

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Alternative)
Energy Portfolio Status Report)
of Vectren Retail, LLC.)

Case No. 12-1071-EL-ACP

**VECTREN RETAIL, LLC'S
ANNUAL ALTERNATIVE ENERGY PORTFOLIO STATUS REPORT**

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I. Introduction

Vectren Retail, LLC d/b/a Vectren Source ("Vectren Source") is an electric services company as defined within Section 4928.01(A)(9), Revised Code. Pursuant to Section 4928.64, Revised Code, as well as Rules 4901:1-40-05(A) and 4901:1-40-03(C), Ohio Administrative Code ("O.A.C."), Vectren Source submits its alternative energy portfolio status report.

II. Baseline Calculation

Section 4928.64(B), Revised Code provides:

The baseline for a utility's or company's compliance with the alternative energy resource requirements of this section shall be the average of such total kilowatt hours it sold in the preceding three years, except that the commission may reduce a utility's or company's baseline to adjust for new economic growth in the utility's certified territory or, in the case of an electric services company, in the company's service area in this state.

Calendar year 2011 was the first year Vectren Source obtained market-based rate ("MBR") authority from the Federal Energy Regulatory Commission ("FERC") or was registered as a competitive retail electric supplier ("CRES") in Ohio. Vectren Source had no kilowatt hour sales in any state in 2008, 2009, or 2010.

Rule 4901:1-40-03(B)(2)(b), O.A.C., states "For an electric services company with no retail electric sales in the state during the preceding three calendar years, its initial baseline shall consist of a reasonable projection of its retail electric sales in the

state for a full calendar year. Subsequent baselines shall consist of actual sales data, computed in a manner consistent with paragraph (B)(2)(a) of this rule.”

Therefore, the 2011 baseline for Vectren Source is a “reasonable projection of its retail electric sales in the state for a full calendar year.”

III. Renewable Benchmarks

Under Section 4928.64, Revised Code, for 2011 the total renewable and solar requirement is equal to 1.0% of the 2011 baseline, with a specific requirement that 0.03% be achieved through solar.

Vectren Source had no electricity sales during 2011. Therefore, it was not necessary for Vectren Source to acquire solar or renewable energy credits.

IV. Compliance Strategy

At this time, Vectren Source does not anticipate making retail electricity sales during 2012. However, to the extent Vectren Source does engage in any such electricity sales, its compliance strategy will most likely be to satisfy the renewable and solar portfolio obligation through the purchase of appropriate renewable energy certificates.

V. Ten Year Compliance Strategy

Rule 4901:1-40-03(C), O.A.C., states that “Beginning in the year 2010, each electric utility and electric services company annually shall file a plan for compliance with future annual advanced- and renewable-energy benchmarks, including solar, utilizing at least a ten-year planning horizon.”

Vectren Source states that during the applicable time period it does not anticipate serving retail customers in Ohio. Accordingly, since it has no plans to service retail

customers in Ohio, it does not have a methodology for compliance or comments on any potential impediments to compliance with the alternative energy requirements.

VI. Conclusion

WHEREFORE, Vectren Source requests that the Commission find that Vectren Source has met all annual alternative energy portfolio status report filing requirements.

Respectfully submitted,

/s/ Joseph M. Clark

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Summary: Report Vectren Retail, LLC Alternative Energy Compliance Filing electronically filed by Mr. Joseph Clark on behalf of Vectren Retail LLC d/b/a Vectren Source