

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate.) Case No. 09-456-GA-UEx

APPLICATION

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May 29, 2009

**Attorneys for Vectren Energy Delivery
of Ohio, Inc.**

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**BEFORE
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In the Matter of the Application of)		
Vectren Energy Delivery of Ohio, Inc.)	Case No. 09-	-GA-UEX
for Approval of an Adjustment to its)		
Uncollectible Expense Rider Rate.)		

APPLICATION

Vectren Energy Delivery of Ohio, Inc. ("VEDO" or "the Company") hereby submits its annual Uncollectible Expense Rider Report and respectfully requests approval to revise its Uncollectible Expense Rider rate. In support of its Application, VEDO states as follows:

1. In its December 17, 2003 Finding and Order ("December 17 Order") in Case No. 03-1127-GA-UNC, the Commission approved an application for authority to establish an uncollectible expense rider for VEDO and several other natural gas companies.
2. By Entry dated April 7, 2004, in Case No. 03-2571-GA-ATA, the Commission approved VEDO's initial Uncollectible Expense Rider rate. VEDO filed final tariffs consistent with the April 7, 2004 Entry on April 16, 2004, effective as of that date.

3. In the December 17 Order, the Commission directed VEDO (and the other companies subject to that order) to file a yearly report that identifies amounts recovered, deferred, and amortized pursuant to the Rider. The Staff, in its report filed March 9, 2004, in Case No. 03-2571-GA-ATA, recommended that the information be provided in the format of Attachment A to that report. VEDO's 2009 report, in that format, is Attachment 1 to this Application.
4. VEDO proposes a revised Rider rate of \$0.2115 per Mcf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2009 and (2) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2010. The calculation of the revised rates is shown on Attachment 2 hereto.
5. The Rider states that VEDO shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed. VEDO has projected its net uncollectible expenses through April 2010 and has added to that projection the existing deferred balance in the Uncollectible Expense Rider account. The sum of these two components, divided by projected volumes for the 12-month period May 2009

through April 2010, yields the proposed revised Rider rate. The proposed revised Rider rate is more than ten percent more than the currently effective rate.

6. The portion of the proposed Rider rate attributable to estimated uncollectible expense is derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.
7. The resulting rate of \$0.2115 per Mcf is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 3 to this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new Uncollectible Expense Rider rate

Respectfully submitted,



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**Attorneys for Vectren Energy Delivery of
Ohio, Inc.**

Line No	Description	January '08	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance- Beginning of Month	\$ 1,314,482.53	\$ 251,974.57	\$ (932,768.38)	\$ (1,942,680.37)	\$ (2,108,311.94)	\$ (2,210,231.78)	\$ (2,077,512.42)	\$ (1,684,992.82)	\$ (1,129,087.99)	\$ (566,854.20)	\$ 418,626.75	\$ 584,469.58	
2	Bad Debts Within Ctr	757,900.36	504,923.58	308,725.31	589,241.50	401,864.81	460,222.05	651,111.47	841,085.84	1,050,117.90	1,436,724.84	7,287,625.43	1,055,463.62	9,372,107.01
3	Recovery - Base Rates													
4	Recovery - Uncollectible Expense Rule (a)	1,364,129.92	1,250,721.75	958,783.10	407,543.70	280,223.76	133,512.85	82,722.25	85,505.28	80,567.84	210,723.23	471,039.13	734,611.80	6,061,962.89
5	Recovery - Other (b)	458,434.96	436,238.77	356,188.28	344,886.42	219,103.04	170,655.53	182,939.54	187,489.72	203,957.06	492,580.74	646,680.83	685,008.45	4,399,473.35
6	Incremental Uncollectible Expense [2 - (3 + 4 + 5)]	(1,064,864.52)	(1,181,006.94)	(1,010,248.08)	(163,188.02)	(87,861.89)	(36,453.67)	(86,449.68)	(588,082.86)	(765,913.00)	(781,420.97)	(166,605.47)	(374,156.63)	(1,087,028.89)
7	Balance Subtotal 11-6]	249,818.11	(523,062.37)	(1,940,014.46)	(1,236,868.95)	(2,206,973.83)	(2,074,240.11)	(1,682,052.74)	(1,126,908.84)	(583,174.98)	(416,766.77)	584,432.22	210,342.95	(1,087,426.89)
8	Carrying Charges [(1+7) X 65%] X 50 X (c)]	2,166.45	(706.01)	(2,665.91)	(3,442.95)	(3,318.94)	(2,272.31)	(2,930.06)	(2,178.16)	(1,478.21)	59.08	1,067.36	589.84	(16,120.91)
9	Balance - End of Month [7 + 8]	\$ 251,974.57	\$ (932,768.38)	\$ (1,942,680.37)	\$ (2,108,311.94)	\$ (2,210,231.78)	\$ (2,077,512.42)	\$ (1,684,992.82)	\$ (1,129,087.99)	\$ (566,854.20)	\$ 418,626.75	\$ 584,469.58	\$ 210,342.95	\$ (1,103,348.84)

(a) Calculated actual consumption times authorized rider rate.
(b) Consists of customer payments and agency assistance.
(c) Monthly carrying charge rate

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(b) Consists of customer payments and agency assistance.
(c) Monthly carrying charge rate

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2009

	<u>Amount</u>	<u>Applicable Volumes (Mcf)</u>	<u>Unit Rate /Mcf</u>
Deferred Uncollectible Expense Balance through April 2009	\$ (675,879.22)		
Projected Net Uncollectible Expense: May 2009 - April 2010	<u>\$ 7,666,655.75</u>		
Unit Rate on which to Collect	\$ 6,990,776.53	33,053,000	\$ 0.2115
Approved Rate Implemented Effective July 2, 2008			<u>\$ 0.1165</u>
Increase/(Decrease) in Total Uncollectible Expense Rider			<u>\$ 0.0950</u>
Percentage Difference			81.55%

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 3

Sheet No. 39
First Revised Page 1 of 1
Cancels Original Page 1 of 1

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

DESCRIPTION

The Uncollectible Expense Rider Rate shall be applied to all billed Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under collections.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.02115 per Ccf.

Filed pursuant to the Entry dated ____ in Case No. 09-____-GA-UEX of The Public Utilities Commission of Ohio.

Issued

Issued by Jerrold L. Ulrey, Vice-President Effective

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

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Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under collections.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.04165-02115 per Ccf.