

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate.) Case No. 19-320-GA-UEX)

**ATTORNEYS FOR VECTREN ENERGY DELIVERY OF OHIO,
INC., A CENTERPOINT ENERGY COMPANY**

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate.)) Case No. 19-320-GA-UEx

Vectren Energy Delivery of Ohio, Inc. (“VEDO”), a CenterPoint Energy Company, hereby submits its annual Uncollectible Expense (“UEX”) Rider Report and respectfully requests approval to revise its UEX Rider rate. In support of its Application, VEDO states as follows:

- ¹ *In the Matter of the Joint Application of The East Ohio Gas Company d.b.a Dominion East Ohio, Columbia Gas of Ohio Inc., Vectren Energy Delivery of Ohio, Northeast Ohio Natural Gas Corp., and Oxford Natural Gas Company for Approval of an Adjustment Mechanism to Recover Uncollectible Expenses*, Case No. 03-1127-GA-UNC, Finding and Order (Dec. 17, 2003).

³ The annual filing is submitted in the format requested by Commission Staff. *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of Proposed Tariff Revisions to Recover Uncollectible Expenses*, Case No. 03-2571-GA-ATA, Staff Summary, Comments and Recommendation (Mar. 9, 2004).

balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year.⁴ VEDO has incorporated this additional information into Attachment 3 to this Application.⁵

3. Sheet No. 39 of VEDO's tariff further provides that VEDO shall file an application with the Commission requesting approval to change the UEX Rider rate if VEDO determines that an adjustment of more than plus or minus ten percent is needed.
4. The calculation of the UEX Rider rate is more than ten percent greater than the currently effective rate. The calculation of the proposed UEX Rider rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2019 and (2) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2020. The calculation yields a proposed UEX Rider rate of \$0.00703 per Ccf. The calculation of the revised rate is shown on Attachment 2.
5. Copies of the proposed and red-lined tariff sheets are included as Attachment 4 of this Application.
6. The proposed rate of \$0.00703 per Ccf is just and reasonable and should be approved.

⁴ In the Matter of the Five-Year Review of Natural Gas Company Uncollectible Rider, Case No. 08-1229-GA-COI, Finding and Order at 6 (Aug. 19, 2009).

⁵ The information on Attachment 3 also allows an identification of the portion of the proposed UEX Rider rate attributable to estimated UEX, which can be derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.

WHEREFORE, VEDO respectfully requests that the Commission approve the new UEX Rider tariff sheet and UEX Rider rate proposed herein.

Respectfully submitted,

/s/ Matthew R. Pritchard

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**ATTORNEYS FOR VECTREN ENERGY DELIVERY OF OHIO,
INC., A CENTERPOINT ENERGY COMPANY**

ATTACHMENT 1

[ANNUAL BALANCE RECONCILIATION]

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2018 Annual Balance Reconciliation

