

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) Case No. 07-1080-GA-AIR
and Charges for Gas Services and Related)
Matters.)

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) Case No. 07-1081-GA-ALT
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.)

ENTRY ON REHEARING

The Commission finds:

- (1) Vectren Energy Delivery of Ohio, Inc., (VEDO) is a natural gas company as defined in Section 4905.03(A)(6), Revised Code, and a public utility as defined in Section 4905.02, Revised Code. As such, VEDO is subject to the jurisdiction of the Public Utilities Commission in accordance with Sections 4905.04 and 4905.05, Revised Code.
- (2) On November 20, 2007, VEDO filed applications for an increase in gas distribution rates and for approval of an alternative rate plan.
- (3) On January 7, 2009, the Commission issued its Opinion and Order in these proceedings.
- (4) Section 4903.10, Revised Code, states that any party to a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission, within 30 days of the entry of the order upon the Commission's journal.

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- (5) On February 6, 2009, the Ohio Consumers' Counsel filed an application for rehearing alleging that the Opinion and Order in this case was unreasonable and unlawful on the following grounds.
- (a) The Commission erred by approving a rate design that includes an increase to the monthly residential customer charge without providing consumers adequate notice of the straight fixed variable (SFV) rate design pursuant to Sections 4909.18 and 4909.19, Revised Code.
 - (b) The Commission erred by failing to provide adequate notice of the second stage rate increases to the customers of VEDO, violating customers' due process rights under the Fourteenth Amendment of the Constitution.
 - (c) The Commission erred when it failed to comply with the requirements of Section 4903.09, Revised Code, and provide specific findings of fact and written opinions that were supported by record evidence.
 - (d) The Commission erred by approving an SFV rate design that discourages customer conservation efforts in violation of Sections 4929.05 and 4905.70, Revised Code.
 - (e) The Commission erred by approving a rate design that unreasonably violates prior Commission precedent and policy.
 - (f) The Commission erred by imposing the SFV rate design against the manifest weight of the evidence resulting in unjust and unreasonable rates in violation of Section 4909.18 and 4905.22, Revised Code.
- (6) On February 13, 2009, VEDO filed a memorandum contra OCC's application for rehearing.

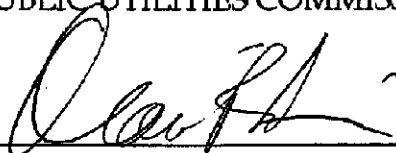
- (7) The Commission grants OCC's application for rehearing. We believe that sufficient reason has been set forth by OCC to warrant further consideration of the matters specified in the applications for rehearing.

It is, therefore,

ORDERED, That the application for rehearing filed by the OCC be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



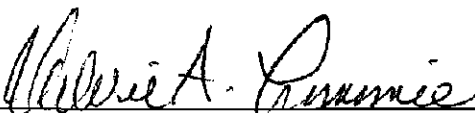
Alan R. Schriber, Chairman




Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie



Cheryl L. Roberto

GAP:ct

Entered in the Journal

MAR 04 2009



Renee J. Jenkins
Secretary