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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of :  
Vectren Energy Delivery of Ohio, Inc. :  
for Approval, Pursuant to Revised Code :  
Section 4929.11 of a Tariff to Recover :  
Conservation Expenses and Decoupling :  
Revenues Pursuant to Automatic :  
Adjustment Mechanisms and for such :  
Accounting Authority as May be :  
Required to Defer Such Expense and :  
Revenues for Future Recovery Through :  
Such Adjustment Mechanisms. :

Case No. 05-1444-GA-UNC

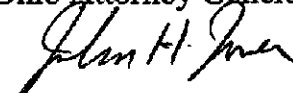
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MOTION TO INCORPORATE STAFF REPORT OF INVESTIGATION  
AND UPDATED SCHEDULE A-1 ATTACHED TO STIPULATION  
FROM RATE CASE AND MEMORANDUM IN SUPPORT

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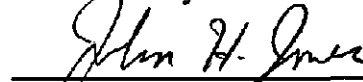
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The Staff of the Public Utilities Commission of Ohio (Staff) moves to incorporate into the record of this alternative rate plan case the Staff Report of Investigation and the updated Schedule A-1 attached to the Stipulation that was adopted by the Public Utilities Commission of Ohio on April 13, 2005 in Vectren's recent Rate Case No. 04-571-GA-AIR. A Memorandum in Support of Staff's motion is provided below.

Respectfully submitted,

**Marc Dann**

Ohio Attorney General



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## MEMORANDUM IN SUPPORT

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On November 28, 2005, Vectren Energy Delivery of Ohio, Inc. (Vectren) filed an application for approval of a tariff to recover conservation expenses and decoupling revenues pursuant to automatic adjustment mechanisms and for such accounting authority as may be required to defer such expenses and revenues for future recovery through those mechanisms (hereinafter, "Conservation Application"). Subsequently, on February 7, 2006, the Attorney Examiner issued an Entry in which it directed that the Conservation Application be "considered a request for an alternate rate plan as described in Section 4929.01(A), Revised Code and thus ...controlled by Section 4929.05, Revised Code." Conservation Application, Entry at 2 (February 7, 2006).

An alternative rate plan application under Section 4929.05 of the Revised Code must comply with the requirements of an application filed pursuant to Section 4909.18 of the Revised Code, to include, a written report of investigation by Staff as required by Section 4909.19 of the Revised Code and Rule 4901:1-19-07, O.A.C. In Vectren's recent Rate Case No. 04-571-GA-AIR, the Commission Staff filed a written report of investigation on November 24, 2004, and provided an updated Schedule A-1 attached to the February 4, 2005 Stipulation in Case No. 04-571-GA-AIR which together fully address the reasonableness of the current rates pursuant to Section 4909.15 of the Revised Code. Given the change directed by the Attorney Examiner's Entry and in the interest of the efficient processing of this case it is lawful and reasonable to incorporate the actual examination of the Company's current rates to fulfill this legal requirement.

Further, the Commission should grant Staff's motion to incorporate Staff's Report of Investigation and the updated Schedule A-1 in this case because the reasonableness of Vectren's current rates is not contested in this proceeding. The issues contested in this proceeding concern the scope of the residential class that would benefit under a conservation plan funded by Vectren and/or its ratepayers and whether a Sales Reconciliation Rider (SRR) that recovers the difference between Vectren's weather-normalized actual base revenues and the base revenues approved in Vectren's recent rate case (Case No. 04-571-GA-AIR) should be approved.

It is disingenuous of OCC to object to the incorporation by reference of the Staff Report of Investigation from Vectren's recent rate case, Case No. 04-571-GA-GCR, because neither OCC nor any other Party challenged the incorporation of the SFRs from Case No. 04-571-GA-AIR (Conservation Application, Entry at 2 (March 16, 2006) and the waiver of the requirements for alternative rate plan applications delineated in Rule 4901:1-19-05 (Conservation Application, Entry at 2 (April 5, 2006). These motions resulted from the Attorney Examiner's February 7, 2006 modification of Vectren's application to an alternative rate plan.


More significantly, the change in direction to litigation of an alternative rate plan and the motions for incorporation by reference and waivers occurred prior to the filing of the now voided April 10, 2006 Stipulation. But for the April 10, 2006 Stipulation being terminated on December 8, 2006, the signatory parties to the April 10, 2006 Stipulation proceeded to litigate the case by supporting the SRR through two Commission orders premised on the alternative rate plan application, as modified by the April 10, 2006 Stipulation, without objection. Only now, because the Commission rejected the April 10, 2006 Stipulation, does the OCC object to the alternative rate application meeting the application requirements under Section 4909.18 of the Revised Code. This objection being raised now by the OCC is disingenuous. None of the

parties are prejudiced by incorporation of the Staff Report of Investigation and the updated Schedule A-1.

For the foregoing reasons, staff respectfully requests the Commission grant their motion and order the Staff Report of Investigation and the updated Schedule A-1 incorporated into the record of this proceeding for good cause being shown.

Respectfully submitted,

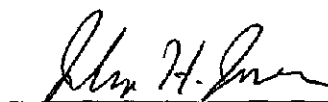
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## **PROOF OF SERVICE**

I hereby certify that a true copy of the foregoing **Motion to Incorporate Staff Report of Investigation from Rate Case and Memorandum in Support** submitted on behalf of the Staff of the Public Utilities Commission of Ohio was served by regular U.S. mail, postage prepaid or hand-delivered to the following parties of record, this 5th day of February, 2007.

  
**Anne L. Hammerstein**  
**John H. Jones**  
Assistant Attorneys General

### **Parties of Record:**

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