

May 3, 2019

Ms. Barcy F. McNeal
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: *In re Vectren Energy Delivery of Ohio, Inc.*, Case Nos. 18-0049-GA-ALT, 18-0298-GA-AIR, and 18-0299-GA-ALT.

Dear Ms. McNeal:

On January 4, 2019, a Stipulation and Recommendation (the Stipulation), Joint Exhibit 1.0, was filed for Commission approval in the above-captioned cases.

Paragraph 5(b) of the Stipulation requires Vectren Energy Delivery of Ohio, Inc. (VEDO) to file a “late filed exhibit” concerning rate case expense. Specifically, Paragraph 5(b) states, “With respect to rate case expense: VEDO shall file an updated Schedule C-3 within ten days of the date that the hearing is concluded or that reply briefs are filed, whichever is latest. Any increase or decrease in the assumed level of rate case expense shall be flowed through to the revenue requirement recommended for approval in this Stipulation and reflected in base rates.”

On April 23, 2019, the reply briefs for the above-captioned cases were filed. Accordingly, within ten days of that date, please find attached an updated Schedule C-3, which VEDO acknowledges remains pending review by Commission Staff.

Please note that this letter and the updated Schedule C-3 are being electronically filed in the above-captioned cases through the Commission’s Docketing Information System (DIS). Please do not hesitate to contact me with any questions.

Respectfully submitted,

/s/ Christopher T. Kennedy

Counsel for Vectren Energy Delivery of Ohio, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served by electronic mail
upon the following individuals on May 3, 2019:

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/s/ Christopher T. Kennedy
One of the Attorneys for Vectren Energy
Delivery of Ohio, Inc.

As of May 3, 2019

VECTREN ENERGY DELIVERY OF OHIO, INC.
CASE NO. 18-0298-GA-AIR; CASE NO. 18-0299-GA-ALT
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: ☐ ORIGINAL ☒ UPDATED ☐ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 1 OF 5
WITNESS RESPONSIBLE:
J.C. SWIZ

LINE NO.	TITLE OF ACCOUNT	ANNUALIZED REVENUE - FIXED CHARGE REVENUE	ANNUALIZED REVENUE - DAYS OF SERVICE	ANNUALIZED REVENUE - WEATHER NORMALIZATION	ANNUALIZED REVENUE - PIPP RIDER SYNCHRONIZATION	ANNUALIZED REVENUE - UEX RIDER SYNCHRONIZATION
	ELEMENT of OPERATING INCOME	C-3.1	C-3.2	C-3.3	C-3.4	C-3.5
1	OPERATING REVENUE					
2	Base and Riders	\$ 81,056	\$ (237,375)	\$ 428,624	\$ 6,480	\$ (640,287)
3	Gas Costs					
4	Total Revenue	\$ 81,056	\$ (237,375)	\$ 428,624	\$ 6,480	\$ (640,287)
5						
6	OPERATING EXPENSES					
7	Operation and Maintenance Expenses					
8	Production Expenses					
9	Liquefied Petroleum Gas					
10	Other					
11	Total Production Expense	\$ -	\$ -	\$ -	\$ -	\$ -
12						
13	Other Gas Supply Expenses					
14	Purchased Gas					
15	Other					
16	Total Other Gas Supply Expense	\$ -	\$ -	\$ -	\$ -	\$ -
17						
18	Transmission Expense					
19	Distribution Expense					
20	Customer Accounts Expense				\$ 20,741	\$ (765,446)
21	Customer Serv & Info Expense					
22	Sales Expense					
23	Administrative & General Expense					
24	Total Operation and Maintenance Expenses	\$ -	\$ -	\$ -	\$ 20,741	\$ (765,446)
25						
26	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -
27						
28	Taxes Other Than Income Taxes					
29	Property					
30	State and Other Taxes					
31	Total Taxes Other Than Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
32						
33	Federal Income Taxes					
34	Current Tax Expense	\$ 28,370	\$ (83,081)	\$ 150,018	\$ (4,991)	\$ 43,806
35	Prov Deferred Inc Tax					
36	Total Federal Inc Tax Expense	\$ 28,370	\$ (83,081)	\$ 150,018	\$ (4,991)	\$ 43,806
37						
38	Total Oper. Expenses and Tax	\$ 28,370	\$ (83,081)	\$ 150,018	\$ 15,750	\$ (721,640)
39						
40	Net Operating Income	\$ 52,686	\$ (154,294)	\$ 278,605	\$ (9,270)	\$ 81,353

