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FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Five-Year Review of )  
Natural Gas Company Uncollectible Riders. )

Case No. 08-1229-GA-COI  
PUGO

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INITIAL COMMENTS OF  
VECTREN ENERGY DELIVERY OF OHIO, INC.

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March 16, 2009

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Ohio, Inc.

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**I.     INTRODUCTION**

On February 5, 2009, the Staff of the Public Utilities Commission of Ohio ("Commission") filed a Staff Report in this docket on its investigation of uncollectible expense ("UEX") riders ("Staff Report"). The Staff Report responded to a December 17, 2003 Finding and Order in Case No. 03-1127-GA-UNC regarding the approval of an adjustment mechanism for local distribution companies ("LDCs") to recover uncollectible expenses. On February 25, 2009, the Attorney Examiner in this proceeding issued an Entry permitting initial and reply comments on the Staff Report by March 16, 2009 and March 26, 2009, respectively. Vectren Energy Delivery of Ohio, Inc. ("VEDO") respectfully submits its initial comments for the Commission's review.

**II.    COMMENTS**

The Staff Report recommends requiring LDCs to file annual reports no later than January 31st of each year that contain details on aspects of the LDCs' uncollectible expenses and the UEX rider that recoups those costs. Specifically, the Staff Report recommends that LDCs track: (1) the beginning year uncollectible balance; (2) additions to the uncollectible balance, including the vintage of the additions (e.g. one to six months, six months to one year, etc.); and (3) credits to the uncollectible balance

disaggregated by collections from the rider, customers, collection agencies, and third parties.<sup>1</sup> The Staff Report further recommends that the UEX mechanism be continued for a period of time not to exceed an additional five years without a subsequent Staff investigation and report on the amounts collected and any impacts on the utilities' collection practices.<sup>2</sup>

VEDO respectfully submits that the information sought for the January 31<sup>st</sup> annual reports would pose notable human resource and information technology challenges to VEDO as well as the other LDCs, the result of which would be the incurrence of significant costs and staff time. The current state of the economy counsels in favor of being especially sensitive to the efforts required to compile this additional information and whether such efforts are warranted in relation to the benefits that may be derived. Further, regarding information technology implications, the Commission has accomplished several rulemakings in the recent past and VEDO encourages the Commission to make every attempt to afford LDCs the opportunity to make any changes required as part of this docket concurrently with the programming changes needed to implement the Commission's previous rule modifications.

Additionally, if the Commission adopts Staff's recommendations, the Commission should require the information requested for the January 31<sup>st</sup> annual report to be filed with the report on UEX collections that is ordinarily filed each May by LDCs. One report will suffice to include a complete picture of all of the information needed by Staff and Staff is already accustomed to receiving a report in May of each year. VEDO respectfully requests that the Commission clarify that only the ordinary UEX rider report

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<sup>1</sup> Staff Report at 5.

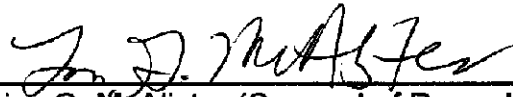
<sup>2</sup> *Id.*

(with any expanded categories of information adopted by the Commission) will be due during the month of May each year.

### III. CONCLUSION

VEDO appreciates the opportunity to make these comments and respectfully urges the Commission to consider and adopt VEDO's suggestions.

Respectfully submitted,



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