

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren)
Energy Delivery of Ohio, Inc. for Approval)
of a General Exemption of Certain Natural) Case No. 07-1285-GA-EXM
Gas Commodity Sales Services or)
Ancillary Services.)

FINDING AND ORDER

The Commission finds:

- (1) On December 21, 2007, Vectren Energy Delivery of Ohio, Inc. (VEDO) filed an application pursuant to Section 4929.04, Revised Code, for approval of a general exemption of certain natural gas commodity sales from certain provisions contained in Chapters 4905, 4909, 4933, and 4935, Revised Code. The application also requested approval of an exit transition cost rider as well as accounting authority necessary for implementation.
- (2) On February 4, 2008, VEDO filed a Joint Stipulation and Recommendation (Stipulation) for approval by the Commission. The Stipulation addressed all issues in the proceeding and was either signed or not opposed by all parties in the case.
- (3) On April 30, 2008, the Commission issued its Opinion and Order in this proceeding (Order), whereby the Commission approved and adopted the Stipulation in its entirety. The Commission also ordered VEDO to file a notice of intent to implement Phases 1 and 1.5, to file its rate schedules, to file in final form revised tariffs consistent with the Order, and to notify all affected customers on a timely basis, among other things.
- (4) On July 3, 2008, VEDO filed a document entitled "Amendment to Joint Stipulation and Recommendation" (Amendment) based upon continuing discussions within VEDO's Exit Working Group. The Amendment contains refinements to the approved tariffs and the program outline (Stipulation Exhibits A and B, respectively).
- (5) On July 9, 2008, VEDO filed a signature page in support of the proposed Amendment that was signed by eleven of the twelve original signatory parties to the Stipulation. VEDO asserted, in its cover letter, that the twelfth original signatory party did not object

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to the Amendment. One intervenor in the proceedings, which agreed to the original Stipulation in part and did not object to the remainder also, according to VEDO, did not object to the Amendment.

- (6) The Amendment submitted in this proceeding presents, for consideration by the Commission, revisions to the tariffs regarding the pricing of natural gas existing in storage, where that stored gas is sold back to VEDO or to succeeding Choice/SSO/SCO Suppliers in the event of withdrawal or termination from the program by a Choice/SSO/SCO Supplier. Additionally, the Amendment seeks to revise the tariffs by including a definition of "Panhandle Eastern Pipe Line Index" where none existed previously.
- (7) The Commission has reviewed the Amendment and finds that the proposed revised tariffs will improve the mitigation of risk on the part of ratepayers, VEDO, and the Choice/SSO/SCO Suppliers in the event of the withdrawal or termination from the program by a Choice/SSO/SCO Supplier by providing more price certainty associated with supplies in storage upon reversion. This is accomplished by pricing those supplies at the original transfer price through the end of the 2008-2009 winter heating season, in essence making the parties to the transaction whole. With the period beginning April 1, 2009, the proposed revised tariffs price any supplies in storage at the then-applicable pipeline index price. Taken together, these proposed changes to the tariff language provide substantial mitigation of risk among the parties and minimize or eliminate any disincentives by a Choice/SSO/SCO Supplier who withdraws or is terminated from the program.
- (8) The Commission finds the Amendment to be reasonable and in the public interest. It should be approved.

It is, therefore,

ORDERED, That the Stipulation submitted in this proceeding is modified as set forth in the Amendment. It is, further,

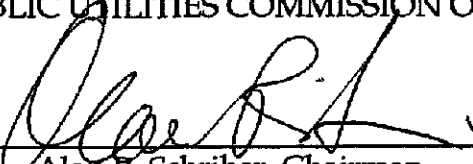
ORDERED, That VEDO be authorized to file in final form four complete copies of the tariff as amended, consistent with this Finding and Order. VEDO shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this case docket. The remaining two copies shall

be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That the effective date of the new tariffs shall be for services rendered after the date upon which four complete copies of the final tariffs are filed with the Commission. It is further,

ORDERED, That a copy of this finding and order be served upon each part of record and all other interested persons 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:sm

Entered in the Journal

JUL 23 2008



Renee J. Jenkins
Secretary