Line No.	Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
1	Balance - Beginning of Month	\$ 957,738	\$ 613,043	\$ 424,688	\$ 265,368	\$ 147,471	\$ 224,237	\$ 591,740	\$ 1,008,989	\$ 1,421,010	\$ 1,961,352	\$ 1,978,205	\$ 1,615,278	\$ 957,738
2	Bad Debts Written Off (b)	\$ (32,612)	\$ 8,900	\$ 23,896	\$ 54,718	\$ 137,168	\$ 404,468	\$ 444,910	\$ 463,792	\$ 607,475	\$ 233,009	\$ (21,479)	\$ 68,084	\$ 2,392,329
3	Other													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 276,464	\$ 175,873	\$ 173,724	\$ 134,452	\$ 25,436	\$ 48,425	\$ 20,981	\$ 28,189	\$ 32,905	\$ 103,562	\$ 243,640	\$ 299,241	\$ 1,562,892
5	Recovery - Other (b)	\$ 36,550	\$ 21,986	\$ 9,963	\$ 38,477	\$ 35,244	\$ (10,837)	\$ 7,923	\$ 25,380	\$ 36,754	\$ 115,781	\$ 100,810	\$ 25,076	\$ 443,107
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))]	\$ (345,625)	\$ (188,959)	\$ (159,791)	\$ (118,211)	\$ 76,488	\$ 366,880	\$ 416,007	\$ 410,223	\$ 537,816	\$ 13,666	\$ (365,929)	\$ (256,233)	\$ 386,330
7	Balance Subtotal [1+ 6]	\$ 612,113	\$ 424,083	\$ 264,896	\$ 147,157	\$ 223,959	\$ 591,117	\$ 1,007,746	\$ 1,419,212	\$ 1,958,826	\$ 1,975,018	\$ 1,612,276	\$ 1,359,045	\$ 1,344,067
8	Carrying Charges [((1+7) X 79%) X .50 X (c)]	\$ 930	\$ 604	\$ 472	\$ 314	\$ 279	\$ 623	\$ 1,243	\$ 1,798	\$ 2,525	\$ 3,187	\$ 3,002	\$ 2,722	\$ 17,699
9	Balance - End of Month [7 + 8]	\$ 613,043	\$ 424,688	\$ 265,368	\$ 147,471	\$ 224,237	\$ 591,740	\$ 1,008,989	\$ 1,421,010	\$ 1,961,352	\$ 1,978,205	\$ 1,615,278	\$ 1,361,767	\$ 1,361,767

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate 0.15000% 0.14750% 0.17333% 0.19250% **0.19000%** **0.19333%** **0.19667%** **0.18750%** **0.18917%** **0.20500%** **0.21167%** **0.23167%**

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2019 Annual Balance Reconciliation

Line No.	Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
1	Balance - Beginning of Month	\$ 1,361,767	\$ 918,424	\$ 553,162	\$ 260,865									\$ 1,361,767
2	Bad Debts Written Off (b)	\$ 69	\$ (9,075)	\$ (5,613)	\$ 83,295									\$ 68,677
3	Other													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 391,147	\$ 296,241	\$ 277,084	\$ 108,697									\$ 1,073,169
5	Recovery - Other (b)	\$ 54,373	\$ 61,282	\$ 10,330	\$ 31,365									\$ 157,350
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))]	\$ (445,450)	\$ (366,598)	\$ (293,027)	\$ (56,767)									\$ (1,161,842)
7	Balance Subtotal [1+ 6]	\$ 916,316	\$ 551,826	\$ 260,134	\$ 204,099									\$ 199,925
8	Carrying Charges [(((1+7) X 79%) X .50 X (c))]	\$ 2,107	\$ 1,336	\$ 731	\$ 415									\$ 4,588
9	Balance - End of Month [7 + 8]	\$ 918,424	\$ 553,162	\$ 260,865	\$ 204,513									\$ 204,513

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate **0.23417%** **0.23000%** **0.22750%** **0.22583%**

ATTACHMENT 2

[CALCULATION OF REVISED RATE]

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2019

Line No.	Col. A Amount	Col. B Applicable Volumes (Ccf)	Col. C Unit Rate /Ccf
1	Actual Deferred Uncollectible Expense Balance through April 2019	\$ 204,513	
2	Projected Net Uncollectible Expense: May 2019 - April 2020	<u>\$ 2,000,000</u>	
3	Unit Rate on which to Collect	\$ 2,204,513 313,507,657	\$ 0.00703
4	Prior approved UEX Rider Rate Effective August 8, 2018		<u>\$ 0.00569</u>
5	Increase/(Decrease) in Uncollectible Expense Rider		<u><u>\$ 0.00134</u></u>
6	Percentage Difference		23.6%

ATTACHMENT 3

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
Write-Off and Collection Summary

