

**FILE**

**OCC EXHIBIT NO.** \_\_\_\_\_

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of )  
Vectren Energy Delivery of Ohio, Inc., for ) Case No. 07-1080-GA-AIR  
Authority to Amend its Filed Tariffs to )  
Increase the Rates and Charges for Gas )  
Services and Related Matters. )

In the Matter of the Application of )  
Vectren Energy Delivery of Ohio, Inc., for ) Case No. 07-1081-GA-ALT  
Approval of An Alternative Rate Plan for )  
a Distribution Replacement Rider to )  
Recover the Costs of a Program for the )  
Accelerated Replacement of Cast Iron )  
Mains and Bare Steel Mains and Service )  
Lines, a Sales Reconciliation Rider to )  
Collect Difference Between Actual and )  
Approved Revenues, and Inclusion in )  
Operating Expense of the Costs of Certain )  
Reliability Programs. )

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**DIRECT TESTIMONY  
of  
MARIA T. DURBAN**

**ON BEHALF OF THE  
OFFICE OF THE OHIO CONSUMERS' COUNSEL  
10 West Broad St., Suite 1800  
Columbus, OH 43215**

**July 23, 2008**

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## **ATTACHMENTS**

MTD-1	Vectren response to OCC Interrogatory No. 462d
MTD-2	Vectren response to OCC Interrogatory No. 230
MTD-3	The Vectren Energy Delivery Company, Customer Service Audit Report
MTD-4	Vectren Energy Delivery, PUCO Investigation & Audit Division, Customer Service Audit Data Request, October, 26, 2007
MTD-5	Vectren response to OCC Interrogatory No. 471
MTD-6	Vectren response to OCC Interrogatory No. 194

1    **I.        INTRODUCTION**

2

3    ***Q1.    PLEASE STATE YOUR NAME, ADDRESS AND POSITION.***

4    ***A1.***    My name is Maria T. Durban. My business address is 10 West Broad Street, 18<sup>th</sup>  
5            Floor, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio  
6            Consumers' Counsel ("OCC") as a Compliance Analyst Coordinator for two  
7            divisions in the agency, the Operations Department and the Consumer Services  
8            Division ("CSD").

9

10   ***Q2.    WOULD YOU PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***  
11   ***PROFESSIONAL EXPERIENCE?***

12   ***A2.***    In 2007, I graduated from the Central Michigan University with a Masters of  
13            Science Degree in Administration (concentration Human Resources). I am also a  
14            graduate of the Florida State University with a Bachelors of Science in  
15            Criminology. Since 2001, I have held the positions of Compliance Investigator,  
16            Team Lead, and Compliance Analyst Coordinator at OCC.

17

18   ***Q3.    WHAT ARE YOUR RESPONSIBILITIES AS A COMPLIANCE ANALYST***  
19   ***COORDINATOR?***

20   ***A3.***    As a Compliance Analyst Coordinator, I have dual responsibilities. My  
21            responsibilities include leading and coordinating staff (Compliance Analysts and  
22            Compliance Investigators) activities within the department, managing compliance  
23            support projects identified by the CSD, and directing the daily operations of staff,  
24            while monitoring complaint processing and maintaining quality customer support

*Direct Testimony of Maria T. Durban  
On Behalf of the Office of the Ohio Consumers' Counsel  
PUCO Case No 07-1080 GA-AIR et al.*

1 services. I am also responsible for providing employees continuous coaching and  
2 development in customer service, documentation of investigative records, and  
3 working knowledge of utility laws, rules, tariffs, and service standards.  
4

5 In addition, I serve as a department liaison for CSD in natural gas industry  
6 meetings and I also advocate for a variety of affordable quality utility services at  
7 other internal and external industry meetings.  
8

9 I have participated in proceedings such as, but not limited to, the Minimum Gas  
10 Service Standards ("MGSS") and the Competitive Retail Natural Gas Rules.  
11

12 ***Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS***  
13 ***COMMISSION?***

14 ***A4.*** No. However, I participated in the development of testimony in East Ohio Gas  
15 Company, Case No. 07-829-GA-AIR<sup>1</sup> by conducting research and helping  
16 develop related issues.  
17

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<sup>1</sup> *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Authority to Increase Rates for its Gas Distribution Service, Case No. 07-829-GA-AIR , Williams Prefiled Direct Testimony (June 28, 2008).*

1    **II.    PURPOSE**

2

3    ***Q5.    WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***  
4    ***PROCEEDING?***

5    ***A5.***    My testimony supports OCC Objections 56-61 to the Staff Report and addresses  
6    the issues raised by those objections as they relate to residential customers' needs.

7

8    ***Q6.    WHAT ARE YOU RECOMMENDING?***

9    ***A6.***    I recommend that Vectren Energy Delivery of Ohio ("Vectren" or "VEDO" or  
10    "Company") be ordered to extend residential customers additional payment  
11    arrangements and payment options to assist them in retaining and maintaining  
12    natural gas utility service. In addition, I recommend that the following specific  
13    practices of Vectren be improved or changed: additional guarantor options,  
14    requests for social security numbers, long bill cycles, and billing of security  
15    deposits. Finally, I recommend limiting the charge for accepting payment at the  
16    door when customers pay to avoid disconnection.

17

18    ***Q7.    WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF***  
19    ***YOUR TESTIMONY?***

20    ***A7.***    I have reviewed the Vectren Rate Case Application, proposed tariffs, the  
21    testimony of Company witness Kerry A. Heid, responses to OCC discovery, the  
22    MGSS, Ohio Administrative Code 4901:1-17 and 4901:1-18, and the Public  
23    Utilities Commission of Ohio ("PUCO" or "Commission") Staff Report.

1    **III.    GUARANTOR OPTION (OCC objection No. 61)**

2

3    ***Q8.    WHAT IS A GUARANTOR OPTION?***

4    ***A8.***    My understanding of the Ohio Administrative Code 4901:1-17-02 is that  
5            customers can demonstrate credit worthiness through a third party (guarantor) that  
6            assumes financial responsibility for the account if the customer of the utility fails  
7            to make payments.

8

9    ***Q9.    IS VECTREN REQUIRED BY THE PUCO TO OFFER THE GUARANTOR***  
10           ***OPTION TO RESIDENTIAL CUSTOMERS WHO HAVE BEEN***  
11           ***DISCONNECTED FOR NON-PAYMENT?***

12   ***A9.***    No. However, my understanding of the Ohio Administrative Code is that the  
13            PUCO does not prohibit utilities from accepting guarantors so that customers can  
14            reestablish service. In fact, the Ohio Administrative Code states, "If the company  
15            requires a guarantor in order to reestablish service, the guarantor shall sign an  
16            acknowledgement that he/she is willing to accept the responsibility to secure  
17            payment of the customer's bill in an amount sufficient for a sixty-day supply of  
18            service."<sup>2</sup> This seems to be a reasonable practice as a means to help avoid  
19            continued loss of utility services.

20

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<sup>2</sup> Ohio Admn. Code 4901:1-18-06(D).

1   ***Q10. DOES VECTREN OFFER THE GUARANTOR OPTION TO RESIDENTIAL***  
2                   ***CUSTOMERS WHO HAVE HAD SERVICE DISCONNECTED FOR NON-***  
3                   ***PAYMENT?***

4   ***A10.*** No. According to Vectren's response to OCC Interrogatory No. 462, the  
5           Company does not offer a customer whose service has been disconnected for non-  
6           payment the option of providing a guarantor to reestablish creditworthiness.<sup>3</sup>  
7           Therefore, these customers are afforded a single alternative in the form of a cash  
8           deposit to obtain access to essential natural gas service.

9  
10   ***Q11. DO YOU HAVE RECOMMENDATIONS CONCERNING THIS ISSUE?***

11   ***A11.*** Yes. The Company should offer residential customers whose service has been  
12           disconnected for non-payment an opportunity to provide a guarantor for  
13           reconnection of their natural gas service.

14  
15   ***Q12. WHAT IS THE BASIS OF YOUR RECOMMENDATION?***

16   ***A12.*** Rising energy costs and the state of the economy in Ohio are resulting in many  
17           customers having greater difficulty paying utility bills.<sup>4</sup> The fact that a  
18           customer's utility service was disconnected for non-payment is, in itself, a good  
19           indication that the customer cannot afford his/her service. Customers on fixed  
20           incomes and low-income customers are especially at risk to rising energy costs  
21           and face an even more difficult struggle in paying gas bills. When service is

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<sup>3</sup> Vectren response to OCC Interrogatory No. 462d at p. 5 of 12 (Attachment MTD-1).

<sup>4</sup> *Impact of Higher Natural Gas Prices on Local Distribution Companies and Residential Customers*, Energy Information Administration, August 2007.

1 disconnected, these customers face an even greater hardship when they have to  
2 find the financial means to reconnect service. The costs of reconnecting service  
3 include the past due charges, the \$40 reconnection charge<sup>5</sup> and potentially a  
4 deposit. The deposit is an unnecessary hardship when there are other equally  
5 appropriate ways to demonstrate financial responsibility like a guarantor. If the  
6 ability to pay a deposit is not available, obtaining a guarantor may be the  
7 customer's only viable option for obtaining service. Additionally, the use of  
8 guarantors by other gas utilities is not unheard of. It is my understanding that  
9 Columbia Gas of Ohio and Dominion East Ohio Gas offer the guarantor option to  
10 customers that are requesting to reestablish their service.

11 I recommend that the Commission require Vectren to provide residential  
12 customers whose service has been disconnected for nonpayment the option of  
13 providing a guarantor to reestablish their service.

14  
15  
16 **IV. PAYMENT PLANS (OCC OBJECTION NO. 57)**

17  
18 ***Q13. WHAT IS AN EXTENDED PAYMENT PLAN?***

19 ***A13.*** An extended payment plan is an option that is made available to customers that  
20 fall behind in payments to avoid further delinquency.

21  

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<sup>5</sup> VECTREN ENERGY DELIVERY OF OHIO, INC., Tariff for Gas Service, P.U.C.O. No. 2, Original Sheet No. 30, Page 1 of 2, Effective April 13, 2005.



1   ***Q14. IS THE COMPANY REQUIRED TO OFFER PAYMENT PLANS UNDER***  
2       ***THE OHIO ADMINISTRATIVE CODE?***

3   ***A14.*** Yes. The Company is required to offer a one-sixth plan and/or a one-third plan to  
4       customers. The one-sixth plan requires payment of the delinquent balance in six  
5       equal payments along with current charges. The one-third plan is required in the  
6       winter months and requires payment of one-third the total account balance. In  
7       addition, the Commission rules state that the Company, “\* \* \* will make extended  
8       payment arrangements appropriate for both the customer and the company.”<sup>6</sup>  
9       This rule recognizes that utilities and customers need to work together to find  
10      ways to maintain utility services and avoid the consequences of disconnection for  
11      non-payment.

12  
13   ***Q15. WHAT TYPES OF PAYMENT PLANS DOES THE COMPANY OFFER?***

14   ***A15.*** Vectren currently offers a variety of payment plans and options to the customers it  
15      serves. Vectren offers a ten-day extension to all eligible customers. Vectren’s  
16      ten-day extension option provides eligible customers unlimited opportunities to  
17      extend the bill due date to 10 days. The company’s eligibility criteria for the ten-  
18      day extension includes: “the bill must be current, the account cannot have two  
19      disconnect notices in the past twelve months, the customer cannot be on bank  
20      draft, and the customer must agree to pay their current bills on time.”<sup>7</sup>

21

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<sup>6</sup> Ohio Administrative Code 4901:1-18-04.

<sup>7</sup> Vectren Response to OCC Interrogatory No. 230 (Attachment MTD-2).

1 In addition, customers who receive Social Security benefits are afforded the  
2 opportunity to select a due date that coincides with the receipt of their pension.  
3 The Commission also currently requires the one-third and one-sixth payment  
4 plan, as well as the Percentage of Income Payment Plan ("PIPP") program to help  
5 low-income customers avoid disconnection.

6  
7 ***Q16. ARE ADDITIONAL PAYMENT PLANS AND OPTIONS NEEDED IN***  
8 ***ORDER TO HELP REDUCE DELINQUENCY AND DISCONNECTION OF***  
9 ***SERVICE AMONG RESIDENTIAL CUSTOMERS?***

10 ***A16.*** Yes. Vectren serves approximately 293,000 residential customers in Ohio in  
11 several economically challenged counties. Even though there is a declining trend  
12 in the number of residential accounts that have been disconnected for non-  
13 payment as of 2008, the number of residential customers that are receiving  
14 disconnection notices (as shown in Table 1) is on the rise. This means that the  
15 Company needs to have a heightened sensitivity for working with customers to  
16 find affordable payment plans. There is not a payment plan that should be  
17 characterized as a one size fits all because customers are facing different  
18 economic struggles.

Table 1<sup>8</sup>

**Number of Residential Disconnection Notices Sent by Month  
Vectren's OSCAR Report Column 10.1**

<u>2006</u>		<u>2007</u>		<u>2008</u>	
Jan	40,746	Jan	45,528	Jan	51,001
Feb	54,312	Feb	48,188	Feb	54,145
Mar	44,713	Mar	50,788	Mar	57,082
April	53,517	April	56,144	Apr	58,212
May	49,322	May	51,591	May	39,782
June	33,313	June	40,254		
July	30,055	July	31,528		
Aug	25,123	Aug	27,445		
Sept	21,287	Sept	21,606		
Oct	19,053	Oct	20,205		
Nov	23,322	Nov	18,581		
Dec	39,786	Dec	37,526		
<hr/>		<hr/>		<hr/>	
Total	434,549		449,384		260,222

***Q17. WHAT OTHER PAYMENT PLANS SHOULD BE PROVIDED FOR  
RESIDENTIAL CUSTOMERS?***

***A17.*** In these dire economic times, the goal should be to eliminate disconnections for non-payment by finding payment plans that work for the customer and the Company. I believe that this ability to develop customized plans is certainly the intent of the PUCO rules as outlined in O.A.C. 4901:1-18-04. The Commission-ordered one-sixth and/or one-third payment plans should be a last resort to the plethora of options available to consumers. The Company should also consider variations to the one-third and one-sixth payment plan, such as a twelve-month

<sup>8</sup> Disconnection data obtained from the PUCO OSCAR Reports.

1 payment plan where customers pay default amounts in monthly installments. The  
2 Company should assess extending the option of choosing a different due date to  
3 residential customers (including recipients of SSI, etc.) who receive income once  
4 a month and have no control over when their pension and/or payroll is processed.  
5 Moreover, Vectren should explore modifying its current 10-day due date  
6 extension. Vectren should extend the payment due date to the date prior to the  
7 issuance of the next billing statement. These options could further reduce the  
8 delinquency rate among customers, provide better budget management tools for  
9 consumers, and reduce the costs associated with disconnections for non-payment.

10  
11 ***Q18. ARE THERE OTHER EXTENDED PAYMENT PLAN ISSUES THAT***  
12 ***SHOULD BE ADDRESSED?***

13 ***A18.*** Yes. According to the Staff Report and the Company tariffs, Vectren currently  
14 assesses a late payment charge "equal to 1.5% of the total arrears to all non-PIPP  
15 customers."<sup>9</sup> OCC has outstanding discovery (Interrogatory Nos. 529, 530, 531,  
16 and 532 were due on July 18, 2008) to determine whether the late payment charge  
17 is assessed on balances that are included within payment plans. If the late  
18 payment charge is assessed on these balances, the resulting effect could make  
19 catching up on delinquent bills even more difficult for consumers. Thus, I  
20 recommend that the late payment charge not be applied to customers within the  
21 payment plans.

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<sup>9</sup> The Vectren Energy Delivery Company, Customer Service Audit Report report at 4, obtained during OCC's review of Staff report work papers (Attachment MTD-3).

