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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO MAY 11 11 PM 5:13

In the Matter of the Regulation of the)
Purchased Gas Adjustment Clause)
Contained within the Rate Schedules)
of Vectren Energy Delivery of Ohio, Inc.)
and Related Matters.)

PUCO

Case No. 08-220-GA-GCR

PREPARED DIRECT TESTIMONY
OF SCOTT E. ALBERTSON
ON FINANCIAL AND UNCOLLECTIBLE EXPENSE RIDER AUDITS
ON BEHALF OF
VECTREN ENERGY DELIVERY OF OHIO, INC.

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May 11, 2008

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**PREPARED DIRECT TESTIMONY
OF SCOTT E. ALBERTSON**

1 **Q1. Please state your name and business address.**

2 A1. Scott E. Albertson, One Vectren Square, Evansville, Indiana, 47708.

3 **Q2. By whom are you employed?**

4 A2. I am Director of Regulatory Affairs for Vectren Utility Holdings, Inc.
5 ("VUHI"), the immediate parent company of Vectren Energy Delivery of
6 Ohio, Inc. ("VEDO"). I hold the same position with two other utility
7 subsidiaries of VUHI -- Southern Indiana Gas and Electric Company d/b/a
8 Vectren Energy Delivery of Indiana, Inc. ("Vectren South") and Indiana
9 Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
10 ("Vectren North").

11 **Q3. Please describe your educational background.**

12 A3. I received a Bachelor of Science degree in mechanical engineering from
13 Rose-Hulman Institute of Technology in 1984.

Q4. Are you a Registered Professional Engineer?

A4. Yes. I have been a professional engineer in Indiana since 1990 (registration number 900464).

Q5. Please describe your professional experience.

A5. I have over 24 years experience in the utility industry, primarily in the operations and engineering areas. I began my career with Ohio Valley Gas Corporation in a project engineering position. I have worked at VUHI and its predecessor companies since 1987 in a variety of positions including Operations Staff Manager, Assistant Chief Engineer, Director of Engineering Projects, and Director of Engineering. Prior to assuming my current role in 2004, I was Director of Technical Services with responsibility for engineering and technical support for all VUHI utility operations.

Q6. What are your present duties and responsibilities as Director of Regulatory Affairs?

A6. I have responsibility for the regulatory matters of the regulated utilities within VUHI, including proceedings before the Public Utilities Commission of Ohio ("the Commission") and the Indiana Utility Regulatory Commission.

Q7. Have you previously testified before the Commission?

A7. Yes. I filed testimony in Case Nos. 04-220-GA-GCR, 05-220-GA-GCR, and 07-220-GA-GCR on VEDO's Financial and Uncollectible Expense

1 Audits. I also filed testimony in Case Nos. 07-1081-GA-ALT and 07-1285-
2 GA-EXM related to VEDO's proposals to implement a Distribution
3 Replacement Rider and to exit the merchant function, respectively.
4 Finally, I filed testimony in VEDO's most recent rate case, Case No. 07-
5 1080-GA-AIR.

6 **Q8. What is the purpose of this testimony in this proceeding?**

7 A8. The purpose of this testimony is to address the report submitted by
8 VEDO's financial auditor on January 13, 2009 that covers the audit period
9 November 1, 2007 to September 30, 2008 as directed by the Commission
10 in this proceeding.

11 I am also adopting the information contained in the annual report of
12 VEDO's Uncollectible Expense Rider for 2007 and testifying about the
13 audit report of this rider submitted by VEDO's financial auditor.

14 **FINANCIAL AUDIT FINDINGS**

15 **Q9. Have you reviewed the findings of the financial audit filed by Deloitte**
16 **& Touche ("D&T") in this proceeding?**

17 A9. Yes. D&T found that VEDO complied with the overall objectives of the
18 uniform financial audit as outlined in Chapter 4901:1-14-07 of the Ohio
19 Administrative Code. In particular, the auditor found that VEDO's GCR
20 rates during its audit period were fairly determined in accordance with the

1 financial procedural aspects of the Ohio Administrative Code and that
2 VEDO had properly applied GCR rates to customer bills.

3 **Q10. Does VEDO agree with the above-referenced findings?**

4 A10. Yes.

5 **UNCOLLECTIBLE EXPENSE RIDER AUDIT FINDINGS**

6 **Q11. Please identify the audit of VEDO's Uncollectible Expense Rider filed**
7 **by D&T.**

8 A11. D&T filed its audit report of VEDO's Uncollectible Expense Rider in this
9 proceeding on January 13, 2009 for the period January 1, 2007 to
10 December 31, 2007.

11 **Q12. Please comment on the results of D&T's audit of VEDO's**
12 **uncollectible expense recovery mechanism.**

13 A12. In its audit, D&T verified that VEDO appropriately accounted for and billed
14 its Uncollectible Expense Rider Rate during 2007.

15 **Q13. Does this conclude your Prepared Direct Testimony?**

16 A13. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Prepared Direct Testimony of Scott E. Albertson* was served upon the following parties of record this 11th day of May 2009, via electronic transmission, hand-delivery or ordinary U.S. mail, postage prepaid.


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