

John R. Kasich, Governor Todd A. Snitchler, Chairman

May 22, 2013

Docketing Division Public Utilities Commission of Ohio 180 East Broad Street Columbus, Ohio 43215 Commissioners

Steven D. Lesser Vacant Lynn Slaby M. Beth Trombold



RE: In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Energy Efficiency Funding Rider Rate, Case No. 13-1032-GA-RDR.

Enclosed please find the Staff's Comments regarding Vectren Energy Delivery's Energy Efficiency Rider balance reconciliation statement and rate proposal in Case No. 13-1032--GA-RDR.

Respectfully submitted,

m. Ross Willis

Chief, Rates Water Division Public Utilities Commission of Ohio

Enclosure cc: Parties of Record

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. For Approval of an Adjustment to its Energy Efficiency Funding Rider Rate.)

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Case No. 13-1302-GA-RDR

COMMENTS OF THE STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

Date submitted: May 22, 2013

Application of Vectren Energy Delivery of Ohio, Inc. Case No. 13-1032-GA-RDR

Background

In Case No. 07-1080-GA-AIR, the Commission approved a Stipulation providing for the establishment of an Energy Efficiency Funding Rider (EEFR) calculated to be utilized to continue funding for the low-income weatherization program for customers whose income is between 200% and 300% of federal poverty levels.

Subsequently, in Case No. 09-254-GA-ATA, Vectren Energy Delivery of Ohio, Inc. (Vectren) filed an application for tariff approval establishing its initial EEFR at \$0.00320 per Ccf. On August 26, 2009, the Commission issued a Finding and Order authorizing Vectren to establish and implement its initial EEFR rate as requested, which became effective on January 1, 2010.

Since that time, the Company has filed annual updates to adjust the rider rate and the Commission has authorized such subsequent revisions. The history of Vectren's rider is as follows:

January 1, 2010 to June 7, 2011	\$0.00320 per Ccf
June 8, 2011 to May 31, 2012	\$0.00308 per Ccf
June 1, 2012 to Present	\$0.004841 per Ccf

On April 25, 2013, Vectren filed the pending application to revise its current EEFR rate. Staff has reviewed the application and makes its findings and recommendations in this staff report.

Application

Vectren is proposing in this application to increase its EEFR rate from \$0.004841 per Ccf to \$0.00575 per Ccf, a rate change of \$0.000909 per Ccf. Vectren proposes this increase in the EEFR based on its actual EEFR recoveries through December, 2012 and intended recoveries through December, 2013.

In support of the Application, Vectren's Demand Side Management (DSM) Collaborative met on November 30, 2012 to consider the 2013 Operating Plan, including the programs and funding levels necessary to continue the EEFR. All voting members of the Collaborative approved the proposal on December 20, 2012.

Attachment 1 (Exhibits A through D) to the application provides Vectren's calculation for 2013 in determining the new application rate.

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Attachment 2 to the application shows Vectren's updated tariff filing consistent with their new application rate.

Recommendation

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Staff has performed a preliminary review of Vectren's EEFR covering calendar year 2013. Staff believes Vectren's application appropriately calculates the rider and recommends the proposed rate of \$0.00575 per Ccf be approved.