

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren)	
Energy Delivery of Ohio for Approval to)	Case No. 15-1741-GA-AAM
Change Accounting Methods)	
)	

**DIRECT TESTIMONY OF JAMES M. FRANCIS
ON BEHALF OF
VECTREN ENERGY DELIVERY OF OHIO**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE STIPULATION	2
III.	CONCLUSION	3

I. INTRODUCTION

Q1. Please state your name, business address and occupation.

A. My name is James M. Francis. My address is One Vectren Square, Evansville, Indiana, and I am Vice President of Safety and System Integrity for Vectren Utility Holdings, Inc. (VUHI), the immediate parent company of Vectren Energy Delivery of Ohio, Inc. (VEDO or the Company).

Q2. What are your duties in your present position?

A. I have responsibility to oversee the Company's continued focus on safety and compliance. In this role I will manage employee and contractor safety for utility operations for the Company and its parent company, VUHI. Specifically, I have responsibility for gas and electric compliance for utility operations, codes and standards, quality assurance, damage prevention, corporate safety, technical training, security, and the integrity management programs.

Q3. Please describe your work experience.

A. I have been employed by VUHI since April 8, 2004. My current role is the Vice President of Safety and System Integrity. Prior to this position, I was VUHI's Director of Engineering & Asset Management for eleven years. Other prior work experience includes various positions in engineering and operations.

Q4. What is your educational background?

A. I received a Bachelor of Science in mechanical engineering from the University of Dayton in 1993. I received a Master's in Business Administration from The Ohio State University in 2000.

Q5. What is the purpose of your testimony in this proceeding?

A. My testimony supports the Stipulation filed on September 9, 2016, and addresses facts relevant to its compliance with the Commission's standards for stipulations.

II. THE STIPULATION

Q6. Please briefly summarize the Stipulation.

A. The Stipulation recommends that the Commission approve the implementation of VEDO's Distribution Accelerated Risk Reduction (DARR) Program and the deferral of DARR-related costs as described in the Company's Application, subject to certain provisions outlined in the Stipulation.

Q7. Is the Stipulation a product of serious bargaining among knowledgeable parties?

A. Yes. The Stipulation is the result of a serious and open review process, in which the parties were represented by able, experienced counsel and had access to technical experts. The Stipulation is the outcome of a lengthy process of investigation, discovery, discussion, and negotiation. As a result of these negotiations, VEDO accepted several modifications and additional provisions to its original application. In short, the Stipulation represents a comprehensive, reasonable resolution of the issues in this case by informed parties with diverse interests.

Q8. Does the Stipulation benefit ratepayers and is it in the public interest?

A. Yes. The Stipulation will enable funding and continued implementation of the important safety, public-education, and system-awareness initiatives described in the Application. The DARR Program is an important component of the Company's plans to continue to provide safe and reliable service to its customers. The structure of the program ensures that Staff will have ample, continuing opportunities to review and recommend

1 modifications to the program as needed. Finally, no funding will be recovered from
2 customers until the expenses have been reviewed and approved by the Commission.

3 **Q9. Does the Stipulation violate any important regulatory principle or practice?**

4 A. No. In light of the foregoing, I do not believe that the Stipulation violates any important
5 regulatory principle or practice.

6 **Q10. What is your recommendation to the Commission?**

7 A. I recommend that the Commission approve the Stipulation. The Stipulation represents a
8 fair, balanced, and reasonable compromise of diverse interests and provides a fair result
9 for customers, thereby meeting the Commission's criteria for adopting settlements.

10 **III. CONCLUSION**

11 **Q11. Does this conclude your testimony?**

12 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail this 19th day of September, 2016, to the following:

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/s/ Rebekah J. Glover

One of the Attorneys for Vectren Energy
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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/19/2016 4:29:11 PM

in

Case No(s). 15-1741-GA-AAM

Summary: Text Direct Testimony of James M. Francis electronically filed by Ms. Rebekah J. Glover on behalf of Vectren Energy Delivery of Ohio, Inc.