1     **V.       REQUESTS FOR SOCIAL SECURITY NUMBERS**

2

3     ***Q19. DOES THE COMPANY REQUEST SOCIAL SECURITY NUMBERS***  
4     ***DURING THE APPLICATION PROCESS FOR NEW SERVICE?***

5     ***A19.*** Yes. Vectren not only routinely requests Social Security numbers from those  
6     applying for new service, but Vectren also requests social security numbers from  
7     all adults living at the household.<sup>10</sup>

8

9     ***Q20. ARE SOCIAL SECURITY NUMBERS REQUIRED TO PROCESS A***  
10    ***CUSTOMER'S REQUEST TO OBTAIN NEW SERVICE?***

11    ***A20.*** No. The Company confirmed that a "social security number is not required but is  
12    requested" during the application process for new service.<sup>11</sup>

13

14    ***Q21. DOES THE OHIO ADMINISTRATIVE CODE PERMIT VECTREN TO DO***  
15    ***THIS?***

16    ***A21.*** The PUCO rules provide customers with several ways to demonstrate financial  
17    responsibility including a) providing proof of ownership of the residence where  
18    utility services will be rendered, b) satisfactorily demonstrating he/she is not a  
19    credit risk, c) providing proof that he/she had good payment performance within  
20    24-months of the application date for the same class or type of utility services, d)  
21    providing payment of a security deposit, and/or e) securing a guarantor that will

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<sup>10</sup> Vectren's response to OCC Interrogatory No. 462d, at 1, slide 4 (Attachment MTD-1)

<sup>11</sup> Vectren Energy Delivery, PUCO Investigation & Audit Division, Customer Service Audit Data Request, October, 26, 2007, at p. 8, obtained during OCC's review of Staff work papers (Attachment MTD-4).

1           agree to be held responsible for 60 days of service.<sup>12</sup> The rules do not specifically  
2           address the need for releasing Social Security numbers to establish new service.  
3

4   ***Q22. WHY DOES THE COMPANY REQUEST SOCIAL SECURITY NUMBERS?***

5   ***A22.*** Vectren indicates that it requests this information for several  
6           reasons, including to conduct credit checks on new customers if the customer  
7           selects the credit check criteria, and to conduct a "Bad Debt Search."<sup>13</sup> During  
8           the application process for new service, Vectren also requests the names and  
9           Social Security numbers of adults residing at the service address.<sup>14</sup>  
10

11   ***Q23. DOES VECTREN SECURE AND/OR LIMIT ACCESS TO SOCIAL***  
12   ***SECURITY NUMBERS?***

13   ***A23.*** The Company has not provided information as to how it secures and/or limits  
14           access to customer information (i.e., Social Security number). A response to OCC  
15           Interrogatory No. 546 is due on July 23, 2008. Supplemental testimony may be  
16           offered once OCC receives a response from Vectren.  
17

18   ***Q24. HOW CAN INADVERTENT DISCLOSURE OF SOCIAL SECURITY***  
19   ***NUMBERS ADVERSELY AFFECT PERSONS WHO HAVE PROVIDED***  
20   ***THEM?***

---

<sup>12</sup> Ohio Admin. Code 4901:17-03 (A)

<sup>13</sup> Vectren response to OCC Interrogatory No. 462d at 3, slide 15 (Attachment MTD-1) ; Vectren Energy Delivery, PUCO Investigation & Audit Division, Customer Service Audit Data Request, October, 26, 2007, at p. 8, 9b and 9c, obtained during OCC's review of Staff work papers (Attachment MTD-4)

<sup>14</sup> Vectren response to OCC Interrogatory No. 462d at 1, slide 4 (Attachment MTD-1).

1   **A24.** Inadvertent disclosure of this information may increase a person's risk of  
2       becoming a victim of identity theft and/or fraud. Vectren's policy to request  
3       Social Security numbers when it is unnecessary is contrary to the public education  
4       messages being advanced by the Ohio Attorney General. For example, the Ohio  
5       Attorney General publishes educational materials in order to help prevent identity  
6       theft and/or fraud. This information encourages the public to "Release your  
7       Social Security number only when absolutely necessary or when required by law  
8       (such as tax forms; employment records; banking, stock, or property transactions;  
9       driver's, marriage, or professional license applications; etc."<sup>15</sup> Vectren's request  
10      for Social Security numbers from customers does not seem to comply with the  
11      Attorney General's warnings.

12  
13   **Q25. WHAT IS YOUR RECOMMENDATION CONCERNING LIMITS ON WHEN**  
14   **THE COMPANY CAN REQUEST SOCIAL SECURITY NUMBERS?**

15   **A25.** If the Social Security number is not needed to demonstrate financial  
16      responsibility, it should not be requested. In the alternative, the Commission  
17      should require Vectren to modify the order of questions that are posed during the  
18      application process. For instance, the Company should not ask, "May I have your  
19      Social Security Number (tax ID when commercial) please?" until the customer  
20      has been informed of the deposit options and the customer affirmatively selects  
21      the use of a credit inquiry.<sup>16</sup>

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<sup>15</sup> "Protect Yourself Against Identity Theft." Accessed on July 10, 2008, from  
<http://www.ag.state.oh.us/victim/pubs/identitytheft.pdf>.

<sup>16</sup> See Vectren response to OCC Interrogatory No. 462d at 1, slides 4 and 6 (Attachment MTD-1).

1

2        Additionally, Vectren should cease its practice of requesting Social Security  
3        numbers from all household members. If a Social Security number is needed to  
4        obtain service, then only the Social Security number of the customer should be  
5        requested, and not the Social Security number of others in the household.

6

7        **VI.    LONG BILL CYCLES (OCC OBJECTION NO. 58)**

8

9        ***Q26.    WHAT IS A BILLING CYCLE?***

10       ***A26.***    The billing cycle refers to the number of days in which usage is being billed to the  
11       consumer. It is my understanding that Vectren bills its customers on a service-  
12       rendered basis.

13

14       ***Q27.    PLEASE DESCRIBE THE FREQUENCY IN WHICH BILLS ARE***  
15       ***SUPPOSED TO BE RENDERED TO RESIDENTIAL CUSTOMERS***  
16       ***PURSUANT TO THE MGSS.***

17       ***A27.***    My understanding of the Ohio Administrative Code 4901:1-13-11(B) is that bills  
18       have to be rendered at regular intervals. The general industry standard in Ohio  
19       for all of the major gas companies is that bills are rendered on a monthly basis.  
20       Review of the Vectren tariff reveals that "Under normal conditions, Bills for Gas  
21       Service will be rendered monthly."<sup>17</sup> Receiving bills on a monthly basis is  
22       important for consumers as a way to prevent falling behind in payments.

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<sup>17</sup> VECTREN ENERGY DELIVER OF OHIO, Inc., Tariff for Gas Service, P.U.C.O. No. 2, Original Sheet No. 62, Page 1 of 3, Effective April 13, 2005.



1

2   ***Q28. DOES VECTREN RENDER BILLS FOR PERIODS OF TIME THAT ARE***  
3   ***GREATER THAN 30 DAYS AND HOW DOES THIS AFFECT***  
4   ***CUSTOMERS?***

5   ***A28.*** Yes. In 2007 and 2008, the company issued 1,522,877 and 1,495,055 bills,  
6       respectively for periods longer than 30 days.<sup>18</sup> It is unknown at this time whether  
7       the bills the company issued represent both residential and non-residential  
8       accounts. However, factors that contribute to a billing period that is longer than  
9       30 days can include meter reading schedules, staffing shortfalls, and holidays.  
10      OCC has outstanding discovery (Interrogatory Nos. 540, 541, and 542 are due on  
11      July 23, 2008) to determine the number of residential customer bills rendered for  
12      billing periods longer than 30 days, why billing periods are longer than 30 days,  
13      and the number of residential billing periods. Supplemental testimony may be  
14      offered once OCC receives a response from Vectren. Longer billing cycles can  
15      mean larger monthly bills and this can be problematic especially in the winter  
16      months when natural gas usage and the amount of bills tend to be at their highest.

17

18   ***Q29. WHAT IS YOUR RECOMMENDATION REGARDING THIS ISSUE?***

19   ***A29.*** The Company should offer residential customers affected by a bill cycle greater  
20      than 30 days customized payment plans to help them manage their natural gas  
21      bills. In addition, if the Company knows beforehand that the billing cycle is  
22      going to be longer than 30 days, the customer should be given the option to call-in  
23      a meter read for determining the amount of the bill.

**VII. BILLING OF SECURITY DEPOSITS (OCC OBJECTION NO. 56)**

**Q30. PLEASE DESCRIBE VECTREN'S BILLING PRACTICES FOR SECURITY DEPOSITS.**

**A30.** Vectren requires a security deposit if the customer is unable to demonstrate creditworthiness using one of the other options identified in the Ohio Administrative Code 4901:1-17-02. Vectren's response to OCC discovery indicates that a security deposit amount is 130 percent of the average bill amount at the premise.<sup>19</sup> The same response also indicates that customers are required to pay the security deposit before service is turned on at a customer's premise and that payment arrangements are not offered on security deposits.<sup>20</sup>

**Q31. HOW CAN THE LACK OF BILLING DEPOSITS IN MULTIPLE INSTALLMENTS AFFECT RESIDENTIAL CUSTOMERS?**

**A31.** Given that deposits are traditionally determined based on the residence's average consumption history and not the consumption patterns of the customer who is applying for new service, the lack of payment plans and/or options for payment of a security deposit prior to initiating service could create a significant financial burden for customers seeking access to essential utility services.

**Q32. WHAT RECOMMENDATIONS DO YOU HAVE FOR BILLING DEPOSITS?**

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<sup>18</sup> Vectren response to OCC Interrogatory No. 471 (Attachment MTD-5).

<sup>19</sup> Vectren response to OCC Interrogatory No. 462d at 3, slide 16 (Attachment MTD-1).

<sup>20</sup> Id. at slide 20.

1    **A32.** In order to make security deposits more economical for residential customers, the  
2           company should help customers secure service by allowing for security deposits  
3           to be billed in no less than 2 installments to coincide with the monthly natural gas  
4           bill due date.

5

6    **VIII. COMPANY COSTS FOR ACCEPTING PAYMENTS AT THE PREMISE**  
7       **(OCC OBJECTION NO. 59)**

8

9    **Q33. PLEASE DESCRIBE VECTRENS PROPOSED "COLLECTION CHARGE**  
10       **AT THE DOOR".**

11   **A33.** The Company is proposing a \$17 "Collection Charge at the Door" in order "to  
12       recover the costs of Vectren employees taking payment at Customer's premises to  
13       avoid disconnection."<sup>21</sup> According to the Vectren witness Heid's Direct  
14       Testimony, the "Collection Charge will be assessed to a Customer when a VEDO  
15       service team has been dispatched to disconnect a Customer's service for non-  
16       payment but has received the Customer's past-due payment immediately prior to  
17       the scheduled disconnection. Since the disconnection was not made, the  
18       Reconnect Charge is not applicable. The proposed Collection Charge will  
19       compensate VEDO for sending a service team to the Customer's premise and  
20       collecting the past-due bill prior to the scheduled disconnection."<sup>22</sup>

21

---

<sup>21</sup> Heid's Prefiled Direct Testimony at 16, lines 28-30.

<sup>22</sup> Id. at p. 16-17.

1 ***Q34. HOW MANY TIMES DID COMPANY EMPLOYEES ACCEPT PAYMENT***  
2 ***AT THE CUSTOMER'S RESIDENCE?***

3     **A34.**   The following table illustrates a relatively small number of residential customers  
4           that made payment at the door to avoid disconnection and that would be required  
5           to pay the Collection Charge at the Door, had the proposed collection charge been  
6           in place:

Table 2<sup>23</sup>

Year	Number of Payments Accepted at a Residence
2005	2,243
2006	3,126
2007	1,918

10 Q35. HOW WILL VEDO COLLECT THE PROPOSED CHARGE FROM  
11 CUSTOMERS?

12 **A35.** Referring to Vectren witness Heid's testimony, it is unclear whether a payment of  
13 the Company's proposed "Collection Charge at the Door" will be billed or if this  
14 payment is collected at the door as needed to avoid disconnection.

16 Q36. WHAT ARE YOUR CONCERNS ABOUT THE PROPOSED "COLLECTION  
17 CHARGE AT THE DOOR"?

18 **A36.** A residential customer who is already experiencing financial hardship with the

<sup>23</sup> Vectren response to OCC Interrogatory No. 194 (Attachment MTD-6).

1 rising costs of energy and is/was able to make a payment to the Company to avoid  
2 disconnection, could face disconnection of service because he/she was not  
3 expecting to pay for an additional cost to maintain service. The disconnect  
4 notices provide the amount the customer needs to pay to avoid disconnection.  
5 There should not be another \$17 charge imposed on the customer at the last  
6 minute. As a result, customers will not only experience interruption of service,  
7 but they will also be affected by a higher out-of pocket expense to reconnect  
8 service. Payment of the aforementioned charge at the door during certain months  
9 of the year could constitute a violation of the Commission's Winter Reconnection  
10 Order. It is my understanding that during the winter heating season (October to  
11 April), the PUCO's Winter Reconnection Order prohibits disconnection of natural  
12 gas and electric service provided that a residential customer that is served by a  
13 regulated company makes a payment of no more than \$175 to avoid disconnection  
14 of service.

15  
16 ***Q37. WHAT ARE YOUR RECOMMENDATIONS TO ADDRESS THIS ISSUE?***

17 ***A37.*** Vectren should allow company representatives that are disconnecting service to  
18 continue accepting customer payments at the door to avoid the disconnection. At  
19 a minimum, the "Collection Charge at the Door" should be billed to customers in  
20 no less than two installment payments instead of requiring payment at the door.  
21 The Commission should also ensure that the proposed charge is not being  
22 imposed in addition to the amounts set forth in the Winter Reconnection Order.

1    **IX.    CONCLUSION**

2

3    ***Q37.   DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***


4    ***A37.   Yes. However, I reserve the right to incorporate new information that may***  
5       ***subsequently become available.***

**Case No. 07-1080-GA-AIR**

**Case No. 07-1081-GA-ALT**

**REQUEST FOR INTEROGATORIES**

**#462d**



# VECTREN



*Not just power. Possibility.*

## Everything Ohio

March 2002


## Overview

- Now that you have learned all policies and procedures pertaining to moves, we will cover the policies and procedures for Ohio.
- Most Ohio policies are very different from Indiana due to the fact that regulatory guidelines are established by the Public Utilities Commission of Ohio (PUCO).
- Policies that we will cover in this document:
  - Service Orders
  - Deposit Policy
  - Only Business Verification
  - Let's get moving!

## Application Process


- The first step in the application process is to determine whether or not the customer is an existing Vectren customer.
- There are three different scenarios when processing a move-in order:
  - Customer has had previous utility service with Vectren
  - Customer has had previous utility service with another utility provider
  - Customer has not had previous utility service
- Ask the customer:
  - "Have you had previous utility service with Vectren?"
- If the customer states "Yes", you should immediately ask:
  - "At what address?"
  - If the customer has had previous utility service with Vectren, we will utilize the same customer number if the customer is establishing service within the same territory.
- If the customer states "No", you should ask:
  - "Have you had service with another utility?"
- If the customer states "Yes", ask:
  - "And what is that address, please?"



