BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	)	
Vectren Energy Delivery of Ohio, Inc.	)	Case No. 19-1011-GA-RDR
for Authority to Adjust Its Distribution	)	
Replacement Rider Charges.	)	

SUPPLEMENTAL APPLICATION

On May 1, 2019, Vectren Energy Delivery of Ohio, Inc. (VEDO or the Company), a CenterPoint Energy Company, filed its Application for approval of adjustments to its Distribution Replacement Rider (DRR) rates and charges. For the reasons explained in this filing, VEDO hereby files this Supplemental Application to correct an inadvertent error in the calculation of the proposed adjustments to the DRR rates and charges. Accompanying this filing are corrected versions of certain direct testimony and exhibits filed with VEDO's original Application. Unless modified by this filing, the facts, requests for relief, and other information contained in VEDO's original Application remain unchanged.

The amounts originally noted as allowed Revenue Requirement recoveries on Exhibit No. JCS-4 incorrectly included the amount over the rate cap defined for the DRR in Case No. 18-0762-GA-RDR (2018 DRR). As noted on Exhibit No. JCS-5R, page 2 of 6 in the 2018 DRR, the amount that exceeded the residential rate cap of $9.25 was excluded from the filing, and should have been excluded from the allowed Revenue Requirement recoveries starting in September 2018. Correcting for this error requires the following revisions to testimony and exhibits filed with VEDO's original Application, which result in corrections to the proposed rates and charges for this proceeding.

- **VEDO Exhibit 2.0-C**
    - **Page 4, Lines 12-15** have been revised to identify the corrected (C) versions of attached exhibits. Similar revisions were made at **Page 14, Line 11-12; Page 15,**

Lines 3, 6, 8, 11, 16, and 18; Page 16, Lines 4 and 21; Page 17, Lines 8, 10, and 16; and Page 18, Lines 5 and 7-9.

  - The Company's proposed rates in the embedded chart on **Page 18** have been revised to reflect the correction discussed above. The corrected proposed rates are also identified below in this Supplemental Application and in Exhibit No. JCS-6-C.

- **Exhibit No. JCS-4-C**
  - **Line 5** of the exhibit corrects the allowable Revenue Requirement recoveries projected for the period September 2018 through December 2018. Originally filed as $14,381,536 and has been corrected to $14,107,493 (decrease of $274,043) to remove the amounts above the annual rate cap for the 2018 DRR.
  - **Line 7** compares allowable recoveries to the actual amounts collected for the September to December period. The originally filed $(161,011) of over recoveries for the period is corrected by the net change amount on Line 5, and is revised to $(435,054) of over recoveries for this period.
  - **Line 8** compares allowable recoveries to the actual amounts collected for the entire 2018 calendar year. The originally filed $(2,898,170) of over recoveries for the period is corrected by the net change amount on Line 5 and is revised to $(3,172,213) of over recoveries.
  - **Line 13 (Mains), Line 14 (Services) and Line 15 (Total)** enumerate the corrected allocation of over recovery across the two investment types for 2018.
  - **Line 16 (Mains) and Line 17 (Services)** report the corrected over recovery to date. These over recovery variances flow to JCS-5-C, Page 1.
  - Note: **JCS-4.a-C** reflects the actual monthly recoveries by Rate Schedule for the calendar year 2018 and remains unchanged.

- **Exhibit No. JCS-5-C, Pages 1 to 6**.
  - **JCS-5-C, Page 1, Lines 1-7** allocate the Revenue requirement for this filing across mains and services, and across Rate Schedules. These Lines remain unchanged. **Lines 8 to 14** likewise allocate over recoveries across the same mains and services categories and by Rate Schedule. Column E, Line 14 totals these corrected, allocated variances of $(3,172,213) which agree to the corrected amount on **JCS-4-C, Line 8**.
  - **JCS-5-C, Page 2** is not impacted. This page computes how much of the prior period deferral of amounts over the cap is currently recoverable in this filing.
  - **JCS-5-C, Page 3** derives the DRR rates and charges for the filing by Rate Schedule. Column D picks up the corrected *Variance* from **JCS-5-C, Page 1**. These corrected variances are included in the corrected *Recovery by Rate Schedule*, Column E. The total of Line 7, Column E was originally filed as $7,859,773 and is now corrected to $7,585,730, reflecting a decrease of $274,043. The column E recovery by Rate Schedule is applied by the proper unit of measure for the rate class, resulting in the corrected rates and charges in Column G or H as appropriate.
  - **JCS-5-C, Page 4** reports the distribution of monthly DRR recoveries expected in this proceeding. The total of Column F reflects the reduction of $274,043 of allowable recoveries for the projection period.
  - **JCS-5-C, Page 5** calculates the bill impact by rate class of the corrected rate by Rate Schedule**.**
  - **JCS-5-C, Page 6** looks at the annual impact of the corrected rate of $1.75 per month. The impact of the corrected rate is $20.96 per year. As originally filed, the monthly rate of $1.81 per month had an annual impact of $21.74.
- **Exhibit No. JCS-6-C**

- The rates on proposed tariff Sheet No. 45, First Revised Page 1 of 1 have been adjusted to reflect the corrected rates and charges identified in VEDO Exhibit 2.0-C, Page 18.

With this Supplemental Application, the Company is filing VEDO Exhibit 2.0-C, the corrected Direct Testimony of J. Cas Swiz, which corrects the calculation of the DRR revenue requirement and charges. In addition, attached to the Supplemental Application are corrected versions of Exhibit Nos. JCS-4-C, JCS-4.a-C, and JCS-5-C. Lastly, attached to the Supplemental Application is a corrected version of proposed tariff Sheet No. 45, First Revised Page 1 of 1 (Exhibit No. JCS-6-C), which reflects the Company's proposed DRR charges, as corrected. The corrections have no impact on the other exhibits to Mr. Swiz's testimony: Exhibit Nos. JCS-1, JCS-2, JCS-2a – 2h, JCS-3, and JCS-3a – 3h. Likewise, the corrections have no impact to VEDO Exhibit 1.0, the Direct Testimony of Steven A. Hoover, and Exhibit Nos. SAH-1 – SAH-8.

VEDO's original Application proposed the following revised DRR rates and charges:

Rate Schedule	$ Per Month	$ Per Billing Ccf
310, 311 and 315	$1.81	
320, 321 and 325 (Group 1)	$2.35	
320, 321 and 325 (Group 2 and 3)		$0.00270
345		$0.00339
360		$0.00149

With the foregoing corrections, VEDO's Application, Supplemental Application, and supporting testimony and schedules support the following revised DRR rates and charges:

Rate Schedule	**$ Per Month**	**$ Per Billing Ccf**
310, 311 and 315	$1.75	
320, 321 and 325 (Group 1)	$2.27	
320, 321 and 325 (Group 2 and 3)		$0.00261
345		$0.00331
360		$0.00146

WHEREFORE, VEDO respectfully requests that the Commission approve VEDO's proposed DRR charges, as corrected, approve the corrected proposed Sheet No. 45, First Revised Page 1 of 1, as included in Exhibit JCS-6-C, and grant all other necessary and proper relief.

