

FILED

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Vectren Energy Delivery of Ohio, Inc.) Case No. 11-320-GA-UEx
for Approval of an Adjustment to its)
Uncollectible Expense Rider Rate.)

APPLICATION

RECEIVED-DOCKETING DIV

2011 MAY 31 PM 5:12

PUCO

Gretchen J. Hummel (Trial Attorney)
Frank P. Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215
Telephone: 614-469-8000
Telecopier: 614-469-4653
ghummel@mwncmh.com
fdarr@mwncmh.com

May 31, 2011

Attorneys for Vectren Energy Delivery
of Ohio, Inc.

{C34265: }

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business.
Technician SM Date Processed JUN 01 2011

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	Case No. 11-320 -GA-UEx
for Approval of an Adjustment to its)	
Uncollectible Expense Rider Rate.)	

APPLICATION

Vectren Energy Delivery of Ohio, Inc. ("VEDO" or "the Company") hereby submits its annual Uncollectible Expense ("UEX") Rider Report and respectfully requests approval to revise its UEX Rider rate. In support of its Application, VEDO states as follows:

1. In its December 17, 2003 Finding and Order ("December 17 Order") in Case No. 03-1127-GA-UNC, the Public Utilities Commission of Ohio ("PUCO" or "Commission") approved an application for authority to establish a UEX rider for VEDO and several other natural gas companies.
2. By Entry dated April 7, 2004, in Case No. 03-2571-GA-ATA, the Commission approved VEDO's initial UEX Rider rate. VEDO filed final tariffs consistent with the April 7, 2004 Entry on April 16, 2004, effective as of that date.
3. In the December 17 Order, the Commission directed VEDO (and the other companies subject to that order) to file a yearly report that

identifies amounts recovered, deferred, and amortized pursuant to the Rider. The Staff, in its report filed March 9, 2004, in Case No. 03-2571-GA-ATA, recommended that the information be provided in the format of Attachment A to that report. VEDO's 2011 report, in that format, is Attachment 1 to this Application. In its August 19, 2009 Finding and Order in Case No. 08-1229-GA-COI, the Commission ordered that the yearly report should include the UEX balance at the beginning of the reporting year; additions to the UEX balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year. VEDO has incorporated this additional information into Attachment 3 to this Application.

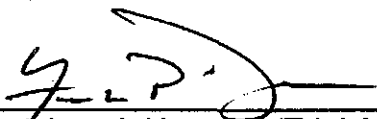
4. VEDO proposes a revised Rider rate of \$0.1667 per Mcf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2011, (2) the remaining balance at April 30, 2011 of the Sales Reconciliation Rider-A ("SRR-A") (Tariff Sheet No. 43) pursuant to Commission's Finding and Order dated October 4, 2010 in Case No. 10-1426-GA-RDR; and (3) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2012. The calculation of the revised rates is shown on Attachment 2 hereto.
5. The Rider states that VEDO shall file an application with the PUCO requesting approval to change the rate if the Company determines

that an adjustment of more than plus or minus ten percent is needed. VEDO has projected its net UEX through April 2012 and has added to that projection the existing deferred balance in the UEX Rider account and the remaining SRR-A balance. The sum of these three components, divided by projected volumes for the 12-month period May 2011 through April 2012, yields the proposed revised Rider rate. The proposed revised Rider rate is more than ten percent greater than the currently effective rate.

6. The portion of the proposed Rider rate attributable to estimated UEX is derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.
7. The resulting rate of \$0.1667 per Mcf is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 4 to this Application.

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

Respectfully submitted,



Gretchen J. Hummel (Trial Attorney)
Frank P. Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215

Telephone: 614-469-8000

Telecopier: 614-469-4653

ghummel@mwncmh.com

fdarr@mwncmh.com

**Attorneys for Vectren Energy Delivery of
Ohio, Inc.**

ATTACHMENT 1

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2010 Annual Balance Reconciliation

Line No.	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month	\$ 904,867	\$ (609,360)	\$ (1,956,527)	\$ (2,770,084)	\$ (3,045,111)	\$ (2,975,440)	\$ (36,413)	\$ 828,434	\$ 1,775,012	\$ 3,091,758	\$ 6,255,782	\$ 5,621,064	\$ 904,867
2	Bad Debts Written Off (b)	\$ 120,991	\$ 27,604	\$ 5,116	\$ (2,006)	\$ 289,619	\$ 3,083,718	\$ 968,681	\$ 1,040,307	\$ 1,498,774	\$ 3,507,657	\$ (21,454)	\$ (285,147)	\$ 10,230,861
3	Recovery - Base Rates													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 1,609,920	\$ 1,380,479	\$ 804,065	\$ 270,546	\$ 204,828	\$ 139,007	\$ 102,363	\$ 87,762	\$ 89,970	\$ 192,467	\$ 453,911	\$ 909,879	\$ 6,248,298
5	Recovery - Other (b)	\$ 25,330	\$ (6,063)	\$ 13,956	\$ 1,624	\$ 14,026	\$ 5,169	\$ 1,600	\$ 6,292	\$ 92,585	\$ 152,153	\$ 160,640	\$ 82,888	\$ 660,199
6	Incremental Uncollectible Expense [2 - (3 + 4 + 5)]	\$ (1,514,259)	\$ (1,346,813)	\$ (812,904)	\$ (274,177)	\$ 70,665	\$ 2,939,542	\$ 864,718	\$ 946,253	\$ 1,316,219	\$ 3,163,037	\$ (636,004)	\$ (1,290,914)	\$ 3,425,363
7	Balance Subtotal [1 + 6]	\$ (609,360)	\$ (1,956,173)	\$ (2,769,431)	\$ (3,044,260)	\$ (2,974,446)	\$ (35,899)	\$ 828,306	\$ 1,774,687	\$ 3,091,231	\$ 6,254,795	\$ 5,619,778	\$ 4,330,150	\$ 4,330,229
8	Carrying Charges [((1+7) X 65%) X .50 X (c)]	\$ 33	\$ (354)	\$ (653)	\$ (850)	\$ (894)	\$ (514)	\$ 129	\$ 324	\$ 527	\$ 987	\$ 1,287	\$ 1,078	\$ 999
9	Balance - End of Month [7 + 8]	\$ (609,360)	\$ (1,956,527)	\$ (2,770,084)	\$ (3,045,111)	\$ (2,975,440)	\$ (36,413)	\$ 828,434	\$ 1,775,012	\$ 3,091,758	\$ 6,255,782	\$ 5,621,064	\$ 4,331,228	\$ 4,331,228

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate

0.03417%

0.04250%

0.04250%

0.04500%

0.05083%

0.05250%

0.05000%

0.03833%

0.03333%

0.03250%

0.03333%

0.03333%

(d) April 2010 includes Northstar audit fees of \$7,672 related to the PUCO uncollectible audit performed as Ordered in Case No. 08-1229-GA-COI.

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2011 Annual Balance Reconciliation

Line No.	Description	January '11	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month	\$ 4,331,228	\$ 3,393,428	\$ 2,573,133	\$ 1,911,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,331,228
2	Bad Debts Written Off (b)	\$ (34,716)	\$ (89,062)	\$ (51,914)	\$ 67,144									\$ (108,548)
3	Recovery - Base Rates													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 1,004,219	\$ 724,884	\$ 577,849	\$ 273,273									\$ 2,580,226
5	Recovery - Other (b)	\$ (100,319)	\$ 6,979	\$ 32,693	\$ 24,160									\$ (36,487)
6	Incremental Uncollectible Expense [2 - (3 + 4 + 5)]	\$ (938,616)	\$ (820,925)	\$ (662,456)	\$ (230,289)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,652,287)
7	Balance Subtotal [(1+6)]	\$ 3,392,612	\$ 2,572,503	\$ 1,910,677	\$ 1,680,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,678,942
8	Carrying Charges [((1+7) X 65%) X .50 X (c)]	\$ 816	\$ 630	\$ 364	\$ 97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,908
9	Balance - End of Month [7 + 8]	\$ 3,393,428	\$ 2,573,133	\$ 1,911,041	\$ 1,680,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,680,850

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate
0.03250% 0.03250% 0.02500% 0.00833%

ATTACHMENT 2

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2011

	<u>Amount</u>	<u>Applicable Volumes (Mcf)</u>	<u>Unit Rate /Mcf</u>
Deferred Uncollectible Expense Balance through April 2011	\$ 1,680,850		
Projected Net Uncollectible Expense: May 2011 - April 2012	\$ 4,123,312		
SRR-A Balance to be recovered (refunded) through UEX	<u>\$ (454,947)</u>		
Unit Rate on which to Collect	\$ 5,349,215	32,098,000	\$ 0.1667
Approved UEX Rider Rate Implemented Effective July 14, 2010			<u>\$ 0.1354</u>
Increase/(Decrease) in Uncollectible Expense Rider			<u>\$ 0.0313</u>
Percentage Difference			23.12%

ATTACHMENT 3

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
Write-Off and Collection Summary
Twelve Months Ended April 30, 2011

2010 Ann.

Line #	Bad Debts Written off by Vintage (c)	2010 May	2010 June	2010 July	2010 August	2010 September	2010 October	2010 November	2010 December	2011 January	2011 February	2011 March	2011 April	Total
1	Vintage													
1	1-6 Months	(429,250)	(899,159)	(1,308,401)	(1,611,188)	(1,998,671)	(1,612,426)	(914,763)	(546,841)	(438,207)	(412,082)	(335,147)	(337,183)	(10,843,318)
2	6-12 months	(20,074)	(253,656)	(1,087)	21	(226,066)	88,895	153,937	236,012	84,196	86,369	74,154	13,500	236,201
3	> 12 months	12,146	(2,497,566)	14,704	64,206	(1,476,389)	(2,754,185)	599,850	869,488	437,371	364,775	304,288	124,058	(3,937,252)
4	Subtotal	(437,178)	(3,650,380)	(1,294,784)	(1,546,962)	(3,701,127)	(4,277,716)	(160,975)	558,658	83,360	39,062	43,296	(199,624)	(14,544,370)
5	Other Write-Off Activity	(5,850) (a)		(7,894) (b)		117		(1,628)						(15,254)
6	PIPP Bad Debt Write-Offs	(153,408)	(568,662)	(333,996)	(506,655)	(2,202,235)	(770,059)	(184,057)	270,512	48,844	(50,000)	(8,618)	(132,480)	(4,589,016)
7	Total Bad Debts Written Off (Attachment 1)	(289,619)	(3,083,718)	(968,681)	(1,040,307)	(1,498,774)	(3,507,657)	21,454	288,147	34,716	89,062	51,914	(67,144)	(9,970,606)
Sum of Lines 1-3														
Sum of Lines 4, 5 - Line 6														

Collections by Type

	2010 May	2010 June	2010 July	2010 August	2010 September	2010 October	2010 November	2010 December	2011 January	2011 February	2011 March	2011 April	Total
8 From Customers	24,174	29,653	34,073	27,280	93,297	184,858	172,966	109,247	97,553	71,054	32,783	21,148	898,065
9 From Collection Agencies	16,873	18,431	11,582	14,779	13,871	16,117	17,525	8,579	19,618	21,086	21,100	19,708	199,348
10 From Other	10,979	3,230	1,384	957	1,312	2,062	27,733	16,781	5,284	2,313	2,286	637	74,938
11 Subtotal	52,126	51,314	47,039	43,017	108,480	203,037	218,224	134,586	122,455	94,452	56,149	41,493	1,172,352
12 Other Activity													
13 Collection Agency Commissions	29,059	39,281	38,383	31,102	4,013	15,459	27,495	16,154	194,736	71,308	15,946	15,610	498,557
14 Collections from PIPP Customers	9,041	6,863	7,026	5,622	11,882	35,424	30,088	25,544	28,038	16,165	7,510	1,723	184,926
15 Total Recovery - Other (Attachment 1)	14,026	5,189	1,800	6,292	92,585	152,153	160,640	92,888	(100,318)	6,979	32,693	24,160	488,866
Sum of Lines 8-10													
Line 11 - Sums Lines 12-14													

(a) - Manual write-offs

(b) - Credit and Collection Audit expenses related to VEDO from NorthStar Consulting Group.

(c) - Bad debt write-offs include account balances restored due to the moratorium.

ATTACHMENT 4

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 3

Sheet No. 39
Third Revised Page 1 of 1
Cancels Second Revised Page 1 of 1

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

DESCRIPTION

The Uncollectible Expense 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 costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.01667 per Ccf.

Filed pursuant to the Entry dated ____ in Case No. 11-320-GA-UEx of The Public Utilities Commission of Ohio.

Issued

Issued by Jerrold L. Ulrey, Vice-President

Effective

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

DESCRIPTION

The Uncollectible Expense 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 costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.01354-01667 per Ccf.