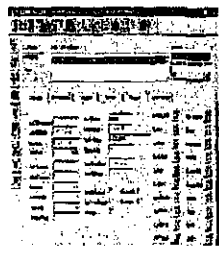
## Application Process Questions to Ask During a Move-In

The following are questions that must be answered to complete the application process:


- "Have you had any utility service in your home? (Phone, cable, water)"
- "May I have (name provided) your full name?"
- "May I have your Social Security Number (the ID when you're hired) please?"
- "What is the address you are moving from?"
- "Are you buying or renting at the address you are moving to?"
  - If renting, "What is the landlord's name and telephone number?"
  - "Where are you currently employed and how long? How many employees have you had in the last five years?"
- "Will there be any other adults living at the location?"
  - If "Yes", verify "May I have your names and SSN's please?"
- "What is your current telephone number? Cell phone number? Work phone number?" (Ask for all three)
- Advise the customer "Could you please bring with you for a moment, what I prefer some information?"



## Premises Verification



- If the Premises has been occupied previously, highlights the most current Premises record and Click on "CSR" button to view the ESR Interface.
- On ESR Interface:
  - Verify what services are available in the Services Window
  - Check Meters
  - Check for Pending Service Orders by accessing Premises Maintenance
  - If pending service order exists they may need to be cancelled



## Does the Customer need to pay a Deposit? New Ohio Customer Deposit Options


Advise the customer:

"Deposit is required to give you all of the services for establishing credit. You may pay when you get your first bill to use. Please hold your receipt until I have your payment at the office. The options are:

- You may pay a credit inquiry through Equifax
- You may own property
- You may provide a credit reference from another utility
- You may provide a guarantor letter
- You may pay a cash deposit

Which option would you like to use to pay?"

- If the customer has the selected option, please advise:
  - "You may not have any of the selected option at this time. Please advise you how to get another option or pay a deposit in the amount of \$100 ESR."





## Credit Reference - Residential

- In order to serve a prospect the customer may obtain a credit reference. The letter must come from another utility (gas or electric, cable, phone, water, etc.) where the customer had RESIDENTIAL service in the last 24 months. The letter must include the customer's payment history for the last 12 months they had service. An acceptable letter at least must meet the following qualifications:
  - The customer must not have had more than 2 late payments within 12 months of service.
  - The customer's service may not have been disconnected for non-payment during the preceding 12 consecutive months of service.
- When the customer calls, it is a credit reference you will place a 3030 service order. We will discuss this a little later in the document.



## Guarantor Letter - Residential

- The Guarantor Agreement is established per the Ohio Revised Code as a customer convenience and an alternative method of guaranteeing payment for gas, electric, water, and other services. Guarantors are assigned a rate of cash deposits to secure accounts for customers without previous Vectren utility service.
- The deposit may be waived if a Guarantor Letter is provided to secure payment of bills. The Guarantor is responsible for up to 60 percent of the Guarantor's bill if the Guarantor's share is transferred to the Guarantor's account and the annual returns are paid. The Guarantor's service may be disconnected after a 30 day notice when they are a Vectren customer.
- The Guarantor liability option is not offered to commercial/industrial accounts. A commercial account may not have a residential address.
- When the customer signs to use a credit reference you will place a 3030 service order. We will discuss this a little later in the document.



## Guarantor Letter - Residential

- Requirements for Guarantor:
  - The Guarantor Agreement is mailed to the customer.
  - The Guarantor Agreement must be received and approved by VECTREN prior to turning service on for the Guarantor.
  - The Guarantor does not have to be an active VECTREN customer.
  - The Guarantor does not have to own real property.
  - The Guarantor must also prove creditworthiness with the two criteria offered to a customer. Credit and Collections will discuss the options with the potential Guarantor.
  - The Guarantor Letter must be received.



## New Ohio Customers

- When a new customer requests a move in, a letter will be generated with general information regarding the customer's gas service and Vectren account.
- Information contained in the letter includes:
  - Responsibility for Gas Piping
  - Contact information for the OUPS (Call Before You Dig) Network
  - Customer Rights and Responsibilities (including deposits, bill investigations, and recovery fees)
  - Financial Assistance
  - Payables
  - Identification of Vectren Personnel
  - Change Program
  - Contact information for both Vectren and the PUCO
- The letter is mailed to the Knowledge Site to view.



## Existing Ohio Vectren Customer Looking at Vectren History

Vectren will require a deposit if any of the following conditions apply:

- Customer has not made full payment or payment arrangement installments by the due date for two CONSECUTIVE bills during the preceding 12 months.
- Customer has been issued a disconnected notice for non-payment on two or more occasions during the preceding 12 months.
- If applicant for service was a customer during the preceding 12 months and had service disconnected for non-payment, a fraudulent practice, larceny or substantial nonconnection.

Note: For an Ohio customer who has been disconnected for non-payment, Vectren will not offer the Guarantor Letter option to re-establish creditworthiness.

Reminder: If Bad Debt or Past Due amounts exist, the utility amount and the deposit will need to be paid before service is turned on.



## Policy: Collecting Outstanding Balances (Via the Bad Debt Light Bulb)

### Bad Debt Collection Policy for 12

If the Debt is less than 4 years old: collect full balance prior to connection of service (Note: Deposit and Reconnect fees may apply).

If the Debt is greater than 4 years old: payment cannot be required prior to connection of service (Note: have a Follow Up to 5200 to advise Responsibility of the location of the customer, debt cannot be collected for new service after 4 years) While the new customer deposit process is determined if a deposit is required.

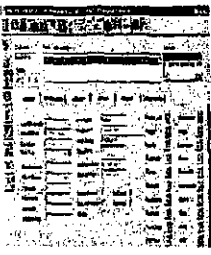
### Bad Debt Collection Policy for 24

If the Debt is less than 4 years old: collect full balance prior to connection of service (Note: Deposit and Reconnect fees may apply).

If the Debt is greater than 4 years old: issue a Follow Up to 5200 to advise Responsibility of the location of the customer and request to transfer the debt to the active account. Attempt to make an acceptable arrangement with the customer once the debt has been transferred. Note the terms of the arrangement in the follow up.



### Verify Customer Information and Check for Past Due Balance

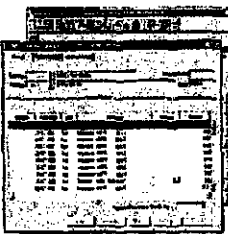


**Verify**

- Customer information is correct (Customer Maintenance)
- Customer has not paid what is on the Card (Service Status Query)
- Notes right button
- Find button
- Find button

VECTREN

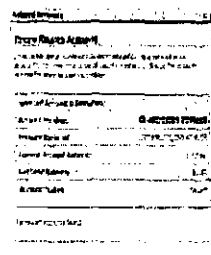
### Looking at Bad Debt Through the Ledger Card



- Click the 'Ledger Card' icon
- Ledger Card shows customer's bad debt
- The customer would be charged a deposit to move-in
- Deposit charged would be a minimum deposit as long as the last ledger entry was not a document

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### Bad Debt Search Customer Service Knowledge Portal



**Bad Debt Search**

Enter account number or customer name

Search

Results

- Account number
- Primary Customer (Customer)
- Transfer from Security
- Current Account Balance
- Bad Debt Balance (if applicable)
- Account Status

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### Deposit Amounts - Ohio

**Deposit Amounts - Ohio**

The Residential and Commercial deposit amount in Ohio is 10% of the average bill amount at the Program, effective for initial connection of service or reconnection for non-payment. To determine a deposit amount for a new Program, the average bill amount is calculated with the Budget Calculator Formula then multiplied by 10%.

### Deposit Refund Policy

**Deposit Refund - Ohio**

**RESIDENTIAL**

- Only Residential deposits are refunded when the customer bills that the entire bill term by the Utility Commission and the Utility.
- Other customers are eligible to request a refund after 9 consecutive months of timely payments - credit period of 24 or less.
- For an Ohio Customer - If VECTREN pays the deposit for more than 6 months, we will calculate and pay 10% of the deposit balance, starting at calculating the amount.

VECTREN

## Deposits for Establishing and Re-establishing Commercial Service

- If a deposit is required of an Ono Commercial customer, Vectren must advise the customer of the following:
  - The reason for the deposit
  - Options available to establish credit (Letter of Credit)
- What to Expect**
  - Any time a deposit is submitted for a Commercial Customer in Ohio, Vectren will send the customer a letter advising of the reason for the deposit.
  - Issue an L.A.A.D. (if placed to 5005 for a Commercial Deposit letter to be sent to the customer)
  - Include in the letter:
    - General Rules (Include Commercial Customer)
    - Amount to deposit
    - How the deposit may be paid
    - When your deposit is needed
  - If the customer chooses to provide a Letter of Credit upon receipt of the letter, and the Letter of Credit is approved, the customer's deposit will be applied back to the account. Any remaining credit will be credited back to the customer.



## Move In Script Deposit Decision

- If the customer does not owe a deposit under existing contract, be more lenient:
  - "Thank you for helping. There will be no deposit required"
  - Proceed with the move-in
- If the customer owes a deposit, and/or a past due balance, please advise:
  - Deposit required
    - "Thank you for helping. There will be a security deposit in the amount of \$500.00. We are able to establish payment at the location. To process your request today, you will need to pay that amount by phone. Would you like to pay by check or credit card?"
  - Deposit And past due balance required
    - "Thank you for helping. According to our records there is an outstanding balance of \$300.00. This as well as a security deposit in the amount of \$500.00 will need to be paid before we are able to arrange service at this location. Would you like to pay that check or credit card?"
    - If yes, proceed with the move-in



## Move In Script Deposit Required Customer is NOT Able to Pay by Phone

- If no: "Do you know when you will be able to make this payment?"
- If customer cannot make payment:
  - Continue processing the order. The order will be processed as a 2003
  - Quote the amount necessary to the customer including the check digit
- If the customer does not commit to making payment, please respond:
  - "We will not be able to proceed with your business at this time. What you are ready to make payment on or back in establish your service number. Is there anything else I can help you with today? If no, Thank you for calling, we will have your business at Vectren."
  - Place a "When note on the move-in premises"
  - Include the customer's name in the person's hand
  - Note text should include all information discussed as well as all information obtained through previously asked questions



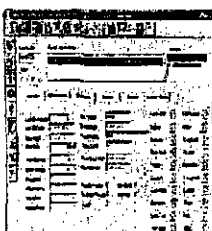
## Paysite Receipt Verification

- Paying receipts can be read utilizing the following logic:
  - The first digit of an invoice paysite receipt indicates the method payment was made:
    - 0 = Cash, 1 = Check, 2 = Combination (cash and check/money order)
  - The next 3 digits represent the Julian Date
  - The next 4 digits represent the whole dollar amount the customer paid
    - Number of digits can vary based upon the amount the customer paid
  - The next four digits represent the cents amount
  - The final digit represents a check digit
    - This will not necessarily match the customer's check digit posted to their current account

Example: Customer makes a cash payment at an authorized paysite for \$350.14 on May 4, 2003. The combination number will reflect:



## Call List



The "Call List" should always be utilized when processing:

- Move In
- Move Out
- Stop

The "Test Box" should never be used to create the above service orders.



## Service Order Scheduling Policy

### Subscription Service Orders

- CSS's will offer customers the "next available service date" when scheduling service orders:
  - Once a date is said only received after 2:30 pm. Extended time will be scheduled for 2 business days out.
  - This includes Move In/Out orders when the gas is already active and the CSS is advising the Service Specialist to "read and leave".
  - The CSS may schedule a specific day after the next available date if the Customer requests.
- If Operations feels they can not have any more service orders scheduled for a specific day for a particular area, they will send a Reschedule Notification via email.



## Service Order Scheduling Policy

### Scheduling Exceptions:

- RHP service orders will be scheduled for SAME DAY up to 12:30 pm (previous time). After 12:30 pm, the service order will be scheduled for the next available day. If a RHP service order is scheduled for the same day prior to 12:30, a follow-up call to Dispatch is not required.
- Emergency Service Orders are scheduled immediately and followed with a call to Dispatch to alert them on the issue.
- Other Same-Day Service Orders, such as pilot re-light, after consultation or other service order approved by a Team Lead or Supervisor, are scheduled for same day and followed with a call to Dispatch.



## AM/PM Appointments for Ohio Customers

- In Ohio when a customer is required to be at the premise for access, Vectren is required to offer an arrival time window of 4 hours for the order to be completed.
- **What are the options?**
  - The customer should be given the option of AM/PM time intervals, as well as the below options to be scheduled through the current Appointment Window in the following order:
    - Over Unlocked
    - Key Pickups
    - Call ahead
    - AM/PM option (include AM/PM in service order text)
- This includes any READ orders that are worked by Contact Callers when access is required.
  - READ orders could include Move In or Move Out when the customer is required to be available for access.
  - Orders scheduled after 1:30 (business time) must be scheduled for 2 business days out.



## AM/PM Appointments for Ohio Customers

- There may be situations where offering access to the previously ordered order is not always feasible for different reasons.
- If the customer offers or that they will be home at any time to be provided any other option, we should offer a 30 minute late window to the customer's choice. If the customer requests the access, schedule the order with a 30 minute late window as the access on the order.
- If the customer says that if the call is not answered, the order will need to be re-scheduled.
- If the customer says not with the 30 minute late window we should proceed with the AM/PM appointment. Ask the customer "Would you prefer morning or afternoon?" and schedule the appropriate appointment.
  - **Scenario:** Customer calls the call center and says they are at 123 Main St. Dayton, OH when providing the order to access the customer we will have access to both on the gas meter. The customer informally says "I'll be there" before we have an opportunity to offer any other possible access arrangements. How should we schedule the order?
  - **Answer:** Offering the customer the option of a later access or a key pickup are not viable options since the customer has already indicated he will be home. However, providing the option of a 30-minute window would be the correct solution. The customer can say home if they want but they are not at home and can have if they want. If the customer does not want the option of a 30 minute late window and states they will be home we should ask the customer "Would you prefer morning or afternoon?" and schedule the appropriate appointment.



## Appointments Missed

- When Vectren is unable to meet a scheduled appointment with a customer, Dispatch will make a reasonable attempt to contact the customer and arrange a new appointment date and time. The process below will be followed if contact is not made with the customer:
  - **No Answer** – The dispatcher uses other numbers provided, if any. If still no response, Dispatch will create a note on the account to Banner with the attempt to contact information and whether it's an appointment missed by Vectren or the customer.
  - **Message Left** – Leave a message leaving the Customer Service number for the customer to contact Vectren during normal business hours. Dispatch will document the attempt in Banner account notes.
  - **Phone Number is Busy** – Make three attempts to contact with the same number that's busy or try other numbers if available. If still no response, Dispatch will document the attempt in Banner account notes.
- Dispatch will enter an "APMT" note attached to the account. The note will be set with a 60 day expiration date.



## Service Order Operations Policy

### Operations Requirements and Gas Turn-On

- Generally, when a service order requests turning on the gas meter (AMPM, CHUA, or RHP), it is desirable to have at least one other utility (electric or water) be on in order to light on appliances. However, there may be some instances where the other utilities are not on. Vectren will attempt to complete the order if inside access is provided.
- **Requirements for Gas Turn-On (no other utilities on)**
  - Inside access must be provided to verify that all fuel lines are properly terminated.
  - All fuel lines must be properly terminated to the obvious appliance locations.
  - Proper termination includes being capped, plugged or properly connected to an appliance which includes an appropriately shut off valve.
    - The customer should be advised that without the other utilities being on, the appliances will not be lit and that Vectren does not return to light pilot lights. (Water heater will not be lit without vent in it. Furnaces will not be lit without redundancy in the thermostat.)



