

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren)
Energy Delivery of Ohio, Inc. for Approval,)
pursuant to Section 4929.11, Revised Code, of)
a Tariff to Recover Conservation Expenses)
and Decoupling Revenues Pursuant to Auto-)
matic Adjustment Mechanisms and for such)
Accounting Authority as May Be Required to)
Defer Such Expenses and Revenues for Future)
Recovery through such Adjustment Mecha-)
nisms.)

Case No. 05-1444-GA-UNC

FOURTH ENTRY ON REHEARING

The Commission finds:

- (1) On November 28, 2005, Vectren Energy Delivery of Ohio, Inc., (VEDO) filed an application for approval, pursuant to Section 4929.11, Revised Code, of a tariff to recover conservation expenses and decoupling revenues pursuant to automatic adjustment mechanisms and for such accounting authority as may be required to defer such expenses and revenues for future recovery through such adjustment mechanisms.
- (2) On April 10, 2006, VEDO, Ohio Partners for Affordable Energy (OPAE) and the Ohio Consumers' Counsel (OCC) filed a Stipulation and Recommendation (April 2006 Stipulation) for the purpose of resolving the issues in this proceeding. Among other terms, the April 2006 Stipulation provided for a Sales Reconciliation Rider and for an accounting deferral mechanism.
- (3) On September 13, 2006, the Commission issued its Opinion and Order in this case and approved the April 2006 Stipulation as modified by the Opinion and Order. The April 2006 Stipulation contained provisions for the termination of the Stipulation in the event that it was not adopted in its entirety without material modification by the Commission.
- (4) OCC filed an application for rehearing of the Opinion and Order on October 13, 2006. On November 8, 2006, the

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Commission denied the application for rehearing filed by OCC. OCC filed a Notice of Termination and Withdrawal from Stipulation on December 8, 2006.

- (4) On December 21, 2006, a second Stipulation and Recommendation (December 2006 Stipulation) was filed by VEDO, OPAE and Staff (signatory parties). The signatory parties requested that the Commission affirm the September 13, 2006, Opinion and Order that adopted and modified the April 2006 Stipulation, based on the existing record, without further hearing. The signatory parties further requested that the Sales Reconciliation Rider and deferral mechanism adopted in the September 13, 2006, Opinion and Order, continue to be effective, as of the date of the order.
- (5) By entry dated December 29, 2006, the attorney examiner noted that OCC had withdrawn from the April 2006 Stipulation and determined that a hearing regarding the December 2006 Stipulation should be held. Further, the attorney examiner directed that the signatory parties file an amended stipulation which enumerates all terms agreed to by the parties, rather than incorporating such terms by reference from other documents.
- (6) On January 2, 2007, VEDO and OPAE filed a joint interlocutory appeal and motion for certification regarding the December 29 Entry. OCC filed a memorandum contra the joint motion on January 5, 2007, and a supplement to its memorandum contra on January 8, 2007. On January 10, 2007, the attorney examiner certified the interlocutory appeal of VEDO and OPAE to the Commission for the limited question of whether VEDO should be permitted to continue the accounting treatment authorized by the Commission in the September 13, 2006, Opinion and Order. By entry dated January 10, 2007, the Commission granted VEDO authority to continue the accounting treatment previously authorized by the Commission in the Opinion and Order.
- (7) On January 12, 2007, pursuant to the December 29 Entry, the signatory parties filed an amended Stipulation and Recommendation (January 2007 Stipulation). The signatory parties stated that the January 2007 Stipulation is substantively identical to the December 2006 Stipulation but that the January

2007 Stipulation enumerates all terms agreed to by the parties, rather than incorporating the terms by reference from other documents.

- (8) On June 27, 2007, the Commission issued its Supplemental Opinion and Order in this case, approving the January 2007 Stipulation entered into between VEDO, OP&E, and the Staff.
- (9) Section 4903.10, Revised Code, states that any party to a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission, within 30 days of the entry of the order upon the Commission's journal.
- (10) On July 27, 2007, OCC filed an application for rehearing alleging that the Supplemental Opinion and Order in this case was unreasonable and unlawful. In addition, the Neighborhood Environmental Coalition and Consumers for Fair Utility Rates (Coalition) also filed an application for rehearing on July 27, 2007.
- (11) On August 22, 2007, the Commission issued its Third Entry on Rehearing in this proceeding, granting the applications for rehearing filed by OCC and the Coalition for the purpose of further consideration of the matters specified in the applications.
- (12) Subsequently, on January 7, 2009, the Commission approved a stipulation submitted in *In re Vectren Delivery of Ohio, Inc.*, Case No. 07-1080-GA-AIR, et al. The signatory parties to the stipulation included VEDO, OP&E, OCC, and Staff. Among other terms, the stipulation specified that it resolved all contested issues raised in Case Nos. 07-1080-GA-AIR, 07-1081-GA-ALT, and 08-632-GA-AAM, as well as this proceeding, except for those issues specifically reserved for separate resolution. None the issues in this proceeding are enumerated in the stipulation as being reserved for separate resolution. Accordingly, the Commission finds that it is unnecessary to address the assignments of error raised by OCC and that OCC's application for rehearing is moot and should be denied.
- (13) In its application for rehearing, the Coalition alleged that the Supplemental Opinion and Order in this case was unreasonable and unlawful on the following grounds.

- (a) The Commission should modify the January 2007 Stipulation and remove all discussion and use of any decoupling mechanism from it.
 - (b) If the Commission cannot eliminate decoupling from this case, the Commission should restrict any other uses of decoupling until such accounting technique has been adequately tested and its results properly researched and documented.
- (14) In its first assignment of error, the Coalition argues that the Commission should modify the January 2007 Stipulation and remove all discussion and use of any decoupling mechanism from it. The Coalition argues that, under current Ohio law, decoupling is illegal. However, the Coalition does not cite any particular statute or specific precedent upon which it bases its conclusion that decoupling is illegal under Ohio law. On the other hand, in our Supplemental Opinion and Order, the Commission concluded that the language of Section 4929.01(A), Revised Code, vests the Commission with broad discretion in authorizing alternative rate plans, including a mechanism such as the sales reconciliation rider proposed in this case. Therefore, rehearing on this assignment of error should be denied.
- (15) In its second assignment of error, the Coalition argues that, if the Commission cannot eliminate decoupling from this case, the Commission should restrict any other uses of decoupling until such accounting technique has been adequately tested and its results properly researched and documented.

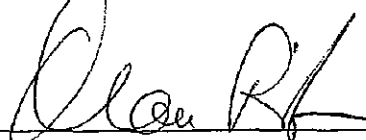
Rehearing on this assignment of error should be denied. The Commission will approve or deny any future requests for decoupling mechanisms or other alternative rate plans in accordance with the specific facts and circumstances set forth in the record of any such future case.

It is, therefore,

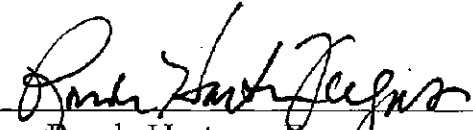
ORDERED, That the applications for rehearing filed by OCC and the Coalition be denied. It is, further,

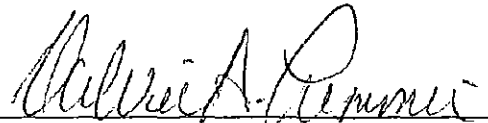
ORDERED, That a copy of this Fourth Entry on Rehearing be served upon all parties of record.

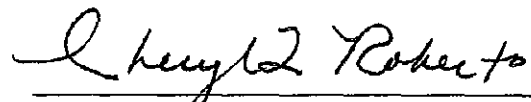
THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Paul A. Centolella


Ronda Hartman Fergus

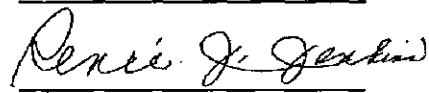

Valerie A. Lemmie


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GAP:ct

Entered in the Journal

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Renee J. Jenkins
Secretary