

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Vectren Energy Delivery of Ohio, Inc.)
For Adjustment of its Percentage of)
Income Payment Plan Rider.)

Case No. 15-0420-GA-PIP

APPLICATION

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May 29, 2015

Attorney for Vectren Energy Delivery
of Ohio, Inc.

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APPLICATION

Now comes Vectren Energy Delivery of Ohio, Inc. (“VEDO” or “Applicant”) and respectfully requests the approval of the Public Utilities Commission of Ohio (“Commission”) for authority to modify its Percentage of Income Payment Plan (“PIPP”) Rider. In support of this request, VEDO states as follows:

1. Applicant is an Ohio corporation engaged in the business of providing natural gas service to customers in Ohio and as such, is a public utility as defined by Section 4905.02 and 4905.03, Revised Code.

2. By this Application, and consistent with the December 2, 1993 Finding and Order of the Commission in Case Nos. 88-1115-GE-PIP, 90-705-GE-PIP, 90-879-GE-ORD, and with the December 14, 2011 Finding and Order in Case No. 08-1229-GA-COI, VEDO requests authorization to modify its PIPP Rider (Tariff Sheet No. 40). The proposed revised tariff sheet is attached as Exhibit A.

3. The Commission’s Order dated December 14, 2011 in Case No. 08-1229-GA-COI, Finding paragraph (51) adopted NorthStar’s recommendation of an annual PIPP filing. Furthermore, the Commission found that increases in PIPP rates consisting of 10 percent or greater, or any decrease in PIPP rates, should trigger an annual rate adjustment. VEDO’s current PIPP Rider rate became

effective on July 16, 2014. The method for computing the modified rate is consistent with Case No. 88-1115-GE-PIP, et al. The resulting rate, which is a decrease from the current rate, is comprised of three components and proposes to recover within a twelve month period: 1) those PIPP customer account balances existing as of April 30, 2015 that have aged for a period of greater than 60 days, 2) an amount of arrears it expects to continue to occur in the succeeding twelve month period and 3) projected carrying costs. Calculations supporting the increased PIPP Rider rate are attached as Exhibit B, which include Attachments 1 through 8.

4. In accordance with the procedure recommended in the direct testimony of the Commission Staff in Case Nos. 88-1115-GE-PIP, *et al.* and the procedure established by Entry dated June 24, 1993 in Case No. 93-1000-EL-EFR, VEDO will implement the proposed PIPP Rider rate for all usage on and after July 15, 2015, absent action by the Commission.

Respectfully submitted,

/s/ Frank P. Darr

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Attorney for Vectren Energy Delivery of
Ohio, Inc.

Exhibit A

Proposed Tariff Sheet

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

APPLICABILITY

The Percentage of Income Payment Plan ("PIPP") Rider shall be applicable to all Customers served under the following Rate Schedules and to certain other Customers pursuant to contract:

- 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

DESCRIPTION

The PIPP Charge shall be the product of the monthly billing Ccf and the PIPP Rider Rate.

The PIPP Rider Rate shall be updated from time-to-time in accordance with the Entry in Case No. 99-751-GE-PIP.

PIPP RIDER RATE

The PIPP Rider Rate is ~~\$0.02119~~ \$0.00699 per Ccf

Filed pursuant to Case No. ~~1415~~-0420-GA-PIP dated ~~May 30, 2014~~ _____ with The Public Utilities Commission of Ohio.

Issued ~~July 16, 2014~~_____

Issued by Scott E. Albertson, Vice-President

Effective ~~July 16, 2014~~_____

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Issued -

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Effective -

Exhibit B

**Attachment 1 through
Attachment 8**

**Calculations Supporting the
Proposed PIPP Rider Rate**

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RATE CALCULATION April 2015 Actual Data				
Line	Description	Calculation	Gas Utility	
1	Projected Volumes for the 12 Months Ended 04/30/16	(Attachment 7, Column M, Line 7)	324,278,828	Ccf
Continuing Rate:				
2	Projected Transfers 05/01/15 to 04/30/16 [Forms the Basis for Continuing Recovery]		\$4,750,000	
3	Annual Rate	(2)/(1)	\$0.01465	/ Ccf
Rate Adjustment:				
4	(Over)/Under Recovery - PIPP Rider	(Attachment 2, Line 6)	(\$2,481,335)	
5	(Over)/Under Recovery - Carrying Costs	(Attachment 2, Line 14)	(\$785)	
6	Total (Over)/Under Recovery	(4)+(5)	(\$2,482,120)	
7	Annual Rate	(6)/(1)	(\$0.00765)	/ Ccf
Continuing Carrying Cost Rate:				
8	Net Projected Carrying Costs	(Attachment 8, Line 6)	(\$4,084)	
9	Annual Rate	(8)/(1)	(\$0.00001)	/ Ccf
10	Total Annual Rate	(3)+(7)+(9)	\$0.00699	/ Ccf