## Service Order Access

Appropriate access for the service order depends on the status of the service:

- **Active** – service order will read "Read and Leave" or
- **Inactive** – service order will read "Turn On" and access is needed and the:
  - Meter location – if the meter is in the home, access is needed
- **Appropriate access can be as follows:**
  - Over Unlocked
  - Key Hidden (not in a mailbox)
  - Call ahead
    - Phone number in the service order text should be the same number that is populated in the call ahead screen
  - Adult home for access
    - Need to offer AM/PM option
    - Do not enter at specific time



## Service Order Text Active Service

### Type Service Order Notes for field personnel

- Date order to be worked
- Work to be completed "Read and Learn" per XXX
- Enter Contact name and number
- Put info
- Check Status
- Meter location
  - If meter is inside home, access is required.
- Verify Events Tab has all necessary services included in the order



## Service Order Text Inactive Service

- Service Order Notes for field personnel
  - Date order to be worked
  - Work to be completed "Turn on per XXX"
  - Enter contact name and number
  - If Gas service source is home
    - If meter unknown, which meter?
    - Would you like to take the meter when finished?
    - If key fob, where? (tag number)
    - Where should we leave the key?
  - Put info
  - Water and Electric on?



## Service Order Text Inactive Service (cont.)

- Meter Location
  - If meter is inside home, access is required.
  - If in basement is there a working light?
- Access arrangements to the appliances and appliance controls
- Location of appliances and controls
- Check meter
- Verify Events Tab has all necessary services included in the order



## Service Orders - Events

- Always verify the Events
- Make sure Events match the service order request
- When placing an Move In, events will say "Turn on Electric and Gas on Gas"
- When placing a Move Out, events should say "Turn off Electric and Gas on Gas"
- If you find that you have unnecessary events, it will need to be deleted.
- If the events do not match the request you will need to cancel order and start back through the call flow

Never change an Event to Order type



## Dispatch Info

- Any time you are placing a same day service order you will need to call dispatch to verify they have the order.
- This is not necessary for same day RMP's
- Dispatch Information: 492-4121
  - Contact Number - 492-4121
  - Priority for same day service orders: wsg\_2\_gas3
  - Priority for future date service orders: appropriate district office
- Dispatch Information: 492-4121
  - Contact Number - 492-4121
  - Priority for same day service orders: wsg\_2\_gas3
  - Priority for future dated service orders: appropriate district office

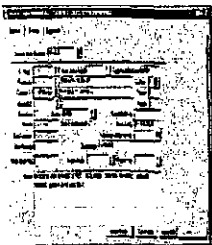


## Move In Service Order Maintenance 2029 Process


- Verify status is "O" for Open
- Verify next date is two weeks out with the year of 2029
- Type SD Notes
  - Note text should read "Request for one day request, service required and locate pay order date and time"
- Provide the customer with their new 19 digit account number to pay at the pay site
- Click the Events Tab
- Do not place an appointment until the customer calls back with payment information



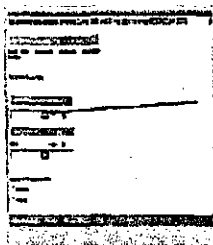
## Updating a 2029




- Updating 2029 order
- Update service order first with:
  - Date
  - Action
  - Location
  - Contact #
  - ZIP
  - Facility
  - Address
  - Appliance Info



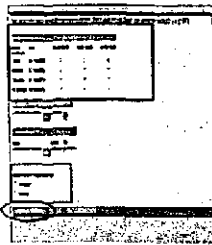
## Updating a 2029 Service Order




- After Updating Service order next click on 'Make Appointment'
- Message received is 'The facility has no rate'
- Click the calendar in the 'Show next available date from the date selected'
  - Choose the next date
  - Click the
- This will populate the next date in Queue and show the status in the 'Predicted Appointment Status'



## Updating the 2029 Service Order




- Choose:
  - Date
  - 'Customer' or 'Vendor'
- Click 'Make Appointment'



## Service Order 3039


If the applicant opts to use a Credit Reference, Letter of Credit or selects the *Guarantee Letter option*:

- Please take all information from the applicant to complete the move in process
- Process a move in order for the customer. The seed date for the move in order should be set 30 days into the future with a year of 3039
- Advise the customer that they will need to fax the Credit Reference or Guarantee Letter to our Receivables Management department at 812-497-4477
- Advise the customer to place a follow-up phone call to the toll-free Customer Service number 24 working hours after the letter has been faxed to complete the process.

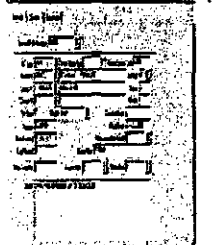


## Letter of Credit


- In order to receive a Commercial device, the customer may obtain a Letter of Credit (secured - bank guarantee, Unsec'd - from a financial institution at the same business name that is used to apply for service).
- A formal request will need to be sent by the Credit and Risk area, which will provide the customer with the letter of credit information needed to be considered for a device move in.
- Place a 2029 Service order.
- Send complete to 3039 Credit and Risk, complete type LTR, include the following information:
  - Contact Name
  - Email address
  - Contact Phone Number
- Reminder: The "AUCT" note with "MAY PRIOR" in the related field should always include the device amount that was quoted.
- If a Red Data or Past Due amount exists, the utility measure and the amount must be paid before service is turned on.



## Move In Service Order Maintenance 3039 Process



- The 3039 Move in the Current Queue to update after the customer pays back with a valid receipt reflecting proof of payment
- Service Order text should include:
  - If the customer chooses the Guarantee or Letter of Credit for credit referenced service
  - The customer will fax the OL or Letter of Credit to Receivables Management
  - Provide the customer with their new 19 digit account number to reference on the Guarantee Letter or Letter of Credit
- Save



### 3039 Service Order

- Upon receipt of the credit reference or Guaranty Letter, Subscribers Management will review the document and note the customer's account regarding the approval or denial of the letter.

#### APPROVAL

- An "ACCT" note type will be placed on the customer's account.
- The remark field will contain: "G/L ACCEPTED" or "LOC ACCEPTED"

#### DENIAL

- An "ACCT" note type will be placed on the customer's account.
- The remark field will contain: "G/L DENIED" or "LOC DENIED"

- The note text will state the date that the LOC (credit reference) or Guaranty Letter was received including specific information regarding the approval/denial decision.
- All accounts will be noted within 24 hours of receipt of the document.



### 3039 Service Order

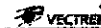
- When the customer phones the Contact Center as a follow up after submitting documentation, the CSS should review the notes and advise the customer accordingly.

#### If the document is approved:

- Relapse the order.
- Update the need date to the next available date.
- Update the Service Order text to contain all appropriate information (including access arrangements).

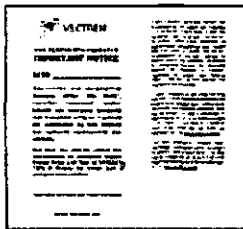
#### If the document is denied:

- Advise the customer and offer all other remaining criteria for credit establishment as previously outlined.
- Do NOT cancel the 3039 dated service order.



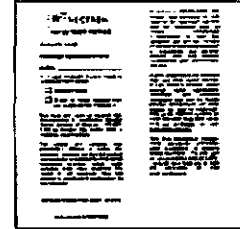
### Diversion of Service

- When the customer's gas service has been discontinued due to fraudulent activity, disconnection, and then of gas service a door tag will be left at the service location.
- This tag will be used when the Technician reader or any authorized Vectren personnel find a meter on by an unauthorized person. These will mostly be used by employees who work 24/7 hours.
- The tag advises the customer to contact Vectren to discuss the meter with a representative.



### Fraudulent Activity

- Before gas service may be disconnected for fraudulent activity, Vectren will deliver or send a written notice to the customer or consumer at the service location.
- The gas company may disconnect service if the customer does not confirm the gas company within three business days after receiving the notice.
- This tag will be used for fraudulent activity such as returned checks or meter tampering fraud.



### APP INFO Notes

- Any time the customer is calling for Move-In or AND you should always ask the "List of Questions" (see slide 4).
- The information should be placed on the account as an ACCT note with App Info in the remark field.
- If the last row failed to note the App Info it is a your responsibility to complete the note.
- App Info Example:  
2704 MAIN RD JOHN SMITH, ROOMMATE JOHN DOE, FROM ADD 123 MAIN ST, CHICAGO, IL 60601, 312-555-1234, CDR # 123456789, DEP-VPD-FAL-CTM-FRST-SIGNATURE



Questions?



## **Ohio Policies and Procedures**

### **Scheduling Service Orders**

- CSS's will offer customers the "next available service date" when scheduling service orders
  - Ohio orders for read only received after 2:30 pm Evansville time will be scheduled for 2 business days out (*this includes Move In/Out orders when the gas is already active and the CSS is advising the Service Specialist to "read and leave"*)
  - The CSS may schedule a specific day after the next available date if the Customer requests.
- If Operations finds they can not have any more service orders schedule for a specific day for a particular area, they will send a Reschedule Notification via email.

### **Scheduling Exceptions:**

- **RNP** service orders will be scheduled for SAME DAY up to 12:30 pm (premises time). After 12:30 pm, the service order will be scheduled for the next available day. If a RNP service order is scheduled for the same day prior to 12:30 premises time, a follow-up call to Dispatch is not required.
- **Emergency Service Orders** are scheduled immediately and followed with a call to Dispatch to alert them on the issue.
- **Other Same-Day Service Orders**, such as pilot re-lights after construction or other service order approved by a Team Lead or Supervisor, are scheduled for same day and followed with a call to Dispatch.

### **FIELD TECH ORDERS:**

Turn On Gas Orders are worked by Vectren Field Technicians

Order types include:

- MVIN (Turn on gas and light pilots)
- MVOT (Turn off gas)
- ONM
- RNP
- Meter Change Out
- MISC (for example, ERT maintenance that may require gas to be turned off temporarily)



**Ask the customer how access will be provided if needed**

Appropriate access can be as follows:

- Door Unlocked
- Key Hidden
- Call ahead
- AM/PM option

*Note if no one will be home please list where the appliances are located on the service order*

**EXAMPLE: "2/10/05 TURN ON GAS, LIGHT PILOTS PER BOB, CALL AHEAD TO 937 555-5555 FOR ACCESS, METER IN BASEMENT, FURN & WH HALL CLOSET, RANGE, XST 21ST, NO PETS"**

**REMINDER: for all orders with a call ahead, the call-ahead phone number must be entered in the Service Order Notes AND in the Call Ahead Button pop-up form.**

### **CONTRACT CALLERS ORDERS (READ AND LEAVE)**

VEDO Read and Leave Orders are worked by Contract Callers (meter readers)

#### **Order types include:**

- MVIN (Read and Leave for new customer—gas is on already)
- MVOT (EX: Read and Leave when a Default customer is on file)
- READ (Re-read meter due to multiple estimates or other issues)

If meter is outside and accessible, no inside access is needed

If meter is INSIDE, appropriate access can be as follows:

- Door Unlocked
- Key Hidden
- Call ahead
- AM/PM option

**Operations Requirements for Gas Turn On**

- Generally, when a service order requests turning on the gas meter (MVIN, ONM, or RNP), it is desirable to have at least one other utility (electric or water) be on in order to light an appliance. However, there may be some instances where the other utilities are not on. Vectren will attempt to complete the order if inside access is provided.

**Requirements for Gas Turn on** (no other utilities on)

- Inside access **must** be provided to verify that all fuel lines are properly terminated.
- All fuel lines must be properly terminated to the obvious appliance locations.
- Proper termination includes being capped, plugged or properly connected to an appliance which includes an appropriate shut off valve.

The customer should be advised that without the other utilities being on, the appliances will not be lit and that Vectren does not return to light pilot lights. (Water heater will not be lit without water in it. Furnace will not be lit without electricity to the thermostat.)

**Deposit Amounts - Ohio**

- The Residential and Commercial deposit amount in Ohio is 130% of the average bill amount at the Premises, whether for initial connection of service or reconnection for non-payment. To determine a deposit amount for a new Premise, the average bill amount is calculated with the Budget Calculation Formula then multiplied by 130%.

**Deposit Policy**

New Ohio customers requesting residential service must meet only one of five criteria for establishing credit

Each applicant must be given all five options to establish credit

- The five credit criteria to be used are:
  - ▶ The customer must own property
  - ▶ The customer must pass a credit inquiry processed via Equifax
  - ▶ The customer must provide a credit reference from another utility company (details to follow)
  - ▶ The customer must provide a guarantor letter (details to follow)
  - ▶ The customer may pay the appropriate deposit

**Advise the customer:**

*"Vectren is required to give you all of the options for establishing credit. You may select which criteria you would like to use. Please hold your response until I have given you each of the options. The options are:*

- *You may pass a credit inquiry through Equifax*
- *You may own property*
- *You may provide a credit reference from another utility*
- *You may provide a guarantor letter\**
- *You may pay a security deposit\**

**If the applicant fails the selected option, please advise:**

*"You may opt to use any of the additional criteria in lieu of a deposit. Would you like to use another criteria or pay a deposit in the amount of \$XX.XX?"*

**Vectren will require a deposit if any of the following conditions apply:**

- Customer has not made full payment or payment arrangements by the due date for two CONSECUTIVE bills during the preceding 12 months
- Customer has been issued a disconnect notice for non-payment on two or more occasions during the preceding 12 months
- If applicant for service was a customer during the preceding 12 months and had service disconnected for non-payment, a fraudulent practice, tampering or unauthorized reconnection

***Note: For an Ohio customer who has been disconnected for non-payment, Vectren will not offer the Guarantor Letter option to re-establish creditworthiness.***

**Bad Debt Collection Policy for OH**

If the Debt is less than 4 years old: collect full balance prior to connection of service  
(Note: Deposit and Reconnect fees may apply)

If the Debt is greater than 4 years old, issue a Follow Up to 5200 to advise Receivables of the location of the customer and request to transfer the debt to the active account. Attempt to make an acceptable arrangement with the customer once the debt has been transferred. Note the terms of the arrangement in the follow up.

## OHIO POLICIES QUICK REFERENCE

- If a deposit is required of an Ohio Commercial customer, Vectren must advise the customer of the following:
  - The reason for the deposit
  - Options available to establish credit (Letter of Credit)

### What this means

- Any time a deposit is collected for a Commercial Customer in Ohio, Vectren will send the customer a letter advising of the reason for the deposit.
- Issue an AADL Follow-up to 5005 for a Commercial Deposit letter to be sent to the customer.
- Include in the text:
  - Deposit reason (Indicate Commercial Customer)
  - Amount of deposit
  - How the deposit was paid
  - Who paid the deposit
- If the customer chooses to provide a Letter of Credit upon receipt of the letter, and the Letter of Credit is approved, the customer's deposit will be applied back to the account. Any remaining credit will be mailed back to the customer

### Deposit Refund – Ohio

#### **RESIDENTIAL:**

- Ohio Residential deposits are refunded when the Customer has met the criteria set forth by the Utility Commissions and the Utilities.
- Ohio Customers are entitled to refund after 9 consecutive months of a Credit Rating of Good or Excellent – credit points of 24 or less.
  - For an Ohio Customer - If VECTREN holds the deposit for more than 6 months, we will calculate interest at 3% on the deposit before applying or refunding the amount.

### Deposit Refund-Ohio

#### **COMMERCIAL:**

- Vectren will review each Commercial customer's account twice per year if the deposit has been on the account for a period of 24 months and refund the deposit with a Good or Excellent Credit Rating.
- Vectren will pay interest on deposits of 3% per year if the deposit has been on the account for a minimum of six months.
- All refunds will be applied to the account. If there is a credit remaining, the customer can request to have a check issued
- If the service is terminated or disconnected, the deposit will be automatically applied, and any remaining credit will be sent to the customer.
- In order to waive a residential deposit the customer may obtain a credit reference. The letter must come from another utility (gas or electric, cable, phone, water, etc) where the Customer had RESIDENTIAL service in the last 24 months. The letter must include the Customer's payment history for the last 12 months they had service. An acceptable letter of credit must meet the following qualifications:
  - The Customer may not have had more than 2 disconnect notices with 12 months of service.
  - The Customer's service may not have been disconnected for non-payment during the preceding 12 months of service.
- The Guarantor agreement is established per the Ohio Revised Code as a Customer convenience and an alternative method of guaranteeing payment for gas service accounts. Guarantors are accepted in lieu of cash deposits to secure Accounts for customers without previous Vectren utility service.

