

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	Case No. 12-1416-GA-RDR
for Approval of an Adjustment to its)	
Energy Efficiency Funding Rider Rate.)	

APPLICATION

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April 27, 2012

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of Ohio, Inc.**

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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 the [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. The current EEFR rate was approved by Commission Finding and Order in Case No. 11-2651-GA-RDR and became effective on June 8, 2011.
5. On November 18, 2011, the VEDO DSM Collaborative met to consider the portfolio of DSM programs and funding levels going forward as proposed in VEDO's 2012 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 9, 2011.

² *Id.* at 7.

³ *Id.*

6. Consistent with VEDO's 2012 DSM Operating Plan and the Collaborative approval thereof, VEDO proposes a revised EEFR rate of \$0.004841 per Ccf. This proposed rider rate reconciles actual EEFR recoveries and intended recoveries, and the support for and calculation of the revised rider rate is shown on Attachment 1 hereto.
7. The proposed rider rate of \$0.004841 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,

/s/ Gretchen J. Hummel

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Ohio, Inc.**

ATTACHMENT 1

Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
Twelve Months Ended December 31, 2011

Total Program Budget

Line	Description	Reference	[A]=[B]+[C]+[D] Total	[B] DSM	[C] TEEM I	[D] TEEM II
<u>Current Year Projected Spend</u>						
1	Total 2012 Budget	2012 DSM Operating Plan	\$ 5,469,374	\$ 3,352,419	\$ 1,103,531	\$ 1,013,424
2	Less: Annual Base Rate Amount	Cause No. 07-1080-GA-AIR	\$ 4,000,000	\$ 2,900,000	\$ 1,100,000	\$ -
3	Total EEFR Recoverable Amount	[Line 1 + Line 2]	\$ 1,469,374	\$ 452,419	\$ 3,531	\$ 1,013,424
<u>Prior Year Reconciliation</u>						
4	Total 2011 Program Spend	2011 DSM Annual Report	\$ 7,090,170	\$ 3,628,083	\$ 629,130	\$ 2,832,957
5	Less: Annual Base Rate Amount	Cause No. 07-1080-GA-AIR	\$ 4,000,000	\$ 2,900,000	\$ 400,000	\$ 700,000
6	Less: Base Rate Carryover 2010	2011 DSM Annual Report	\$ 2,093,163	\$ 714,121	\$ 232,661	\$ 1,146,381
7	Total EEFR Recoverable Amount	[Line 4 - Line 5 - Line 6]	\$ 997,007	\$ 13,962	\$ (3,531)	\$ 986,576
8	Less: EEFR Recoveries	Exhibit E, Line 14	\$ 994,022			
9	Total EEFR Variance - (Over)/Under	[Line 7 - Line 8]	\$ 2,985			
10	Total EEFR Recoverable Expenses/(Credits)	[Line 3 + Line 9]	\$ 1,472,359			
11	Projected Volumes (Mcf)	Exhibit F, Line 7	30,414,454			
12	Unit Rate (\$ per Mcf)	[Line 10 / Line 11]	\$ 0.04841			

Vectren Energy Delivery of Ohio, Inc.
 Energy Efficiency Funding Rider ("EEFR")
 2012 DSM Program Funding

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Base Rate Funding		\$ 2,900,000
2	EEFR Funding (1)		\$ 466,381
3	Funding Carryover - 2011 (1)		(13,962)
4	Total 2012 Available Funding (1)	(Line 1 + Line 2 + Line 3)	\$ 3,352,419
5	Less - 2012 Base Rate Funding		\$ 2,900,000
6	Projected DSM EEFR Funding 2012	(Line 4 - Line 5)	\$ 452,419
			(Exhibit A, Line 3)

Notes:

(1) 2012 DSM Operating Plan, Page 1

Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
2012 TEEM I Program Funding