VECTREN ENERGY DELIVERY OF OHIO, INC.
CASE NO. 18-0298-GA-AIR; CASE NO. 18-0299-GA-ALT
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: ___ ORIGINAL "X" UPDATED ___ REVISED
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SCHEDULE C-3
PAGE 2 OF 5
WITNESS RESPONSIBLE:
J.C. SWIZ

LINE NO.	TITLE OF ACCOUNT	ANNUALIZED REVENUE - EEFR SYNCHRONIZATION C-3.6	ANNUALIZED REVENUE - DRR SYNCHRONIZATION C-3.7	ANNUALIZED REVENUE - ETC RIDER SYNCHRONIZATION C-3.8	ANNUALIZED REVENUE - GAS COST RECOVERY SYNCHRONIZATION C-3.9	ANNUALIZED REVENUE - SB287 EXCISE TAX RIDER SYNCHRONIZATION C-3.10
1	OPERATING REVENUE					
2	Base and Riders	\$ (1,549,479)	\$ 5,239,459	\$ (1,418,215)	\$ -	\$ (5,543,202)
3	Gas Costs				812,381	
4	Total Revenue	\$ (1,549,479)	\$ 5,239,459	\$ (1,418,215)	\$ 812,381	\$ (5,543,202)
5						
6	OPERATING EXPENSES					
7	Operation and Maintenance Expenses					
8	Production Expenses					
9	Liquefied Petroleum Gas					
10	Other					
11	Total Production Expense	\$ -	\$ -	\$ -	\$ -	\$ -
12						
13	Other Gas Supply Expenses					
14	Purchased Gas				812,381	
15	Other					
16	Total Other Gas Supply Expense	\$ -	\$ -	\$ -	\$ 812,381	\$ -
17						
18	Transmission Expense					
19	Distribution Expense					
20	Customer Accounts Expense			(1,612,840)		
21	Customer Serv & Info Expense	(1,705,321)				
22	Sales Expense					
23	Administrative & General Expense					
24	Total Operation and Maintenance Expenses	\$ (1,705,321)	\$ -	\$ (1,612,840)	\$ 812,381	\$ -
25						
26	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -
27						
28	Taxes Other Than Income Taxes					
29	Property					
30	State and Other Taxes					(5,543,202)
31	Total Taxes Other Than Income Tax	\$ -	\$ -	\$ -	\$ -	\$ (5,543,202)
32						
33	Federal Income Taxes					
34	Current Tax Expense	\$ 54,545	\$ 1,833,811	\$ 68,119	\$ -	\$ -
35	Prov Deferred Inc Tax					
36	Total Federal Inc Tax Expense	\$ 54,545	\$ 1,833,811	\$ 68,119	\$ -	\$ -
37						
38	Total Oper. Expenses and Tax	\$ (1,650,776)	\$ 1,833,811	\$ (1,544,721)	\$ 812,381	\$ (5,543,202)
39						
40	Net Operating Income	\$ 101,298	\$ 3,405,648	\$ 126,507	\$ -	\$ -

As of May 3, 2019

VECTREN ENERGY DELIVERY OF OHIO, INC.
CASE NO. 18-0298-GA-AIR; CASE NO. 18-0299-GA-ALT
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: ___ ORIGINAL "X" UPDATED ___ REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 3 OF 5
WITNESS RESPONSIBLE:
J.C. SWIZ

