

FILE

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 of an Adjustment to its)
Uncollectible Expense Rider Rate.)

Case No. 08-653-GA-UEX

APPLICATION

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May 29, 2008

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of Ohio, Inc.

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)		
Vectren Energy Delivery of Ohio, Inc.)	Case No. 08-	-GA-UEX
for Approval of an Adjustment to its)		
Uncollectible Expense Rider Rate.)		

APPLICATION

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

1. In its December 17, 2003 Finding and Order ("December 17 Order") in Case No. 03-1127-GA-UNC, the Commission approved an application for authority to establish an uncollectible expense rider for VEDO and several other natural gas companies.
2. By Entry dated April 7, 2004, in Case No. 03-2571-GA-ATA, the Commission approved VEDO's initial Uncollectible Expense Rider rate. VEDO filed final tariffs consistent with the April 7, 2004 Entry on April 16, 2004, effective as of that date.

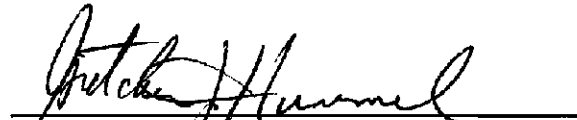
3. In the December 17 Order, the Commission directed VEDO (and the other companies subject to that order) to file a yearly report that identifies amounts recovered, deferred, and amortized pursuant to the Rider. The Staff, in its report filed March 9, 2004, in Case No. 03-2571-GA-ATA, recommended that the information be provided in the format of Attachment A to that report. VEDO's 2008 report, in that format, is Attachment 1 to this Application.
5. VEDO proposes a revised Rider rate of \$0.1165 per Mcf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2008, and (2) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2009. The calculation of the revised rates is shown on Attachment 2 hereto.
5. The Rider states that VEDO shall file an application with the Public Utilities Commission of Ohio ("PUCO") requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed. VEDO has projected its net uncollectible expenses through April 2009 and has added to that projection the existing deferred balance in the Uncollectible Expense Rider account. The sum of these two components, divided by projected volumes for the 12-month period

May 2008 through April 2009, yields the proposed revised Rider rate. The proposed revised Rider rate is more than ten percent less than the currently effective rate.

6. The portion of the proposed Rider rate attributable to estimated uncollectible expense is derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.
7. The resulting rate of \$0.1165 per Mcf is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 3 to this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new Uncollectible Expense Rider rate

Respectfully submitted,



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

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2007 Annual Balance Reconciliation

Line No.	Description	January 07	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month (a)	\$ 4,143,022.50	\$ 3,651,104.96	\$ 2,578,318.38	\$ 1,476,022.46	\$ 1,405,817.89	\$ 1,069,842.06	\$ 1,340,247.16	\$ 938,221.05	\$ 1,484,336.20	\$ 1,743,187.16	\$ 2,012,309.80	\$ 1,879,705.93	
2	Bad Debt Write Off	807,353.32	871,810.09	132,463.13	391,549.82	230,884.66	864,588.42	(182,668.16)	880,788.15	611,722.93	971,400.48	1,040,284.95	1,308,175.36	7,430,792.86
3	Recovery - Base Rates													
4	Recovery - Uncollectible Expense Rider (b)	542,375.59	1,173,468.98	591,612.29	465,817.80	148,382.06	116,555.34	128,735.09	146,608.64	138,838.75	295,525.58	668,304.63	1,128,348.17	6,831,652.81
5	Recovery - Other (c)	488,459.45	480,194.19	946,501.28	240,718.60	161,819.47	178,272.06	201,746.23	188,773.80	222,432.64	487,469.71	884,726.67	560,425.66	4,483,324.48
6	Incremental Uncollectible Expense [(c) - (3) - (4) - (5)]	(603,773.72)	(651,651.09)	(1,107,650.44)	(314,884.48)	(78,887.79)	(298,787.99)	(643,449.48)	(955,375.71)	(246,461.24)	(293,415.19)	(337,776.26)	(659,535.36)	(2,884,114.44)
7	Balance Subtotal [(a) + (b) + (c) - (6)]	3,539,643.76	2,960,333.90	1,470,887.94	1,161,838.00	1,086,530.13	1,368,600.04	925,707.68	1,494,608.76	1,737,787.44	2,066,602.36	1,674,533.66	1,310,960.57	
8	Carrying Charges [(1+7) X .65%] X .50 X (d)	11,341.20	8,984.48	5,854.84	3,879.80	3,311.02	3,647.12	3,423.37	3,739.43	5,399.72	5,707.46	6,172.32	4,413.07	64,974.57
9	Balance - End of Month [(7) + (8)]	\$ 3,551,184.96	\$ 2,978,318.38	\$ 1,476,742.78	\$ 1,165,717.80	\$ 1,089,841.15	\$ 1,382,247.16	\$ 929,131.05	\$ 1,498,348.20	\$ 1,743,187.16	\$ 2,072,309.80	\$ 1,679,705.93	\$ 1,314,425.63	\$ 12,826,139.87

(a) Excludes any deferred balances related to discontinued mountain.