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Base Rate Funding		\$ 1,100,000
2	EEFR Funding		-
3	Funding Carryover - 2011 (1)		3,531
4	Total 2012 Available Funding (1)	(Line 1 + Line 2+ Line 3)	\$ 1,103,531
5	Less - 2012 Base Rate Funding		\$ 1,100,000
6	Projected TEEM I EEFR Funding 2012	(Line 4 - Line 5)	\$ 3,531 (Exhibit A, Line 3)

Notes:

(1) 2012 DSM Operating Plan, Page 1

Vectren Energy Delivery of Ohio, Inc.
 Energy Efficiency Funding Rider ("EEFR")
 2012 TEEM II Program Funding

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Base Rate Funding		\$ -
2	EEFR Funding (1)		1,000,000
3	Funding Carryover - 2011 (1)		13,424
4	Total 2012 Available Funding	(Line 1 + Line 2 + Line 3)	\$ 1,013,424
5	Less - 2012 Base Rate Funding		\$ -
6	Projected TEEM I EEFR Funding 2012		<u>\$ 1,013,424</u>

Notes:

(1) 2012 DSM Operating Plan, Page 1

Exhibit E

**Vectren Energy Delivery of Ohio, Inc.
Energy Efficiency Funding Rider ("EEFR")
Actual Recoveries Year-to-Date December 31, 2011**

Line	Description	EEFR Revenue (\$)
1	EEFR Recoveries	
2	January 2011	\$228,096
3	February 2011	\$165,800
4	March 2011	\$132,165
5	April 2011	\$62,430
6	May 2011	\$39,878
7	June 2011	\$21,883
8	July 2011	\$19,952
9	August 2011	\$20,487
10	September 2011	\$24,629
11	October 2011	\$57,018
12	November 2011	\$86,598
13	December 2011	\$135,087
14	Annual	<u><u>\$ 994,022</u></u>

(To Exhibit A, Line 8)

Notes:

(1) Actual booked EEFR revenue.

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

Line No.	Tarif	May 2012 Amount	June 2012 Amount	July 2012 Amount	August 2012 Amount	September 2012 Amount	October 2012 Amount	November 2012 Amount	December 2012 Amount	January 2013 Amount	February 2013 Amount	March 2013 Amount	April 2013 Amount	Annual Amount
1	Rate 310 - Residential DSS Service	51,666	35,803	29,691	29,593	33,367	36,327	37,186	37,186	37,186	37,186	37,186	37,186	1,682,920
2	Rate 311 - Residential SCO Service	386,779	255,556	211,928	211,299	238,171	680,428	1,166,561	2,171,243	2,429,260	1,896,263	1,642,191	809,166	12,083,732
3	Rate 315 - Residential Transportation Service	245,752	170,301	141,227	140,782	158,715	453,432	777,388	1,446,903	1,619,537	1,289,556	1,094,318	539,222	8,052,516
4	Rate 320 - General Service DSS Service	987	704	483	435	433	476	929	1,730	950,484	752,035	2,353	968	4,838,672
5	Rate 321 - General SCO Service	189,247	129,708	116,913	116,422	127,903	249,447	464,892	863,398	950,484	579,187	629,924	251,349	4,838,672
6	Rate 325 - General Transportation Service	145,904	100,001	90,137	89,756	88,610	192,316	359,395	665,655	732,781	579,187	463,340	159,937	3,730,631
7	Total Budgeted Volumes	1,002,333	692,074	590,379	568,199	657,200	1,671,427	2,931,599	5,453,116	6,075,217	4,765,635	4,079,130	1,908,174	30,414,454

(To Exhibit A, Line 11)

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 \$0.004841 per Ccf.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-RDR of The Public Utilities Commission of Ohio.

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

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Case No(s). 12-1416-GA-RDR

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for Approval of an Adjustment to its Energy Efficiency Funding Rider Rate electronically filed by Ms. Vicki L. Leach-Payne on behalf of Hummel, Gretchen J. Ms.