Dated: June 26, 2019

Respectfully submitted,

/s/ Christopher T. Kennedy

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ATTORNEYS FOR VECTREN ENERGY DELIVERY OF OHIO, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Supplemental Application and Attachments was served by electronic mail this 26th day of June 2019 to the following:

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

VEDO EXHIBIT 2.0-C

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Adjust Its Distribution Replacement Rider Charges.	))))	Case No. 19-1011-GA-RDR

CORRECTED DIRECT TESTIMONY

OF

J. CAS SWIZ

DIRECTOR, RATES AND REGULATORY PORTFOLIO MANAGEMENT

ON BEHALF OF

VECTREN ENERGY DELIVERY OF OHIO, INC.

VEDO EXHIBIT 2.0-C

Corrected Direct Testimony of
J. Cas Swiz

I. INTRODUCTION

Q1. Please state your name and business address.

A. My name is J. Cas Swiz, and my address is One Vectren Square, Evansville, Indiana 47708.

Q2. What position do you hold with Applicant Vectren Energy Delivery of Ohio, Inc. (VEDO or the Company)?

A. I am Director, Rates and Regulatory Portfolio Management for CenterPoint Energy, Inc. (CenterPoint), the immediate parent company of VEDO. I hold the same position with two other utility subsidiaries of CenterPoint —Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren South) and Indiana Gas Company, Inc. d/b/a/ Vectren Energy Delivery of Indiana, Inc. (Vectren North).

Q3. Please describe your educational background.

A. I am a 2001 graduate of the University of Evansville with a Bachelor of Science Degree in Accounting, and a 2005 graduate of the University of Southern Indiana with a Masters of Business Administration.

Q4. Please describe your professional experience.

A. From 2001 to 2003, I was employed by ExxonMobil Chemical as a Product and Inventory accountant. Since 2003, I have been employed with VUHI in various accounting capacities. In 2008, I was named Manager, Regulatory and Utility Accounting. November 2012, I was promoted to Director, Regulatory Implementation and Analysis. In August 2015, I was named Director, Rates and Regulatory Analysis. I was named to my current position in February 2019.

Q5. What are your present duties and responsibilities as Director, Rates and Regulatory Portfolio Management?

A. I am responsible for the regulatory and rate matters of the regulated utilities within CenterPoint in proceedings before the Indiana and Ohio utility regulatory commissions. I also have responsibility for the implementation of all regulatory initiatives of VEDO (and CenterPoint's Indiana utility subsidiaries), as well as the preparation of accounting exhibits submitted in various regulatory proceedings.

Q6. Are you familiar with the books, records, and accounting procedures of VEDO?

A. Yes, I am.

Q7. Are VEDO's books and records maintained in accordance with the Uniform System of Accounts (USoA) and generally accepted accounting principles?

A. Yes.

Q8. Have you previously testified before this Commission?

A. Yes. I testified in VEDO's 2013 Distribution Replacement Rider (DRR) proceeding, Case No 13-1121-GA-RDR; 2014 DRR proceeding, Case No. 14-0813-GA-RDR; 2015 DRR proceeding, Case No. 15-0865-GA-RDR; 2016 DRR proceeding, Case No. 16-0904-GA-RDR; 2017 DRR proceeding, Case No. 17-1155-GA-RDR; and 2018 DRR proceeding, Case No. 18-0762-GA-RDR. I have also testified in VEDO's general rate case and alternative rate plan proceedings, Case Nos. 18-0298-GA-AIR, 18-0299-GA-ALT, and 18-0049-GA-ALT (collectively, the 2018 Rate Case).

Q9. What is the purpose of your testimony in this proceeding?

A. My testimony explains the calculation of the revenue requirement for VEDO's DRR, which includes the bare steel and cast iron replacement program (the Replacement Program) and incremental costs associated with the Company's assumption of service line responsibility. I will also provide an explanation of the accounting procedures the

Company uses to record and segregate the costs recoverable in the DRR. In addition, my testimony describes certain changes to costs recovered through the DRR and supports the proposed DRR charges, as well as the proposed tariff sheet and associated bill impacts. Finally, I will discuss how the DRR proposed in this proceeding will be impacted by the VEDO's Rate Case pending before the Commission.

Q10. What Exhibits are you sponsoring in this proceeding?

A. The following exhibits are attached to my testimony:

- Exhibit No. JCS-1 – Summary of DRR Revenue Requirement
- Exhibit No. JCS-2 – Revenue Requirement for Main Replacement Program
- Exhibit No. JCS-2a – Utility Plant Additions for Main Replacement Program
- Exhibit No. JCS-2b – Utility Plant Retirements for Main Replacement Program
- Exhibit No. JCS-2c – Accumulated Depreciation for Main Replacement Program
- Exhibit No. JCS-2d – Cost of Removal for Main Replacement Program
- Exhibit No. JCS-2e – Post in Service Carrying Costs (PISCC) for Main Replacement Program
- Exhibit No. JCS-2f – Annualized Property Tax Expense for Main Replacement Program
- Exhibit No. JCS-2g – Deferred Taxes on Liberalized Depreciation for Main Replacement Program
- Exhibit No. JCS-2h – Deferred Depreciation Regulatory Asset Balance for Main Replacement Program
- Exhibit No. JCS-3 – Revenue Requirement for Service Line and Completed Riser Replacement Program
- Exhibit No. JCS-3a – Utility Plant Additions for Service Line and Riser Replacement Program
- Exhibit No. JCS-3b – Utility Plant Retirements for Service Line and Riser Replacement Program

- Exhibit No. JCS-3c – Accumulated Depreciation for Service Line and Riser Replacement Program
- Exhibit No. JCS-3d – Cost of Removal for Service Line and Riser Replacement Program
- Exhibit No. JCS-3e – PISCC for Service Line and Riser Replacement Program
- Exhibit No. JCS-3f – Annualized Property Tax Expense for Service Line and Riser Replacement Program
- Exhibit No. JCS-3g – Deferred Taxes on Liberalized Depreciation for Service Line and Riser Replacement Program
- Exhibit No. JCS-3h – Deferred Depreciation Regulatory Asset Balance for Service Line and Riser Replacement Program
- Exhibit No. JCS-4-C – DRR Revenue Requirement Variance at December 31, 2018
- Exhibit No. JCS-4.a-C – DRR Recoveries by Tariff
- Exhibit No. JCS-5-C – DRR Derivation of Charges and Bill Impacts; and
- Exhibit No. JCS-6-C – DRR Tariff Sheet

II. BACKGROUND

Q11. Has the Commission approved changes to the DRR since it was originally approved in Case No. 07-1080-GA-AIR?

A. Yes. The Commission’s February 19, 2014 Order in Case No. 13-1571-GA-ALT approved a Stipulation and Recommendation (the 13-1571 Stipulation) between VEDO and the Staff of the Public Utilities Commission of Ohio. In the 13-1571 Stipulation, the Commission approved continuation of the DRR, which was originally approved in VEDO’s last general rate case, Case No. 07-1080-GA-AIR (the 2007 Rate Case). The 13-1571 Stipulation continues to allow VEDO to recover a return on and of investments made by the Company under an accelerated bare steel and cast iron pipeline replacement program, inclusive of capitalized interest (or post-in-service carrying costs, or PISCC) associated with the Replacement Program, and to recover the incremental costs of assuming responsibility for service lines.

Q12. How did the 13-1571 Stipulation modify the DRR?

A. The 13-1571 Stipulation provides that Replacement Program costs incurred through December 31, 2017, are recoverable in the DRR. It also accelerated the pace of the Replacement Program and clarified and expanded the scope of costs recoverable in the DRR. These and other modifications are described in further detail in the 13-1571 Stipulation itself.

