



FILE

Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

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Janine L. Migden-Ostrander
Consumers' Counsel

August 20, 2010

Ms. Renee Jenkins, Secretary
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215-3793

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PUCO

Re: *In the Matter of the Annual Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Service and Related Matters, Case No. 07-1080-GA-AIR, et al., In the Matter of the Annual Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Adjust its Distribution Replacement Rider Charges, Case No. 10-595-GA-RDR, Stipulation and Recommendation, filed August 19, 2010.*

Dear Ms. Jenkins:

The Office of the Ohio Consumers' Counsel ("OCC") would like to state its position with regard to the Stipulation and Recommendation ("Stipulation") that was marked as Joint Exhibit No. 1 at the evidentiary hearing held on August 19, 2010. The Stipulation and Recommendation has been signed by Vectren Energy Delivery of Ohio, Inc. ("Vectren") and the Commission's Staff ("Staff"). OCC neither supports nor opposes the Stipulation in these proceedings. However, OCC believes that it is important, for the clarity of the record, to state the reasons OCC decided to neither support nor oppose this Stipulation. The reasons are discussed below. It should be noted that OCC's non-opposition to the Stipulation is specific to these cases and is not in any way intended as applicable to, or precedent for, other cases or matters where these issues may arise.

On April 30, 2010, the Company filed an Application seeking Commission approval of the proposed distribution replacement rider ("DRR") that Vectren would ask customers to pay. Under the DRR, Vectren is installing plastic mains and service lines to replace the cast iron and bare steel mains and metallic service lines throughout its service territory in an accelerated time period, and replacing natural gas risers and hazardous customer service lines.¹

On July 30, 2010, OCC filed Comments on Vectren's Application which raised concerns that implicated the calculation of the DRR Rider rate for residential consumers, and included an overarching concern regarding the current pace of the

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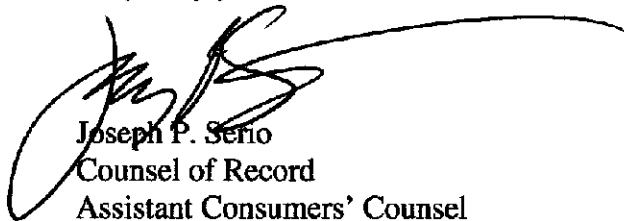
¹ Application at 2.

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pipeline replacements.² On August 12, 2010, Vectren filed a statement with the Commission that stated: As of the filing of this statement, [Vectren] is of the belief that the issues in this case have been resolved, and a stipulation will be filed. The Statement accurately advised the Commission of the case status. Vectren's DRR Rider rate remained unchanged by how OCC's issues were addressed by the Company. Although the Supplemental Testimony of James M. Francis (Vectren Ex. No. 4) did address the matter of the pace of the Bare Steel and Cast Iron mains replacement program, the issue itself remains to be resolved in future Vectren DRR cases. Accordingly, OCC made the decision not to sign and not to oppose the Stipulation and will address this issue in subsequent cases.

Therefore, OCC is neither supporting nor opposing the Stipulation that was filed in these proceedings.

Very truly yours,



Joseph P. Serio
Counsel of Record
Assistant Consumers' Counsel

cc: Parties of Record

² OCC Comments at 3-15.