

BEFORE


THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren)
Energy Delivery of Ohio, Inc. for Approval) Case No. 08-653-GA-UEx
of an Adjustment to its Uncollectible)
Expense Rider Rate.)

ENTRY

The Commission finds:

- (1) By Finding and Order dated December 17, 2003 in Case No. 03-1127-GA-UNC (Order), the Commission approved, in concept, an application brought jointly by five natural gas companies, including Vectren Energy Delivery of Ohio, Inc. (Vectren), that proposed to alter the method by which the five recover uncollectible accounts expense. The Order also provided discussion on several tangential issues and guidance as to implementation and reporting.
- (2) Vectren's current uncollectible expense rider rate was approved on August 1, 2007 in Case No. 07-658-GA-UEx. The current rider rate is \$0.01882 per Ccf.
- (3) On May 29, 2008, Vectren filed the instant application to revise its existing uncollectible expense rider rate. The proposed rate decreases to \$0.01165 per Ccf. Staff reviewed the application and, on June 20, 2008, filed its comments recommending approval.
- (4) The Commission has reviewed the application and Staff's filed comments and finds that the application of Vectren is reasonable and in the public interest and should be approved.
- (5) The Staff's comments also recommend that, in the next gas cost recovery financial audit for Vectren, that Vectren's independent financial auditor should examine the monthly uncollectible expense balances and write-offs and recoveries for 2007 and that any required adjustments or corrections be considered in the next UEX rider application. Additionally, Staff recommends that the auditor randomly sample customers whose balances have been written-off to determine if the write-offs were timely and how subsequent payments were accounted for. Finally, Staff recommends that the auditor shall reconcile the \$10,417

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discrepancy identified in the Deloitte and Touche LLP January 9, 2008 report entitled "Financial Audit and Audit of Uncollectible Expense Rider: Independent Accountants' Report on Applying Agreed-upon Procedures". The Commission finds that these recommendations are reasonable and should be adopted.

It is, therefore,

ORDERED, That Vectren is authorized to revise the rate for its uncollectible expense rider to \$0.01165 per Ccf. It is, further,

ORDERED, That Vectren is authorized to file complete copies of tariffs in final form consistent with this Entry. Vectren shall file one copy within its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR), and one copy in this case docket. It is, further,

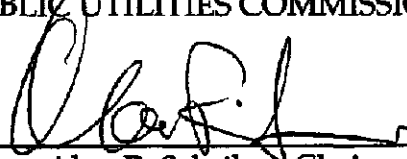
ORDERED, That the effective date of the new tariffs shall be a date not earlier than both the date of this Entry and the date upon which final tariffs are filed with the Commission. The new tariffs shall be effective for services rendered on or after such effective date. It is, further,

ORDERED, That, in Vectren's next gas cost recovery audit and next uncollectible expense rider application, Vectren's independent financial auditor shall perform the reviews described in this Entry. It is, further,

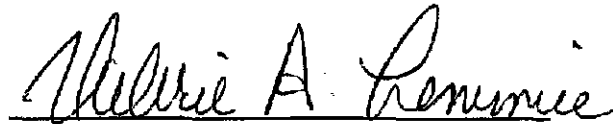
ORDERED, That nothing in this Entry shall be binding upon this Commission in any further proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record in these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman


Paul A. Centolella
Ronda Hartman Fergus
Valerie A. Lemmie
Cheryl L. Roberto

TP:js

Entered in the Journal

JUL 02 2008



Renee J. Jenkins
Secretary