Q13. Has VEDO requested an extension of the DRR beyond 2017?

A. Yes. The 2018 Rate Case, currently pending before the Commission, proposes to continue the DRR and Replacement Program for six years, for investments made starting in 2018 through 2023. A Stipulation was submitted for Commission approval in the 2018 Rate Case specifying the agreement by the signatory parties to continue the DRR and Replacement Program for this six-year period (2018 Rate Case Stipulation) (pending as of the date of this Application).

Q14. Please explain the provisions addressed in the 2018 Rate Case Stipulation related to the DRR and the Replacement Program.

A. As discussed in greater detail later in my testimony, the 2018 Rate Case Stipulation modifies the rate of return, post-in-service carrying cost rate, and depreciation rates applicable to the DRR and Replacement Program investments, effective with an issuance of an order in the 2018 Rate Case. The 2018 Rate Case Stipulation continues the requirement that VEDO employ, subject to Staff's review, prudent and reasonable cost controls, including competitive bidding processes; system planning; and negotiation with municipalities regarding permitting, restoration, fees, and other requirements. In addition, unless the Commission orders otherwise, the 2018 Rate Case Stipulation reflects agreement that VEDO shall attempt to complete the Replacement Program by December 31, 2023. VEDO Witness Steven A. Hoover discusses VEDO's cost control and competitive bidding processes, and progress and expectations for Replacement Program completion within his testimony.

Finally, the 2018 Rate Case Stipulation establishes the residential DRR rate caps, as noted in the following table, applicable starting with this filing for recovery of investments made in 2018.

Rate Effective Period	**DRR Investment Period**	**Residential Rate Cap** (per customer, per month)
September 1, 2019-August 31, 2020	As of December 31, 2018	$2.50
September 1, 2020-August 31, 2021	As of December 31, 2019	$5.00
September 1, 2021-August 31, 2022	As of December 31, 2020	$7.50
September 1, 2022-August 31, 2023	As of December 31, 2021	$10.00
September 1, 2023-August 31, 2024	As of December 31, 2022	$12.00
September 1, 2024-August 31, 2025	As of December 31, 2023	$13.75

Q15. Has the Commission approved the 2018 Rate Case Stipulation?

A. As of the May 1, 2019 filing of this DRR proceeding, the Commission has not issued an order approving the 2018 Rate Case Stipulation.

Q16. Has VEDO prepared the DRR in this proceeding consistent with the terms of the 2018 Rate Case Stipulation?

A. Yes. VEDO has prepared this filing consistent with the terms of the 2018 Rate Case Stipulation. If an Order in the 2018 Rate Case is not received prior to the completion of the DRR proceeding or the Order modifies the applicable terms of the 2018 Rate Case Stipulation, VEDO will adjust its DRR filing accordingly.

Q17. How will the currently effective DRR operate during the pendency and ultimate completion of the 2018 Rate Case proceeding?

A. The currently effective DRR, approved in Case No. 18-0762-GA-RDR, recovers Program investments made through December 31, 2017. In the 2018 Rate Case, VEDO has also included within the rate base all Program investments through December 31, 2017. When an Order is received in the 2018 Rate Case proceeding, establishing new base rates and charges, VEDO will remove the Program investments from the DRR, leaving only the unrecovered DRR over-recovery variance included in the DRR rate. This will ensure that VEDO is not recovering Program investments in both the DRR and base rates. VEDO is proposing in this DRR proceeding recovery of Program investments made in 2018 only, along with reconciling any recovery variances and additional deferred amounts from the 2017 DRR proceeding.

III. DRR REVENUE REQUIREMENT

Q18. Please explain the work order process that VEDO uses to segregate and record the capital costs of the bare steel and cast iron replacement and riser/service line replacement programs (collectively, the Programs) while the projects are under construction (the Program Construction Costs).

A. To ensure proper accumulation and segregation of Program Construction Costs, a project number is assigned to each capital work order. All Program Construction Costs, as incurred, are recorded to the assigned project number and are maintained in the

Company's financial systems (specifically the Financial Information System (FIS) Projects Accounting (PA) module). The project number is required for the recording of all Program Construction Costs into any of the FIS feeder systems. Each of the feeder systems, which include payroll, accounts payable, and material inventory, interface with the PA module. Total Program Construction Costs incurred can be viewed and/or reported by the project number at any point in time as the Programs progress.

Q19. What costs did VEDO include in the value of the property for the DRR rate base additions?

A. The DRR includes the construction costs of the Programs, as well as engineering and project management, permitting, consulting services, site preparation, equipment and installation, cost of retirement, an allocation of administrative overhead, and other related expenses.

Q20. Is an allowance for funds used during construction (AFUDC) included in the Program Construction Costs?

A. Yes, AFUDC has been recorded as part of the Program Construction Costs in accordance with USoA. The 2018 AFUDC rate used for all other VEDO construction projects was 2.27%.

Q21. When does VEDO discontinue recording AFUDC on the Program Construction Costs?

A. VEDO ceases the accrual of AFUDC when each work order is placed in service and begins accruing PISCC. The annual PISCC rate in place in 2018, in accordance with the Order in the 2007 Rate Case and the 13-1571 Stipulation, is 7.02%. Effective with an Order in the 2018 Rate Case, the PISCC rate will be 5.07%, as specified in the 2018 Rate Case Stipulation. The Commission's order in the 2007 Rate Case approved the accrual of PISCC after the work order in-service date, along with the fixed rate utilized. The net

PISCC deferred for the calendar year ended December 31, 2018 has been reflected on Exhibit No. JCS-2, Line 11 for mains and Exhibit No. JCS-3, Line 16 for service lines. In accordance with the 2018 Rate Case, all PISCC deferred through December 31, 2017 have been included in base rates and removed from the DRR.

Q22. What is PISCC?

A. PISCC stands for post-in-service carrying costs and is an allocation of interest cost to the infrastructure investments made in the Programs and is accumulated from the in-service date through the date each project's costs are included for recovery in the DRR or in base rates.

Q23. What rate of return is used to calculate the DRR revenue requirement?

A. In accordance with the terms of the 2018 Rate Case, the pre-tax rate of return applicable to DRR-recoverable investments is 8.81%.

Q24. Does the DRR revenue requirement include retirements and the cost of removal of utility plant assets?

A. Yes. Existing bare steel and cast iron mains and service lines are being retired as part of the Program. VEDO had discontinued the installation of bare steel and cast iron pipe by the 1950s; therefore any retirements of these types of mains and service lines represent fully depreciated plant in service. As the retirements are performed, VEDO is also recording the cost to retire or remove the bare steel and cast iron assets as part of the Replacement Program.

Q25. How did VEDO account for the asset retirements and associated cost of removal?

A. In accordance with the USoA, the retirement of utility assets, at original cost, and the retirement's related cost of removal made necessary by the Replacement Program were charged to the associated depreciation reserve(s). The Replacement Program's original cost retirements are reflected on Exhibit No. JCS-2, Lines 4 and 9 for mains, and on Exhibit No. JCS-3, Lines 6 and 7 and Lines 13 and 14 for service lines, and cost of removal is reflected on Exhibit No. JCS-2, Line 8 for mains and Exhibit No. JCS-3, Line 12 for service lines.

Q26. What operating expenses are included in the DRR revenue requirement?

