

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	Case No. 16-0420-GA-PIP
For Adjustment of its Percentage of)	
Income Payment Plan Rider.)	

APPLICATION

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May 31, 2016

Attorney for Vectren Energy Delivery
of Ohio, Inc.

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APPLICATION

Now comes Vectren Energy Delivery of Ohio, Inc. ("VEDO" or "Applicant") and respectfully requests the approval of the Public Utilities Commission of Ohio ("Commission") for authority to modify its Percentage of Income Payment Plan ("PIPP") Rider. In support of this request, VEDO states as follows:

1. Applicant is an Ohio corporation engaged in the business of providing natural gas service to customers in Ohio and as such, is a public utility as defined by Section 4905.02 and 4905.03, Revised Code.

2. By this Application, and consistent with the December 2, 1993 Finding and Order of the Commission in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, 90-879-GE-ORD, and with the December 14, 2011 Finding and Order in Case No. 08-1229-GA-COI, VEDO requests authorization to modify its PIPP Rider (Tariff Sheet No. 40). The proposed revised tariff sheet is attached as Exhibit A.

3. The Commission's Order dated December 14, 2011 in Case No. 08-1229-GA-COI, Finding paragraph (51) adopted NorthStar's recommendation of an annual PIPP filing. Furthermore, the Commission found that increases in PIPP rates consisting of 10 percent or greater, or any decrease in PIPP rates, should trigger an annual rate adjustment. VEDO's current PIPP Rider rate became

effective on July 17, 2015. The method for computing the modified rate is consistent with Case No. 88-1115-GE-PIP, *et al.* The resulting rate, which is a decrease from the current rate, is comprised of three components and proposes to recover within a twelve month period: 1) those PIPP customer account balances existing as of April 30, 2016 that have aged for a period of greater than 60 days, 2) an amount of arrears it expects to continue to occur in the succeeding twelve month period and 3) projected carrying costs. Calculations supporting the decreased PIPP Rider rate are attached as Exhibit B, which include Attachments 1 through 8.

4. In accordance with the procedure recommended in the direct testimony of the Commission Staff in Case Nos. 88-1115-GE-PIP, *et al.* and the procedure established by Entry dated June 24, 1993 in Case No. 93-1000-EL-EFR, VEDO will implement the proposed PIPP Rider rate for all usage on and after July 15, 2016, absent action by the Commission.

Respectfully submitted,

/s/ Frank P. Darr

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Attorney for Vectren Energy Delivery of
Ohio, Inc.

Exhibit A

Proposed Tariff Sheet

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

APPLICABILITY

The Percentage of Income Payment Plan ("PIPP") Rider 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
- Rate 341 – Dual Fuel Standard Choice Offer Service

DESCRIPTION

The PIPP Charge shall be the product of the monthly billing Ccf and the PIPP Rider Rate.

The PIPP Rider Rate shall be updated from time-to-time in accordance with the Entry in Case No. 99-751-GE-PIP.

PIPP RIDER RATE

The PIPP Rider Rate is ~~\$0.00699~~ \$0.00176 per Ccf

Filed pursuant to Case No. 165-0420-GA-PIP dated ~~May 31, 2016~~ ~~May 29, 2015~~ with The Public Utilities Commission of Ohio.

Issued July 14, 2015 Issued by Scott E. Albertson, Vice-President Effective July 17, 2015

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

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The Percentage of Income Payment Plan ("PIPP") Rider 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
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- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service
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DESCRIPTION

The PIPP Charge shall be the product of the monthly billing Ccf and the PIPP Rider Rate.

The PIPP Rider Rate shall be updated from time-to-time in accordance with the Entry in Case No. 99-751-GE-PIP.

PIPP RIDER RATE

The PIPP Rider Rate is \$ \$0.00176 per Ccf

Exhibit B

**Attachment 1 through
Attachment 8**

**Calculations Supporting the
Proposed PIPP Rider Rate**

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RATE CALCULATION April 2016 Actual Data				
Line	Description	Calculation	Gas Utility	
1	Projected Volumes for the 12 Months Ended 04/30/17	(Attachment 7, Column M, Line 7)	332,470,286	Ccf
2	Continuing Rate: Projected Transfers 05/01/16 to 04/30/17 [Forms the Basis for Continuing Recovery]		\$4,300,000	
3	Annual Rate	(2)/(1)	\$0.01293	/ Ccf
4	Rate Adjustment: (Over)/Under Recovery - PIPP Rider	(Attachment 2, Line 6)	(\$3,701,020)	
5	(Over)/Under Recovery - Carrying Costs	(Attachment 2, Line 14)	(\$5,671)	
6	Total (Over)/Under Recovery	(4)+(5)	(\$3,706,691)	
7	Annual Rate	(6)/(1)	(\$0.01115)	/ Ccf
8	Continuing Carrying Cost Rate: Net Projected Carrying Costs	(Attachment 8, Line 6)	(\$7,448)	
9	Annual Rate	(8)/(1)	(\$0.00002)	/ Ccf
10	Total Annual Rate	(3)+(7)+(9)	\$0.00176	/ Ccf