## OHIO POLICIES QUICK REFERENCE

- The deposit may be waived if a Guarantor Letter is provided to secure payments of bills. The Guarantor is responsible for up to 60 prorated days of the Guarantee's bill. If the Guarantee's share is transferred to the Guarantor's account and the amount remains unpaid, the Guarantor's service may be disconnected after a 30 day notice when they are a Vectren customer.
- The Guarantor security option is not offered to commercial/industrial accounts. A commercial account may not secure a residential Account.
- **Requirements for Guarantor:**
  - The Guarantor Agreement is mailed to the customer.
  - The Guarantor Agreement must be received and approved by VECTREN prior to turning service on for the Guarantee
  - The Guarantor **does not** have to be an active VECTREN Customer
  - The Guarantor **does not** have to own his/her property.
  - The Guarantor must also prove credit worthiness with the five criteria offered to a customer. Credit and Collections will discuss the options with the potential Guarantor
- If the applicant opts to use a Credit Reference from another utility company or select the Guarantor Letter option, please take all information from the applicant to complete the move in process
- Process a move in order for the customer. The need date for the move in order should be set 30 days into the future with a year of 3039
- Advise the customer that they will need to fax Credit Reference or Guarantor Letter to our Receivables Management department at 812-491-4477
- Advise the customer to place a follow-up phone call to the toll-free Customer Service number 24 working hours after the letter has been faxed to complete the process.
- Upon receipt of the Credit Reference or Guarantor Letter, Receivables Management will review the document and note the customers account regarding the approval or denial of the letter
- The note text will state the date that the Credit Reference or Guarantor Letter was received including specific information regarding the approval/denial decision
- All accounts will be noted within 24 hours of receipt of the document
- When the customer phones the Contact Center as a follow up after submitting documentation, the CSS should review the notes and advise the customer accordingly
- **If the document is approved:**
  - ▶ Release the order
  - ▶ Update the need date to the next available date

- ▶ Update the Service Order text to contain all appropriate information (including access arrangements)
- **If the document is denied:**
  - ▶ Advise the customer and offer all other remaining criteria for credit establishment as previously outlined
  - ▶ Do NOT cancel the 3039 dated service order

**To Calculate 130% of the Average Charge for Deposit:**

- From the customer's account, navigate to Services Maintenance Form.
- Enter the service and perform a Next Block (Ctrl +Page Down).
- Click the "Average Charge" Button.
- Multiply the figure in the Account Deposit field by 130% to get the deposit for that account.

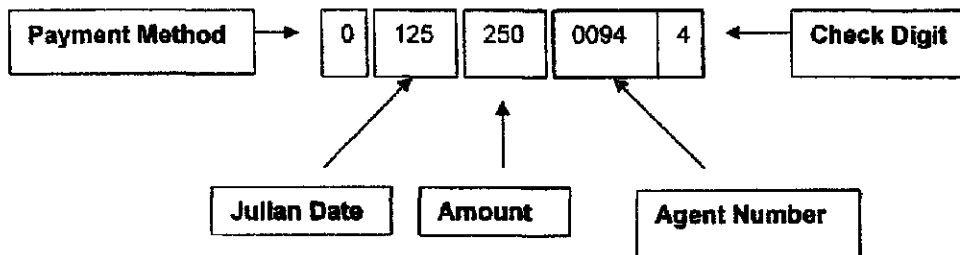
**Ohio Receipt Verification**

- Paysite receipts can be read utilizing the following logic:
  - The first digit of an Indiana paysite receipt reflects the method payment was made
    - 0 = Cash, 1 = Check, 2 = Combination (cash and check/money order)
  - The next 3 digits represent the Julian Date
  - The next digits represent the whole dollar amount the customer paid
    - Number of digits can vary based upon the amount the customer paid
  - The next four digits represent the agent number
  - The final digit represents a check digit
    - This will not necessarily match the customer's check digit specific to their Banner account



**OHIO POLICIES QUICK REFERENCE**

**Example: Customer remits a cash payment at an authorized paysite for \$250.14 on May 5, 2003. The confirmation number will reflect:**



**New Customers (Rights and Responsibilities Letter)**

- When a new customer requests a Move In, a letter will generate with general information regarding the customer's gas service and Vectren account.
- Information contained in the letter includes:
  - Responsibility for Gas Piping
  - Contact Information for the OUPS (Call Before You Dig Number)
  - Customer Rights and Responsibilities (including deposits, bill investigations, and reconnect fees)
  - Financial Assistance
  - Paysites
  - Identification of Vectren Personnel
  - Choice Program
  - Contact Information for both Vectren and the PUCO
- The letter is posted to the Knowledge Site to view.

### AM/PM Appointment for Customers

- When a customer is required to be at the premise for access, Vectren is required to offer an arrival time window of 4 hours for the order to be completed.

#### What this means

- The customer should be given the option of AM/PM time intervals, as well as the below options to be scheduled through the Viryanet Appointment Window (in the following order):
  - Door Unlocked
  - Key Hidden
  - Call ahead
  - AM/PM option
- This includes any READ orders that are worked by Contract Callers when access is required.
  - **READ orders could include Move In or Move Out when the customer is required to be available for access**
  - **Orders scheduled after 2:30 Evansville time must be scheduled for 2 business days out.**
- Any exceptions to override the appointment capacity in Viryanet for any reason must be completed by a Team Lead or Supervisor.

**New customers are required to pay a security deposit to establish financial responsibility or must provide a letter of credit.**

229. Referring to Schedule E-1, Sheet No. 62, Paragraph 4, does the Company offer adjusted due dates to customers?

**RESPONSE:**

**Responder: William Doty**

**Yes, on a limited basis.**

230. If the response to OCC Interrogatory No. 229 is affirmative, please explain the adjusted due date procedures.

**RESPONSE:**

**Responder: William Doty**

**Vectren does have an optional program to Social Security and Pension recipients which allows customers to select the due date for the monthly statement.**

**Customers receiving Social Security benefits may contact our Contact Center and request a change in due date to correspond with receipt of their monthly check. The Vectren representative reviews the requested date to validate if it would be after the meter is read. If so, the due date is changed.**

**Customers may also request an extension on a monthly bill if they cannot pay by the due date. This plan allows the customer's due date to be extended up to 10 days past the normal due date.**

**Customers interested in an extension of their due date may contact a**

customer service representative, the automated IVR (Interactive Voice Response), or utilize vectren.com to make the request. The pay date must be prior to the next scheduled read. Customers may request an extension as many times as they wish, as long as they have kept prior agreements and have met the conditions described in the next paragraph.

The requirements for the Extended Due Date Plan are that the bill must be current, the account cannot have two disconnect notices in the past twelve months, the customer cannot be on bank draft, and the customer must agree to pay their current bills on time.

231. If the response to OCC Interrogatory No. 229 is negative, please explain why the Company does not offer adjusted due dates for customers.

**RESPONSE:**

**Responder: William Doty**

**Not applicable.**

232. By month, what are the Company's property taxes for the period 2003 through year-to-date 2008?

**RESPONSE:**

**Responder: Susan Hardwick**

**Please see attached document titled INT #232 for a list of property taxes paid.**

## **The Vectren Energy Delivery Company Customer Service Audit Report**

### **OBJECTIVE**

The Investigation and Audit Division (IAD) of the Public Utilities Commission of Ohio (PUCO) performs audits of regulated utility companies in order to ensure compliance with current rules and regulations. This audit report contains information regarding the customer service performance, practices and procedures of the regulated utility companies in order to ensure compliance with current rules and regulations.

### **SCOPE AND METHODOLOGY**

The methods used to issue this audit report included a request for company data, a review of PUCO registered complaints, and a visit to the PUCO by Vectren Energy Delivery (Vectren) personnel.

IAD sent a detailed data request to Vectren on October 5, 2007, regarding the company's policies and procedures. A Vectren customer contact report from January 1, 2006 through October 31, 2007, was generated from IAD's Contact Management System (CMS). Representatives of Vectren visited the offices of the PUCO and met with members of the Natural Gas Audit Team. The team listened to recorded customer calls after the audit visit.

The audit team reviewed and analyzed the CMS customer contact report, complaint data, Vectren's data request responses, notes from the visit, and the company's tariffs to determine Vectren's compliance with the PUCO's rules and regulations.

### **BACKGROUND INFORMATION**

#### **Audit**

On November 28, 2007, the audit team met with representatives of Vectren at the offices of the PUCO, 180 East Broad Street, Columbus, Ohio. Vectren representatives were Laura Haviza, Manager of CRM Systems Support; Kathy M. Oxby, Supervisor of Receivables Management; Breck A. Sparks, Director, Customer Relations; Sherri Bell, Customer Relations Supervisor; Becky Brann, Customer Relations Manager; and Robert C. Sears, Director of Revenue. The audit team members were Dianne Doss, Natural Gas Audit Team Supervisor and Cindi Mack, Jim Ripke, John Campbell, Linda Hamilton, Tara Jones, and Shawn Thompson, Customer Service Investigators.

Staff's determination of The Vectren Energy Delivery Company's compliance does not foreclose the Commission or other Commission Staff from reviewing related matters in the future. The Commission is not bound by the Staff's decision in this audit.

### **Call Monitoring Process**

In order to comply with the Stipulation in Case Number 04-0571-GA-AIR, Vectren worked with the PUCO's Information Systems Division to install software on several staff members' computers to allow staff to remotely monitor Vectren's Evansville Call Center at will. After the audit meeting, the audit team monitored calls to verify compliance with the PUCO's rules and regulations. The team found no issues with the handling of the calls by Vectren customer service representatives.

### **Data Request Review**

IAD sent a data request to Vectren on October 5, 2007, asking the company to submit information regarding the company's customer billing and payment processes, disconnection procedures, and customer service training. Vectren returned the completed data request to IAD on October 26, 2007. The audit team reviewed and analyzed the company's responses. The following is a summary of the audit team's findings from the data request and the audit meeting discussion.

### **Organization**

Vectren provides residential and commercial gas service to citizens in the western and southwestern portions of Ohio. The total number of residential and small commercial customers they serve is 315,700. Vectren's main office is located in Evansville, Indiana.

### **Customer Contacts/Complaints**

The company defines a complaint as *"any customer issue that is submitted to Vectren in writing and requires an account investigation and written response is tracked as a complaint. Verbal communication from the Commission that does not require written follow up is not tracked as a complaint."* Vectren's records show the number of complaints received between October 2006 and September 2007 is 274. They average eight days for complaint resolution.

Vectren recorded nearly 3,000,000 customer contacts via telephone, e-service, correspondence and faxes in 2006. From January through September 2007, Vectren recorded almost 2,000,000 customer contacts.

Vectren mails 290,700 residential bills per billing cycle. Of these, an average of 98% are based on actual reads. The number of actual readings that required correction during the last 24 months was 35,888.

### **Payment Options and Processing**

The following table describes Vectren's procedures regarding the processing of payments:

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<b>Mail payments</b>	Payments are mailed to RP Services, P.O. Box 6262, Indianapolis, IN 46206
	Opened, processed, and posted the day received. Last mail pickup is 8:45 a.m.
	RP Services transmits payment file to Vectren every business day between 2:30 and 3:30 p.m. (CDT)
	Stubs and checks are imaged on a CD and maintained by Vectren and RP Services.

<b>Night Drop, Drop Box Payments</b>	Vectren does not provide these services.
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<b>Pay Agent payments</b>	During the review period, the third-party vendor was Western Union. Effective January 1, 2008, the vendor changed to FirsTech. The processes remained the same.
	Customer may pay by check, cash, or money order, plus a vendor fee of no more than two times the cost of a postage stamp.
	Western Union sends memo files of payments five times per day: 7:00 a.m., 9:00 a.m., 11:00 a.m., 2:00 p.m., and 10:00 p.m. (CDT). The payments memo-post to the customers' accounts immediately to avoid disconnects. The payments are then posted the following day.

<b>Phone payments</b>	Electronic Automated Clearing House payments are referred to as E-check payments. There is no fee to use this method.
	Speedpay, Vectren's third party vendor, processes all debit and credit card payments. Speedpay charges a \$4.95 fee per every \$500.00 payment to use this service.
	E-check and Credit/debit card payments may be made via the IVR or with a customer service representative.
	Payments are posted to the account within two business days.

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<b>Internet Payment Options</b>	The E-check method allows for immediate payment, or for customers to choose a future date for the payment to be electronically withdrawn from their bank account.
	Credit and Debit card payment option is available online at <a href="http://www.vectren.com">www.vectren.com</a> . Speedpay charges a \$4.95 fee per every \$500.00 payment to use this service.
	Customers who want to pay the bill automatically from their bank account can enroll in Auto Pay. There is no fee for this service and the payment is withdrawn from their bank and posted to their Vectren account on the due date of the bill.

<b>Agency Payments (HEAP, Salvation Army, etc.)</b>	Ohio Department of Development (ODOD) sends a HEAP Payment tape and the payments are credited to each utility account that can be identified. The credit is listed as "Energy Assistance Payment" on the customer's bill. Vectren refers to this as the "Accept" file. The information that cannot be identified is rejected and returned to ODOD.
	When a customer provides a HEAP voucher, the voucher is immediately posted to the customer's account. Vectren then submits the voucher to HEAP for payment.
	Charity payments are immediately credited to the accounts.
	There is no charge for processing these types of payments.

### **Customer Billing**

All residential and business customers are billed monthly. Ninety-eight percent of the monthly statements contain actual readings. Bills are mailed at least 14 days prior to the due date. Vectren assesses a tariffed late payment fee equal to 1.5% of the total arrears to all non-PIPP customers.

### **Returned Check Process**

Checks returned from the bank due to insufficient funds are debited back to the account. The customer is assessed a \$25 returned check fee, and the account is reviewed to determine if the bad check was written to avoid disconnection. If the check was written to avoid a disconnection, Vectren sends a technician out to disconnect service that day.

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### **Credit, Deposits and New Accounts**

Vectren requests a security deposit from customers who are required to establish their creditworthiness, or who have been delinquent on two or more occasions during the preceding twelve months. A credit check is performed for new customers. The minimum score based on FICO credit scoring is 700. The customer is provided the opportunity of securing a guarantor in-lieu-of a security deposit. Vectren will not allow customers to make payment arrangements on security deposits.

Vectren reported that from January through September 2007, they completed 94% of the new service tie-in orders which involved new construction within twenty business days. They average 11.5 business days to complete a service tie-in. From January through September 2007, Vectren completed 99.5% of the new service orders which did not involve new construction within five business days. Their average time to set the meter is three business days.

### **Disconnection, Payment Arrangements and Medical Certification**

Vectren offers customers the required PUCO payment options and the Percentage of Income Payment Plan (PIPP). The company will also grant the customer a several day extension if needed to make the required payment. Payment arrangements are confirmed on the initial phone call and are indicated on each subsequent billing statement. The payment for the agreed upon payment plan is seldom due on the same date as the regular bill. (Customers must make two payments per month to comply with the agreed payment plan and to remain current with their regular billing.)

If a customer defaults on a payment plan, the plan arrears may be paid to bring the account current, or if the service has been disconnected, the plan arrears may be paid for reconnection. If a customer enters into a payment plan but does not make any payments by the end of the plan term, the entire account balance becomes due and another payment plan is denied.