A. VEDO has reflected the incremental property tax (Exhibit No. JCS-2, Line 20 (mains) and Exhibit No. JCS-3, Line 27 (service lines)) and annualized depreciation expense (Exhibit No. JCS-2, Line 21 (mains) and Exhibit No. JCS-3, Line 28 and 29 (service lines)) based on the net additions to plant in service shown on Exhibit No. JCS-2, Line 5, mains, and Exhibit No. JCS-3, Line 8, service lines. The annualized depreciation expense was calculated using the depreciation rates pending in the 2018 Rate Case, and property tax expense is supported by Exhibit No. JCS-2f (mains) and Exhibit No. JCS-3f (service lines and risers).

VEDO has also included in the DRR revenue requirement the incremental cost associated with assuming ownership of service lines. This expense is reflected on Exhibit No. JCS-3, Line 33. VEDO witness Steven A. Hoover provides the support for the incremental expense in Exhibit No. SAH-8.

Q27. Are there maintenance expense adjustments associated with the Replacement Program?

A. Yes. As specified within the 2018 Rate Case, operations and maintenance (O&M) savings attributed to the Replacement Program are included as an offset to the costs recoverable in the DRR. In this case, the amount of the offset, reflected on Witness Hoover's Exhibit No. SAH-7, was determined by a credit of $5,882 per mile of cumulative bare-steel and cast-iron main retired, which results in a total O&M Savings

Credit of $332,274. As the 2018 Rate Case captures the impact of savings reflected for miles replaced through 2017, this credit captures savings for 2018 and beyond. This credit is reflected in the DRR revenue requirement on Exhibit No. JCS-2, Line 24 for mains and Exhibit No. JCS-3, Line 34 for services. VEDO witness Hoover discusses the determination of this O&M savings credit.

IV. EXPLANATION OF EXHIBITS

Q28. Please explain Exhibit No. JCS-1.

A. Exhibit No. JCS-1 summarizes the annualized revenue requirement exclusive of variances for the Programs. The revenue requirement is supported by Exhibit Nos. JCS-2 and JCS-3.

Q29. Please explain Exhibit No. JCS-2 and Exhibit No. JCS-3.

A. Exhibit No. JCS-2 and Exhibit No. JCS-3 represent the revenue requirement calculation for VEDO's DRR charges based on net rate base at December 31, 2018, inclusive of PISCC and deferred taxes related to depreciation and PISCC. Exhibit No. JCS-2 represents the revenue requirement calculation for the main replacement program, and Exhibit No. JCS-3 represents the revenue requirement calculation for service line replacements. Cumulative DRR investment as of December 31, 2017 has been reflected in VEDO's pending Rate Case and therefore the balance at December 31, 2017 reflects zero in the following Exhibits.

Q30. Please explain Exhibit No. JCS-2a and Exhibit No. JCS-3a.

A. Exhibit No. JCS-2a and Exhibit No. JCS-3a provide the actual plant additions by month for the twelve months ended December 31, 2018, to determine utility plant additions at December 31, 2018. Exhibit No. JCS-2a provides information for the main replacement program, and Exhibit No. JCS-3a provides information for the service line replacement programs.

Q31. Please explain Exhibit No. JCS-2b and Exhibit No. JCS-3b.

A. Exhibit No. JCS-2b and Exhibit No. JCS-3b provides the actual original cost retired by month for projects completed during the twelve months ended December 31, 2018, to calculate the Replacement Program's total original cost retirements. Exhibit No. JCS-2b provides information for the main replacement program, and Exhibit No. JCS-3b provides information for the service line replacement programs.

Q32. Please explain Exhibit No. JCS-2c and Exhibit No. JCS-3c.

A. Exhibit No. JCS-2c and Exhibit No. JCS-3c provides the actual provision for depreciation by month for the twelve months ended December 31, 2018, to calculate the accumulated depreciation provision at December 31, 2018. The depreciation rates utilized for this period reflect those approved in Case No. 04-0571-GA-AIR. Effective with the approval of the 2018 Rate Case Stipulation, these rates will be updated to reflect those proposed in Case No. 18-0298-GA-AIR. Exhibit No. JCS-2c provides information for the main replacement program, and Exhibit No. JCS-3c provides information for the service line replacement programs.

Q33. Please explain Exhibit No. JCS-2d and Exhibit No. JCS-3d.

A. Exhibit No. JCS-2d and Exhibit No. JCS-3d provide the actual cost of removal by month for the twelve months ended December 31, 2018, to calculate the Program's total cost of removal through December 31, 2018. Exhibit No. JCS-2d provides information for the main replacement program, and Exhibit No. JCS-3d provides information for the service line replacement programs.

Q34. Please explain Exhibit No. JCS-2e and Exhibit No. JCS-3e.

A. Exhibit No. JCS-2e and Exhibit No. JCS-3e provide the PISCC activity by month for the twelve months ended December 31, 2018, to calculate the PISCC regulatory asset balance at December 31, 2018. These schedules also provide the amortization of PISCC by month for the twelve months ended December 31, 2018, and an accumulated PISCC amortization balance at December 31, 2018. Furthermore, these schedules provide the Net PISCC Regulatory Asset at December 31, 2018. As noted earlier in my testimony, the PISCC rate utilized for this period, 7.02%, is the rate approved in the 13-1571 Stipulation. Effective with the approval of the 2018 Rate Case Order, the PISCC rate will be updated to 5.07%. Exhibit No. JCS-2e provides information for the main replacement program, and Exhibit No. JCS-3e provides information for the service line replacement programs.

Q35. Please explain Exhibit No. JCS-2f and Exhibit No. JCS-3f.

A. Exhibit No. JCS-2f and Exhibit No. JCS-3f provide the calculation of the annualized property tax expense based on the net additions (mains, service lines and risers) to Plant In-Service under the Programs. This calculation follows the process used in VEDO's Annual Report to the Ohio Department of Taxation to determine the Net Property Valuation and uses the latest known average personal property tax rate. Exhibit No. JCS-2f provides information for the net main additions, and Exhibit No. JCS-3f provides information for the net service line additions.

Q36. Please explain Exhibit No. JCS-2g and Exhibit No. JCS-3g.

A. Exhibit No. JCS-2g (mains) and Exhibit No. JCS-3g (service lines) provide the calculation of depreciation-related deferred taxes for the Programs' capital investments placed in service during 2018.

Q37. Please explain Exhibit No. JCS-2h and Exhibit No. JCS-3h.

A. Exhibit No. JCS-2h (mains) and Exhibit No. JCS-3h (service lines) provide the deferred depreciation activity by month for the twelve months ended December 31, 2018, to calculate the deferred depreciation regulatory asset balance as of December 31, 2018. These schedules also provide the amortization of deferred depreciation by month for the twelve months ended December 31, 2018, and an accumulated deferred depreciation amortization balance at December 31, 2018. Furthermore, these schedules provide the net deferred depreciation Regulatory Asset at December 31, 2018. Exhibit No. JCS-2h provides information for the main replacement program, and Exhibit No. JCS-3h provides information for the service line replacement programs.

Q38. Please explain Exhibit No. JCS-4-C and Exhibit No. JCS-4.a-C.

