

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. 12-320-GA-UEx

Gretchen J. Hummel (Trial Attorney)
Frank P. Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215
Telephone: 614-469-8000
Telecopier: 614-469-4653
ghummel@mwncmh.com
fdarr@mwncmh.com

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

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. 12-320 -GA-UEx

Vectren Energy Delivery of Ohio, Inc. (“VEDO” or “the Company”) hereby submits its annual Uncollectible Expense (“UEX”) Rider Report and respectfully requests approval to revise its UEX 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 Public Utilities Commission of Ohio (“PUCO” or “Commission”) approved an application for authority to establish a UEX 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 UEX 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 2012 report, in that format, is Attachment 1 to this Application. In its August 19, 2009 Finding and Order in Case No. 08-1229-GA-COI, the Commission ordered that the yearly report should include the UEX balance at the beginning of the reporting year; additions to the UEX balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year. VEDO has incorporated this additional information into Attachment 3 to this Application.

4. VEDO proposes a revised Rider rate of \$0.00815 per Ccf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2012 and (2) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2013. The calculation of the revised rates is shown on Attachment 2 hereto.
5. Sheet No. 39 of the company's tariff for gas service states that VEDO shall file an application with the PUCO 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 UEX through April 2013 and has added to that

projection the existing deferred balance in the UEX Rider account. The sum of these two components, divided by projected volumes for the 12-month period May 2012 through April 2013, yields the proposed revised Rider rate. The proposed revised Rider rate is less than the current effective rate.

6. The portion of the proposed Rider rate attributable to estimated UEX 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 \$0.00815 per Ccf is just and reasonable and should be approved. Copies of the proposed and scored current tariff sheets are Attachment 4 to this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new UEX Rider rate proposed herein.

Respectfully submitted,

/s/ Gretchen Hummel
Gretchen J. Hummel (Trial Attorney)
Frank P. Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215
Telephone: 614-469-8000
Telecopier: 614-469-4653
ghummel@mwncmh.com
fdarr@mwncmh.com

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

ATTACHMENT 1

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2011 Annual Balance Reconciliation

Line No.	Description	January '11	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month	\$ 4,331,228	\$ 3,393,428	\$ 2,573,133	\$ 1,911,041	\$ 1,680,850	\$ 1,369,971	\$ 1,626,430	\$ 2,406,314	\$ 3,288,712	\$ 3,638,284	\$ 3,630,587	\$ 2,995,891	\$ 4,331,228
2	Bad Debts Written Off (b)	\$ (34,716)	\$ (89,062)	\$ (51,914)	\$ 67,144	\$ 345,234	\$ 373,642	\$ 886,827	\$ 1,020,814	\$ 563,949	\$ 357,499	\$ (42,155)	\$ (177,836)	\$ 3,219,425
3	Other (d)				\$ (454,947)									\$ (454,947)
4	Recovery - Uncollectible Expense Rider (a)	\$ 1,004,219	\$ 724,884	\$ 577,849	\$ 273,273	\$ 174,261	\$ 95,304	\$ 94,517	\$ 114,623	\$ 139,722	\$ 330,050	\$ 494,725	\$ 763,637	\$ 4,787,065
5	Recovery - Other (b)	\$ (100,319)	\$ 6,979	\$ 32,693	\$ 24,160	\$ 26,922	\$ 21,895	\$ 12,711	\$ 24,424	\$ 75,424	\$ 35,953	\$ 98,569	\$ 79,953	\$ 339,364
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))]	\$ (938,616)	\$ (820,925)	\$ (662,456)	\$ (230,289)	\$ (310,895)	\$ 256,443	\$ 779,599	\$ 881,766	\$ 348,802	\$ (8,504)	\$ (635,449)	\$ (1,021,426)	\$ (2,361,950)
7	Balance Subtotal [1+ 6]	\$ 3,392,612	\$ 2,572,503	\$ 1,910,677	\$ 1,680,752	\$ 1,369,955	\$ 1,626,414	\$ 2,406,030	\$ 3,288,080	\$ 3,637,515	\$ 3,629,780	\$ 2,995,138	\$ 1,974,465	\$ 1,969,279
8	Carrying Charges [(((1+7) X 65%) X .50 X (c))]	\$ 816	\$ 630	\$ 364	\$ 97	\$ 17	\$ 16	\$ 284	\$ 632	\$ 769	\$ 807	\$ 754	\$ 740	\$ 5,927
9	Balance - End of Month [7 + 8]	\$ 3,393,428	\$ 2,573,133	\$ 1,911,041	\$ 1,680,850	\$ 1,369,971	\$ 1,626,430	\$ 2,406,314	\$ 3,288,712	\$ 3,638,284	\$ 3,630,587	\$ 2,995,891	\$ 1,975,206	\$ 1,975,206

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate

0.03250%

0.03250%

0.02500%

0.00833%

0.00167%

0.00167%

0.02167%

0.03417%

0.03417%

0.03417%

0.03500%

0.04583%

(d) Refund of SRR-A balance to be refunded through Uncollectible Expense per Case No. 11-320-GA-UEX.