LINE NO.	TITLE OF ACCOUNT	ANNUALIZED REVENUE - MISCELLANEOUS REVENUE C-3.11	ANNUALIZED REVENUE - GROSS RECEIPTS TAX RIDER SYNCHRONIZATION C-3.12	LABOR ADJUSTMENT C-3.13	CONSERVATION PROGRAM EXPENSE C-3.14	RATE CASE EXPENSES C-3.15 [A]
1	OPERATING REVENUE					
2	Base and Riders	\$ (3,717,774)	\$ (7,410,350)			
3	Gas Costs	(705,091)				
4	Total Revenue	<u>\$ (4,422,866)</u>	<u>\$ (7,410,350)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
5						
6	OPERATING EXPENSES					
7	Operation and Maintenance Expenses					
8	Production Expenses					
9	Liquefied Petroleum Gas					
10	Other					
11	Total Production Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
12						
13	Other Gas Supply Expenses					
14	Purchased Gas	(705,091)				
15	Other					
16	Total Other Gas Supply Expense	<u>\$ (705,091)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
17						
18	Transmission Expense			\$ 14,109		
19	Distribution Expense			146,988		
20	Customer Accounts Expense			78,849		
21	Customer Serv & Info Expense			5,575	(4,000,000)	
22	Sales Expense					
23	Administrative & General Expense			(2,387,185)		324,174
24	Total Operation and Maintenance Expenses	<u>\$ (705,091)</u>	<u>\$ -</u>	<u>\$ (2,141,665)</u>	<u>\$ (4,000,000)</u>	<u>\$ 324,174</u>
25						
26	Depreciation Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
27						
28	Taxes Other Than Income Taxes					
29	Property					
30	State and Other Taxes		(7,745,126)			
31	Total Taxes Other Than Income Tax	<u>\$ -</u>	<u>\$ (7,745,126)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
32						
33	Federal Income Taxes					
34	Current Tax Expense	\$ (1,301,221)	\$ 117,171	\$ 749,583	\$ 1,400,000	
35	Prov Deferred Inc Tax					\$ (113,461)
36	Total Federal Inc Tax Expense	<u>\$ (1,301,221)</u>	<u>\$ 117,171</u>	<u>\$ 749,583</u>	<u>\$ 1,400,000</u>	<u>\$ (113,461)</u>
37						
38	Total Oper. Expenses and Tax	<u>\$ (2,006,312)</u>	<u>\$ (7,627,954)</u>	<u>\$ (1,392,082)</u>	<u>\$ (2,600,000)</u>	<u>\$ 210,713</u>
39						
40	Net Operating Income	<u>\$ (2,416,553)</u>	<u>\$ 217,604</u>	<u>\$ 1,392,082</u>	<u>\$ 2,600,000</u>	<u>\$ (210,713)</u>

[A] Total Rate Case Expense reflected in Schedule C-3.15 is \$1,620,868 amortized over 5-years.

VECTREN ENERGY DELIVERY OF OHIO, INC.
CASE NO. 18-0298-GA-AIR; CASE NO. 18-0299-GA-ALT
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FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018

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SCHEDULE C-3
PAGE 4 OF 5
WITNESS RESPONSIBLE:
J.C. SWIZ

LINE NO.	TITLE OF ACCOUNT	PUCO & OCC ASSESSMENT FEE	DARR & IM PROGRAM EXPENSES	BUDGET ADJUSTMENTS	ANNUALIZE SHARED SERVICES EXPENSE	ANNUALIZED DEPRECIATION EXPENSE
	ELEMENT of OPERATING INCOME	C-3.16	C-3.17 [B]	C-3.18	C-3.19	C-3.20
1	OPERATING REVENUE					
2	Base and Riders					
3	Gas Costs					
4	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
5						
6	OPERATING EXPENSES					
7	Operation and Maintenance Expenses					
8	Production Expenses					
9	Liquefied Petroleum Gas					
10	Other					
11	Total Production Expense	\$ -	\$ -	\$ -	\$ -	\$ -
12						
13	Other Gas Supply Expenses					
14	Purchased Gas					
15	Other					
16	Total Other Gas Supply Expense	\$ -	\$ -	\$ -	\$ -	\$ -
17						
18	Transmission Expense		\$ (1,747,285)	(2,411)		
19	Distribution Expense		6,181,292	(360)		
20	Customer Accounts Expense			(186)		
21	Customer Serv & Info Expense			(2,259)		
22	Sales Expense					
23	Administrative & General Expense	(28,007)		239,289	(1,472,735)	-
24	Total Operation and Maintenance Expenses	\$ (28,007)	\$ 4,434,007	\$ 234,073	\$ (1,472,735)	\$ -
25						
26	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,157,208
27						
28	Taxes Other Than Income Taxes					
29	Property					
30	State and Other Taxes					-
31	Total Taxes Other Than Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
32						
33	Federal Income Taxes					
34	Current Tax Expense	\$ 9,803	\$ (1,551,902)	\$ (81,926)	\$ 515,457	\$ (2,155,023)
35	Prov Deferred Inc Tax					
36	Total Federal Inc Tax Expense	\$ 9,803	\$ (1,551,902)	\$ (81,926)	\$ 515,457	\$ (2,155,023)
37						
38	Total Oper. Expenses and Tax	\$ (18,205)	\$ 2,882,104	\$ 152,147	\$ (957,278)	\$ 4,002,185
39						
40	Net Operating Income	\$ 18,205	\$ (2,882,104)	\$ (152,147)	\$ 957,278	\$ (4,002,185)

