

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan.))	Case No. 18-0049-GA-ALT
In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Gas Rates.))	Case No. 18-0298-GA-AIR
In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan.))	Case No. 18-0299-GA-ALT

The proceeding involves Vectren Energy Delivery of Ohio's ("Vectren") request to increase the rates that its customers pay for gas service by 9.36%.¹ The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of the residential utility consumers of Vectren, moves the Public Utilities Commission of Ohio ("PUCO") to strike the objections of Interstate Gas Supply, Inc. ("IGS") and Vectren to the Staff Report of Investigation filed on October 1, 2018. OCC files these objections pursuant to Ohio Adm. Code 4901-1-12, 4901-1-28, and 4901:1-19. Vectren and IGS's objections are either too vague to convey what is actually being placed at issue or relate to matters not at issue in this case, as explained further in the attached Memorandum in Support.

¹ *In re Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Gas Rates*, Case Nos. 18-298-GA-AIR et al., Pre-Filing Notice (Feb. 21, 2018) at Exhibit 4.

Respectfully submitted,

Bruce Weston (0016973)
Ohio Consumers' Counsel

/s/ Bryce McKenney

William Michael (0070921)

Counsel of Record

Assistant Consumers' Counsel

Bryce McKenney (0088203)

Assistant Consumers' Counsel

Amy Botschner-O'Brien (0074423)

Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel

65 East State Street, 7th Floor

Columbus, Ohio 43215-4213

Telephone: Michael (614) 466-1291

Telephone: McKenney (614) 466-9585

Telephone: Botschner-O'Brien (614) 466-9585

William.michael@occ.ohio.gov

Bryce.mckenney@occ.ohio.gov

Amy.botschner-obrien@occ.ohio.gov

(will accept service via email)

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan.))	Case No. 18-0049-GA-ALT
In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Gas Rates.))	Case No. 18-0298-GA-AIR
In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan.))	Case No. 18-0299-GA-ALT

I. INTRODUCTION

This case affects the rates paid by approximately 321,000 customers of Vectren for natural gas service. Vectren filed an Application seeking to increase its rates on March 30, 2018. OCC, the state of Ohio’s advocate for residential utility consumers, moved to intervene in this case on March 5, 2018. On October 1, 2018, the PUCO Staff filed its Report of Investigation (“Staff Report”). Parties may file objections to a staff report of investigation “within thirty calendar days after the filing of the report.”²

² Ohio Adm. Code 4901:1-19-07(F)(1)(a); Ohio Adm. Code 4901-1-28(B).

II. IGS’S ARGUMENTS SHOULD BE STRICKEN BECAUSE THEY ARE VAGUE, IRRELEVANT, AND UNRELATED TO VECTREN’S APPLICATION

Objections must “[s]pecifically designate those portions of the staff report and/or the application that are considered to be objectionable”³ and “[s]ufficiently explain how the portions of the report and/or the application objected to are unjust and unreasonable.”⁴

Objections that are not specific – those that do not possess “the specificity required to convey what is actually being placed at issue”⁵ – “may be stricken upon motion of any party * * *.”⁶ The PUCO may also strike objections that relate to “matters not put in issue by the applicant and not related to the rates which are the subject of the application.”⁷ Vectren and IGS’s objections should be stricken for both of these reasons – they lack the required specificity and they relate to matters not put in issue by Vectren’s Application.

A. The PUCO should strike IGS’s Objection that the Staff Report should have recommended Vectren take additional steps to exit the merchant function

On October 31, 2018, IGS filed Objections to the PUCO Staff Report. Included in IGS’s Objections was a claim that the PUCO Staff failed to recommend terms and conditions under which Vectren would exit the merchant function. IGS’s objection is outside the scope of this proceeding. This case involves a review of Vectren’s base distribution rates. It is not a proceeding where the standard choice offer tariff serving Vectren’s customers is being reviewed.

³ Ohio Adm. Code 4901:1-19-07(F)(1)(a); Ohio Adm. Code 4901-1-28(B) (“All objections must be specific”).

⁴ Ohio Adm. Code 4901:1-19-07(F)(1)(b)-(c).

⁵ *In re Application of Dayton Power & Light Co.*, Case No. 15-1830-EL-AIR, et al., Entry (Mar. 14, 2018) at ¶5.

⁶ Ohio Adm. Code 4901-1-28(B).

⁷ *Industrial Energy Consumers v. Pub. Util. Comm.*, 63 Ohio St.3d 551, 553-554, 589 N.E.2d 1289 (1992), quoting *Cleveland Elec. Illum. Co. v. Pub. Util. Comm.*, 42 Ohio St.2d 403, 419-420, 330 N.E.2d 1 (1975).

The fact that Vectren did not commit to take additional steps to exit the merchant function in its application, and the PUCO Staff did not recommend Vectren do so in its Staff Report, is not grounds for objection. Vectren's merchant function is not at issue in this proceeding. IGS's objection to the PUCO Staff Report on the issue of Vectren's merchant function is irrelevant and should be stricken. Further, IGS's objection is vague because IGS does not state with any specificity its issues with the referenced tariff language. The PUCO should protect Vectren's Standard Offer Customers by striking IGS's objection.

