

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc., for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Services and Related Matters.	)	
	)	
	)	Case No. 07-1080-GA-AIR
	)	
	)	

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc., for Approval of an Alternative Rate Plan for a Distribution Replacement Rider to Recover the Costs of a Program for the Accelerated Replacement of Cast Iron Mains and Bare Steel Mains and Service Lines, a Sales Reconciliation Rider to Collect Differences between Actual and Approved Revenues, and Inclusion in Operating Expenses of the Costs of Certain Reliability Programs.	)	
	)	
	)	Case No. 07-1081-GA-AIR
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**OBJECTIONS OF HONDA OF AMERICA, MFG., INC., TO  
THE STAFF REPORT OF INVESTIGATION**

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In accordance with the Attorney Examiner's June 17, 2008 Entry, and pursuant to Section 4909.19 of the Ohio Revised Code and Rule 4901-1-28 of the Ohio Administrative Code, Honda of America Mfg., Inc. ("Honda"), hereby presents its objections to the June 16, 2008 Staff Report on the applications filed by Vectren Energy Delivery of Ohio, Inc. ("VEDO") referenced above. Honda's interest concerns the significant rate modifications proposed by the Staff Report for large volume transportation customers on the VEDO system.

Honda's decision to limit the subject matter of its objections should not be taken as an endorsement or support of a particular position in the numerous other topics and issues addressed in the Staff Report and in the applications. Similarly, Honda's focused objec-

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tions should not be taken as a waiver of and Honda specifically reserves its right to conduct cross-examination, introduce evidence into the record, or take a position on matters within this proceeding outside the scope of its objections.

### OBJECTIONS

Honda makes the following specific objections to the Staff Report of Investigation filed on June 16, 2008:

1. Honda objects to the Staff's recommended rate modifications for the Large Volume Transportation Service customer class (Rate 360). On page 133 of the Staff Report, the Staff proposes the following significant increases for each of the three rate blocks for large volume transportation customers proposed by Vectren:

Block (Ccf)	VEDO Proposal (\$/Ccf)	Staff Proposal (\$/Ccf)	Difference (\$/Ccf)	Change (%)
0-50,000	\$0.08613	<b>\$0.11862</b>	\$0.03249	<b>37.7%</b>
50,001-200,000	\$0.07513	<b>\$0.10035</b>	\$0.02522	<b>33.6%</b>
Over 200,000	\$0.05727	<b>\$0.0765</b>	\$0.01923	<b>33.6%</b>

Honda believes that the rate increases proposed by the Staff represent an unreasonable allocation of revenue responsibility to the large volume transportation customer class.

2. Honda also objects to the Staff Report's failure to reduce the \$500 per meter customer charge proposed for the Large Volume Transportation Service customer class (Rate 360), given the rates and rate structure proposed by the Staff.

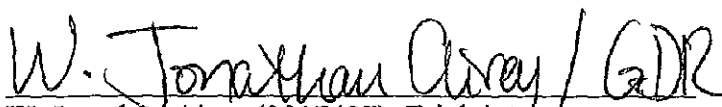
3. Honda also objects to the Staff Report's failure to propose modifications to the tail-block rate design structure applicable to the Large Volume Transportation Service customer class (Rate 360), including the failure to add a fourth-tail block to the rate design at a significantly reduced charge for large volume customers.

STATEMENT OF MAJOR ISSUES

In accordance with Section 4903.083 of the Ohio Revised Code and the Attorney Examiner's June 17, 2008 Entry, Honda hereby sets forth the following as major issues in this proceeding:

1. The appropriate rates for large volume transportation service customers; and,
2. The appropriate rate design for large volume transportation service customers.

Respectfully submitted,

 W. Jonathan Airey / GDR

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served by regular U.S. mail, postage prepaid, this 16<sup>th</sup> day of July, 2008, on the following:

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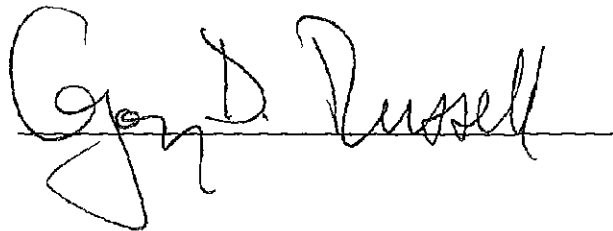
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A handwritten signature in black ink, reading "Gary D. Russell", written over a horizontal line.