A. Exhibit No. JCS-4-C provides the calculation of the DRR variance at December 31, 2018. This variance is associated with the DRR revenue requirement for the twelve months ended December 31, 2018. As a result of the Tax Cuts and Jobs Act of 2017 (the TCJA), the variance reflects an adjustment associated with the lower tax rates effective January 1, 2018. The approved DRR revenue requirement and resulting rates and charges effective for January 1, 2018 through August 31, 2018 (approved in Case No. 17-1155-GA-RDR (the 2017 DRR)) were calculated using a pre-tax rate of return inclusive of a 35% Federal income tax rate (11.67%). VEDO has recalculated the approved revenue requirement in the 2017 DRR to reflect the lower rate of return as a result of the 21% Federal income tax rate (10.36%), which resulted in a reduction to the authorized revenue requirement for this period of $1,777,894. This credit is being included in the DRR variance in this proceeding, to be returned to customers over twelve months. The 2018 DRR filing which established DRR rates beginning September 1, 2018 was filed with the lower rate of return as a result of the 21% Federal income tax rate.

The variance determined on Exhibit No. JCS-4-C, page 1, is allocated to mains and service lines based upon the approved revenue requirements in VEDO's 2017 and 2018 DRR Filings.

Exhibit No. JCS-4.a-C reflects DRR recoveries by month by customer group for the twelve months ended December 31, 2018.

Q39. Please describe Exhibit No. JCS-5-C.

A. This exhibit contains the filing schedules to support the derivation of the Company's proposed DRR change.

Exhibit No. JCS-5-C, page 1, shows the allocation of the DRR revenue requirement and variance by rate schedule. The rate schedule allocation factors are consistent with the 2018 Rate Case Stipulation and Application and are multiplied by the total revenue requirement (from Exhibit No. JCS-1) to determine the allocated revenue requirement by rate schedule. These same allocations factors are multiplied by the total variance (from Exhibit No. JCS-4-C) to determine the allocation variance by rate schedule.

Exhibit No. JCS-5-C, page 2, calculates the residential DRR rate per customer applicable to only the revenue requirement amount, and evaluates this rate against the approved cap of $2.50 per customer per month. For the residential rate schedules (Rates 310, 311, and 315), the allocated revenue requirement is divided by the projected number of customers, and then divided by 12, to determine the monthly DRR charge applicable to residential customers. For prior periods, any amount in excess of the defined residential rate cap was deferred and is subsequently included for recovery in the DRR provided the resulting amount does not exceed the defined cap. The total residential DRR on line 4 is compared against the cap on line 5, with any amount in excess of the cap deferred for recovery in a subsequent DRR proceeding.

Exhibit No. JCS-5-C, page 3, calculates the total DRR rates and charges by taking (1) the revenue requirement from page 1, (2) the prior deferral of amounts in excess of the cap from page 2, (3) a reduction for any amounts in excess of the current cap from page 3, and (4) the variance from page 1. The total amount to be recovered by rate schedule is used to derive the proposed rates and charges. For the residential rate schedules (Rates 310, 311, and 315), the allocated revenue requirement is divided by the projected number of customers, and then divided by 12, to determine the monthly DRR charge applicable to residential customers. For small general service (Group 1 customers served under Rates 320, 321 and 325; hereinafter collectively referred to as Group 1 Customers), the calculated monthly residential DRR rate is then multiplied by the ratio of the General Service Group 1 tariff Monthly Charge to the Residential tariff Monthly Charge (130%) to derive the Group 1 monthly DRR charge. For larger customers (Group 2 and Group 3 customers under Rates 320, 321, and 325, hereinafter collectively referred to as Group 2 and Group 3 Customers) and all customers receiving service under Rates 345 and 360, the allocated revenue requirement for each rate schedule is divided by the projected annual throughput for each rate schedule to determine the DRR charge per billing Ccf applicable to those rate schedules.

Exhibit No. JCS-5-C, page 4, identifies the recoveries applicable to the periods September 2019 through December 2019 and January 2020 through August 2020. These are the 12 months during which the proposed DRR is projected to be in effect. The purpose of this schedule is to provide the basis for determining the revenue requirement recovery variance applicable to the period of September through December 2019, since in the next annual DRR filing VEDO will reconcile actual costs and actual recoveries through December 2019[1]. In the 2020 DRR filing the variance applicable to the period of January through August 2019 will be based upon the recoveries for that period as identified on page 4. This methodology is consistent with the company's previous annual DRR filings.

Exhibit No. JCS-5-C, page 5, shows the impact of the proposed DRR rates and charges on each rate schedule.

Exhibit No. JCS-5-C, page 6, shows the annual impact of the proposed DRR rates and charges on residential customers.

Q40. Does the calculated residential DRR rate per customer exceed the cap identified in the 2018 Rate Case Stipulation?

A. Yes. Consistent with the 2018 Rate Case Stipulation and Application, the evaluation against the rate cap shall only include the DRR revenue requirement exclusive of variances. As shown on Exhibit No. JCS-5-C, page 2, although the 2018 DRR revenue requirement on its own does not exceed the cap, when the deferred amount in excess of the cap in prior periods (from Case No. 18-0762-GA-RDR) is also considered, the sum of the two parts does exceed the cap in the 2018 Rate Case for the current period. Therefore, the Company will defer $635,294 of the previously deferred revenue requirement in excess of the cap for recovery in a future period, provided that the inclusion of this

[1] Recoveries applicable to January through August 2019 were included in the determination of the DRR revenue requirement in the 2018 DRR Filing, Case No. 18-0762-GA-RDR.

amount does not cause VEDO to exceed the applicable monthly DRR charge cap in that subsequent year.

Q41. What are the proposed DRR rates and charges when considering the applicable cap and variances from prior periods?

A. As reflected on Exhibit No. JCS-5-C, page 3, the proposed DRR rates and charges are as follows:

Rate Schedule	DRR Rate per Customer per Month	DRR Rate per Billing CCF
310, 311, and 315	$1.75	
320, 321, and 325 (Group 1)	$2.27	
320, 321, and 325 (Group 2 and 3)		$0.00261
345		$0.00331
360		$0.00146

Q42. Please describe Exhibit No. JCS-6-C.

A. Exhibit No. JCS-6-C illustrates the proposed DRR tariff sheet, with a redlined (page 1) and clean (page 2) version. In addition, pages 3-5 of Exhibit No. JCS-6-C illustrates the redlined changes proposed within the 2018 Rate Case to the DRR tariff sheet.

V. CONCLUSION

Q43. Does this conclude your direct testimony?

A. Yes.

VECTREN ENERGY DELIVERY OF OHIO, INC.
DISTRIBUTION REPLACEMENT RIDER
DRR REVENUE REQUIREMENT VARIANCE

Line	Description		Total	Reference
1	Revenue requirement for January 2018 - August 2018 per Case No. 17-1155-GA-RDR, Exhibit JCS-5, Page 5 of 5, Line 14	$ 23,836,604		
2	Less: Adjustment in Revenue Requirement due to tax reform.	$ (1,777,894)		(3)
3	Less: DRR Recoveries January 2018 - August 2018	$ (24,795,869)		- (Sum of Lines 20-27)
4	**DRR (Over)/Under Recovery for Eight Months Ended August 31, 2018**		**$ (2,737,159)**	**Line 1 + Line 2 + Line 3**
5	Revenue requirement for September 2018 - December 2018 per Case No. 18-0762-GA-RDR.	$ 14,107,493 (4)		
6	Less: DRR Recoveries September 2018 - December 2018	$ (14,542,547)		- (Sum of Lines 28-31)
7	**DRR (Over)/Under Recovery for Four Months Ended December 31, 2018**		**$ (435,054) (5)**	**Line 5 + Line 6**
8	**DRR (Over)/Under Recovery for Twelve Months Ended December 31, 2018**		**$ (3,172,213) (6)**	**Line 4 + Line 7 To JCS-5-C, Page 1 Line 14, Column E.**

