



21 East State Street • Columbus, OH 43215-4228
Tel: 614.469.8000 • Fax: 614.469.4653

Frank P. Darr
(614) 719-2855—Direct Dial
fdarr@mwncmh.com

June 6, 2017

Barcy McNeil, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

RE: *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Issue Long-Term Debt, to Issue and Sell Common and/or Preferred Stock, Receive Equity Infusions, and Enter into Interest Rate Risk Management Transactions Pursuant to the Previously Approved Financial Services Agreement, Case No. 17-776-GA-AIS; response to Staff Report*

Dear Secretary McNeil:

On March 15, 2017, Vectren Energy Delivery of Ohio, Inc. (“VEDO”) filed an application and exhibits requesting authorization to issue securities and other relief through June 30, 2018. The Staff of the Commission issued a Staff Review and Recommendation on May 31, 2017. The Staff Review and Recommendation urges the Public Utilities Commission of Ohio (“Commission”) to approve the application with certain conditions. One recommendation is that the Commission require VEDO to file a report within a month of the consummation of a transaction. For the reasons discussed below, VEDO recommends that the deadline for the filing of such a report be sixty days. VEDO also clarifies that it is seeking approval of “interest rate risk management transactions” as described in the application.

For several years, the Commission has conditioned approval of financing orders on a requirement that VEDO report the consummation of transactions within a reasonable time not to exceed sixty days. See *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Issue Long-Term Debt, to Issue and Sell Common and/or Preferred Stock, Receive Equity Infusions, and Enter into Interest Rate Risk Management Transactions Pursuant to the Previously Approved Financial Services Agreement*, Case No. 15-117-GA-AIS, Finding and Order at 4 (Mar. 11, 2015). This sixty-day requirement comports with existing business practice at VEDO. Further, VEDO is not aware of any problems with the sixty-day reporting period, and the Staff Report and Recommendation does not identify a problem with the existing reporting period.

C0102333:2

www.mwn.com

HARRISBURG, PA • LANCASTER, PA • STATE COLLEGE, PA • HAZLETON, PA • COLUMBUS, OH • WASHINGTON, DC

Although the Commission has previously adopted a sixty-day reporting requirement, the Staff has recommended that the report be filed with the Commission within a month of the consummation of a transaction. Staff Review and Recommendation at unnumbered page 4. Reporting the consummation of a transaction is an understandable condition, but the change to a thirty-day reporting requirement would constrain the reporting process without providing any identified benefit or address any identified problem with the current practice. Accordingly, VEDO requests that the Commission require that reporting of a transaction be completed within sixty days of the consummation of the transaction.

VEDO also notes that the Staff Review and Recommendation states that VEDO is requesting authorization to enter Interest Transactions to lower its overall effective interest costs. So that there is a clear understanding of the request, VEDO notes that its application provides that it is seeking authorization of "interest rate risk management transactions" the purpose of which "is to better manage interest rate risks associated with any of the debt issued pursuant to this authorization or previous orders of the Commission." Application at 3-4.

Thank you for your consideration of these matters. If the Staff has any questions, please contact me.

Sincerely,

/s/ Frank P. Darr

Frank P. Darr

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

FPD:vlp

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/6/2017 3:31:29 PM

in

Case No(s). 17-0776-GA-AIS

Summary: Response Vectren Energy Delivery of Ohio, Inc.'s Response to PUCO Staff's Recommendations electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.