changed since VEDO filed its application to increase rates in the prior rate case, as referenced by VEDO Witness Ulrey in his rebuttal testimony at 6, and how do these circumstances relate to the Amended Stipulation and Recommendation?

# **RESPONSE:**

44. Does the Amended Stipulation and Recommendation require a commitment that VEDO make an application to continue the term of the low income program? If so, please indicate the specific language that represents this commitment.

# **RESPONSE:**

45. What is the net of tax cost to the Company of making a \$2 million contribution to fund low income energy efficiency as committed to under the Amended Stipulation and Recommendation?

#### **REQUESTS FOR PRODUCTION OF DOCUMENTS**

- 34. Please provide the projected financial data required in section F of Chapter II of Appendix A to rule 4901-7-01 (applicable through 4901-1-19-05 (C)(2)(h)), through the term of the proposed plan for Vectren's Amended Stipulation and Recommendation.
- 35. Please provide the projected financial data through the term of the proposed plan, as required by 4901:1-19-05(C)(2)(i), under the assumption that the proposed plan is not adopted as pertains to Vectren's Amended Stipulation and Recommendation.
- 36. Please provide a complete matrix, as required under 4901:1-19-05(C)(2)(e), showing each rate, service, or regulation that is affected by the Amended Stipulation and Recommendation and provide an explanation of how it may be affected during the term of the plan.
- 37. Pleas provide copies of all documents filed in the instant proceeding that purport to satisfy the notice provisions of R.C. 4909.15 as applicable pursuant to R.C. 4929.05, Revised Code.
- 38. Please provide all documents evidencing the general and specific system wide benefits associated with the implementation of the proposed energy efficiency program contained in the Amended Stipulation and Recommendation.

#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the Interrogatories and Requests for Production of Documents Propounded To The Vectren Energy Delivery of Ohio Inc. By the Office of the Ohio Consumers' Counsel, Second Set, was provided this 24th day of January 2007, to the persons listed below via electronic service. Parties listed below have consented to receive service of documents by electronic message.

> <u>/s/ Maureen R. Grady</u> Maureen R. Grady Assistant Consumers' Counsel

# DUANE W. LUCKEY ANNE HAMMERSTEIN

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#### **DAVID RINEBOLT**

Ohio Partners For Affordable Energy Law Director P.O. Box 1793 Findlay, Ohio 45839-1793 drinebolt@aol.com EXHIBIT V

#### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval, Pursuant to Revised Code Section 4929.11, of Tariffs to Recover Conservation Expenses and Decoupling Revenues Pursuant to Automatic Adjustment Mechanisms and for Such Accounting Authority as May be Required to Defer Such Expenses and Revenues for Future Recovery through Such Adjustment Mechanisms.

Case No. 05-1444-GA-UNC

#### PROPOSED PROCEDURAL SCHEDULE BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

Without acceding to the appropriateness of proceeding under R.C. 4929.05 in this

case, the Ohio Consumers' Counsel ("OCC"), on behalf of the residential gas consumers

of Vectren Energy Delivery of Ohio, Inc. ("Vectren" or "VEDO"), proposes the

following procedural schedule for consideration:

red. 27	(per 4901:1-19-09(F))
March 9	Response to Comments Due (per 4901:1-19-09(F)(3))
April 2	Staff Report (per 4901:1-19-07)
April 16	Service of Last Discovery Request (per 4901:1-17(B))
May 2	Objections to Staff Report, Testimony (per 4901:1-19-09(D)(2)(c))
May 16	Reply, Supplemental, or Additional Testimony (4901:1-19-09(E))
June 4	Evidentiary Hearing Begins