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September 19, 2019

Tanowa Troupe  
Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

**RE: Case No. 19-420-GA-PIP**

Dear Secretary Troupe:

Enclosed please find the Audit Report of Deloitte & Touche LLP of Vectren Energy Delivery of Ohio, Inc.'s Percentage of Income Payment Plan Rider to be filed in the above referenced case.

Very truly yours,

/s/ Frank P. Darr

Frank P. Darr

**Attorney for Vectren Energy Delivery of  
Ohio, Inc.**

Enclosure  
FPD/eas

C0115286:1

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## **INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED-UPON PROCEDURES**

To Vectren Energy Delivery  
of Ohio:

We have performed the procedures enumerated below, which were agreed to by Vectren Energy Delivery of Ohio (the "Company") and provided to the Public Utilities Commission of Ohio (the "PUCO"), solely to assist the specified parties in the evaluation of the accuracy of the financial data associated with the percentage of income payment plan ("PIPP") recovery mechanism for the period May 1, 2018 to April 30, 2019, in conjunction with the PUCO Case No. 19-420-GA-PIP. The Company's management is responsible for the completeness and accuracy of the information provided that is associated with the PIPP recovery mechanism. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

### **Percentage of Income Payment Plan Recovery Mechanism**

1. We obtained from Company management the monthly accounting schedule summarizing the following items included as a component of the PIPP rider for the period May 1, 2018 to April 30, 2019:
  - a. PIPP balance change activity for the period of May 1, 2018 to April 30, 2019 of (\$147,448).
  - b. Billed and unbilled PIPP rider recoveries for the period of May 1, 2018 to April 30, 2019 of \$ (783,264).
  - c. PIPP program credits for the period of May 1, 2018 to April 30, 2019 of \$2,036,548.
  - d. Carrying charges for the period of May 1, 2018 to April 30, 2019 of \$13,274.

We proved the arithmetic accuracy of each monthly accounting schedule from May 2018 through April 2019, noting no exceptions.

2. We selected four (4) months included in the schedule obtained in Step 1. above and performed the following procedures:
  - a. We agreed the applicable PIPP rider rates used by the Company in the Percentage of Income Payment Analytical Analysis report with those permitted by the PUCO, as outlined in Case Nos. 18-420-GA-PIP and 19-420-GA-PIP and found no exceptions.

- b. We agreed the monthly accounting schedule obtained in Step 1. above to the supporting schedules for the PIPP balance change, billed and unbilled PIPP rider recoveries, PIPP program credits, and transportation penalties, and found such amounts to be in agreement. There were no transportation penalties included in the schedule provided by Company management.
  - c. We compared the interest rates utilized by the Company to calculate carrying charges included in the schedule obtained in Step 1.d. above to interest rates included in a supporting schedule we obtained from Company management and found the interest rates to be in agreement. We recalculated carrying charges utilizing interest rates provided by the Company and the balance included in the monthly accounting schedule obtained in Step 1.d. above, noting no exceptions.
- 3. We selected 25 PIPP credits from the PIPP program credits outlined within the monthly accounting schedule obtained in Step 1.c. above, issued during the period May 1, 2018 to April 30, 2019. We allocated those selections across types of program credits, including unused incentive credits, delta credits and arrearage credits. We performed the following procedures:
  - a. For unused incentive credits, we agreed the selected amount to customer billing history and identified no exceptions.
  - b. For delta credits, we recalculated the selected program credit based on amounts included in the customer bill and the PIPP payment amount received determined by the State of Ohio, and identified no exceptions.
  - c. For arrearage credits, we recalculated the selected program credit based on information obtained from Banner. Our recalculation of each PIPP program credit agreed to the detailed population within \$1.
- 4. For the months selected in Step 2. above, we agreed billed and unbilled PIPP recoveries in the monthly accounting schedule to the PIPP Rider recovery amounts in the Percentage of Income Payment Analytical Analysis report and identified no exceptions. We obtained the revenue listing by cycle of monthly billed PIPP rider revenue from management. Subsequently, we selected a billing cycle within each month and obtained the Banner detail, totaling monthly billed PIPP Rider revenue by customer and premise. Using this method, we selected ten (10) customers, in aggregate, from the Banner detail totaling monthly billed PIPP rider revenue by customer and premise for the period May 1, 2018 to April 30, 2019. We performed the following procedures:
  - a. We obtained each customer's bill detail from the Customer History Card in Banner for the selected month.
  - b. We agreed customer and premise numbers from each selection to the customer bill and identified no exceptions.

- c. For each customer, we agreed the customer rate code included in the Banner detail to the VEDO Rate Reference schedule and, based on the customer code included in the Banner detail, determined if the customer appeared eligible for the PIPP rider rate. We noted no exceptions.
  - d. We recalculated the PIPP portion of each selected customer's bill and agreed the rate in each selected customer's bill to the corresponding PIPP rider rates found on the PUCO website. We noted no exceptions.
  - e. We agreed the recalculated PIPP rider revenue to the Customer History Card in Banner and agreed total charges per the Customer History Card to the customer invoice. We noted no exceptions.
5. We obtained the regulatory asset balances at April 30, 2019 from the Company's general ledger account numbers 1905907 and 1905923 for the PIPP and PIPP carrying charges, respectively, and compared the balance to the monthly accounting schedule obtained in Step 1. Above, and found them to be in agreement.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the percentage of income payment plan recovery mechanism in accordance with the PUCO order regarding Case No. 19-420-GA-PIP. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

*Deloitte & Touche LLP*

September 18, 2019

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

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

Summary: Audit Report of Vectren Energy Delivery of Ohio, Inc.'s Percentage of Income Payment Plan Rider electronically filed by Mr. Frank P Darr on behalf of Vectren Energy Delivery of Ohio, Inc.