Current PIPP Rate	\$0.02119 / Ccf
Increase/(Decrease)	(\$0.01420) / Ccf
% Change	-67.01%

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP Rider
Annual Filing Balance Reconciliation

Line No.	Description	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Total
PIPP Regulatory Asset														
1	Balance - Beginning of Month	\$ 786,295	\$ 2,048,199	\$ 2,795,484	\$ 2,779,486	\$ 2,750,696	\$ 2,589,093	\$ 2,165,787	\$ 1,256,597	\$ (7,982)	\$ (1,803,544)	\$ (2,659,452)	\$ (2,741,196)	\$ 786,295
2	PIPP Balance Change (Attachment 4)	953,537	599,785	(49,341)	(38,202)	(151,581)	(214,300)	(160,398)	(526,701)	(855,160)	38,544	169,456	298,628	64,268
3	Recovery - PIPP Rider (Attachment 5)	(35,394)	(25,572)	(116,623)	(119,008)	(146,493)	(374,460)	(920,775)	(1,117,497)	(1,479,444)	(1,528,524)	(979,373)	(435,509)	(7,278,673)
4	PIPP Program Credits (Attachment 6)	\$343,761	\$173,073	\$149,966	\$128,420	\$136,471	\$165,453	\$171,984	\$379,619	\$539,042	\$634,071	\$728,173	\$396,742	3,946,776
5	Transportation Penalties (Attachment 7)													
6	Balance - End of Month	\$ 2,048,199	\$ 2,795,484	\$ 2,779,486	\$ 2,750,696	\$ 2,589,093	\$ 2,165,787	\$ 1,256,597	\$ (7,982)	\$ (1,803,544)	\$ (2,659,452)	\$ (2,741,196)	\$ (2,481,335)	\$ (2,481,335)
7	Monthly carrying charge rate	0.023333%	0.02917%	0.023333%	0.02083%	0.02417%	0.02417%	0.02583%	0.03417%	0.03333%	0.02750%	0.03333%	0.03000%	0.02743%
8	Gross Carrying Charges	\$ 331	\$ 706	\$ 650	\$ 576	\$ 645	\$ 575	\$ 442	\$ 213	\$ (302)	\$ (614)	\$ (900)	\$ (783)	\$ 1,540
9	Income Tax on Carrying Charges	\$ 116	\$ 247	\$ 228	\$ 202	\$ 226	\$ 201	\$ 155	\$ 75	\$ (106)	\$ (215)	\$ (315)	\$ (274)	\$ 539
10	Net Carrying Charges	\$ 215	\$ 459	\$ 423	\$ 374	\$ 419	\$ 373	\$ 287	\$ 139	\$ (196)	\$ (399)	\$ (585)	\$ (509)	\$ 1,001
Carrying Charges Regulatory Asset														
11	Beginning Balance	\$ 14,903	\$ 15,317	\$ 15,901	\$ 16,096	\$ 16,200	\$ 16,272	\$ 15,759	\$ 13,868	\$ 11,363	\$ 7,668	\$ 3,653	\$ 754	\$ 14,903
12	Carrying Charge Recovery - PIPP Rider	\$ 199	\$ 125	\$ (228)	\$ (270)	\$ (348)	\$ (886)	\$ (2,178)	\$ (2,643)	\$ (3,499)	\$ (3,616)	\$ (2,314)	\$ (1,031)	\$ (16,689)
13	Interest Incurred	\$ 215	\$ 459	\$ 423	\$ 374	\$ 419	\$ 373	\$ 287	\$ 139	\$ (196)	\$ (399)	\$ (585)	\$ (509)	\$ 1,001
		\$ 414	\$ 584	\$ 195	\$ 104	\$ 72	\$ (513)	\$ (1,891)	\$ (2,505)	\$ (3,696)	\$ (4,015)	\$ (2,899)	\$ (1,540)	\$ (15,688)
14	Ending Balance	\$ 15,317	\$ 15,901	\$ 16,096	\$ 16,200	\$ 16,272	\$ 15,759	\$ 13,868	\$ 11,363	\$ 7,668	\$ 3,653	\$ 754	\$ (785)	\$ (785)
15	Volumes (Ccf) (Attachment 5)	10,299,843	7,467,576	7,042,601	6,339,898	6,861,119	17,699,866	43,581,568	52,881,284	70,057,137	72,304,456	46,384,933	20,607,361	361,527,642
16	Rate	(0.00002)	(0.00002)	0.00003	0.00004	0.00005	0.00005	0.00005	0.00005	0.00005	0.00005	0.00005	0.00005	0.00005
17	Carrying Charge Recovery - PIPP Rider	(199)	(125)	228	270	348	886	2,178	2,643	3,499	3,616	2,314	1,031	\$ 16,689