Vectren charges a reconnection fee to customers disconnected for non-payment of services. The charge for reconnection is \$40 to reconnect at the meter and \$50 to reconnect at the curb. An additional reconnection fee of \$22 is required for reconnection of service after business hours unless the service was disconnected due to construction work performed by Vectren. Customers whose service has been disconnected are required to pay the arrears or payment plan arrears plus any required deposit before the company will reconnect their service. During the Winter Heating Season, Vectren complies with the requirements of the PUCO's Winter Reconnection Order.

Vectren provided staff with a copy of its medical certification form. The form includes information regarding the purpose of the medical certificate; the ability of the doctor to

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call the company confirming the medical need as long as the written document is received within seven days; the requirement that the customer enter into a payment plan; and, the certification renewal process.

Due to privacy concerns, the team recommends that the "Patient Social Security Number" request be removed from the medical certification form.

#### **Meter Reading and Access**

Vectren's meter readers attempt to gain access to read the meters each month on the scheduled read date, which is printed on the customer's billing statement. If the customer is unable to provide access, Vectren allows the customer to provide a reading or to schedule an appointment to read the meter.

If access provisions are not made and the customer has received six consecutive estimated readings, Vectren will send a letter to the customer explaining the need to obtain access and the options for arranging access. A second letter is sent after nine consecutive estimates. After the 10th consecutive estimated reading, Vectren's meter readers attempt to contact the customer to gain access after business hours to obtain a reading. A certified letter is then mailed to the customer after the 12<sup>th</sup> consecutive estimated reading. The letter gives the customer 10 days to call the company to arrange access or the service will be disconnected. Each communication attempt will be documented on the customer's account.

Vectren offers to schedule an AM (8:00 a.m. to 12:00 p.m.) or PM (12:00 p.m. to 4:00 p.m.) appointment and/or a call-ahead before going to a customer's residence. They do not offer meter-reading appointments during non-business hours.

It is Vectren's policy to rebill accounts that have had defective meters. For residential accounts, Vectren follows the Ohio Revised Code (ORC) section 4933.28 in limiting the backbilled amount to no more than 365 days prior to the date that the situation was corrected.

When a defective meter is discovered, it is either repaired on the premises or changed out and referred to the meter shop for testing. After the account is reviewed, the customer is sent a notification letter and given ten business days to respond with any changes on the premises that would affect the usage. An estimate is made of the unmetered consumption and either the account is canceled and rebilled or an adjustment of charges is placed on the account. A letter of explanation is sent with the next bill that reflects the charges for the unmetered consumption. Vectren offers a 12 month payment plan on these back-billed charges.

Staff's determination of The Vectren Energy Delivery Company's compliance does not foreclose the Commission or other Commission Staff from reviewing related matters in the future. The Commission is not bound by the Staff's decision in this audit.

## **Report Selection Criteria**

**Industry Types :** Gas

**Company Name(s) :** Vectren Energy Delivery of Ohio, Inc.

**Case Type(s) :** All

**Customer Type(s) :** All

**Crosstab Date Range :** 1/1/2006 — 10/31/2007

**Code(s) :** All

**County(s) :** All

**City(s) :** All

**Zip Code(s) :** All

**Notes :** No

## Gas Industry

	Gas Industry Vectren Energy Delivery of Ohio, Inc. 1/1/2006 to 10/31/2007		Total
	2006	2007	
Assistance Programs	60	36	96
Availability of Service	3	3	6
Back Billing	53	13	66
Benefit of Service	9	9	18
Bill Format	13	7	20
Billing Dispute	174	132	306
Billing Inquiry	99	87	186
Boundaries	1	2	3
Brochures, maps, etc.	2	1	3
Call company first	236	332	568
Can't contact company	24	5	29
Cancellation Issues	3	1	4
Company Policy	31	19	50
Competition Issues / Inquiries	129	63	192
Conservation / Curtailment	5	0	5
Contract Inquiry	1	1	2
Contract Terms Altered	0	1	1
Damage	1	3	4
Delayed Enrollment	0	1	1
Delayed Installation	0	2	2
Deposit	12	12	24
Disconnect Issues	194	96	290
Final / Initial Bill Issue	69	35	104
Formal Complaint	0	1	1
Government Aggregation	3	1	4
Internal transfer	4	1	5
Leakage or Pressure Issue	37	30	67
Line Extension	0	1	1
Matrix request	66	47	113
Medical Certification	4	4	8
Meter reading Issue	75	30	105
Misleading Information / materials	3	1	4
Missed Installation Appointment	1	3	4
New Service	59	70	129

This document is created only for the purposes stated within. It is intended solely for staff discussion, reflecting the views of the author(s) and not necessarily the view of the Staff as a whole or the Commission.

	Gas Industry Vectren Energy Delivery of Ohio, Inc. 1/1/2006 to 10/31/2007		Total
	2006	2007	
Non-jurisdictional matter	24	13	37
Out of Service	4	4	8
Payment Arrangement	45	21	66
PIPP Issues	32	19	51
Quality of Customer Service	14	6	20
Quality of Utility Product	1	4	5
Rates & Tariffs	105	22	127
Regarding PUCO	111	18	129
Repair- Missed Commitment/Appointment	1	1	2
Repair Service	8	14	22
Suspected fraudulent practice	19	7	26
Utility Easement	3	1	4
Total	1,587	1,103	2,690

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# **Vectren Energy Delivery**

**PUCO**

**Investigation & Audit Division**

**Customer Service**

**Audit Data Request**

**October 26, 2007**



**VECTREN**

*Not just power. Possibility.*

## **PUCO Energy Information Request**

**TO: Breck Sparks, Vectren Energy**  
**FROM: Beth Blackmer, IAD Customer Service Audit Supervisor**  
**DATE: October 5, 2007**  
**SUBJECT: Investigation and Audit Division Customer Service Audit Data Request**

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The Investigation and Audit Division (IAD) of the Public Utilities Commission of Ohio (PUCO) has scheduled Vectren Energy (Vectren) for a Customer Service Audit during November 2007. I am sending a data request that Staff would like you to complete and return no later than October 26, 2007. Your answers will help us better understand how Vectren meets customer needs and will give us information on customer service levels. We are especially interested in customer payment locations, payment processing, telephone response time, customer contacts, billing, and service information. We look forward to meeting with you once we have received your responses. If you have questions concerning the data request, please contact me at 614-486-4054. If the data has not changed from the previous audit, please note that.

### **GENERAL**

1. Provide a description of the company's policies and procedures for processing and crediting, (including timeline and documentation of the time of payment) and fees for customer payments that are:

#### **A. Mailed in by customers**

VEDO customers mail their payments to RP Services, our Lockbox provider. The address is P.O. Box 6262, Indianapolis, IN 46206. All payments are to be opened, processed and posted the day received. The last mail pickup is 8:45 a.m. Any exception such as an out-of-balance multiples or check with no stub potentially adds an additional minimum of two days processing time. The guideline for an out-of-balance multiple payment check is if the check is \$100.00 greater than total of stubs, the amount is applied to the largest stub. If the check is \$100.00 or less short of total of stubs, the amount is subtracted from smallest stub that it can be absorbed from. If the multiple payment check does not fall within the above guidelines, the stubs and checks are sent to Vectren's Receivables Management department for research and processing. RP Services transmits a file to Vectren every business day between 2:30-3:30pm (CDT). Vectren does not receive payments on weekends or on Vectren's designated holidays. All customer's checks and stubs are imaged on a CD and maintained by Vectren in the Remittance Department and at RP Services. There is no charge to customers for processing payments that are submitted via mail.



**B. Received from authorized agents**

Western Union is the 3<sup>rd</sup> party vendor that processes and contracts with the authorized agents. The customer goes into an authorized agent and pays their bill via cash, check, or money-order plus pays a fee up to two times the price of a postage stamp. Customers may access the list of authorized agents, office hours, and amount of fee charged by the authorized agent on Vectren.com. Western Union transmits five daily memo files of payments received by Western Union to Vectren at 7:00am, 9:00am, 11:00am, 2:00pm and 10:00pm (CDT). The payments are memo posted to customers' accounts to prevent any disconnections for non-payment that are scheduled for that day. Western Union then sends the payment file the next morning. The payments are posted to customers' accounts and account balances are updated. Vectren does not accept payment files on weekends and/or designated holidays. Effective January 1, 2008, FirstTech will be the new 3<sup>rd</sup> party paysite provider in Ohio. All authorized agents and processes will remain the same.

**C. Made via one-stop, night drop, or lock-box methods**

Vectren does not have any night drop or drop box method of receiving payments. (Lock-box method is considered a payment mailed to the remittance address on the bill. See "A" above.)

**D. Payments by phone**

Vectren offers two payment options by phone. An Electronic Automated Clearing House payment is referred to as an "E-check" payment. There is no fee for utilizing the E-check payment option. A credit or debit card payment option is also available. The payment is processed using Speedpay, a 3<sup>rd</sup> party vendor. The fee for a credit or debit card payment is \$4.95 per \$500.00. The fee is charged by the 3<sup>rd</sup> party vendor. E-check and credit/debit card payments may be made via the IVR, online at [www.vectren.com](http://www.vectren.com) or with a Customer Service Specialist. Payments are posted to the account within 2 business days depending on the time of day that the payment is made.

**E. Credit card payment**

Vectren offers an option to pay using a credit card. This can be done on the phone with a Customer Service Specialist, through our IVR or online at [www.vectren.com](http://www.vectren.com). There is a \$4.95 fee for each \$500 paid which is charged to the customer's credit card statement. The fee is charged by Speedpay, our 3<sup>rd</sup> party vendor. Payments are posted to the account within 2 business days depending on the time of day that the payment is made.

**F. Internet payment options**

Vectren offers various payment options via Vectren.com.

The "E-check" payment option allows the customer to pay at that time or choose a date in the future for the payment to be withdrawn electronically from their bank account. There is no charge for this service. Immediate E-check payments post to the account within 2 business days depending on the time of day that the payment is made. Future dated E-check payments are posted on the day that the customer has designated to have the funds electronically withdrawn from their bank account.

The credit/debit card payment option is available online. There is a \$4.95 fee for each \$500 paid which is charged to the customer's credit card statement. The fee is charged by Speedpay, our 3<sup>rd</sup> party vendor. Credit/debit card payments are posted to the account within 2 business days depending on the time of day that the payment is made.

Customers can enroll in "Auto Pay" online. There is no charge for this service. Auto Pay provides the convenience of having the monthly bill amount automatically withdrawn from the designated bank account on the due date of the bill each month. After the pre-note time period, the bill advises that the payment will be automatically deducted from the customer's bank account. The payment is posted on the due date of the bill.

**G. Agency payments (i.e., HEAP, Salvation Army, etc.)**

Vectren receives an electronic "HEAP" payment tape from the Ohio Department of Development. The payments are immediately credited to each utility account that can be identified. This is referred to as the "Accept" file. If information provided is an invalid account number or the account is inactive with a zero balance, the file is rejected. Vectren sends the accepted and rejected lists to the Ohio Department of Development for confirmation. The Ohio Department of Development provides Vectren with a check for the amount of the "accepted" file.

From time to time, customers provide a "HEAP" voucher. Upon receipt of the voucher, Vectren posts the payment to the utility account. Vectren then submits the voucher to the Ohio Department of Development for payment.

Vectren receives checks from the Salvation Army or other charities. The payment is posted immediately to the utility account.

Vectren receives checks from the Community Action Partnership or other agency. The payment is posted immediately to the utility account.

There is no charge for posting of payments from agencies or charities.

**H. Average number of days it takes to credit payments to an account after a payment**

Payments are posted within an average of two business days after the payment is made to Vectren.

2. Describe the company's policies and procedures for handling customers' returned checks.

Vectren receives notification of customers' returned payments from National City Bank, Fifth-Third and Western Union (Vectren's 3<sup>rd</sup> party vendor for authorized agents) banking institutions on a daily basis via mail, e-mail or 3<sup>rd</sup> party vendor's website. Daily, the returned payments are charged back to the customer's account. Additionally, the utility account is charged a fee of a \$25.00 for the returned payment. The \$25.00 fee is charged to only one account if the payment was to pay for multiple accounts. The returned notifications and returned check documentation are retained by Vectren in the Receivables Management Department. The returned item is not sent to the customer unless the customer has satisfied the payment in full and makes a request for the returned item.

3. Provide copies of, or web access information, to each of the following company documents:

A. Current Customer bill

See attachment:

3A VEDO Current Customer Bill.pdf

B. Fourteen-day Disconnection notice

See attachment:

3B Disconnection Notice Bill.pdf

C. Ten-day disconnection notice

See attachments:

3C Delinquency Presentation.pdf

3C 10 Day Call Notification.pdf

3C 10 day door tag.pdf

D. Disconnection notice to tenants

See attachment:

3D Disconnection Notice to Tenants.doc

E. Notice left when disconnection has occurred

See attachment:

3E Gas Service Disc Notice - Ohio.doc

F. Notice to customer regarding a defective meter

See attachment:

3F Letter for inspection of defective meter.doc

- G. List of mandated bill inserts, description of each, and date released**  
**See attachments:**

3G List of Mandated bill inserts and release dates.doc  
3G Gas Piping Feb 2007.pdf  
3G Gas Piping May 2007.pdf  
3G Gas Piping August 2007.pdf  
3G Gas Piping October 2007.pdf  
3G Choice Opt Out Nov 2006.pdf  
3G Choice Opt Out February 2007.pdf  
3G Choice Opt Out May 2007.pdf  
3G Choice Opt Out August 2007.pdf  
3G Your Natural Gas Service May 2007.pdf  
3G Special Notice.pdf  
3G Winter Rules.pdf  
3G Project Team Dec 2006

- H. Door hanger left when service is not disconnected**

**See attachments:**

3H Tag when gas service is not disconnected- Ohio.doc

- I. Please describe the services available to your customers via the company website.**

**See attachments:**

3I NonRegUser Functionality.doc

3I Vectren Online Applications and Services.xls

- J. Provide the customer notice when company discovers fraudulent practice.**

**See attachments:**

3J Alleged Fraudulent Practice Notice.doc

- K. Provide the customer notice when company discovers tampering.**

**See attachments:**

3K Tampering Notice.doc

- 4. Provide a full script and flow chart for the VRU, if applicable.**

See attached CD with all scripts and flow charts.

- 5. What services does the company currently have to assist the Spanish speaking (or any non-English) community (i.e. written materials on services, language line, prompt in the VRU)?**

A translation service is available for all non-English speaking customer calls. This was communicated in the August bill insert in Spanish. Vectren's IVR menu offers a Spanish option which routes these customers to either a Spanish speaking rep or a rep that connects to a translation service.

Efficiency brochures are available in Spanish.

Field technicians have job aids to assist communication with Spanish speaking customers. Additionally, service call tags, red and yellow tags have instructions in Spanish on how to contact Vectren for information.

See attachments:

5 Spanish Translation Service August 2007.pdf

5 Spanish Efficiency Brochure.pdf

5 Spanish Field Job Aid.pdf

5 Service Call Tag.doc

5 Yellow and Red Tags.doc

**8. Provide the following telephone-response performance data:**

**A. Are calls monitored for quality control?**

Yes.

See attachment:

6A Quality Evaluation Guidelines.doc

**B. Number of calls received per day during the most-recent full calendar month**

See attachment:

6 B-C-D-G September 2007 Performance.xls

**C. Number of calls abandoned per day during the most-recent full calendar month**

See attachment:

6 B-C-D-G September 2007 Performance.xls

**D. Percent of calls answered per day during the most-recent full calendar month**

See attachment:

6 B-C-D-G September 2007 Performance.xls

**E. Number of calls deflected (busy signal) during the most-recent full calendar month**

Zero (0)

**F. Number of calls answered during the most-recent full calendar year**

2,544,817 calls were answered in 2006.

