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August 28, 2014

Ms. Barcy F. McNeal
Director, Office of Administration
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: Case Nos. 14-813-GA-RDR and 89-8005-GA-TRF

Dear Ms. McNeal:

In its August 27, 2014 Finding and Order in Case No. 14-813-GA-RDR, the Commission authorized Vectren Energy Delivery of Ohio, Inc. (VEDO) to file tariffs reflecting new Distribution Replacement Rider (DRR) rates in the above-referenced dockets. Therefore, in accordance with this Order, VEDO submits the enclosed clean copy of the affected tariff pages that reflect the newly approved DRR rates. VEDO respectfully requests that you cancel and withdraw the superseded tariff pages.

Please contact me if there are any questions.

Respectfully yours,

/s/ Gregory L. Williams

One of the Attorneys for Vectren Energy
Delivery of Ohio, Inc.

Enclosures

DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

The Distribution Replacement Rider (DRR) is applicable to any Customer served under the Rate Schedules identified below.

- Rate 310 - Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 - Residential Transportation Service
- Rate 320 - General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 - General Transportation Service
- Rate 341 - Dual Fuel Standard Choice Offer Service
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

The DRR will be effective through August 31, 2019 or until new rates become effective as a result of the filing by Company of an application for an increase in rates pursuant to Section 4909.18, Revised Code, or a proposal to establish base rates pursuant to an alternative method of regulation under Section 4929.05, Revised Code, whichever comes first.

All applicable Customers shall be assessed either (a) a monthly charge in addition to the Monthly Charge or Customer Charge component of their applicable Rate Schedule, or (b) a volumetric charge applicable to each Ccf of metered gas usage each month, that will enable Company to recover (1) the return on and of plant investment, including capitalized interest, or post-in-service carrying cost charges (“PISCC”), along with incremental costs incurred under a multi-year program for the accelerated replacement and retirement of cast iron mains and bare steel mains and service lines, which includes, subject to provisions approved by the Commission in Case No. 13-1571-GA-ALT, (a) replacement and retirement of interspersed plastic main in the cast iron or bare steel distribution system, (b) replacement and retirement of field-coated steel infrastructure, (c) replacement and retirement of obsolete pipe and appurtenances, (d) replacement and retirement of vintage plastic pipe when done in conjunction with a cast iron or bare steel replacement/retirement project, and, (e) the non-reimbursable portion of any project that requires the replacement, retirement, or relocation of existing infrastructure as a result of a public works project, (2) deferred expenses incurred during Company's investigation of the installation, use, and performance of natural gas service risers, (3) all costs of replacement of prone-to-fail risers, (4) the incremental costs attributable to assuming ownership of all service lines installed or replaced by Company, and (5) the incremental cost of assuming maintenance responsibility for all service lines.

Recoverable costs shall be offset by the greater of the Operations and Maintenance credit, calculated pursuant to the Commission's order in Case No. 13-1571-GA-ALT or the actual annual savings of certain Operations and Maintenance (“O&M”) expenses from the baseline O&M of \$1,192,953 established in Case No. 07-1080-GA-AIR.

The DRR will be updated annually, in order to reflect the impact on Company's DRR revenue requirement of net plant additions and other applicable, incremental costs, as offset by the O & M credit or savings, as applicable. Actual costs and actual recoveries are reconciled annually, with any under or over recovery being recovered or returned over the next twelve month period.

The monthly DRR charge applicable to Rate 310, 311, 315, 320 (Group 1), 321 (Group 1) and 325 (Group 1) customers shall be subject to caps approved by the Commission in Case No. 13-1571-GA-ALT.

Filed pursuant to the Opinion and Order dated August 27, 2014 in Case No. 14-0813-GA-RDR of The Public Utilities Commission of Ohio.

DISTRIBUTION REPLACEMENT RIDER

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

<u>Rate Schedule</u>	<u>\$ Per Month</u>	<u>\$ Per Ccf</u>
310, 311 and 315	\$3.60	
320, 321 and 325 (Group 1)	\$3.60	
320, 321 and 325 (Group 2 and 3)		\$0.02880
341	\$19.57	
345		\$0.00726
360		\$0.00487

Filed pursuant to the Opinion and Order dated August 27, 2014 in Case No. 14-0813-GA-RDR of The Public Utilities Commission of Ohio.

Issued August 27, 2014

Issued by Scott E. Albertson, Vice-President

Effective September 1, 2014

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 14-0813-GA-RDR, 89-8005-GA-TRF

Summary: Tariff Pages for P.U.C.O. Tariff No. 3, Sheet No. 45, "Distribution Replacement Rider" electronically filed by Mr. Gregory L. Williams on behalf of Vectren Energy Delivery of Ohio, Inc.