[B] Total Distribution Accelerated Risk Reduction Program deferred balance reflected in Schedule C-3.17 is \$10,118,818 amortized over 5-years.

As of May 3, 2019

VECTREN ENERGY DELIVERY OF OHIO, INC.
CASE NO. 18-0298-GA-AIR; CASE NO. 18-0299-GA-ALT
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2018

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SCHEDULE C-3
PAGE 5 OF 5
WITNESS RESPONSIBLE:
J.C. SWIZ

LINE NO.	TITLE OF ACCOUNT	HB95 PROGRAM EXPENSES C-3.21	DRR EXPENSES C-3.22	PROPERTY TAX EXPENSE C-3.23	FEDERAL INCOME TAXES AT STATUTORY RATE C-3.24	TOTAL SCHEDULE C-3
1	OPERATING REVENUE					
2	Base and Riders				\$	(14,761,064)
3	Gas Costs					107,289
4	Total Revenue	\$ -	\$ -	\$ -	\$ -	(14,653,774)
5						
6	OPERATING EXPENSES					
7	Operation and Maintenance Expenses					
8	Production Expenses				\$	-
9	Liquefied Petroleum Gas					-
10	Other					0
11	Total Production Expense	\$ -	\$ -	\$ -	\$ -	-
12						
13	Other Gas Supply Expenses					
14	Purchased Gas				\$	107,289
15	Other					
16	Total Other Gas Supply Expense	\$ -	\$ -	\$ -	\$ -	107,289
17						
18	Transmission Expense				\$	(1,735,587)
19	Distribution Expense					6,327,920
20	Customer Accounts Expense					(2,278,882)
21	Customer Serv & Info Expense					(5,702,005)
22	Sales Expense					-
23	Administrative & General Expense				\$ -	(3,324,465)
24	Total Operation and Maintenance Expenses	\$ -	\$ -	\$ -	\$ -	(6,605,730)
25						
26	Depreciation Expense	\$ 1,059,535	\$ 29,606	\$ -	\$ -	7,246,348
27						
28	Taxes Other Than Income Taxes					
29	Property			\$ 5,918,589	\$	5,918,589
30	State and Other Taxes					(13,288,328)
31	Total Taxes Other Than Income Tax	\$ -	\$ -	\$ 5,918,589	\$ -	(7,369,739)
32						
33	Federal Income Taxes					
34	Current Tax Expense	\$ (370,837)	(10,362)	(2,071,506)	\$ 15,222,215	\$ 12,562,048
35	Prov Deferred Inc Tax				\$ 3,305,838	3,192,377
36	Total Federal Inc Tax Expense	\$ (370,837)	\$ (10,362)	\$ (2,071,506)	\$ 18,528,053	\$ 15,754,425
37						
38	Total Oper. Expenses and Tax	\$ 688,697	\$ 19,244	\$ 3,847,083	\$ 18,528,053	\$ 9,025,304
39						
40	Net Operating Income	\$ (688,697)	\$ (19,244)	\$ (3,847,083)	\$ (18,528,053)	\$ (23,679,078)

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/3/2019 3:07:56 PM

in

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

Summary: Correspondence Regarding Updated Schedule C-3 electronically filed by Shelli T Clark on behalf of Vectren Energy Delivery of Ohio, Inc.