

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	Case No. 19-420-GA-PIP
For Adjustment of its Percentage of)	
Income Payment Plan Rider.)	

APPLICATION

Matthew R. Pritchard (Reg. No. 0088070)
(Counsel of Record)
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MAY 31, 2019

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

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APPLICATION

Vectren Energy Delivery of Ohio, Inc. (“VEDO”), a CenterPoint Energy Company, hereby requests the approval of the Public Utilities Commission of Ohio (“Commission”) for authority to modify its Percentage of Income Payment Plan (“PIPP”) Rider rate. In support of this request, VEDO states as follows:

1. VEDO is an Ohio corporation engaged in the business of providing natural gas service to customers in Ohio and, as such, is a public utility as defined by R.C. 4905.02 and 4905.03.
2. As part of its approval of VEDO’s PIPP Rider, the Commission requires VEDO to make an annual filing with the Commission identifying the level of PIPP recoveries and the rate, if applicable.¹ The Commission also requires VEDO to file to adjust its PIPP Rider rate if the calculation of new rates would yield an increase of 10 percent or greater, or any decrease in PIPP rates.²

¹ *In the Matter of the Five-Year Review of Natural Gas Company Uncollectible Riders*, Case No. 08-1229-GA-COI, Finding and Order at 16 (Dec.14, 2011); *see also In the Matter of the Review of the Interim Emergency and Temporary PIP Plan Riders Contained in the Approved Rate Schedules of Electric and Gas Companies*, Case Nos. 88-1115-GE-PIP, *et al.*, Finding and Order (Dec. 2, 1993).

² *Id.*

3. The calculation of new PIPP Rider rates produces an increase of 10 percent or greater. Pursuant to the methodology established in Case Nos. 88-1115-GE-PIP, there are three components to calculate the PIPP Rider rate: (1) PIPP customer account balances existing as of April 30, 2019 that have aged for a period of greater than 60 days; (2) an amount of arrears expected to continue to occur in the succeeding 12-month period; and (3) projected carrying costs. The rate is then calculated based on collecting the sum of these three components over a 12-month period. Based on this methodology, VEDO calculates the proposed PIPP Rider rate as \$0.00513/Ccf. VEDO's current PIPP Rider rate is \$0.00248/Ccf.
4. Proposed and red-lined tariff sheets reflecting the proposed PIPP Rider rate are attached as Exhibit A.
5. Calculations supporting the proposed PIPP Rider rate are attached as Exhibit B, which include Attachments 1 through 8.
6. The proposed PIPP Rider rate is just and reasonable and should be approved.
7. VEDO's Application to adjust its PIPP Rider rate is subject to a 45-day automatic approval process.³ Absent Commission action, VEDO will

³ Tariff Sheet 40 ("The PIPP Rider rate shall be updated from time-to-time in accordance previous Commission Orders"). The relevant orders are in Case Nos. 99-751-GE-PIP, 88-1115-GE-PIP, and 93-1000-EL-EFR, and establish a 45-day automatic approval process. In Case No. 99-751-GE-PIP, the Commission summarized a prior order in Case Nos. 88-1115-GE-PIP, *et al.* as "essentially allow[ing] [a utility] to implement its new [PIPP] rates on the 46th day after its application, absent action by the Commission." *In the Matter of the Application of The Dayton Power and Light Company for Adjustment of its Gas and Electric Interim Emergency and Temporary Percentage of Income Payment Plan Riders*, Case No. 99-751-GE-PIP, Entry at 1 (Aug. 19, 1999); see also *In the Matter of the Commission Procedure for the Recovery of Emission Fees Levied Upon an Electric Light Company, Pursuant to Substitute Senate Bill 359*, Case No. 93-1000-EL-EFR, Entry at 2, Attachment C (Nov. 24, 1998) (establishing a 45-day automatic approval process for rider updates).

implement the proposed PIPP Rider rate for all usage on or after July 16, 2019.

WHEREFORE, VEDO respectfully requests that the Commission approve this Application, which approval shall automatically occur on the forty-fifth day after the filing of this Application absent Commission action.

Respectfully submitted,

/s/ Matthew R. Pritchard

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(Counsel of Record)

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

Exhibit A

Proposed Tariff Sheet

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

APPLICABILITY

The Percentage of Income Payment Plan ("PIPP") Rider shall be applicable to all Customers served under the following Rate Schedules and to certain other Customers pursuant to contract:

- Rate 310 – Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service

DESCRIPTION

The PIPP Charge shall be the product of the monthly Billing Ccf and the PIPP Rider Rate.

The PIPP Rider Rate shall be updated from time-to-time in accordance with previous Commission Orders.