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2012 Annual Balance Reconciliation

Line No.	Description	January '12	February	March	April	May	June	July	August	September	October	November	December	Total
1	Balance - Beginning of Month	\$ 1,975,206	\$ 861,835	\$ 2,588	\$ (115,554)									\$ 1,975,206
2	Bad Debts Written Off (b)	\$ (59,498)	\$ (18,238)	\$ 265,625	\$ 158,291									\$ 346,181
3	Other													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 1,021,784	\$ 814,247	\$ 382,259	\$ 312,690									\$ 2,530,979
5	Recovery - Other (b)	32,489	26,868	1,494	26,993									\$ 87,844
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))]	\$ (1,113,770)	\$ (859,352)	\$ (118,128)	\$ (181,392)									\$ (2,272,642)
7	Balance Subtotal [1+ 6]	\$ 861,435	\$ 2,483	\$ (115,540)	\$ (296,946)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (297,437)
8	Carrying Charges [(((1+7) X 65%) X .50 X (c))]	\$ 399	\$ 105	\$ (14)	\$ (49)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442
9	Balance - End of Month [7 + 8]	\$ 861,835	\$ 2,588	\$ (115,554)	\$ (296,995)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (296,995)
<hr/>														
(a) Represents calendar uncollectible expense rider revenues.														
(c) Monthly carrying charge rate		0.04333%	0.03750%	0.03750%	0.03667%									

ATTACHMENT 2

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2012

	<u>Amount</u>	<u>Applicable Volumes (Mcf)</u>	<u>Unit Rate /Mcf</u>
Deferred Uncollectible Expense Balance through April 2012	\$ (296,995)		
Projected Net Uncollectible Expense: May 2012 - April 2013	<u>\$ 2,881,368</u>		
Unit Rate on which to Collect	\$ 2,584,373	31,714,772	\$ 0.0815
Approved UEX Rider Rate Implemented Effective July 2011			<u>\$ 0.1667</u>
Increase/(Decrease) in Uncollectible Expense Rider			<u><u>\$ (0.0852)</u></u>
Percentage Difference			-51.11%

ATTACHMENT 3

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
Write-Off and Collection Summary
Twelve Months Ended April 30, 2012

Line #		Bad Debts Written off by Vintage (a)												
	Vintage	2011 May	2011 June	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December	2012 January	2012 February	2012 March	2012 April	Total
1	1-6 Months	(475,118)	(601,147)	(1,143,314)	(1,382,597)	(1,248,766)	(1,031,168)	(620,450)	(386,202)	(349,436)	(410,409)	(395,117)	(329,575)	(8,373,300)
2	6-12 months	9,271	(11,658)	2,982	9,418	(6,617)	74,647	155,487	90,481	27,934	(107,283)	(82,411)	(31,207)	131,044
3	> 12 months (b)	(68,781)	52,571	(835,799)	(112,524)	59,576	195,096	584,988	501,940	330,772	210,953	(1,258,000)	(352,293)	(691,500)
4	Subtotal													
	Sum of Lines 1-3	(534,628)	(560,233)	(1,976,130)	(1,485,702)	(1,195,807)	(761,425)	120,025	206,219	9,270	(306,740)	(1,735,529)	(713,074)	(8,933,756)
5	Other Write-Off Activity													
6	PIPP Bad Debt Write-Offs	(189,393)	(186,592)	(1,089,303)	(464,888)	(631,859)	(403,927)	77,869	28,383	(50,228)	(324,977)	(1,469,904)	(554,784)	(5,259,602)
7	Total Bad Debts Written Off (Attachment 1)	(345,234)	(373,642)	(886,827)	(1,020,814)	(563,949)	(357,499)	42,155	177,836	59,498	18,238	(265,625)	(158,291)	(3,674,154)
	Sum of Lines 4, 5 - Line 6													

Collections by Type		2011 May	2011 June	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December	2012 January	2012 February	2012 March	2,012 April	2012 Total
8	From Customers	32,667	34,720	31,689	37,876	90,621	137,877	105,727	101,366	53,207	71,988	22,461	38,572	758,771
9	From Collection Agencies	24,133	22,867	15,459	27,527	28,471	23,524	12,787	8,684	11,532	11,573	11,125	12,401	210,082
10	From Other	1,783	(30)	22	3	-	387	21,709	8,453	4,083	2,821	2,718	1,092	43,042
11	Subtotal	58,583	57,557	47,170	65,406	119,093	161,788	140,223	118,503	68,822	86,382	36,304	52,065	1,011,895
12	Other Activity													-
13	Collection Agency Commissions	27,744	27,751	30,043	33,157	19,803	108,929	19,420	13,374	25,298	46,807	26,877	19,063	398,265
14	Collections from PIPP Customers	3,917	7,911	4,416	7,825	23,865	16,906	22,234	25,177	11,034	12,708	7,933	6,009	149,935
15	Total Recovery - Other (Attachment 1)	26,922	21,895	12,711	24,424	75,424	35,953	98,569	79,953	32,489	26,868	1,494	26,993	463,695
	Line 11 - Sums Lines 12-14													

(a) - Bad debt write-offs include account balances restored due to the moratorium.
(b) - Write-offs without a print date have been categorized as greater than twelve months.

ATTACHMENT 4

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.

The 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.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.00815 per Ccf.

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

Sheet No. 39
~~Third~~Fourth Revised Page 1 of 1
Cancels ~~Second~~Third Revised Page 1 of 1

Formatted: Font color: Blue

Formatted: Font color: Blue

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.

The 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.

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is ~~\$0.01667~~00815 per Ccf.

Formatted: Font color: Blue

Filed pursuant to the Entry dated ____ in Case No. 124-320-GA-UEx of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President

Effective

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/31/2012 3:29:48 PM

in

Case No(s). 12-0320-GA-UEx

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for Approval of an Adjustment to its Uncollectible Expense Rider Rate electronically filed by Ms. Vicki L. Leach-Payne on behalf of Hummel, Gretchen J. Ms.