See attachment:

6 F December 2006 Y-T-D Totals performance

**G. Average telephone answer time during the most-recent full calendar month**

See attachment:

6 B-C-D-G September 2007 Performance.xls

**7. Provide the number of employees available to answer customer calls.**

See attachment:

7 Total FTE for 2006-2007.xls

**8. Provide the following information regarding customer contacts:**

**A. Company definition of "complaint"**

Any customer issue that is submitted to Vectren in writing and requires an account investigation and written response is tracked as a complaint. Verbal communication from the Commission that does not require written follow up is not tracked as a complaint.

**B. Number of complaints received within the last year**

See attachment:

8B Complaints Received 10.06 through 9.07.doc

**C. Average time of complaint resolution**

The average time of complaint resolution is 8 days.

**D. Company criteria for determining when a complaint is classified as resolved**

Vectren considers a Commission complaint resolved when we receive notice of closure from the Commission. A written complaint received directly from a customer is responded to verbally as soon as practical, with that verbal response confirmed in writing thereafter. Such a complaint is considered closed when the confirmation response letter is sent.

**E. Company definition of "customer contact"**

See attachment

8 E-F Number of Contacts and Types.xls

**F. Number of customer contacts per year**

See attachment

8 E-F Number of Contacts and Types.xls

**RESIDENTIAL**

**9. Describe the circumstances under which the company requires a security deposit:**

**A. Existing customers**

See attachments:

- B. Does the company perform a credit check on new customers? If so, explain process and minimum credit score.**

Vectren performs a credit check on a new customer if the customer selects the credit check criteria for deposit determination.

See attachment:

9B Quick Reference for Equifax.doc

The minimum credit score is 700. However, Customer Service Specialists are not advised of the credit score. Equifax displays a "Pass" or "Fail" to the Customer Service Specialist based on the credit score.

- C. Does the company require a social security number when establishing new service?**

A social security number is not required but is requested.

If so, what procedures apply if a customer refuses to provide one?

A form of government issued identification is requested. If a state issued driver's license number is provided, positive identification is validated through Equifax DL Advantage. This program only provides positive identification therefore credit information is not provided. Once the identification of the customer has been validated, the deposit process would be followed allowing the customer to use any of the 5 available options to establish credit worthiness.

See attachment:

9C Quick Reference for DL Advantage.doc

- D. Does the company provide the customer with the option of securing a guarantor in lieu of paying a security deposit?**

Yes.

- E. Provide a copy of the form used when the customer opts to use a guarantor**

See attachment:

9E Guarantor Agreement.doc

- F. Does the company make payment arrangements on security deposits?**

No.

- G. Are customers told how and when the deposit would be refunded?**

The following statement in the form of a bill message is on bills that also serve as the cash deposit receipt:

"The rate of interest to be paid on the deposit will be not less than three per cent per annum if the deposit is held for one hundred eighty days or longer."

See attachment:

9G Deposit Bill Message.pdf

- H. If an applicant requests service at a premise that is currently connected, what is the company's policy to request a deposit from the new applicant?

See attachments:

9H Ohio Deposit Determination Tree - Existing Residential Customer.doc

9H Ohio Deposit Determination Tree - New Residential Customer.doc

9H Ohio Residential Deposit.doc

10. Please describe in detail, all available payment plans that are offered to customers who cannot pay their bill in full.

See Attachment

10 Quick Reference for Payment Arrangements.doc

- A. How does company confirm a payment arrangement with the customer, i.e., is a confirmation letter sent?

Payment Arrangements are confirmed by automated letter and on the bill

See Attachment:

10A Residential Payment Arrangement Letter and Bill.pdf

- B. Under what circumstances are customers denied payment arrangements?  
(PIPP customers are not eligible for payment plans as PIPP is a payment plan.)

Non-Winter:

A customer who has broken one long-term payment arrangement and one short term payment arrangement within the past 12 months is not eligible for another arrangement.

Winter:

A customer who has broken a long term 1/3<sup>rd</sup> arrangement and previously invoked the 175 rule with a broken arrangement is not eligible for another arrangement.



11. Are all PIPP customers in your service territory enrolled or re-certified by the local Community Action Agency?

Yes

- A. Under what circumstances are customers referred to the local Community Action Agency?

Customers are referred to the agency to apply for PIPP. PIPP customers are referred if Vectren has not received the re-certified PIPP application by the end of the 12<sup>th</sup> month. Zero PIPP customers are referred to the agency every 90 days.

During the winter heating season, customers that are in need of EHEAP assistance are referred to the agency.

- B. Describe the company procedure and circumstances under which payment arrangements would be denied in heating and non-heating seasons.  
(PIPP customers are not eligible for payment plans as PIPP is a payment plan.)

Non-Winter:

A customer who has broken one long-term payment arrangement and one short term payment arrangement within the past 12 months is not eligible for another arrangement.

Winter:

A customer who has broken a long term 1/3<sup>rd</sup> arrangement and previously invoked the 175 rule with a broken arrangement is not eligible for another arrangement.

- C. Does the company still accept PIPP applications for income re-certification through the mail?

No.

- D. What information do your customer service representatives have about the Home Weatherization Assistance Program's targeted energy efficiency program?

See attachments:

11D Insert 12.06.pdf

11D PIPP Cust Insert Sept 2006.pdf

- F. If the local community action agency determines that a customer is no longer eligible for PIPP, how is the customer placed on the Arrearage Crediting Program?

The agency will fax the application with the income backup to the Energy Assistance department at Vectren. The Energy Assistance department will establish the customer on Fresh Start (Arrearage Crediting Program).

- G. How many customers are currently enrolled in the Arrearage Crediting Program?

Currently, there are 111 customers enrolled on Fresh Start (Arrearage Crediting Program).

H. How many customers have completed the Arrearage Crediting Program in the last twenty-four months?

In the last twenty four months, 35 customers have completed Fresh Start (Arrearage Crediting Program).

I. Average number of months it took customers to complete the Arrearage Crediting Program?

On average, it took approximately 14.5 months for customers to complete Fresh Start (Arrearage Crediting Program).

J. Under what circumstances is a customer removed from PIPP?

The customer is removed from PIPP for any of the following reasons:

- o Upon written or verbal request from the customer
- o When the customer no longer qualifies for PIPP (over income),
- o If Vectren does not receive the re-certified PIPP application prior to the end of the 12<sup>th</sup> month (The PIPP has expired)
- o When the service is disconnected

K. How much a former PIPP customer is required to pay to get back on PIPP?

If the customer's service is off due to not re-certifying in a timely manner, the customer is to re-certify, pay all past due PIPP installments in addition to any payments that were not made while the service was off. These payments are equal to the amount of the PIPP payments. A reconnect and deposit fee will be accessed. If the service is on and the customer has not re-certified in a timely manner, the PIPP default, if any, is due prior to accepting the new PIPP application.

12. Please provide the number of customers currently enrolled in PIPP.

As of October 1, 2007, there are 10,586 customers enrolled in PIPP

A. The number of customers enrolled on zero income PIPP

1281

B. The number who have zero income 0-3 months

788

C. The number who have zero income 3-6 months

66

D. The number who have zero income 6-12 months

206

E. The number who have zero income over 12 months

221

**13. Zero income PIPP:**

- A. What documentation is required to verify the status of zero income PIPP customers?**  
Intake is performed at the agency. The PIPP Intent file that is received daily from The Office of Community Service is used to verify the status of zero income PIPP customers.
- B. How often does a zero income PIPP customer re-certify his or her income?**  
Zero income customers are to re-certify every three months (90 days) at the agency.
- C. Who re-certifies the income of zero income PIPP customers?**  
The Community Action Agency.
- D. What is the average length of time customers remain on zero income PIPP?**  
3 months

**14. Re-certification and arrearage crediting:**

- A. How are customers notified of when they need to re-certify? Please provide a sample notification/letter that is mailed to customers when they need to re-certify.**

Customers are notified on the utility bill in the "Important Messages" section beginning the ninth month of being on PIPP. This will remain on the bill through the 12 month or until the new PIPP information has been received and updated on Vectren's system.

See attachment:

14A Example of PIPP Expiration Notification on Bill.pdf

- B. How many customers have been removed from PIPP within the last twelve months for failure to re-certify their income?**

There have been 1304 customers removed from PIPP within the last twelve months for failure to re-certify their income.

- C. Of the customers who re-certify their income, how many have been found to be over-income for PIPP within the last 12 months?**

Of the customers who re-certified their income, ninety three (93) were found to be over income for PIPP in the last 12 months.

- D. How many of these customers began the arrearage-crediting program?**

All ninety three (93) customers began Fresh Start (Arrearage Crediting Program).

15. Does your company assess a late payment fee to residential customers? If so, please describe.

Vectren assesses a late payment fee equal to 1.5% of the total arrears to all Non-PIPP customers.

16. Describe the company's policies, procedures, and timeline to be followed when it discovers a customer's meter is defective.

See attachments:

16 ZERO Except Instructions.doc  
16 METERS NONR.doc  
16 Defective Meter Letter.doc  
16 NONR calculation worksheet.xls

17. Describe the company's policies and procedures that are followed in attempting to gain access to read a customer's meter.

See Attachment:

17 VEDO Meter Access Plan.doc

- A. How many months of estimated reads trigger this action?

After 6 months of estimated reads, the first notice is triggered.

- B. What options are customers offered to have their meter read at a special time?

Customers are offered either an AM or PM appointment with a call-ahead if necessary on requests for special reads.

- C. Are any of the following options available to customers?

- I. Window of time

Yes

- II. Appointment

Yes

- III. Call-ahead

Yes

- IV. Any times outside of normal business hours

No

When the customer responds to Vectren's request to provide access for an off-cycle meter reading due to consecutive estimated meter reads, Vectren will offer to schedule the special meter reading using an AM or PM appointment window of time, and/or call ahead prior to arriving.

**18. Describe the general disconnection process**

- A. When a customer is disconnected for non-payment, what charges must the customer pay to re-establish service?**

See attachments:

18A Reconnects.ppt

18A Winter Rules.ppt

- B. Are any charges billed to the account the following month?**

Non-Winter: No

Winter: If the customer invokes the 175 rule to reconnect service, the reconnection fee is billed the following month.

- C. Does the company reconnect after normal business hours? If so, how much is the customer charged to have service restored outside of your normal hours of operation?**

When a customer contacts Vectren after hours in response to a door tag for reconnection after Vectren has performed construction work, the request is worked after hours with no fee.

There is a fee of \$22.00 for other reconnection of service after hours when requested by the customer. Typically, after hour reconnection when requested by a customer is accommodated only in documented medical situations for residential customers.

**19. When is a customer who has used three medical certificates eligible to use another one?**

Twelve months after the date of the first medical certificate.

See attachment:

19 Medical Certificate Process.doc

**20. What is your current procedure for determining the usage to be billed on a final account?**

Service is billed to the meter reading that is obtained at the time of service disconnection or transfer to a new customer.

- A. Number of initial service actual meter reads requested by the customer within the last twenty-four months**

There were 133,715 initial service meter reads requested by the customer within the last twenty-four months.

- B. Number of final actual meter reads requested by the customer within the last twenty-four months**

There were 54,060 final meter reads requested by the customer within the last twenty-four months.

- C. Describe your process for obtaining meter access and identify the point at which an account is finalized when access is denied.

See attachment:

20C Access Final Bill.doc

20C Prorating.doc

**21. Provide the following information related to billing**

- A. Number of residential bills sent out each month  
Approximately 290,700 residential bills are sent out each month
- B. Number of monthly bills based on actual reads  
Approximately 284,926 residential bills are based on actual reads per month
- C. Number of actual read bills found to be incorrect for the last twenty-four months.  
There were 35,888 actual read residential bills which were found to be incorrect within the last twenty-four months.
- D. Number of customers that have been back-billed for a period of six months or more within the last two years.  
There were 31,629 residential accounts that were back-billed for a period of six months or more within the last twenty four months.
- E. How are customers informed about payment arrangements on a back bill?  
See attachment  
21E Payment Arrangement Letter.doc
- F. Number of customers that have been back-billed in excess of 12 months in the last two years.  
There were 314 residential accounts that were back-billed in excess of 12 months within the last 24 month period.

**22. As defined in the MGSS, provide the number of customers charged with fraud and the number charged with tampering within the last twenty-four months.**

Number of customers charged with fraud	0
Number of customers charged with tampering	3,241

Note: Totals include residential and commercial accounts. Tracking was not available for specific customer groups.

**23. Average number of days required to install new gas after customer notification when:**

- A. New construction is involved  
Once the customer has finalized their request for a main extension with Vectren, the design and installation process can take between 60-90 days and is contingent upon the readiness of the site, payment of extension fees, and granting right-of-ways, etc. Once the customer's service is ready by having passed all tests and inspections a

work order is sent to the area construction department to: tap the main; attach the customer service; and set the meter.

From January 2007 through September 2007 Vectren has tied in 224 services of which 211 (94%) were completed within the 20 business day allowance. To date the average number of days for service tie in is 11.5 days.

Note: Totals include residential and commercial services. Tracking was not available for specific rate types.

**B. No new construction is involved**

Vectren does not own or install the customer's gas service. The customer owned service is normally installed or prepared for meter installation by a plumber. Vectren is involved in witnessing the required pressure tests and making visual inspections to ensure all regulatory requirements are met prior to meter installation and activation of the customer's service. The customer is considered ready when all appropriate tests and inspections have been passed. At that time a meter set order is entered. That order is expected to be completed within five working days.

From January 1, 2007 through September 30, 2007 Vectren has set 1,457 gas meters of which 1,449 (99.5%) were completed within 5 working days. Although the average number of days is not currently tracked, the best estimate is that Vectren's average time to set a meter in this case is three working days.

Note: Totals include residential and commercial meter sets. Tracking was not available for specific rate types.

**24. Describe the company's benefit of service policies.**

See attachment:  
24 Benefit of Service.doc

**25. Provide the company definition for**

**A. Applicant**

Any person, firm, corporation, municipality or other government agency which has applied for service.

**B. Customer**

Any person, firm, corporation, municipality or other government agency which has agreed to pay for service.

**SMALL COMMERCIAL**

**26. Describe the circumstances under which the company requires a security deposit:**

**A. Existing customers**

See attachment:  
26A Commercial Deposit Determination.doc

- B. Does the company perform a credit check on new customers? If so, explain process and minimum credit score.**

No, a credit check is not performed.

- C. Does the company require a social security number or tax ID number when establishing new service?**

A tax identification number or social security number is requested but is not required.

**If so, what procedures apply if a customer refuses to provide one?**

The customer will be charged a deposit.

See attachment:

26C Commercial Deposit Determination.doc

- D. Does the company provide the customer with the option of securing a guarantor in lieu of paying a security deposit?**

No. This option is not available to commercial customers.

- E. Provide a copy of the form used when the customer opts to use a guarantor**

Not applicable

- F. Does the company make payment arrangements on security deposits?**

No.

- G. Are customers told how and when the deposit would be refunded?**

The following statement in the form of a bill message is on bills that also serve as the cash deposit receipt:

"The rate of interest to be paid on the deposit will be not less than three per cent per annum if the deposit is held for one hundred eighty days or longer."

See attachment:

26G Deposit Bill Message.pdf

- 27. Please describe in detail, all available payment plans that are offered to customers who cannot pay their bill in full.**

See Attachment

27 Commercial Payment Arrangement.doc

- A. How does company confirm a payment arrangement with the customer, i.e., is a confirmation letter sent?**

Payment Arrangements are confirmed by automated letter and on the bill

See Attachment:

27A Commercial Payment Arrangement Bill and Letter.pdf



**B. Under what circumstances are customers denied payment arrangements?**

Commercial customers are not eligible for payment arrangements unless the bill is a result of a Vectren error or Vectren equipment malfunction.