9 **(Over)/Under Recovery - Mains and Services Allocation**

Line	**Description**	**Revenue Requirement**	**%**	**DRR Variance Allocation**		
	2017	**D** (1)	**E**	**F = Line 4 * E**		
10	Mains	$ 11,088,842	31.0%	$ (848,258)		
11	Services	24,692,646	69.0%	(1,888,901)		
12	Total	$ 35,781,488	100.0%	$ (2,737,159)	Line 4	
	2018	**D** (2)	**E**	**F = Line 7 * E**		
13	Mains	$ 12,166,086	28.4%	$ (123,560)		
14	Services	30,670,513	71.6%	(311,494)		
15	Total	$ 42,836,599	100.0%	$ (435,054)	Line 7	
16	**Total Main (Over) Recovery Variance**			**$ (971,818)**	**Line 10 + Line 13**	**To JCS-5-C, Page 1, Line 14, Column B.**
17	**Total Services (Over) Recovery Variance**			**$ (2,200,395)**	**Line 11 + Line 14**	**To JCS-5-C, Page 1, Line 14, Column D.**

18 **DRR Recoveries by Month:**

Line		Recovery - $	Reference
19		**Recovery - $**	**Reference**
20	January 2018	$ 4,080,851	Exhibit No. JCS-4a.-C, Column H, Line 1
21	February 2018	$ 3,206,776	Exhibit No. JCS-4a.-C, Column H, Line 2
22	March 2018	$ 3,308,894	Exhibit No. JCS-4a.-C, Column H, Line 3
23	April 2018	$ 3,302,974	Exhibit No. JCS-4a.-C, Column H, Line 4
24	June 2018	$ 2,790,962	Exhibit No. JCS-4a.-C, Column H, Line 5
25	June 2018	$ 2,665,011	Exhibit No. JCS-4a.-C, Column H, Line 6
26	July 2018	$ 2,715,857	Exhibit No. JCS-4a.-C, Column H, Line 7
27	August 2018	$ 2,724,545	Exhibit No. JCS-4a.-C, Column H, Line 8
28	September 2018	$ 3,042,017	Exhibit No. JCS-4a.-C, Column H, Line 9
29	October 2018	$ 3,386,430	Exhibit No. JCS-4a.-C, Column H, Line 10
30	November 2018	$ 3,867,138	Exhibit No. JCS-4a.-C, Column H, Line 11
31	December 2018	$ 4,246,963	Exhibit No. JCS-4a.-C, Column H, Line 12
32	**Total DRR Recoveries**	**$ 39,338,416**	

Notes:

(1) Revenue Requirement per Case No. 17-1155-GA-RDR (Exhibit JCS-5, Page 1 of 1).

(2) Revenue Requirement per Case No. 18-0762-GA-RDR (Exhibit JCS-5R, Page 1 of 1).

(3) On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) of 2017 was signed into law, which reduced the Federal Income Tax rate, effective January 1, 2018. As a result of this change VEDO adjusted its authorized pre-tax rate of return resulting in an adjustment in VEDO's approved revenue requirement and a credit to rate payers.

(4) CORRECTED Revenue requirement for September 2018 - December 2018 per Case No. 18-0762-GA-RDR, Exhibit JCS-5-C, Page 6 of 6, Line 5
(5) CORRECTED Over Recovery Part-year Subtotal
(6) CORRECTED Over Recovery Annual Total (2018)

VECTREN ENERGY DELIVERY OF OHIO, INC.
DISTRIBUTION REPLACEMENT RIDER
DRR RECOVERIES BY TARIFF

	A	B	C	D	E	F	G	H
		DRR Recoveries						
Line	**Month**	**310/311/315**	**320/321/325 - Grp 1**	**341**	**320/321/325 - Grp 2 & 3**	**345**	**360/370**	**Total**
1	Jan-18	$ 2,395,056	$ 122,343	$ 89	$ 1,203,843	$ 133,573	$ 225,948	$ 4,080,851
2	Feb-18	2,183,459	115,893	89	623,538	98,189	185,608	$ 3,206,776
3	Mar-18	2,394,662	125,874	89	493,025	101,782	193,463	$ 3,308,894
4	Apr-18	2,363,559	121,402	89	556,558	82,338	179,028	$ 3,302,974
5	May-18	2,355,949	121,300	89	127,300	38,175	148,149	$ 2,790,962
6	Jun-18	2,335,792	117,432	(44)	38,471	38,289	135,071	$ 2,665,011
7	Jul-18	2,321,533	119,393	-	93,918	39,805	141,208	$ 2,715,857
8	Aug-18	2,321,153	118,533	-	103,050	43,883	137,926	$ 2,724,545
9	Sep-18	2,585,139	132,377	-	126,570	41,772	156,159	$ 3,042,017
10	Oct-18	2,772,548	148,663	156	215,927	69,389	179,747	$ 3,386,430
11	Nov-18	2,793,695	138,661	104	628,092	102,842	203,745	$ 3,867,138
12	Dec-18	2,761,010	144,127	104	1,025,764	108,711	207,246	$ 4,246,963
13	**Total**	$ 29,583,555	$ 1,525,999	$ 762	$ 5,236,056	$ 898,748	$ 2,093,296	$ 39,338,416

VECTREN ENERGY DELIVERY OF OHIO, INC.
DISTRIBUTION REPLACEMENT RIDER
ALLOCATION OF REVENUE REQUIREMENT

Line	Rate Schedule	(A) Mains Allocation Factors (1) (%)	(B) Mains Allocated DRR Revenue Requirement	(C) Service Lines Allocation Factors (1) (%)	(D) Service Lines Allocated DRR Revenue Requirement	(E) Total DRR Revenue Requirement (B) + (D)	
1	310/311/325	73.331%	$ 3,378,777	89.734%	$ 5,356,589	$ 8,735,366	(2)
2	320/321/325	14.221%	$ 655,243	9.913%	$ 591,747	$ 1,246,990	
3	Group 1					$ 544,623	(3)
4	Group 2 & 3					$ 702,367	(4)
5	345	4.618%	$ 212,778	0.280%	$ 16,714	$ 229,492	
6	360	7.830%	$ 360,773	0.073%	$ 4,358	$ 365,131	
7	Total Revenue Requirements	100.000%	$ 4,607,571	100.000%	$ 5,969,408	$ 10,576,979	

(1) Allocation Factors for Mains and Service Lines as presented in Case No. 18-0298-GA-AIR.
(2) To JCS-5-C, Page 2, Line 2.
(3) Allocation of Group 1 revenue is 130% of the Residential monthly rate multiplied by the projected customer counts.
(4) Allocation of Group 2&3 revenue is the residual of the GS allocation less Group 1 charges.