RECONCILIATION

The PIPP 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.

PIPP RIDER RATE

The PIPP Rider Rate is \$0.00513 per Billing Ccf

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Filed pursuant to Case No. 19-0420-GA-PIP of The Public Utilities Commission of Ohio.

Issued _____ Issued by J. Cas Swiz, Director Effective _____

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

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PIPP RIDER RATE

The PIPP Rider Rate is \$0.00513 per Billing Ccf

Exhibit B

Attachment 1 through Attachment 8

Calculations Supporting the Proposed PIPP Rider Rate

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RATE CALCULATION April 2019 Actual Data				
Line	Description	Calculation	Gas Utility	
1	Projected Volumes for the 12 Months Ended 04/30/20	(Attachment 7, Column M, Line 6)	313,507,657	Ccf
2	Continuing Rate: Projected Transfers 05/01/19 to 04/30/20 [Forms the Basis for Continuing Recovery]		\$2,100,000	
3	Annual Rate	(2)/(1)	\$0.00670	/ Ccf
4	Rate Adjustment: (Over)/Under Recovery - PIPP Rider	(Attachment 2, Line 6)	(\$440,190)	
5	(Over)/Under Recovery - Carrying Costs	(Attachment 2, Line 14)	(\$45,302)	
6	Total (Over)/Under Recovery	(4)+(5)	(\$485,492)	
7	Annual Rate	(6)/(1)	(\$0.00155)	/ Ccf
8	Continuing Carrying Cost Rate: Net Projected Carrying Costs	(Attachment 8, Line 6)	(\$5,552)	
9	Annual Rate	(8)/(1)	(\$0.00002)	/ Ccf
10	Total Annual Rate	(3)+(7)+(9)	\$0.00513	/ Ccf

Current PIPP Rate	\$0.00248 / Ccf
Increase/(Decrease)	\$0.00265 / Ccf
% Change	106.85%

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP Rider
Annual Filing Balance Reconciliation

Line No.	Description	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
PIPP Regulatory Asset														
1	Balance - Beginning of Month	(1,546,026)	\$ (1,250,203)	\$ (1,013,921)	\$ (963,395)	\$ (988,882)	\$ (986,979)	\$ (1,064,279)	\$ (1,209,002)	\$ (1,286,242)	\$ (1,270,880)	\$ (1,122,328)	\$ (817,792)	\$ (1,546,026)
2	PIPP Balance Change (Attachment 4)	85,304	135,299	(13,963)	(83,247)	(46,872)	(100,242)	(112,777)	(100,616)	(119,268)	(32,542)	78,060	163,415	\$ (147,448)
3	Recovery - PIPP Rider (Attachment 5)	4,031	7,723	(6,828)	(12,472)	(14,402)	(45,446)	(107,848)	(132,520)	(173,236)	(131,187)	(122,972)	(48,109)	\$ (783,264)
4	PIPP Program Credits (Attachment 6)	\$206,487	\$93,259	\$71,317	\$70,232	\$63,177	\$68,387	\$75,902	\$155,895	\$307,867	\$312,281	\$349,448	\$262,296	\$ 2,036,548
5	Transportation Penalties (Attachment 7)													\$ -
6	Balance - End of Month	Sum [1 - 5]	(1,250,203)	(1,013,921)	(963,395)	(988,882)	(986,979)	(1,064,279)	(1,209,002)	(1,286,242)	(1,270,880)	(1,122,328)	(817,792)	\$ (440,190)
7	Monthly carrying charge rate	0.19000%	0.19333%	0.19667%	0.18750%	0.18917%	0.20500%	0.21167%	0.23167%	0.23417%	0.23000%	0.22750%	0.22583%	0.21021%
8	Gross Carrying Charges	[1 + 6] x 50% x [7]	(2,656)	(2,189)	(1,944)	(1,830)	(1,869)	(2,103)	(2,406)	(2,890)	(2,994)	(2,752)	(2,207)	\$ (27,261)
9	Income Tax on Carrying Charges	Tax Rate x [8]	(558)	(460)	(408)	(384)	(392)	(442)	(505)	(607)	(629)	(578)	(463)	\$ (5,725)
10	Net Carrying Charges	[8 - 9]	(2,099)	(1,729)	(1,536)	(1,446)	(1,476)	(1,661)	(1,901)	(2,283)	(2,365)	(2,174)	(1,743)	\$ (21,536)
Carrying Charges Regulatory Asset														
11	Beginning Balance	(37,040)	\$ (38,946)	\$ (40,308)	\$ (41,641)	\$ (42,889)	\$ (44,136)	\$ (45,076)	\$ (45,265)	\$ (45,445)	\$ (45,060)	\$ (45,152)	\$ (44,944)	\$ (37,040)
12	Carrying Charge Recovery - PIPP Rider	Line 17	192	368	203	198	229	721	2,103	2,750	2,082	1,952	764	\$ 13,274
13	Interest Incurred	Line 10	(2,099)	(1,729)	(1,536)	(1,446)	(1,476)	(1,661)	(1,901)	(2,283)	(2,365)	(2,174)	(1,743)	\$ (21,536)
			(1,907)	(1,361)	(1,333)	(1,248)	(1,248)	(940)	(189)	(180)	385	(92)	208	\$ (8,262)
14	Ending Balance	Sum [11 - 13]	(38,946)	(40,308)	(41,641)	(42,889)	(44,136)	(45,076)	(45,265)	(45,445)	(45,060)	(45,152)	(44,944)	\$ (45,302)
15	Volumes (Ccf) (Attachment 5)		6,406,157	12,181,106	5,266,224	5,458,393	5,839,878	18,214,084	42,815,252	52,590,498	68,661,018	52,062,240	48,723,569	337,319,222
16	Rate		(0.00003)	(0.00003)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)	(0.00004)
17	Carrying Charge Recovery - PIPP Rider	[15] x [16]	(192)	(368)	(203)	(198)	(229)	(721)	(1,712)	(2,103)	(2,750)	(2,082)	(1,952)	\$ (13,274)