(b) Calculated actual consumption since authorized rider rate.

(c) Consists of customer payments and service rebates.

(d) Monthly carrying charge rate

(e) Meter 2007 includes Gas Cost Recovery Reconciliation Rider (Case No. 02-220-GA-QCCT) remaining balance of \$277,140 refunded to customers.

(f) December 2007 includes Gas Cost Recovery Reconciliation Rider (Case No. 02-220-GA-QCCT) remaining balance of \$65,055.13 refunded to customers.

Gross Carrying Charges

Income Tax on Carrying Charges

Profit

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2008 Annual Balance Reconciliation

Line No.	Description	January 03	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month (a)	\$ 1,314,402.63	\$ 251,974.57	\$ (929,768.38)	\$ (1,942,640.34)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	-
2	Bad Debt Written Off	757,800.36	504,923.56	306,725.31	589,046.65									2,160,696.90
3	Recovery - Base Rates													-
4	Recovery - Uncollectible Expense Rider (b)	1,364,129.92	1,250,721.75	955,783.19	487,543.70									3,942,178.47
5	Recovery - Other (c)	458,434.96	435,238.77	356,180.29	344,884.57									1,597,555.59
6	Incremental Uncollectible Expense [(c * 4) + (d)]	(1,054,884.57)	(1,181,039.84)	(1,816,248.00)	(169,148.62)									(3,419,136.19)
7	Balance Subtotal [(1 + 2) - (3 + 4 + 5)]	249,818.11	(829,062.37)	(1,940,014.49)	(2,105,868.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(2,109,311.96)	(3,419,136.19)
8	Carrying Charges [(1 + 7) X .65%] X .50 X (d)	2,159.45	(708.01)	(2,895.88)	(3,245.00)									(4,655.40)
9	Balance - End of Month [(7 + 8)]	\$ 251,974.57	\$ (829,768.38)	\$ (1,942,640.34)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (2,109,311.96)	\$ (3,423,791.59)

(a) Excludes any deferred balances related to disconnection moratorium.

(b) Calculated actual consumption (less authorized floor rate).

(c) Computed of customer payments and agency assistance.

(d) Monthly carrying charge rate

(e) March 2007 includes Gas Cost Recovery Reconciliation Rider (Case No. 02-230-GA-GCR) remaining balance of \$277,140 refunded to customer.

(f) December 2007 includes Gas Cost Recovery Reconciliation Rider (Case No. 02-230-GA-GCR) remaining balance of \$63,085.13 refunded to customer.

Gross Carrying Charges

Income Tax on Carrying Charges

Proof

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2008

	<u>Amount</u>	<u>Applicable Volumes (Mcf)</u>	<u>Unit Rate /Mcf</u>
Deferred Uncollectible Expense Balance through April 2008	\$ (2,109,311.96)		
Projected Net Uncollectible Expense: May 2008 - April 2009	<u>\$ 6,425,090.00</u>		
Unit Rate on which to Collect	\$ 4,315,778.04	37,042,000	\$ 0.1165
Approved Rate Implemented Effective August 1, 2007			<u>\$ 0.1882</u>
Increase/(Decrease) in Total Uncollectible Expense Rider			<u>\$ (0.0717)</u>
Percentage Difference			-38.10%

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 2

Fourth Revised Sheet No. 39
Cancels Third Revised Sheet No. 39
Page 1 of 1

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

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 billed 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.

The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

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 is needed to adjust for prior period over or under collections.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.01165 per Ccf.

Filed pursuant to the Entry dated _____ in Case No. 08-____-GA-UEx of The Public Utilities Commission of Ohio.

Issued

Issued by Jerrold L. Ulrey, Vice-President

Effective

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UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

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 billed 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.

The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

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 is needed to adjust for prior period over or under collections.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.01165 per Ccf.

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Filed pursuant to the Entry dated _____, in Case No. 08-_____, GA-UEx of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective, _____