ALLOCATION OF VARIANCES

Line	Rate Schedule	(A) Mains Allocation Factors (1) (%)	(B) Mains Allocated DRR Variance	(C) Service Lines Allocation Factors (1) (%)	(D) Service Lines Allocated DRR Variance	(E) Total DRR Variance (B) + (D)	
8	310/311/325	73.331%	$ (712,644)	89.734%	$ (1,974,503)	$ (2,687,147)	(5)
9	320/321/325	14.221%	$ (138,202)	9.913%	$ (218,125)	$ (356,327)	
10	Group 1					$ (155,626)	(6)
11	Group 2 & 3					$ (200,701)	(6)
12	345	4.618%	$ (44,879)	0.280%	$ (6,161)	$ (51,040)	
13	360	7.830%	$ (76,093)	0.073%	$ (1,606)	$ (77,699)	
14	Variance	100.000%	$ (971,818)	100.000%	$ (2,200,395)	$ (3,172,213)	

(5) To JCS-5-C, Page 2, Line 7.
(6) Allocation of variance credit to 320/321/325 derived by applying the same proportion as used in revenue allocation for Group 1 and Group 2 & 3.

VECTREN ENERGY DELIVERY OF OHIO
DISTRIBUTION REPLACEMENT RIDER
CALCULATION OF RESIDENTIAL DRR DEFERRED 310/311/315 REVENUE

Line	Description	(A) DRR Rate Revenue Requirement		(B) Residential Customer Count	(C) DRR Rate per Customer per Month (A) / (B) / 12
1	Residential Customer Count			297,211	
2	Calculated DRR - Rate 310/311/315	$ 8,735,366			$ 2.45
3	Prior Deferred Revenue - Rate 310/311/315	$ 816,258	(1)		
4	Total Residential DRR	$ 9,551,624			$ 2.68
5	Residential Rate Cap				$ 2.50
6	Excess Revenue Requirement Deferred	$ 635,294	(2)		$ 0.18
7	Prior Deferred Revenue to be Recovered	$ 180,964	(3)		

(1) 310/311/315 Deferred Revenue Requirements As Filed in Case No. 18-0762-GA-RDR
(2) 310/311/315 Deferred Revenue Requirements carried to 2020 DRR filing. Excess calculated rate per customer per month multiplied by the projected residential customer count.
(3) To JCS-5-C, Page 4, Column D. Prior Deferred Revenue allowable for recovery under the Residential Rate Cap proposed in Case No. 18-0298-GA-AIR.

VECTREN ENERGY DELIVERY OF OHIO
DISTRIBUTION REPLACEMENT RIDER
CALCULATION OF DRR RATES

Line	Schedule	(A) Revenue Requirement (1)	(B) Prior Deferral	(C) Amount Over Cap (2)	(D) Variance (3)	(E) Recovery by Rate Schedule A + (B-C) + D	(F) Customer Count - or - Volumes		(G) Proposed DRR Per Customer Per Month (E) / (F) / 12	(H) Proposed DRR Per Billing Ccf (E) / (F)
1	310/311/315	$ 8,735,366	$ 816,258	$ 635,294	$ (2,687,147)	$ 6,229,183	297,211	#	$ 1.75	
2	320/321/325	$ 1,246,990			$ (356,327)	$ 890,663				
3	Group 1	$ 544,623			$ (155,626)	$ 388,997	14,254	#	$ 2.27	
4	Group 2 & 3	$ 702,367			$ (200,701)	$ 501,666	192,236,540	Ccf		$ 0.00261
5	345	$ 229,492			$ (51,040)	$ 178,452	53,912,945	Ccf		$ 0.00331
6	360	$ 365,131			$ (77,699)	$ 287,432	196,603,240	Ccf		$ 0.00146
7	Total	$ 10,576,979			$ (3,172,213)	$ 7,585,730				

(1) From JCS-5-C, Page 1, Line 7, Column E
(2) From JCS-5-C, Page 2, Line 6
(3) From JCS-5-C, Page 1, Line 14, Column E

VECTREN ENERGY DELIVERY OF OHIO, INC.
DISTRIBUTION REPLACEMENT RIDER
DETERMINATION OF APPROVED RECOVERIES
BY CALENDAR MONTH

Line	(A) Month	(B) Allocation Factor (1)	(C) Revenue Requirement (2)	(D) Prior Period Over Cap Amount Rolled Into Rates (3)	(E) Over/Under Variances (4)	(F) Approved Recoveries (5) C + D + E = F
1	September-19	8.13%	$ 860,172	$ 14,717	$ (257,980)	$ 616,909
2	October-19	8.22%	$ 869,745	$ 14,881	$ (260,851)	$ 623,775
3	November-19	8.47%	$ 895,358	$ 15,319	$ (268,533)	$ 642,144
4	December-19	8.65%	$ 915,024	$ 15,655	$ (274,431)	$ 656,248
5	Subtotal (To Annual DRR Filing in 2020)		$ 3,540,299	$ 60,572	$ (1,061,795)	$ 2,539,076
6	January-20	8.58%	$ 907,544	$ 15,527	$ (272,188)	$ 650,884
7	February-20	8.47%	$ 895,508	$ 15,321	$ (268,578)	$ 642,252
8	March-20	8.51%	$ 899,829	$ 15,395	$ (269,874)	$ 645,351
9	April-20	8.28%	$ 876,060	$ 14,989	$ (262,745)	$ 628,304
10	May-20	8.26%	$ 873,221	$ 14,940	$ (261,894)	$ 626,268
11	June-20	8.17%	$ 864,499	$ 14,791	$ (259,278)	$ 620,012
12	July-20	8.12%	$ 858,833	$ 14,694	$ (257,579)	$ 615,949
13	August-20	8.14%	$ 861,185	$ 14,734	$ (258,284)	$ 617,635
14	Subtotal (To Annual DRR Filing in 2021)		$ 7,036,680	$ 120,392	$ (2,110,418)	$ 5,046,654
15	Total (Line 5 + Line 14)		$ 10,576,979	$ 180,964	$ (3,172,213)	$ 7,585,730

(1) Based on monthly volumes / customer count (as applicable) as a percentage of annual, in 2020 Budget.
(2) From JCS-5-C, Page 3, Line 7, Column A X Monthly Allocation Factor
(3) From JCS-5-C, Page 3, Line 7, Column B less Column C X Monthly allocation Factor
(4) From JCS-5-C, Page 3, Line 7, Column D X Monthly Allocation Factor
(5) From JCS-5-C, Page 3, Line 7, Column E X Monthly Allocation Factor

VECTREN ENERGY DELIVERY OF OHIO, INC.
DISTRIBUTION REPLACEMENT RIDER
RATE SCHEDULE BILL IMPACTS

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Line	Rate Schedule	Present Revenue (1)	Gas Cost Revenue	Revenue Less Gas Cost Revenue (A) - (B)	Previous DRR Revenue Requirement	Current DRR Revenue Requirement (2)	Incremental DRR Revenue Requirement (D) - (E)	% Increase (F) / (C)	
1	310/311/315	$ 122,189,089	$ 5,834,923	$ 116,354,166		$ 6,229,183	$ 6,229,183	5.35%	(3)
2	320/321/325	$ 28,048,919	$ 191,118	$ 27,857,801		$ 890,663	$ 890,663	3.20%	(4)
3	345	$ 7,028,841		$ 7,028,841		$ 178,452	$ 178,452	2.54%	
4	360	$ 15,986,151		$ 15,986,151		$ 287,432	$ 287,432	1.80%	
5	Total	$ 173,253,000	$ 6,026,041	$ 167,226,959	$ -	$ 7,585,730	$ 7,585,730	4.54%	

(1) Rate Case Revenues (Test Year) under proposed rates.
(2) Reflects Revenue Requirement for 2018 only; From Exhibit No. JCS-5-C, Page 3, Line 7, column E.
(3) For column (E), Revenue Requirement equals unit rate times number of customers.
(4) For column (E), Revenue Requirement equals unit rate times number of customers for Group 1, and unit rate times projected volumes for Group 2 & 3.