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PIPP PLAN INFORMATION AS OF
April 30, 2019

Line No.	Description	Amount
1	PIPP Accounts Receivable Balances 2 months in Arrears (Attachment 4, Column B, Line 13)	\$56,367,181
2	Amount Recovered to Date (Attachment 5, Column E, Line 13)	\$106,771,087
3	PIPP Dollars Distributed Per Settlement in Case No. 91-415-GA-AIR (Forgiveness and Graduate) PIPP Plus Program Case No. 08-723-GA-ORD (Attachment 6, Column C, Line 13)	\$51,383,278
4	Transportation Penalties Refunded Case No. 03-571-GA-AIR No transportation penalties after October 2008.	\$1,419,561
5	Catch-up Recovery (1) - (2) + (3) - (4) <div style="text-align: right;">To Attachment 1, Line 4</div>	(\$440,190)

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RIDER PRE-PIPP & PIPP BALANCES					
Line No.	A Month		B Gas	C Monthly Change	
1	Reported in Case No. 18-0420-GA-PIP	May 01, 2018	\$	56,514,629	\$ 85,304
2		June 1, 2018	\$	56,599,933	\$ 135,299
3		July 1, 2018	\$	56,735,232	\$ (13,963)
4		August 1, 2018	\$	56,721,270	\$ (83,247)
5		September 1, 2018	\$	56,638,023	\$ (46,872)
6		October 1, 2018	\$	56,591,151	\$ (100,242)
7		November 1, 2018	\$	56,490,909	\$ (112,777)
8		December 1, 2018	\$	56,378,132	\$ (100,616)
9		January 1, 2019	\$	56,277,517	\$ (119,268)
10		February 1, 2019	\$	56,158,249	\$ (32,542)
11		March 1, 2019	\$	56,125,706	\$ 78,060
12		April 1, 2019	\$	56,203,766	\$ 163,415
13		May 1, 2019	\$	56,367,181	

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RIDER PIPP PLAN RECOVERIES					
Line No.	A Month	B Volumes(Ccf)	C Recovery Rates	D Current Month	E To Date
1	Reported in Case No. 18-0420-GA-PIP			\$	105,987,823
2	May-18	6,406,157	\$ (0.00063)	\$ (4,031)	\$ 105,983,792
3	Jun-18	12,181,106	\$ (0.00063)	\$ (7,723)	\$ 105,976,069
4	Jul-18	5,266,224	\$ 0.00130	\$ 6,828	\$ 105,982,896
5	Aug-18	5,458,393	\$ 0.00228	\$ 12,472	\$ 105,995,368
6	Sep-18	5,839,878	\$ 0.00247	\$ 14,402	\$ 106,009,770
7	Oct-18	18,214,084	\$ 0.00250	\$ 45,446	\$ 106,055,216
8	Nov-18	42,815,252	\$ 0.00252	\$ 107,848	\$ 106,163,064
9	Dec-18	52,590,498	\$ 0.00252	\$ 132,520	\$ 106,295,584
10	Jan-19	68,661,018	\$ 0.00252	\$ 173,236	\$ 106,468,820
11	Feb-19	52,062,240	\$ 0.00252	\$ 131,187	\$ 106,600,007
12	Mar-19	48,723,569	\$ 0.00252	\$ 122,972	\$ 106,722,978
13	Apr-19	19,100,803	\$ 0.00252	\$ 48,109	\$ 106,771,087

**VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP DOLLARS DISTRIBUTED
PER CASE NOS. 91-415-GA-AIR AND 08-723-GA-ORD
(FORGIVENESS, GRADUATE AND PIPP PLUS PROGRAM)**

Line No.	A Month	B Monthly Change	C Ending Balance
1	Reported in Case No. 18-0420-GA-PIP		\$49,346,730
2	May 2018	\$206,487	\$49,553,217
3	June	\$93,259	\$49,646,476
4	July	\$71,317	\$49,717,793
5	August	\$70,232	\$49,788,025
6	September	\$63,177	\$49,851,202
7	October	\$68,387	\$49,919,589
8	November	\$75,902	\$49,995,492
9	December	\$155,895	\$50,151,386
10	January 2019	\$307,867	\$50,459,253
11	February	\$312,281	\$50,771,534
12	March	\$349,448	\$51,120,982
13	April	\$262,296	\$51,383,278

Vectren Energy Delivery of Ohio, Inc.
PIPP Rider
Projected Sales Volumes (CCF)

<u>Line No.</u>	<u>Tariff</u>	<u>A</u> <u>May-19</u> <u>Amount</u>	<u>B</u> <u>Jun-19</u> <u>Amount</u>	<u>C</u> <u>Jul-19</u> <u>Amount</u>	<u>D</u> <u>Aug-19</u> <u>Amount</u>	<u>E</u> <u>Sep-19</u> <u>Amount</u>	<u>F</u> <u>Oct-19</u> <u>Amount</u>	<u>G</u> <u>Nov-19</u> <u>Amount</u>	<u>H</u> <u>Dec-19</u> <u>Amount</u>	<u>I</u> <u>Jan-20</u> <u>Amount</u>	<u>J</u> <u>Feb-20</u> <u>Amount</u>	<u>K</u> <u>Mar-20</u> <u>Amount</u>	<u>L</u> <u>Apr-20</u> <u>Amount</u>	<u>M</u> <u>Annual</u> <u>Amount</u>
1	Rate 310/311 - Residential DSS/SCO Service	4,349,085	2,408,927	2,221,090	2,195,379	2,402,824	6,701,659	13,711,912	23,199,026	27,145,875	20,596,503	18,301,455	8,563,881	131,797,616
2	Rate 315 - Residential Transportation Service	2,641,633	1,463,182	1,349,090	1,333,473	1,459,475	4,070,586	8,328,613	14,091,085	16,488,400	12,510,312	11,116,301	5,201,700	80,053,851
3	Rate 320/321 - General DSS/SCO Service	2,426,341	955,422	833,462	827,361	950,011	2,837,812	6,341,549	11,113,341	8,758,697	7,249,258	6,434,628	3,002,873	51,730,754
4	Rate 325 - General Transportation Service	1,545,416	839,123	770,859	764,419	833,793	2,189,089	4,497,145	7,638,382	8,558,513	6,497,605	5,767,441	2,691,515	42,593,301
5	School Customers	282,040	118,922	109,067	128,959	165,259	384,247	951,686	1,531,114	1,361,561	937,733	1,011,023	350,525	7,332,136
6	Total Sales Volumes	11,244,514	5,785,576	5,283,568	5,249,590	5,811,362	16,183,393	33,830,905	57,572,948	62,313,047	47,791,412	42,630,848	19,810,495	313,507,657

PIPP Carrying Cost Support for Projection
Most Recent Twelve Months Ended April 30, 2019

Line No.					
1	Beginning PIPP Rider Asset	(Attachment 1, Line 4)			(\$440,190)
2	Projected Ending PIPP Rider Asset				\$0
3	Total Beginning and Projected Ending Asset	(Line 1 + Line 2)			(\$440,190)
4	Average Balance	(Line 3/2)			(\$220,095)
5	Projected Carrying Cost Rate				2.52250%
6	Projected PIPP Carrying Costs for the Twelve Months Ended April 30, 2020	(Line 4 * Line 5)	(to Attachment 1, Line 8)		(\$5,552)

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Commission of Ohio Docketing Information System on

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in

Case No(s). 19-0420-GA-PIP

Summary: Application for Approval of an Adjustment to its Percentage of Income Payment Plan Rider electronically filed by Mr. Matthew R. Pritchard on behalf of Vectren Energy Delivery of Ohio, Inc.