B. The PUCO should strike IGS's Objection that the Staff Report fails to recommend that Vectren unbundle from distribution rates costs related to the provision of the Standard Choice Offer ("SCO").

In another Objection to the PUCO Staff Report, IGS argues that costs related to the provisions of the Standard Choice Offer ("SCO") should be unbundled from distribution rates and allocated to the SCO or SCO providers. Further, IGS claims that letting Vectren bear these costs and charge customers violates state policy against anti-competitive subsidies. However, IGS Objection fails for vagueness because IGS does not indicate who is being subsidized or how. The SCO provides the lowest-cost option for Vectren's customers, plain and simple. IGS's objection is nothing more than a vague assertion in an ongoing attempt by IGS to eliminate the SCO at the expense of Vectren's standard offer customers. IGS's Objection should be stricken.

III. VECTREN’S OBJECTIONS SHOULD BE STRICKEN BECAUSE THEY ARE VAGUE AND UNRELATED TO VECTREN’S APPLICATION

A. The PUCO should strike Vectren’s Objection to Staff’s recommendation that Vectren “continue to implement rigorous cost control mechanisms” and “rigorous negotiations with municipalities regarding permitting, restoration, fees, etc.,” and “other similar measures.”

The PUCO Staff, in the Staff Report, recommended that Vectren implement rigorous cost control mechanisms and to rigorously negotiate with municipalities.⁸ This recommendation is simply good business practice for any regulated utility. Requiring utilities to control their costs protects consumers from paying unjust and unreasonable rates.⁹ While Vectren objects to Staff’s recommendation, it notes that it supports the overarching goal of cost control. So, while Vectren objects to the Staff Report on this issue, Vectren also concedes its agreement with the goal the issue intends to address. The recommendation to control costs should remain in the PUCO Staff Report and be implemented by Vectren. Further, Vectren’s assertion that Staff’s recommendation could be interpreted to impose unreasonable and counter-productive obligations is vague and lacking evidentiary support. Therefore, Vectren’s Objection should be stricken.

B. The PUCO should strike Vectren’s Objection to the Staff Report regarding Staff’s recommendation that Vectren’s CEP be subject to annual caps and cost controls.

Vectren included an objection to the PUCO Staff Report recommending that the CEP Rider should not be made subject to annual caps and cost controls.¹⁰ Annual caps and cost control measures are necessary to protect consumers for excessive spending on capital

⁸ Vectren Objections (Oct. 31, 2018) at 10.

⁹ R.C. 4909.15.

¹⁰ Vectren Objections (Oct. 31, 2018) at 12.

investment, beyond what may be just, reasonable, necessary, or lawful. Rate caps, revenue caps, and/or cost control measures are reasonable checks on Vectren's spending to protect consumers. Further, nothing in the Ohio Revised Code prohibits or prevents such caps. The PUCO should grant OCC's motion to strike Vectren's Objection.

IV. CONCLUSION

For the reasons stated above, the PUCO should grant OCC's Motion to Strike the Objections filed by IGS and Vectren.

Respectfully submitted,

Bruce Weston (0016973)
Ohio Consumers' Counsel

/s/ Bryce McKenney
William Michael (0070921)
Counsel of Record
Assistant Consumers' Counsel
Bryce McKenney (0088203)
Assistant Consumers' Counsel
Amy Botschner-O'Brien (0074423)
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215-4213
Telephone: Michael (614) 466-1291
Telephone: McKenney (614) 466-9585
Telephone: Botschner-O'Brien (614) 466-9585
William.michael@occ.ohio.gov
Bryce.mckenney@occ.ohio.gov
Amy.botschner-obrien@occ.ohio.gov
(will accept service via email)

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing *Motion to Strike* was served by electronic transmission upon the parties below this 7th day of November 2018.

/s/ Bryce McKenney

Bryce McKenney
Assistant Consumers' Counsel

SERVICE LIST

werner.margard@ohioattorneygeneral.gov
mjsettineri@vorys.com
glpetrucci@vorys.com
joliker@igsenergy.com
mnugent@igsenergy.com
slesser@calfee.com
mkeaney@calfee.com
talexander@calfee.com
tony_long@hna.honda.com
mfleisher@elpc.org
cmooney@ohiopartners.org

campbell@whitt-sturtevant.com
whitt@whitt-sturtevant.com
rust@whitt-sturtevant.com
kennedy@ehitt-sturtevant.com
fdarr@mcneeslaw.com
mpritchard@mcneeslaw.com
jstephenson@vectren.com
Thomas.jernigan.3@us.af.mil
Andrew.unsicker@us.af.mil

Attorney Examiner:
Gregory.price@puc.state.oh.us
patricia.schabo@puc.state.oh.us

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/7/2018 5:18:15 PM

in

Case No(s). 18-0049-GA-ALT, 18-0298-GA-AIR, 18-0299-GA-ALT

Summary: Motion Motion to Strike Objections to the Staff Report by The Office of the Ohio Consumers' Counsel electronically filed by Ms. Jamie Williams on behalf of McKenney, Bryce A. Mr.