Current PIPP Rate	\$0.00699 / Ccf
Increase/(Decrease)	(\$0.00523) / Ccf
% Change	-74.82%

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP Rider
Annual Filing Balance Reconciliation

No.	Description		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	Total
	PIPP Regulatory Asset														
1	Balance - Beginning of Month		(2,481,335)	\$ (1,933,403)	\$ (1,821,184)	\$ (1,815,915)	\$ (1,878,833)	\$ (1,983,034)	\$ (2,162,645)	\$ (2,442,841)	\$ (2,750,976)	\$ (3,698,744)	\$ (4,054,571)	\$ (3,857,295)	\$ (2,481,335)
2	PIPP Balance Change (Attachment 4)		322,118	(95,401)	(234,677)	(210,958)	(313,411)	(275,025)	(344,489)	(292,189)	(712,358)	(542,108)	(48,207)	37,464	\$ (2,709,242)
3	Recovery - PIPP Rider (Attachment 5)		(125,890)	(132,310)	6,996	(53,868)	(38,744)	(101,320)	(186,485)	(266,108)	(319,314)	(317,255)	(149,579)		\$ (2,012,142)
4	PIPP Program Credits (Attachment 6)		351,705	\$339,930	\$232,949	\$201,907	\$247,955	\$196,734	\$250,777	\$250,163	\$252,857	\$505,595	\$402,738	\$268,389	\$ 3,501,699
5	Transportation Penalties (Attachment 7)														\$ -
6	Balance - End of Month	Sum [1 - 5]	(1,933,403)	\$ (1,821,184)	\$ (1,815,915)	\$ (1,878,833)	\$ (1,983,034)	\$ (2,162,645)	\$ (2,442,841)	\$ (2,750,976)	\$ (3,698,744)	\$ (4,054,571)	\$ (3,857,295)	\$ (3,701,020)	\$ (3,701,020)
7	Monthly carrying charge rate		0.02750%	0.02833%	0.03083%	0.03000%	0.03167%	0.03083%	0.03083%	0.04000%	0.04417%	0.03417%	0.04000%	0.03417%	\$ 0.0354%
8	Gross Carrying Charges	[1 + 6] x 50% x [7]	(607)	\$ (532)	\$ (561)	\$ (554)	\$ (611)	\$ (639)	\$ (710)	\$ (1,039)	\$ (1,424)	\$ (1,325)	\$ (1,582)	\$ (1,291)	\$ (10,876)
9	Income Tax on Carrying Charges	35% x [8]	(212)	\$ (186)	\$ (196)	\$ (194)	\$ (214)	\$ (224)	\$ (249)	\$ (364)	\$ (499)	\$ (464)	\$ (554)	\$ (452)	\$ (3,806)
10	Net Carrying Charges	[8 - 9]	(395)	\$ (346)	\$ (364)	\$ (360)	\$ (397)	\$ (415)	\$ (462)	\$ (675)	\$ (926)	\$ (861)	\$ (1,029)	\$ (839)	\$ (7,069)
	Carrying Charges Regulatory Asset														
11	Beginning Balance		(785)	\$ (1,478)	\$ (2,138)	\$ (2,222)	\$ (2,505)	\$ (2,848)	\$ (3,118)	\$ (3,313)	\$ (3,608)	\$ (3,837)	\$ (4,241)	\$ (5,045)	\$ (785)
12	Carrying Charge Recovery - PIPP Rider	Line 17	(298)	\$ (314)	\$ 280	\$ 77	\$ 55	\$ 145	\$ 266	\$ 380	\$ 698	\$ 456	\$ 225	\$ 214	\$ 2,183
13	Interest Incurred	Line 10	(395)	\$ (346)	\$ (364)	\$ (360)	\$ (397)	\$ (415)	\$ (462)	\$ (675)	\$ (926)	\$ (861)	\$ (1,029)	\$ (839)	\$ (7,069)
			(693)	\$ (659)	\$ (85)	\$ (283)	\$ (342)	\$ (271)	\$ (195)	\$ (295)	\$ (228)	\$ (405)	\$ (804)	\$ (626)	\$ (4,886)
14	Ending Balance	Sum [11 - 13]	(1,478)	\$ (2,138)	\$ (2,222)	\$ (2,505)	\$ (2,848)	\$ (3,118)	\$ (3,313)	\$ (3,608)	\$ (3,837)	\$ (4,241)	\$ (5,045)	\$ (5,671)	\$ (5,671)
15	Volumes (Ccf) (Attachment 5)		5,961,036	6,259,544	6,203,383	6,327,681	5,657,282	14,521,217	26,734,628	38,015,517	69,765,211	45,618,905	22,454,452	21,368,468	268,887,324
16	Rate		0	0.00005	(0.00005)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(0.00001)	
17	Carrying Charge Recovery - PIPP Rider	[15] x [16]	298	314	(280)	(77)	(55)	(145)	(266)	(380)	(698)	(456)	(225)	(214)	\$ (2,183)

