

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

|  |                            |                         |
|--|----------------------------|-------------------------|
| In the Matter of the Adoption of Ohio Adm. Code Chapter 4901:1-43 Concerning Rules Involving Natural Gas Company Infrastructure Development to Implement R.C. 4929.16 to 4929.167. | )<br>)<br>)<br>)<br>)<br>) | Case No. 15-0871-GA-ORD |
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**VECTREN ENERGY DELIVERY OF OHIO, INC.'S  
MOTION FOR LEAVE TO FILE COMMENTS INSTANTER**

In accordance with Ohio Adm. Code 4901-1-12(A), Vectren Energy Delivery of Ohio, Inc. (VEDO) respectfully files this motion for leave to file the attached comments. Good cause exists to grant this motion for the following reasons.

The Attorney Examiner's December 9, 2015 Entry in this case called for comments to be filed yesterday, January 19, 2016. Through an inadvertent oversight, VEDO did not submit its comments by this date. VEDO respectfully requests that the Commission allow the Company to file the attached comments out of time.

The purpose of this docket is to gain the perspective of various stakeholders in the natural gas industry regarding the proposed rules, and granting this motion will ensure that the Commission has the benefit of the Company's viewpoint. Given that VEDO is filing these comments only one day after the requested date, VEDO does not believe that any party will be prejudiced by this filing. Nevertheless, VEDO would not oppose a one-day extension of the reply comment deadline if any party or the Commission believed it necessary.

For the foregoing reasons, VEDO respectfully requests that the Commission grant this motion and accept the attached comments for filing.

Dated: January 20, 2016

Respectfully submitted,

/s/ Andrew J. Campbell

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ATTORNEYS FOR VECTREN ENERGY  
DELIVERY OF OHIO, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing Motion and the attached Comments were served to the following persons by electronic mail on this January 20, 2016:

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/s/ Rebekah J. Glover  
An Attorney for Vectren Energy Delivery  
of Ohio, Inc.

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**COMMENTS OF  
VECTREN ENERGY DELIVERY OF OHIO, INC.**

**I. INTRODUCTION**

In accordance with the Commission’s December 9, 2015 Entry in this case, Vectren Energy Delivery of Ohio, Inc. (VEDO) files its initial comments to Staff’s proposed rules of Ohio Adm. Code Chapter 4901:1-43, concerning the Natural Gas Infrastructure Development Rider.

**II. COMMENTS**

**A. Ohio Adm. Code 4901:1-43-03**

VEDO’s comments pertain to three issues concerning the applicability of the rate caps established under R.C. 4929.162. The law establishes a \$1- and \$2-per-customer-per-year limit on recovery for projects approved respectively under R.C. 4929.163 and .164 (for brevity’s sake, VEDO will refer to these as the \$1 and \$2 rate caps). Depending on how the Commission interprets these caps, they may be too low to permit meaningful investment in any particular project. To further the statute’s basic purpose of fostering economic development, VEDO requests that the rules provide clarification regarding the following issues.

The first issue pertains to whether a utility may recover investment for a single project across multiple years, assuming that in all years the recoveries are within the applicable cap. For example, assume that the \$2 rate cap permits a utility to invest \$600,000 per year. If an economic

development project required \$1.2 million in investment, the issue is whether the utility could invest and recover that amount over two years (i.e., \$600,000 each year). VEDO recommends that the Commission clarify that this is permissible. R.C. 4929.163 and .164 both permit recovery up to the cap of “costs . . . incurred by the company per calendar year[] for the project,” and neither section limits investment in a project to a single year. Such an interpretation would respect the limits on bill impact established by the rate caps, while still supporting economic development within the utility’s service territory.

The second issue pertains to the treatment of investment that may exceed the applicable cap on rates. VEDO acknowledges that excess investment is not recoverable through an infrastructure development rider due to the statutory limitations. But VEDO believes that, if appropriate, such investment should be subject to deferral and recovery in a future rate case or other cost-recovery proceeding. This treatment would align the interests and incentives of the utility and the beneficiaries of economic development, without posing an undue rate impact on consumers. VEDO recommends that the rules clarify that utilities may request such treatment in a project application. The treatment of any given investment would then be subject to Commission review and approval in the applicable proceeding.

The final issue goes to whether the \$1 and \$2 rate caps, with respect to any particular project, are mutually exclusive or additive. In other words, may a project that has been submitted for SiteOhio certification be subject of *two* applications, under both R.C. 4929.163 and R.C. 4929.164, which would enable funding for a single project up to the full \$3 cap? Actual approval would be subject to Commission review in any given case, but VEDO believes that as a general matter this would be consistent with both the letter and purpose of law.

Under R.C. 4929.162, the rate caps are established depending on the statute under which the underlying project was approved. Projects approved under R.C. 4929.163 are subject to the \$2 cap, and projects approved under R.C. 4929.164 are subject to the \$1 cap. Although approval under R.C. 4929.164 is clearly limited to SiteOhio projects, it does not follow that SiteOhio projects are excluded from approval under R.C. 4929.163. The latter statute permits approval of any “economic development project” and does not exclude SiteOhio projects. *See* R.C. 4929.163(A). Thus, in VEDO’s view, a single project could be approved under both sections, and thus subject to an aggregate \$3 rate cap.

This understanding of the rate caps would encourage greater participation in the SiteOhio program, as well as provide a greater range of options for the utility to engage in meaningful economic development. This understanding would not result in any added impact on customers, as total investment would still be subject to the overall \$3 rate cap, but would permit more investment in a given project when appropriate. For these reasons, VEDO requests the Commission clarify that, if appropriate in the circumstances, a single SiteOhio project may receive funding up to the level of the \$3 cap.

### **III. CONCLUSION**

VEDO appreciates the opportunity to comment on the proposed rules. For the foregoing reasons, VEDO respectfully requests that the Commission act in accordance with its comments.

Dated: January 20, 2016

Respectfully submitted,

/s/ Andrew J. Campbell

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DELIVERY OF OHIO, INC.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/20/2016 4:20:56 PM**

**in**

**Case No(s). 15-0871-GA-ORD**

Summary: Motion for Leave to File Comments Instantly and Initial Comments electronically filed by Ms. Rebekah J. Glover on behalf of Vectren Energy Delivery of Ohio, Inc.