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October 2, 2015

Barcy McNeal
Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: Case No. 15-0320-GA-UEx

Dear Secretary McNeal:

On September 18, 2015, Deloitte & Touche LLP ("D&T") filed its Audit Report regarding Vectren Energy Delivery of Ohio, Inc.'s ("VEDO") uncollectible expense ("UEx") rider. In its report, D&T reported the following regarding its audit of the bad debts written off by VEDO during the period April 1, 2014 to April 30, 2015:

1. D&T noted one customer balance, \$3,657.09, written off in December 2014; however, according to the *Customer History Card* and the Company's write-off policy, the balance was eligible to be written off in October 2014. The account was tagged with a manual flag within the Company's customer billing system, and as such was not written off timely.
2. D&T noted one customer balance, \$2,078.07, written off in March 2015; however, according to the *Customer History Card* and the Company's write-off policy, the balance was eligible to be written off in November 2014. The account was tagged with a manual flag within the Company's customer billing system, and as such was not written off timely.
3. D&T found differences of \$3.00 and \$4.00, respectively, in its comparison of the general ledger Accounts Receivable Regulatory Asset balance at December 31, 2014 and April 30, 2015 to the balances in the filing. D&T noted that VEDO reported that the differences related to rounding.

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Barcy McNeal
October 2, 2015
Page Two

VEDO concurs with D&T's findings. The manual flag within the Banner system that prevented timely write-off of these balances in accordance with the Company's policy is related to a customer billing system defect. Despite these flags, the accounts were actively being worked to collect the debt in accordance with the Company's policy, as it appropriately moved into collection status and was sent to the Company's outside collection agency. The system should not allow manual flags that prevent write-offs of balances that are in collections status. A solution for this defect has been identified, and after testing, will be implemented in the Company's billing system by the end of 2015.

Thank you for your kind attention to this matter.

Very truly yours,

/s/ Frank Darr
Frank Darr

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

FPD:vlp

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Commission of Ohio Docketing Information System on

10/2/2015 12:47:59 PM

in

Case No(s). 15-0320-GA-UEx

Summary: Response Vectren Energy Delivery of Ohio, Inc.'s response to audit results of Deloitte & Touche LLP electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.