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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of)
Vectren Energy Delivery of Ohio, Inc.) Case No. 11-2657-GA-RDR
for Approval of an Adjustment to its)
Energy Efficiency Funding Rider Rate.)

APPLICATION

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April 21, 2011

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of Ohio, Inc.

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**BEFORE
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In the Matter of the Application of)
Vectren Energy Delivery of Ohio, Inc.)
for Approval of an Adjustment to its)
Energy Efficiency Funding Rider Rate.) Case No. 11- -GA-RDR

APPLICATION

Vectren Energy Delivery of Ohio, Inc. ("VEDO" or "the Company") hereby requests approval to revise its Energy Efficiency Funding Rider. In support of its Application, VEDO states as follows:

1. In Case No. 07-1080-GA-AIR ("2007 Rate Case") the Commission approved a Stipulation and Recommendation ("Stipulation") which provided for the establishment of an Energy Efficiency Funding Rider calculated to produce "... a minimum of \$1 million which shall be utilized to continue funding for the low-income weatherization program for customers whose income is between 200% and 300% of poverty level consistent with the program currently provided as a result of the Company's compliance with the Commission's Supplemental Order in Case No. 05-1444-GA-UNC."¹

¹ *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 Service and Related Matters, Case Nos. 07-1080-GA-AIR, et al., Stipulation and Recommendation at 6-7 (September 8, 2008) (hereinafter "Stipulation").*

2. By Finding and Order dated August 26, 2009 in Case No. 09-254-GA-ATA, and consistent with the provisions of the Stipulation, the Commission approved VEDO's initial EEFR rate. On December 11, 2009, VEDO filed final EEFR tariffs effective on January 1, 2010.
3. The Stipulation provides that "[s]ubject to such approvals as may be required, the EEFR charge shall, in all cases, be calculated based on [VEDO's DSM] Collaborative-approved funding to be expended over the subsequent 12-month period, with any variation between actual recoveries and intended recoveries being included in a subsequent EEFR rate."² The Stipulation also provides that "...any application to establish or adjust the EEFR charge shall be an application to establish a charge and shall not be considered an application to increase rates."³
4. On November 22, 2010, the VEDO DSM Collaborative met to consider the portfolio of DSM programs and funding levels going forward as proposed in VEDO's 2011 DSM Operating Plan in which VEDO proposed continuation of the EEFR at the existing level and for the same purpose as originally approved. All voting members of the Collaborative approved this proposal by December 14, 2010.
5. Consistent with VEDO's 2011 DSM Operating Plan and the Collaborative approval thereof, VEDO proposes a revised EEFR rate of \$0.00308 per Ccf. This proposed rider rate reconciles actual EEFR recoveries and

² *Id.* at 7.

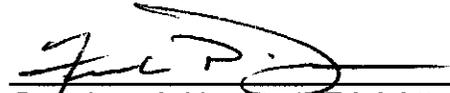
³ *Id.*

intended recoveries, and the support for and calculation of the revised rider rate is shown on Attachment 1 hereto.

6. The proposed rider rate of \$0.00308 per Ccf is just and reasonable and should be approved. A copy of the proposed tariff sheet is Attachment 2 to this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new EEFR rate proposed herein.

Respectfully submitted,



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ATTACHMENT 1

**Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
Twelve Months Ended December 31, 2010**

Line	Description	Reference	Total
1	TEEM II Actual Expenditures for Twelve Months Ended December 31, 2010 ⁽¹⁾	Exhibit B, Line 4	\$ 849,455
2	TEEM II Base Rate Funding - 2010 ⁽²⁾		(700,000)
3	2009 TEEM II Base Rate Funding Carryover	2010 DSM Annual Report, p. 23	(295,836)
4	Recoverable EEFR Expenses - 2010	Sum (Lines 1-3)	\$ (146,381)
5	Actual 2010 EEFR Recoveries	Exhibit C, Line 14	1,045,326
6	EEFR Variance	Line 4 - Line 5	\$ (1,191,707)
7	Projected TEEM II Funding - 2011	Exhibit D, Line 7	\$ 2,846,381
8	TEEM II Base Rate Funding - 2011 ⁽²⁾		\$ (700,000)
9	EEFR Recoverable Expenses/(Credits)	Sum (Lines 6-8)	\$ 954,674
10	Projected Volumes (Mcf)	Exhibit E, Line 7	30,978,740
11	Unit Rate (\$ per Mcf)	Line 9 / Line 10	\$ 0.0308

(1) TEEM II is the low income weatherization program for customers whose income is between 200% and 300% of the poverty level as defined on page 6 of Stipulation and Recommendation in Case No. 07-1080-GA-AIR.

(2) Per Program Year 3 Operating Plan, Page 4: DSM Collaborative allocated \$700,000 of the \$1,100,000 of low income weatherization funding (Case No. 07-1080-GA-AIR) to TEEM II program (customers whose income is between 200% and 300% of poverty level) in 2009, and this allocation is assumed to continue for 2011.

**Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
2010 Actual TEEM II Expenditures**

<u>Line No.</u>	<u>Description</u>	Twelve Months Ended December 31, 2010	
		<u>Amount</u>	
1	Community Action Partnership of Greater Dayton Area	\$	831,686
2	Education and Communication		1,120
3	Other Expenses		16,649
<hr/>			
4	Total TEEM II Expenditures ⁽¹⁾	\$	849,455
<hr/>			
(To Exhibit A, Line 1)			

Notes:

(1) 2010 DSM Annual Report, Page 4

Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
Actual Recoveries Year-to-Date December 31, 2010

Line	Description	Consumption (Mcf) ⁽¹⁾	Unit Rate (\$ per Mcf)	EEFR Revenue (\$)
1	EEFR Recoveries			
2	January 2010	7,299,389	\$0.0320	\$233,580
3	February 2010	5,934,697	0.0320	189,910
4	March 2010	3,565,447	0.0320	114,094
5	April 2010	1,230,841	0.0320	39,387
6	May 2010	981,881	0.0320	31,420
7	June 2010	644,626	0.0320	20,628
8	July 2010	571,340	0.0320	18,283
9	August 2010	614,728	0.0320	19,671
10	September 2010	657,981	0.0320	21,055
11	October 2010	1,391,095	0.0320	44,515
12	November 2010	3,268,188	0.0320	104,582
13	December 2010	6,506,223	0.0320	208,199
14	Annual	<u>32,666,436</u>		<u>\$ 1,045,326</u>

(To Exhibit A, Line 5)

Notes:

(1) Actual consumption for all Rate Schedules to which the EEFR applies.

**Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
2011 Program Funding**

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Base Rate Funding		\$ 700,000
2	EEFR Funding		<u>1,000,000</u>
3	TEEM II Annual Program Funding ⁽¹⁾	(Line 1 + 2)	\$ 1,700,000
4	2009 Base Rate Carryover Funding ⁽¹⁾		\$ 146,381
5	2010 Projected EEFR Recoveries		<u>1,000,000</u>
6	TEEM II 2010 Carryover Funding ⁽¹⁾	(Line 4 + Line 5)	\$ 1,146,381
7	TEEM II Total Available Funding ⁽²⁾	(Line 3 + 6)	<u>\$ 2,846,381</u>

(To Exhibit A, Line 7)

Notes:

- (1) 2010 DSM Annual Report, Page 23
- (2) 2011 DSM Operating Plan, Page 1

Vectren Energy Delivery of Ohio, Inc.
 Energy Efficiency Funding Rider ("EEFR")
 Projected Sales Volumes (MCF)

Line No.	Tariff	May 2011 Amount	June 2011 Amount	July 2011 Amount	August 2011 Amount	September 2011 Amount	October 2011 Amount	November 2011 Amount	December 2011 Amount	January 2012 Amount	February 2012 Amount	March 2012 Amount	April 2012 Amount	Annual Amount
1	Rate 310 - Residential DSS Service	33,409	33,860	31,778	31,718	35,791	94,996	173,960	300,157	346,736	276,049	222,699	112,443	1,718,600
2	Rate 311 - Residential SCD Service	43,845	265,120	248,817	248,246	280,239	743,798	1,362,072	2,350,173	2,714,894	2,184,902	1,743,691	880,406	13,456,304
3	Rate 315 - Residential Transportation Service	221,864	136,802	128,389	128,147	144,603	383,800	702,829	1,212,688	1,400,665	1,127,498	899,744	454,268	6,943,450
4	Rate 320 - General SCD Service	2,823	1,903	1,838	1,831	1,892	4,178	7,004	11,795	13,886	11,267	8,390	4,358	71,927
5	Rate 321 - General SCD Service	203,124	153,268	148,026	147,435	152,319	332,366	563,980	949,733	1,127,098	997,231	756,122	350,901	5,791,624
6	Rate 325 - General Transportation Service	105,195	79,308	78,585	75,239	78,817	171,981	291,827	431,443	593,209	469,440	331,250	181,571	2,996,835
7	Total Budgeted Volumes	1,023,871	670,262	635,443	633,766	693,661	1,731,068	3,101,672	5,316,010	6,186,823	4,978,288	4,022,896	1,983,969	30,976,740

(To Exhibit A, Line 10)

ATTACHMENT 2

ENERGY EFFICIENCY FUNDING RIDER

APPLICABILITY

The Energy Efficiency Funding Rider ("EEFR") shall be applicable to all Customers served under the following Rate Schedules and to certain other Customers pursuant to contract:

- Rate 310 – Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service

DESCRIPTION

The Energy Efficiency Funding Rider Rate shall be applied to all billed Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover the costs of funding energy efficiency programs as determined by the Demand Side Management ("DSM") Collaborative and as approved by the Commission.

Company shall file an application with the Commission requesting approval to change the Energy Efficiency Funding Rider Rate periodically in accordance with the Stipulation and Recommendation in Case No. 07-1080-GA-AIR.

The EEFR Rider Rate shall be calculated based on the approved funding to be expended over the subsequent recovery period. The costs to be recovered and the costs actually recovered shall be reconciled annually, with any under or over recovery being recovered or returned via the EEFR over a subsequent period.

ENERGY EFFICIENCY FUNDING RIDER RATE

The Energy Efficiency Funding Rider Rate is \$0.00308 per Ccf.

Filed pursuant to the Finding and Order dated _____ in Case No. 11-____-GA-RDR of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective _____