



21 East State Street • Columbus, OH 43215-4228
Tel: 614.469.8000 • Fax: 614.469.4653

Gretchen J. Hummel
(614) 719-2841—Direct Dial
ghummel@mwncmh.com

September 27, 2011

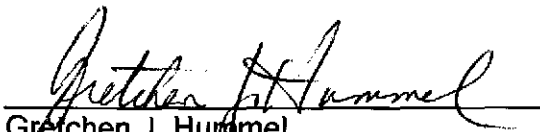
Betty McCauley
Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: Case No. 11-220-GA-EXR

Dear Secretary McCauley:

Enclosed please find the Audit Report of Deloitte & Touche LLP of Vectren Energy Delivery of Ohio, Inc.'s Exit Transition Cost Rider to be filed in the approved referenced case.

Very truly yours,


Gretchen J. Hummel

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

Enclosure
GJH:vlp

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 Shu Date Processed SEP 28 2011

www.mwn.com

HARRISBURG, PA • LANCASTER, PA • STATE COLLEGE, PA • HAZLETON, PA • COLUMBUS, OH • WASHINGTON, DC
(C35629:)

RECEIVED-BOOKETING DIV
2011 SEP 27 PM 4:33
PUCCO



Deloitte & Touche LLP
111 Monument Circle
Suite 2000
Indianapolis, IN 46204-5120
USA

Tel: +1 317 464 8600
Fax: +1 317 464 8500
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED- UPON PROCEDURES

The Board of Directors of
Vectren Energy Delivery of Ohio:

We have performed the procedures enumerated below, which were agreed to by Vectren Energy Delivery of Ohio (the "Company") and provided to the Public Utility Commission of Ohio (PUCO), solely to assist the specified parties in the evaluation of the Exit Transition Cost Rider for the period April 1, 2010 through March 31, 2011, in conjunction with the PUCO Entry regarding Case No. 11-220-GA-EXR. The Company's management is responsible for the exit transition cost mechanism. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

Exit Transition Cost Rider (the "ETC Rider")

1. We randomly selected the following two of four quarterly filings from Company management summarizing components of the ETC Riders for the period April 1, 2010 to March 31, 2011 and proved the mathematical accuracy noting no exceptions:
 - a. ETC Rider Filing for the period July 1, 2010 to September 30, 2010
 - b. ETC Rider Filing for the period January 1, 2011 to March 31, 2011
2. From the four quarterly filings obtained in the supporting schedules in step 1 above, we randomly selected seven charges/recoveries using a sampling interval of \$100,000, as defined by the PUCO in the Entry regarding Case No. 11-220-GA-EXR. We agreed each selection without exception to inclusion in the ETC Rider filing support for the respective quarterly ETC filing found on the PUCO website. The following categories were sampled:
 - a. Billing costs \$416,158 (4 selections)
 - b. Informational and educational costs totaling \$85,426 (1 selection)
 - c. Other implementation costs, such as tax consulting and legal fees totaling \$70,000 (1 selection)
 - d. Other cost or credit applicable to sales and/or choice customers as approved by the Commission totaling \$(63,551) (1 selection)
3. We did not test the costs without balances included in the ETC Rider for the period April 1, 2010 to March 31, 2011 for the following categories:
 - a. Business system and development costs

- b. Call center costs
 - c. Any incremental provider of last resort costs not recovered from defaulting Standard Service Offer (SSO) or choice supplier
 - d. Any imbalance costs not recovered from transportation customers or pool customers
 - e. Gas costs incurred by the Company when diverting customers' transportation gas quantities during curtailment
 - f. Stranded gas supply costs related to customer migrations to Choice Service
4. We randomly selected ten customers from the ETC recovery supporting documentation totaling monthly customer recoveries by customer and premise for the period April 1, 2010 to March 31, 2011 and recalculated the ETC portion of their bills in a randomly selected month, agreeing the rate to the corresponding ETC rates found on the PUCO website. We noted no exceptions in performing the following:
- a. We obtained each customer's bill detail from the customer billing system from the *Customer History Card* in Banner for the selected month
 - b. We agreed customer and premise number from the selection to the customer bill
 - c. We agreed the selected customer's ETC Rider eligibility based on the customer's rate class
 - d. We recalculated the ETC rider revenue portion of the customer invoice
 - e. We agreed ETC rider revenue to the *Customer History Card* in Banner (the Company's billing system) and agreed total charges for the billing period per the *Customer History Card* to the customer invoice
5. We obtained the Regulatory Asset balance at December 31, 2010 and March 31, 2011 from the Company's general ledger account number 1905924 and compared the balances to the Filings and found differences of \$5 and \$6, respectively. Management informed us that the difference related to rounding between the filing support and the general ledger.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Company's compliance with the exit transition cost rider in accordance with the PUCO letter regarding Case No. 11-220-GA-EXR. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the PUCO and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

September 22, 2011