VECTREN ENERGY DELIVERY OF OHIO
DISTRIBUTION REPLACEMENT RIDER
ANNUAL RESIDENTIAL CUSTOMER BILL IMPACT

Line					Reference
1	Proposed DRR Charge Per Customer Per Month	$	1.75		Exhibit No. JCS-5C, Page 3
2	Current DRR Charge Per Customer Per Month	$	-	(1)	CN 18-0298
3	Incremental DRR Charge Per Month	$	1.75		Line [1] - Line [2]
4	Months		12		
5	Annual Incremental Bill Impact	$	20.96		Line [3] x Line [4]
6	Total Annual DRR Bill Amount	$	20.96		Line [1] x Line [4]

(1) Investment through December 31, 2017 included in base rates per Case No. 18-0298-GA-AIR.

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 4

Sheet No. 45
First Revised Page 1 of 1
Cancels Original Page 1 of 1

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DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

The Distribution Replacement Rider ("DRR") is applicable to any Customer served under the Rate Schedules identified below.

- 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
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

The DRR will be effective through August 31, 2025 or until new rates become effective as a result of the filing by Company of an application for an increase in rates pursuant to Section 4909.18, Revised Code, or a proposal to establish base rates pursuant to an alternative method of regulation under Section 4929.05, Revised Code, whichever comes first.

The DRR will recover costs associated with Company's accelerated infrastructure replacement program approved by the Commission in Case No. 18-0299-GA-ALT. All applicable Customers shall be assessed either (a) a monthly charge in addition to the Monthly Charge or Customer Charge component of their applicable Rate Schedule, or (b) a volumetric charge applicable to each Billing Ccf of metered gas usage each month.

Actual costs and actual recoveries are reconciled in each annual DRR update, with any under- or over-recovery being recovered or returned over the next twelve (12) month period.

The monthly DRR charge applicable to Rate 310, 311, 315, 320 (Group 1), 321 (Group 1) and 325 (Group 1) customers shall be subject to caps approved by the Commission in Case No. 18-0299-GA-ALT.

RECONCILIATION

The DRR 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.

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

Rate Schedule	$ Per Month	$ Per Billing Ccf
310, 311 and 315	$1.75	
320, 321 and 325 (Group 1)	$2.27	
320, 321 and 325 (Group 2 and 3)		$0.00261
345		$0.00331
360		$0.00146

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Filed pursuant to the Finding and Order dated __________ in Case No. 19-1011-GA-RDR of The Public Utilities Commission of Ohio.

Issued May 01, 2019 Issued by J. Cas Swiz, Director Effective September 01, 2019

DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

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- 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
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

The DRR will be effective through August 31, 2025 or until new rates become effective as a result of the filing by Company of an application for an increase in rates pursuant to Section 4909.18, Revised Code, or a proposal to establish base rates pursuant to an alternative method of regulation under Section 4929.05, Revised Code, whichever comes first.

The DRR will recover costs associated with Company's accelerated infrastructure replacement program approved by the Commission in Case No. 18-0299-GA-ALT. All applicable Customers shall be assessed either (a) a monthly charge in addition to the Monthly Charge or Customer Charge component of their applicable Rate Schedule, or (b) a volumetric charge applicable to each Billing Ccf of metered gas usage each month.

Actual costs and actual recoveries are reconciled in each annual DRR update, with any under- or over-recovery being recovered or returned over the next twelve (12) month period.

The monthly DRR charge applicable to Rate 310, 311, 315, 320 (Group 1), 321 (Group 1) and 325 (Group 1) customers shall be subject to caps approved by the Commission in Case No. 18-0299-GA-ALT.

RECONCILIATION

The DRR 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.

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

Rate Schedule	$ Per Month	$ Per Billing Ccf
310, 311 and 315	$1.75	
320, 321 and 325 (Group 1)	$2.27	
320, 321 and 325 (Group 2 and 3)		$0.00261
345		$0.00331
360		$0.00146

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Tariff for Gas Service Original Page 1 of 1
P.U.C.O. No. 4

DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

The Distribution Replacement Rider ("DRR") is applicable to any Customer served under the Rate Schedules identified below.

- 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
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

The DRR will be effective through August 31, 2025 or until new rates become effective as a result of the filing by Company of an application for an increase in rates pursuant to Section 4909.18, Revised Code, or a proposal to establish base rates pursuant to an alternative method of regulation under Section 4929.05, Revised Code, whichever comes first.

The DRR will recover costs associated with Company's accelerated infrastructure replacement program approved by the Commission in Case No. 18-0299-GA-ALT. All applicable Customers shall be assessed either (a) a monthly charge in addition to the Monthly Charge or Customer Charge component of their applicable Rate Schedule, or (b) a volumetric charge applicable to each Billing Ccf of metered gas usage each month.

Actual costs and actual recoveries are reconciled in each annual DRR update, with any under- or over-recovery being recovered or returned over the next twelve (12) month period.

The monthly DRR charge applicable to Rate 310, 311, 315, 320 (Group 1), 321 (Group 1) and 325 (Group 1) customers shall be subject to caps approved by the Commission in Case No. 18-0299-GA-ALT.

RECONCILIATION

The DRR 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.

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

Rate Schedule	$ Per Month	$ Per Billing Ccf
310, 311 and 315	$0.00	
320, 321 and 325 (Group 1)	$0.00	
320, 321 and 325 (Group 2 and 3)		$0.00000
345		$0.00000
360		$0.00000

Filed pursuant to the Finding and Order dated ____________ in Case No. 18-0298-GA-AIR of The Public Utilities Commission of Ohio.

Issued Issued by Scott E. Albertson, Vice-President Effective

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, that will enable Company to recover (1) the return on and of plant investment, including capitalized interest, or post-in-service carrying cost charges ("PISCC"), along with incremental costs incurred under a multi-year program for the accelerated replacement and retirement of cast iron mains and bare steel mains and service lines, which includes, subject to provisions approved by the Commission in Case No. 13-1571-GA-ALT, (a) replacement and retirement of interspersed plastic main in the cast iron or bare steel distribution system, (b) replacement and retirement of field-coated steel infrastructure, (c) replacement and retirement of obsolete pipe and appurtenances, (d) replacement and retirement of vintage plastic pipe when done in conjunction with a cast iron or bare steel replacement/retirement project, and, (e) the non-reimbursable portion of any project that requires the replacement, retirement, or relocation of existing infrastructure as a result of a public works project, (2) deferred expenses incurred during Company's investigation of the installation, use, and performance of natural gas service risers, (3) all costs of replacement of prone-to-fail risers, (4) the incremental costs attributable to assuming ownership of all service lines installed or replaced by Company, and (5) the incremental cost of assuming maintenance responsibility for all service lines.

Recoverable costs shall be offset by the greater of the Operations and Maintenance credit, calculated pursuant to the Commission's order in Case No. 13-1571-GA-ALT or the actual annual savings of certain Operations and Maintenance ("O&M") expenses from the baseline O&M of $1,192,953 established in Case No. 07-1080-GA-AIR.

The DRR will be updated annually, in order to reflect the impact on Company's DRR revenue requirement of net plant additions and other applicable, incremental costs, as offset by the O & M credit or savings, as applicable.

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DISTRIBUTION REPLACEMENT RIDER

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360	$0.00992