**28. Does your company assess a late payment fee to small commercial customers? If so, please describe.**

Vectren assesses a late payment fee equal to 1.5% of the total arrears to all Non-PIPP customers.

**29. Describe the company's policies, procedures, and timeline to be followed when it discovers a customer's meter is defective.**

See attachments:

29 ZERO Except Instructions.doc  
29 METERS NONR.doc  
29 Defective Meter Letter.doc  
29 NONR calculation worksheet.xls

**30. Describe the company's policies and procedures that are followed in attempting to gain access to read a customer's meter.**

See Attachment:

30 VEDO Meter Access Plan.doc

**A. How many months of estimated reads trigger this action?**

After 6 months of estimated reads, the first notice is triggered.

**B. What options are customers offered to have their meter read at a special time?**

Customers are offered either an AM or PM appointment with a call-ahead if necessary on requests for special reads.

**C. Are any of the following options available to customers?**

- I. Window of time  
Yes
- IV. Appointment  
Yes
- V. Call-ahead  
Yes
- IV. Any times outside of normal business hours  
No

When the customer responds to Vectren's request to provide access for an off-cycle meter reading due to consecutive estimated meter reads, Vectren will offer to schedule the special meter reading using an AM or PM appointment window of time, and/or call ahead prior to arriving.

**31. Describe the general disconnection process:**

- A. When a customer is disconnected for non-payment, what charges must the customer pay to re-establish service?**

See attachments:

31 Commercial Reconnect.doc

**Are any charges billed to the account the following month?**

No.

- B. Does the company reconnect after normal business hours? If so, how much is the customer charged to have service restored outside of your normal hours of operation?**

When a customer contacts Vectren after hours in response to a door tag for reconnection after Vectren has performed construction work, the request is worked after hours with no fee.

There is a fee of \$22.00 for other reconnection of service after hours when requested by the customer. Typically, after hour reconnection when requested by a customer is accommodated only in documented medical situations for residential customers.

**32. What is your current procedure for determining the usage to be billed on a final account?**

Service is billed to the meter reading that is obtained at the time of service disconnection or transfer to a new customer.

- A. Number of initial service actual meter reads requested by the customer within the last twenty-four months**

There were 6,546 initial service meter reads requested by the customer within the last twenty-four months.

- B. Number of final actual meter reads requested by the customer within the last twenty-four months**

There were 2,118 final meter reads requested by the customer within the last twenty-four months.

- C. Describe your process for obtaining meter access and identify the point at which an account is finalized when access is denied.

See attachment:

32C Access Final Bill.doc

32C Prorating.doc

33. Provide the following information related to billing:

- A. Number of small commercial bills sent out each month  
Approximately 25,000 small commercial bills are sent out each month
- B. Number of monthly bills based on actual reads  
Approximately 22,023 small commercial bills are based on actual reads per month
- C. Number of actual read bills found to be incorrect for the last twenty-four months  
There were 3,138 actual read small commercial bills which were found to be incorrect within the last twenty-four months.
- D. Number of small commercial customers back-billed since January 1, 2007.  
There were 3,366 small commercial accounts that were back-billed since January 1, 2007.
- E. How are customers informed about payment arrangements on a back bill?  
See attachment  
33E Payment Arrangement Letter.doc

34. As defined in the MGSS, provide the number of customers charged with fraud and the number charged with tampering within the last twenty-four months.

Number of customers charged with fraud	0
Number of customers charged with tampering	3,241

Note: Totals include residential and commercial accounts. Tracking was not available for specific customer group.

35. Average number of days required to install new gas after customer notification when:

- A. New construction is involved

Once the customer has finalized their request for a main extension with Vectren, the design and installation process can take between 60-90 days and is contingent upon the readiness of the site, payment of extension fees, and granting right-of-ways, etc. Once the customer's service is ready by having passed all tests and inspections a work order is sent to the area construction department to: tap the main; attach the customer service; and set the meter.

From January 2007 through September 2007 Vectren has tied in 224 services of which 211 (94%) were completed within the 20 business day allowance. To date the average number of days for service tie in is 11.5 days.

Note: Totals include residential and commercial services. Tracking was not available for specific rate types.

**B. No new construction is involved**

Vectren does not own or install the customer's gas service. The customer owned service is normally installed or prepared for meter installation by a plumber. Vectren is involved in witnessing the required pressure tests and making visual inspections to insure all regulatory requirements are met prior to meter installation and activation of the customer's service. The customer is considered ready when all appropriate tests and inspections have been passed. At that time a meter set order is entered. That order is expected to be completed within five working days.

From January 1, 2007 through September 30, 2007 Vectren has set 1,457 gas meters of which 1,449 (99.5%) were completed within 5 working days. Although the average number of days is not currently tracked, the best estimate is that Vectren's average time to set a meter in this case is three working days.

Note: Totals include residential and commercial meter sets. Tracking was not available for specific rate types.



List of Attachments for PUCO Audit Response:

<u>Question #</u>	<u>Description of Attachment</u>
3A	Current Customer Bill 3A VEDO Current Customer Bill.pdf
3B	Fourteen-day Disconnection Notice 3B Disconnection Notice Bill.pdf
3C	Ten-day disconnection notice 3C Delinquency Presentation.pdf 3C 10 Day Call Notification.pdf 3C 10 day door tag.pdf
3D	Disconnection notice to tenants 3D Disconnection Notice to Tenants.doc
3E	Notice left when disconnection has occurred 3E Gas Service Disc Notice – Ohio.doc
3F	Notice to customer regarding a defective meter 3F Letter for inspection of defective meter.doc
3G	List of mandated bill inserts, description of each, and date released  3G List of Mandated bill inserts and release dates.doc 3G Gas Piping Feb 2007.pdf 3G Gas Piping May 2007.pdf 3G Gas Piping August 2007.pdf 3G Gas Piping October 2007.pdf 3G Choice Opt Out Nov 2006.pdf 3G Choice Opt Out February 2007.pdf 3G Choice Opt Out May 2007.pdf 3G Choice Opt Out August 2007.pdf 3G Your Natural Gas Service May 2007.pdf 3G Special Notice. pdf 3G Winter Rules.pdf 3G Project Teem Dec 2006
3H	Door hanger left when service is not disconnected 3H Tag when gas service is not disconnected- Ohio.doc

<b>3 I</b>	<b>Services available to customers via the company website.</b> <b>3I NonReg User Functionality.doc</b> <b>3I Vectren Online Applications and Services.xls</b>
<b>3J</b>	<b>Customer notice for fraudulent practice.</b> <b>3J Alleged Fraudulent Practice Notice.doc</b>
<b>3K</b>	<b>Customer notice for tampering</b> <b>3K Tampering Notice.doc</b>
<b>4</b>	<b>Script and flow charts for the VRU</b> <b>CD attachment with scripts and flow charts</b>
<b>5</b>	<b>Spanish Services</b> <b>5 Spanish Translation Service August 2007.pdf</b> <b>5 Spanish Efficiency Brochure.pdf</b> <b>5 Spanish Field Job Aid.pdf</b> <b>5 Service Call Tag.doc</b> <b>5 Yellow and Red Tags.doc</b>
<b>6A</b>	<b>Quality Control Monitoring</b> <b>6A Quality Evaluation Guidelines.doc</b>
<b>6B</b>	<b>Number of calls received per day during the most-recent full calendar month</b> <b>6 B-C-D-G September 2007 Performance.xls</b>
<b>6C</b>	<b>Number of calls abandoned per day during the most-recent full calendar month</b> <b>6 B-C-D-G September 2007 Performance.xls</b>
<b>6D</b>	<b>Percent of calls answered per day during the most-recent full calendar month</b> <b>6 B-C-D-G September 2007 Performance.xls</b>
<b>6F</b>	<b>Number of calls answered during the most-recent full calendar year</b> <b>6 F December 2006 Y-T-D Totals performance</b>
<b>6G</b>	<b>Average telephone answer time during the most-recent full calendar month</b> <b>6 B-C-D-G September 2007 Performance.xls</b>
<b>7</b>	<b># Employees available to answer calls</b> <b>7 Total FTE for 2006-2007.xls</b>
<b>8B</b>	<b>Number of complaints received within the last year</b> <b>8B Complaints Received 10.06 through 9.07.doc</b>

<b>8E</b>	<b>Company definition of "customer contact"</b> <b>8 E-F Number of Contacts and Types.xls</b>
<b>8F</b>	<b>Number of customer contacts per year</b> <b>8 E-F Number of Contacts and Types.xls</b>
<b>9A</b>	<b>Security Deposit for Existing Residential Customers</b> <b>9A Ohio Deposit Determination Tree Existing Residential Customer.doc</b> <b>9A Ohio Residential Deposit.doc</b>
<b>9B</b>	<b>Credit Check process for New Customers</b> <b>9B Quick Reference for Equifax.doc</b>
<b>9C</b>	<b>Process for validating customer ID using driver's license</b> <b>9C Quick Reference for DL Advantage.doc</b>
<b>9E</b>	<b>Guarantor Form</b> <b>9E Guarantor Agreement.doc</b>
<b>9G</b>	<b>Bill message with deposit refund information</b>  <b>9G Deposit Bill Message.pdf</b>
<b>9H</b>	<b>Deposit requirements</b> <b>9H Ohio Deposit Determination Tree Existing Residential Customer.doc</b> <b>9H Ohio Deposit Determination Tree New Residential Customer.doc</b> <b>9H Ohio Residential Deposit.doc</b>
<b>10</b>	<b>Available Payment Plans for Residential Customers</b> <b>10 Quick Reference for Payment Arrangements.doc</b>
<b>10A</b>	<b>Payment Arrangement Confirmation</b> <b>10A Residential Payment Arrangement Letter and Bill.pdf</b>
<b>11D</b>	<b>Weatherization Information</b> <b>11D Insert 12.06.pdf</b> <b>11D PIPP Cust Insert Sept 2006.pdf</b>
<b>14A</b>	<b>Notification to recertify for PIPP</b> <b>14A Example of PIPP Expiration Notification on Bill.pdf</b>



- 16 Policies, procedures, and timeline for defective meter  
16 ZERO Except Instructions.doc  
16 METERS NONR.doc  
16 Defective Meter Letter.doc  
16 NONR calculation worksheet.xls
- 17 Meter Access  
17 VEDO Meter Access Plan.doc
- 18 Charges to reconnect Service after non-pay disconnection  
18A Reconnects.ppt  
18A Winter Rules.ppt
- 19 Process for Medical Certificates  
19 Medical Certificate Process
- 20C Process for obtaining meter access and finalizing account  
when access is denied.  
20C Access Final Bill.doc  
20C Prorating.doc
- 21E Payment Arrangement on Back Bill  
21E Payment Arrangement Letter.doc
- 24 Definition of Benefit of Service  
24 Benefit of Service.doc
- 26A Security Deposit for Existing Commercial Customers  
26A Commercial Deposit Determination.doc
- 26C Deposit Assessment when tax id is refused.  
26C Commercial Deposit Determination.doc
- 26G Bill message with deposit refund information  
  
26G Deposit Bill Message.pdf
- 27 Commercial Payment Arrangements  
27 Commercial Payment Arrangement Bill and Letter.doc
- 27A Commercial Payment Arrangement Confirmation  
27A Commercial Payment Arrangement Bill and Letter.pdf
- 29 Policies, procedures, and timeline for defective meter  
29 ZERO Except Instructions.doc  
29 METERS NONR.doc  
29 Defective Meter Letter.doc  
29 NONR calculation worksheet.xls

- 30                   **Meter Access**  
                      30 VEDO Meter Access Plan.doc
- 31                   **Charges to reconnect Service after non-pay disconnection**  
                      31 Commercial Reconnect.doc
- 32C                  **Process for obtaining meter access and finalizing account**  
                      **when access is denied**  
                      32C Access Final Bill.doc  
                      32C Prorating.doc
- 33E                  **Payment Arrangement Confirmation on back bill**  
                      33E Payment Arrangement Letter.doc

which is charged to the customer's credit card statement. This fee is charged by Speedpay our 3rd party vendor.

- a. Do payments always post to accounts on the same day they are received?

**RESPONSE:**

**Responder: William Doty**

**Yes, see Interrogatory No. 470 response above.**

- b. Are payments that are received over the weekends or during other non-regular business days posted to the account on the same day?

**RESPONSE:**

**Responder: William Doty**

**Payments that are received over the weekend or during other non-regular business days are posted to the customers' accounts on the next business day.**

471. Referring to Schedule E-1, Sheet No. 62, item 3b (2), page 1, please identify the number of bills that were rendered for periods of time that are greater than 30 days for each of the last two years.

**RESPONSE:**

**Responder: William Doty**

**The below amounts represent the cumulative annual number of bills for billing periods greater than 30 days.**

**2007 - 1,522,877**

2006 - 1,495,055

472. Referring to Schedule E-1, No. 62, item 3 (c) , page 3, please identify how many residential customers paid on average every month through the online website, bank draft automated withdrawals, credit card or electronic check, at an authorized agent, by U.S. mail, EDI, or through ACH for each of the last five years.

**RESPONSE:**

**Responder: William Doty**

	<u>Bankdraft</u>	<u>E-Check (ACH)</u>	<u>Lockbox</u> <u>US Mail</u>	<u>Credit Card</u>	<u>Paysites</u>
2003	24,492	56,481	2,558,593	17,443	250,763
2004	25,388	170,729	2,452,397	20,834	269,557
2005	26,526	248,113	2,393,246	28,136	280,059
2006	26,812	345,954	2,167,742	33,621	271,361
2007	27,592	404,676	2,033,307	45,849	274,963

a. What are the costs to the Company to process payments made through each of the methods identified above?

**RESPONSE:**

**Responder: William Doty**

<u>Bankdraft</u>	<u>Lockbox</u>	<u>Credit Cards</u>	<u>E-Check (ACH)</u>	<u>Paysites</u>

unsuccessful, Vectren contacts the customer by certified mail to arrange the appointment to disconnect service.

193. Referring to Schedule E-1, Sheet 30, Avoided Customer Charge, for the following years, how many residential customers requested their service disconnected at the end of the heating season and then requested service reconnected at the beginning of the next heating season?
- a. 2005,
  - b. 2006,
  - c. 2007, and
  - d. 2008 to date.

**RESPONSE:**

**Responder: William Doty**

**Data is not available. We do not currently track such requests within the customer billing system.**

194. Referring to Schedule E-1, Sheet 30, Page 2, Collection Charge at the Door, how many residential customers for the following years requested an employee dispatched to their residence to accept a payment?
- a. 2005,
  - b. 2006,
  - c. 2007, and
  - d. 2008 to date.

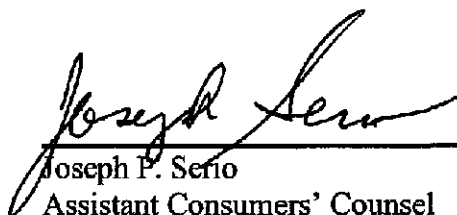
**RESPONSE:**

**Responder: William Doty**

- a. 2,243**
- b. 3,126**
- c. 1,918**
- d. Data not yet available.**

## **CERTIFICATE OF SERVICE**

It is hereby certified that a true copy of the foregoing the *Direct Testimony of Maria T. Durban on Behalf of the Office of the Ohio Consumers' Counsel* has been served via First Class US Mail (electronically upon Vectren Counsel), this 23<sup>rd</sup> day of July, 2008.

  
\_\_\_\_\_  
Joseph P. Seno  
Assistant Consumers' Counsel

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