

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Vectren ) |                |
| Energy Delivery of Ohio, Inc., for Approval ) | 18-0049-GA-ALT |
| of an Alternative Rate Plan )                 |                |

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| In the Matter of the Application of Vectren ) |                |
| Energy Delivery of Ohio, Inc., for Approval ) | 18-0298-GA-AIR |
| of an Increase in Gas Rates )                 |                |

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| In the Matter of the Application of Vectren ) |                |
| Energy Delivery of Ohio, Inc., for Approval ) | 18-0299-GA-ALT |
| of an Alternative Rate Plan )                 |                |

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**POST-HEARING REPLY BRIEF OF THE CITY OF DAYTON**

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The Ohio Consumers' Counsel (OCC) Post-Hearing Brief takes issue with Vectren's \$75,000 minimum annual contribution to the City of Dayton to support economic development. OCC claims this annual contribution does not benefit consumers or the public interest and therefore must be rejected. This position has not only been rejected by Staff, Vectren, the City of Dayton, and all other signatory parties to the Stipulation, but is also negated by the very terms of the Stipulation itself. OCC misstates the relevant provisions in the Stipulation and puts forth a nonsensical argument that customers who reside near, but not in, Dayton's municipal boundaries do not benefit from economic development in the Dayton area. Simply put, the Stipulation's economic development provisions benefit the public interest, and OCC's contentions to the contrary are without merit.

**I. OCC MISUNDERSTANDS THE STIPULATION’S ECONOMIC DEVELOPMENT PROVISIONS INVOLVING DAYTON.**

In the Stipulation, Vectren has agreed to partner with Dayton to encourage economic growth in the Dayton region. Specifically, the Stipulation requires Vectren or a Vectren affiliate to provide the City of Dayton \$75,000 annually “to be used at the City’s reasonable discretion to assist in or support economic development within Dayton.”<sup>1</sup> The funds “will be provided directly towards the economic or neighborhood development projects identified by Dayton, provided that such neighborhood development projects involve neighborhoods that [Vectren] currently serves or to which [Vectren] plans to provide service.”<sup>2</sup> “Those projects could include, among other things, contributions to the Montgomery County Port Authority PACE program for qualifying projects in the City of Dayton, charitable contributions to economic and neighborhood development programs targeted at low income residents, or other projects to be identified by Dayton.”<sup>3</sup>

OCC argues that these investments “are not required to benefit Vectren’s customers.”<sup>4</sup> As shown by the foregoing, that is incorrect under the Stipulation’s terms. The funds are specifically targeted at neighborhoods served by Vectren and economic growth in the area served by Vectren.

OCC then claims that these economic development funds go “to a general fund for the City of Dayton to use as it sees fit.”<sup>5</sup> As shown through the foregoing language and pages 15-17 of the Stipulation, that is incorrect. These economic funds are targeted at economic development in Dayton, the largest city in Vectren’s service territory, and more specifically at neighborhoods that

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<sup>1</sup> Stipulation and Recommendation (Stipulation), Joint Ex. 1.0 at 15.

<sup>2</sup> *Id.*

<sup>3</sup> Stipulation p. 15-16.

<sup>4</sup> OCC Post Hearing Brief at 10.

<sup>5</sup> OCC Post Hearing Brief at 10.

Vectren serves. Dayton is required to annually report to Vectren on the use of those funds, and Vectren's contributions can be terminated if Dayton fails to do so.<sup>6</sup>

Dayton and Vectren also agreed to work together on potential future economic development projects, including infrastructure development and Site Ohio certified industrial site development.<sup>7</sup> Vectren and Dayton also agreed to pursue energy efficiency programs targeted at all Vectren industrial, commercial, and residential customers.<sup>8</sup> Those programs will obviously benefit all Vectren customers and are not mentioned by OCC.

OCC then claims that the Stipulation should do more to help low-income residents.<sup>9</sup> While Dayton certainly supports any increased assistance that can reasonably be provided to low income residents, OCC's attacks on Dayton are not accurate. Dayton specifically negotiated for a significant annual contribution by Vectren which is specifically targeted at benefiting low income residents through economic development and direct charitable giving. While OCC may wish that assistance were greater, a Stipulation is a compromise between parties with competing interests and this is the balance reached by the Stipulating Parties after extensive negotiations.

Finally, OCC claims that the Community Support Commitment of \$75,000/year to Dayton is "required to be funded by all customers."<sup>10</sup> Once again, OCC is incorrect. There is nothing in the Stipulation which requires this payment to be funded by customers. This payment may be funded through shareholder dollars or from a Vectren affiliate.<sup>11</sup>

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<sup>6</sup> Stipulation p. 17.

<sup>7</sup> Stipulation p. 17-18.

<sup>8</sup> Stipulation p. 18.

<sup>9</sup> OCC Post-Hearing Brief, p. 11.

<sup>10</sup> OCC Post-Hearing Brief, p. 10.

<sup>11</sup> Stipulation p. 15.

## **II. ECONOMIC DEVELOPMENT IN DAYTON WILL BENEFIT THE ENTIRE REGION.**

OCC's brief cites Mr. Williams for the proposition that not all Vectren customers live in the City of Dayton, "and even for those Vectren customers who are actually living within the City of Dayton, nothing in the Settlement requires the contributions to benefit them specifically."<sup>12</sup> The relevance of this statement is unclear as economic development in Dayton will obviously benefit the entire region.

As a preliminary matter, OCC's argument that the Stipulation is required to specifically provide a monetary benefit to each customer is nonsensical. Economic development funding rarely would involve a direct payment to each individual in a utility's service territory. Instead economic development funding is intended to encourage economic growth, and that growth will help all who reside in the area.

Economic growth in the City of Dayton will benefit all Vectren customers. As OCC's own witness acknowledged,<sup>13</sup> there are customers both in and outside of Dayton who would benefit from economic growth in Dayton. To claim that somehow only individuals who are direct recipients of such payments benefit completely ignores all economic reality. This is shown by one obvious example. Suppose this economic development funding causes a new business to open in Dayton. The people who benefit from that business through direct employment, indirect employment as a vendor, or as a customer may reside anywhere in or outside of the City of Dayton. Accordingly, OCC's claim that economic development does not assist non-Dayton Vectren customers make little sense.

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<sup>12</sup> OCC Post Hearing Brief at 10-11.

<sup>13</sup> Williams Sup. Direct, pp. 8-9.

The City of Dayton not only cares about its residents, but also those who work, visit, and contribute to the City of Dayton's economy as a whole. Because the Stipulation encompasses economic development that benefits everyone—not just Vectren's customers residing within the City of Dayton—the Stipulation benefits public interest.

### III. CONCLUSION

The City of Dayton signed on to all terms of the Stipulation because it believes the Stipulation benefits the public interest.<sup>14</sup> This belief is also shared by Staff and all other Signatory Parties.<sup>15</sup> The Stipulation should be approved.

Respectfully submitted,

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ATTORNEYS FOR THE CITY OF  
DAYTON

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<sup>14</sup> Stipulation, Joint Ex. 1.0 – 5.0.

<sup>15</sup> Staff Post-Hearing Brief at 5–7.

### **CERTIFICATE OF SERVICE**

I certify that the foregoing Post-Hearing Reply Brief of the City of Dayton was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 23rd day of April, 2019. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

/s/ N. Trevor Alexander

One of the Attorneys for the City of Dayton

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Summary: Reply Post-Hearing Brief electronically filed by Mr. Trevor Alexander on behalf of City of Dayton