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PIPP PLAN INFORMATION AS OF
April 30, 2016

Line No.	Description	Amount
1	PIPP Accounts Receivable Balances 2 months in Arrears (Attachment 4, Column B, Line 13)	\$58,501,658
2	Amount Recovered to Date (Attachment 5, Column E, Line 13)	\$105,575,282
3	PIPP Dollars Distributed Per Settlement in Case No. 91-415-GA-AIR (Forgiveness and Graduate) PIPP Plus Program Case No. 08-723-GA-ORD (Attachment 6, Column C, Line 13)	\$44,792,165
4	Transportation Penalties Refunded Case No. 03-571-GA-AIR No transportation penalties after October 2008.	\$1,419,561
5	Catch-up Recovery (1) - (2) + (3) - (4) <div style="text-align: right;">To Attachment 1, Line 4</div>	(\$3,701,020)

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RIDER PRE-PIPP & PIPP BALANCES					
Line No.	A Month		B Gas	C Monthly Change	
1	Reported in Case No. 15-0420-GA-PIP	May 01, 2015	\$ 61,210,900	\$ 322,118	
2		June 1, 2015	\$ 61,533,018	\$ (95,401)	
3		July 1, 2015	\$ 61,437,617	\$ (234,677)	
4		August 1, 2015	\$ 61,202,940	\$ (210,958)	
5		September 1, 2015	\$ 60,991,982	\$ (313,411)	
6		October 1, 2015	\$ 60,678,570	\$ (275,025)	
7		November 1, 2015	\$ 60,403,546	\$ (344,489)	
8		December 1, 2015	\$ 60,059,057	\$ (292,189)	
9		January 1, 2016	\$ 59,766,868	\$ (712,358)	
10		February 1, 2016	\$ 59,054,509	\$ (542,108)	
11		March 1, 2016	\$ 58,512,401	\$ (48,207)	
12		April 1, 2016	\$ 58,464,194	\$ 37,464	
13		May 1, 2016	\$ 58,501,658		

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RIDER PIPP PLAN RECOVERIES					
Line No.	A Month	B Volumes(Ccf)	C Recovery Rates	D Current Month	E To Date
1	Reported in Case No. 15-0420-GA-PIP				\$ 103,563,140
2	May-15	5,961,036	\$ 0.02112	\$ 125,890	\$ 103,689,030
3	Jun-15	6,259,544	\$ 0.02114	\$ 132,310	\$ 103,821,339
4	Jul-15	6,203,383	\$ (0.00113)	\$ (6,996)	\$ 103,814,343
5	Aug-15	6,327,681	\$ 0.00851	\$ 53,868	\$ 103,868,211
6	Sep-15	5,657,282	\$ 0.00685	\$ 38,744	\$ 103,906,954
7	Oct-15	14,521,217	\$ 0.00698	\$ 101,320	\$ 104,008,274
8	Nov-15	26,734,628	\$ 0.00698	\$ 186,485	\$ 104,194,759
9	Dec-15	38,015,517	\$ 0.00700	\$ 266,108	\$ 104,460,867
10	Jan-16	69,765,211	\$ 0.00700	\$ 488,268	\$ 104,949,135
11	Feb-16	45,618,905	\$ 0.00700	\$ 319,314	\$ 105,268,449
12	Mar-16	22,454,452	\$ 0.00700	\$ 157,255	\$ 105,425,704
13	Apr-16	21,358,348	\$ 0.00700	\$ 149,579	\$ 105,575,282

**VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP DOLLARS DISTRIBUTED
PER CASE NOS. 91-415-GA-AIR AND 08-723-GA-ORD
(FORGIVENESS, GRADUATE AND PIPP PLUS PROGRAM)**

Line No.	A Month	B Monthly Change	C Ending Balance
1	Reported in Case No. 15-0420-GA-PIP		\$41,290,466
2	May 2015	\$351,705	\$41,642,171
3	June	\$339,930	\$41,982,100
4	July	\$232,949	\$42,215,050
5	August	\$201,907	\$42,416,957
6	September	\$247,955	\$42,664,911
7	October	\$196,734	\$42,861,645
8	November	\$250,777	\$43,112,422
9	December	\$250,163	\$43,362,585
10	January 2016	\$252,857	\$43,615,443
11	February	\$505,595	\$44,121,038
12	March	\$402,738	\$44,523,776
13	April	\$268,389	\$44,792,165

Vectren Energy Delivery of Ohio, Inc.
PIPP Rider
Projected Sales Volumes (CCF)

<u>Line No.</u>	<u>Tariff</u>	<u>A</u> <u>May-16</u> <u>Amount</u>	<u>B</u> <u>Jun-16</u> <u>Amount</u>	<u>C</u> <u>Jul-16</u> <u>Amount</u>	<u>D</u> <u>Aug-16</u> <u>Amount</u>	<u>E</u> <u>Sep-16</u> <u>Amount</u>	<u>F</u> <u>Oct-16</u> <u>Amount</u>	<u>G</u> <u>Nov-16</u> <u>Amount</u>	<u>H</u> <u>Dec-16</u> <u>Amount</u>	<u>I</u> <u>Jan-17</u> <u>Amount</u>	<u>J</u> <u>Feb-17</u> <u>Amount</u>	<u>K</u> <u>Mar-17</u> <u>Amount</u>	<u>L</u> <u>Apr-17</u> <u>Amount</u>	<u>M</u> <u>Annual</u> <u>Amount</u>
1	Rate 310/311 - Residential DSS/SCO Service	4,252,439	2,882,930	3,271,446	3,085,382	2,414,120	6,977,127	14,338,032	22,966,798	26,989,192	21,016,460	18,007,774	8,553,067	134,754,767
2	Rate 315 - Residential Transportation Service	2,907,130	1,970,881	2,236,485	2,109,285	1,650,384	4,769,830	9,802,025	15,700,978	18,450,841	14,367,653	12,310,800	5,847,203	92,123,495
3	Rate 320/321 - General DSS/SCO Service	1,701,783	1,431,422	1,365,534	1,282,770	1,332,146	2,948,046	5,378,956	8,825,673	10,220,400	8,109,928	6,784,249	3,198,526	52,579,433
4	Rate 325 - General Transportation Service	1,398,581	1,176,390	1,122,240	1,054,223	1,094,801	2,422,801	4,420,603	7,253,229	8,399,461	6,665,006	5,575,519	2,628,654	43,211,509
5	Rate 341 - Dual Fuel Sales Service	1,006	346	52	42	-	371	1,664	3,460	3,982	4,375	3,913	2,843	22,054
6	School Customers	299,391	159,759	157,025	135,771	209,645	487,454	1,220,254	1,384,635	1,797,520	1,882,547	1,436,198	608,830	9,779,028
7	Total Sales Volumes	10,560,330	7,621,728	8,152,782	7,667,473	6,701,096	17,605,628	35,161,535	56,134,773	65,861,396	52,045,969	44,118,453	20,839,123	332,470,286

PIPP Carrying Cost Support for Projection
Most Recent Twelve Months Ended April 30, 2016

Line No.			
1	Beginning PIPP Rider Asset	(Attachment 1, Line 4)	(\$3,701,020)
2	Projected Ending PIPP Rider Asset		\$0
3	Total Beginning and Projected Ending Asset	(Line 1 + Line 2)	(\$3,701,020)
4	Average Balance	(Line 3/2)	(\$1,850,510)
5	Projected Carrying Cost Rate		0.40250%
6	Projected PIPP Carrying Costs for the Twelve Months Ended April 30, 2017	(Line 4 * Line 5) (to Attachment 1, Line 8)	(\$7,448)

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in

Case No(s). 16-0420-GA-PIP

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for an Adjustment of its Percentage of Income Payment Plan Rider electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.