#	Bad Debts Written off by Vintage (a)													
	Vintage	2018 May	2018 June	2018 July	2018 August	2018 September	2018 October	2018 November	2018 December	2019 January	2019 February	2019 March	2019 April	Total
1	1-6 Months	(244,188)	(607,277)	(704,613)	(674,613)	(896,804)	(502,519)	(385,352)	(297,138)	(191,323)	(160,985)	(157,293)	(265,602)	(5,087,707.36)
2	6-12 months	2,746	4,776	2,813	2,906	2,101	64,566	83,551	28,857	31,407	17,382	38,725	19,200	299,031.02
3	> 12 months (b)	25,350	22,103	17,777	28,240	39,887	196,378	526,976	271,312	247,095	199,716	199,495	140,278	1,914,607
4	Subtotal	(216,092)	(580,397)	(684,024)	(643,467)	(854,816)	(241,574)	225,175	3,030	87,180	56,113	80,926	(106,124)	(2,874,069)
5	Other Write-Off Activity													
6	PIPP Bad Debt Write-Offs	(78,924)	(175,929)	(239,114)	(179,675)	(247,341)	(8,565)	203,696	71,114	87,249	47,038	75,313	(22,828)	(467,966)
7	Total Bad Debts Written Off (Attachment 1)	(137,168)	(404,468)	(444,910)	(463,792)	(607,475)	(233,009)	21,479	(68,084)	(69)	9,075	5,613	(83,295)	(2,406,103)
	Collections by Type													
		2018 May	2018 June	2018 July	2018 August	2018 September	2018 October	2018 November	2018 December	2019 January	2019 February	2019 March	2019 April	Total
8	From Customers	41,216	53,990	50,615	47,056	59,309	145,713	134,223	53,669	66,372	67,782	45,299	35,052	800,295.63
9	From Collection Agencies	2,380	2,187	1,019	1,611	1,504	2,887	1,740	2,625	1,548	2,253	4,411	2,890	27,057
10	From Other	82	-	383	-	-	-	8,507	4,309	3,507	1,208	181	1,233	19,411
11	Subtotal	43,679	56,178	52,018	48,667	60,813	148,600	144,470	60,603	71,427	71,242	49,891	39,176	846,763
12	Other Activity													-
13	Collection Agency Commissions	3,225	60,486	37,091	19,664	17,941	19,928	32,411	30,264	10,046	-	34,331	3,714	269,100.94
14	Collections from PIPP Customers	5,210	6,528	7,004	3,623	6,117	12,890	11,250	5,264	7,009	9,961	5,229	4,097	84,181.76
15	Total Recovery - Other (Attachment 1)	35,244	(10,837)	7,923	25,380	36,754	115,781	100,810	25,076	54,373	61,282	10,330	31,365	493,480

(a) - Bad debt write-offs include account balances restored due to the moratorium.
(b) - Write-offs without a print date have been categorized as greater than twelve months.

ATTACHMENT 4

[COPIES OF RED-LINED AND PROPOSED TARIFF SHEETS]

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

The Uncollectible Expense Rider shall be applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

DESCRIPTION

The Uncollectible Expense Rider Rate shall be applied to all Billing Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent (10%) is needed.

RECONCILIATION

The Uncollectible Expense Rider is subject to reconciliation or adjustment annually, including but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to: (1) the twelve-month period of expenditures upon which the rates were calculated, if determined to be unlawful, unreasonable, or imprudent by the Commission in the docket those rates were approved or the Supreme Court of Ohio; (2) the Commission's orders in Case No. 18-47-AU-COI or any case ordered by the Commission to address tax reform changes.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.00703 per Billing Ccf.

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Deleted: Scott E. Albertson, Vice-President

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Filed pursuant to the Finding and Order dated in Case No. 19-320-GA-UEx of The Public Utilities Commission of Ohio.

Issued Issued by J. Cas Swiz, Director Effective

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

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UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.00703 per Billing Ccf.

Filed pursuant to the Finding and Order dated _____ in Case No. 19-320-GA-UEX of The Public Utilities Commission of Ohio.

Issued _____

Issued by J. Cas Swiz, Director

Effective _____

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Summary: Application for Approval of an Adjustment to its Uncollectible Expense Rider Rate electronically filed by Mr. Matthew R. Pritchard on behalf of Vectren Energy Delivery of Ohio, Inc.