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PIPP PLAN INFORMATION AS OF
April 30, 2015

Line No.	Description	Amount
1	PIPP Accounts Receivable Balances 2 months in Arrears (Attachment 4, Column B, Line 13)	\$61,210,900
2	Amount Recovered to Date (Attachment 5, Column E, Line 13)	\$103,563,140
3	PIPP Dollars Distributed Per Settlement in Case No. 91-415-GA-AIR (Forgiveness and Graduate) PIPP Plus Program Case No. 08-723-GA-ORD (Attachment 6, Column C, Line 13)	\$41,290,466
4	Transportation Penalties Refunded Case No. 03-571-GA-AIR No transportation penalties after October 2008.	\$1,419,561
5	Catch-up Recovery (1) - (2) + (3) - (4) To Attachment 1, Line 4	(\$2,481,335)

**VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PRE-PIPP & PIPP BALANCES**

Line No.	A Month	B Gas	C Monthly Change
1	Reported in Case No. 14-0420-GA-PIP	May 01, 2014 \$	61,146,632 \$ 953,537
2		June 1, 2014 \$	62,100,169 \$ 599,785
3		July 1, 2014 \$	62,699,954 \$ (49,341)
4		August 1, 2014 \$	62,650,613 \$ (38,202)
5		September 1, 2014 \$	62,612,411 \$ (151,581)
6		October 1, 2014 \$	62,460,830 \$ (214,300)
7		November 1, 2014 \$	62,246,530 \$ (160,398)
8		December 1, 2014 \$	62,086,133 \$ (526,701)
9		January 1, 2015 \$	61,559,432 \$ (855,160)
10		February 1, 2015 \$	60,704,272 \$ 38,544
11		March 1, 2015 \$	60,742,816 \$ 169,456
12		April 1, 2015 \$	60,912,272 \$ 298,628
13		May 1, 2015 \$	61,210,900

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RIDER PIPP PLAN RECOVERIES					
Line No.	A Month	B Volumes(Ccf)	C Recovery Rates	D Current Month	E To Date
1	Reported in Case No. 14-0420-GA-PIP				\$ 96,284,467
2	May-14	10,299,843	\$ 0.00344	\$ 35,394	\$ 96,319,861
3	Jun-14	7,467,576	\$ 0.00342	\$ 25,572	\$ 96,345,433
4	Jul-14	7,042,601	\$ 0.01656	\$ 116,623	\$ 96,462,056
5	Aug-14	6,339,898	\$ 0.01877	\$ 119,008	\$ 96,581,064
6	Sep-14	6,861,119	\$ 0.02135	\$ 146,493	\$ 96,727,558
7	Oct-14	17,699,866	\$ 0.02116	\$ 374,460	\$ 97,102,017
8	Nov-14	43,581,568	\$ 0.02113	\$ 920,775	\$ 98,022,792
9	Dec-14	52,881,284	\$ 0.02113	\$ 1,117,497	\$ 99,140,289
10	Jan-15	70,057,137	\$ 0.02112	\$ 1,479,444	\$ 100,619,734
11	Feb-15	72,304,456	\$ 0.02114	\$ 1,528,524	\$ 102,148,258
12	Mar-15	46,384,933	\$ 0.02111	\$ 979,373	\$ 103,127,631
13	Apr-15	20,607,361	\$ 0.02113	\$ 435,509	\$ 103,563,140

**VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP DOLLARS DISTRIBUTED
PER CASE NOS. 91-415-GA-AIR AND 08-723-GA-ORD
(FORGIVENESS, GRADUATE AND PIPP PLUS PROGRAM)**

Line No.	A Month	B Monthly Change	C Ending Balance
1	Reported in Case No. 14-0420-GA-PIP		\$37,343,690
2	May 2014	\$343,761	\$37,687,452
3	June	\$173,073	\$37,860,524
4	July	\$149,966	\$38,010,490
5	August	\$128,420	\$38,138,910
6	September	\$136,471	\$38,275,382
7	October	\$165,453	\$38,440,835
8	November	\$171,984	\$38,612,819
9	December	\$379,619	\$38,992,437
10	January 2015	\$539,042	\$39,531,480
11	February	\$634,071	\$40,165,551
12	March	\$728,173	\$40,893,724
13	April	\$396,742	\$41,290,466

Vectren Energy Delivery of Ohio, Inc.
PIPP Rider
Projected Sales Volumes (CCF)

<u>Line No.</u>	<u>Tariff</u>	<u>A</u> <u>May-15</u> <u>Amount</u>	<u>B</u> <u>Jun-15</u> <u>Amount</u>	<u>C</u> <u>Jul-15</u> <u>Amount</u>	<u>D</u> <u>Aug-15</u> <u>Amount</u>	<u>E</u> <u>Sep-15</u> <u>Amount</u>	<u>F</u> <u>Oct-15</u> <u>Amount</u>	<u>G</u> <u>Nov-15</u> <u>Amount</u>	<u>H</u> <u>Dec-15</u> <u>Amount</u>	<u>I</u> <u>Jan-16</u> <u>Amount</u>	<u>J</u> <u>Feb-16</u> <u>Amount</u>	<u>K</u> <u>Mar-16</u> <u>Amount</u>	<u>L</u> <u>Apr-16</u> <u>Amount</u>	<u>M</u> <u>Annual</u> <u>Amount</u>
1	Rate 310/311 - Residential DSS/SCO Service	4,188,583	2,362,775	2,247,505	2,161,859	2,466,143	7,190,290	14,128,051	23,044,232	25,936,585	20,688,444	18,268,392	8,507,056	131,189,915
2	Rate 315 - Residential Transportation Service	2,950,073	1,664,133	1,582,947	1,522,625	1,736,936	5,064,214	9,950,568	16,230,350	18,267,471	14,571,137	12,866,664	5,991,630	92,398,748
3	Rate 320/321 - General DSS/SCO Service	1,696,662	1,216,551	1,238,209	1,192,569	1,285,378	3,020,663	5,320,500	8,648,112	9,555,834	7,842,051	6,856,658	3,342,855	51,216,044
4	Rate 325 - General Transportation Service	1,310,142	939,406	956,130	920,887	992,553	2,332,519	4,108,425	6,677,967	7,378,898	6,055,536	5,294,628	2,581,312	39,548,404
5	Rate 341 - Dual Fuel Sales Service	1,300	150	67	49	100	294	2,599	3,738	4,390	4,501	4,324	3,163	24,673
6	School Customers	252,344	133,858	118,190	128,183	178,606	512,428	1,093,278	1,521,604	2,194,071	1,715,747	1,412,126	640,608	9,901,043
7	Total Sales Volumes	10,399,103	6,316,873	6,143,047	5,926,173	6,659,717	18,120,409	34,603,422	56,126,003	63,337,250	50,877,416	44,702,792	21,066,623	324,278,828

PIPP Carrying Cost Support for Projection
Most Recent Twelve Months Ended April 30, 2015

Line No.			
1	Beginning PIPP Rider Asset	(Attachment 1, Line 4)	(\$2,481,335)
2	Projected Ending PIPP Rider Asset		\$0
3	Total Beginning and Projected Ending Asset	(Line 1 + Line 2)	<u>(\$2,481,335)</u>
4	Average Balance	(Line 3/2)	(\$1,240,668)
5	Projected Carrying Cost Rate		<u>0.32917%</u>
6	Projected PIPP Carrying Costs for the Twelve Months Ended April 30, 2016	(Line 4 * Line 5) (to Attachment 1, Line 8)	<u>(\$4,084)</u>

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 15-0420-GA-PIP

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for an Adjustment of its Percentage of Income Payment Plan Rider electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.