



21 East State Street • Columbus, OH 43215-4228
Tel: 614.469.8000 • Fax: 614.469.4653

Frank P. Darr
(614) 719-2855—Direct Dial
fdarr@mwncmh.com

September 18, 2015

Barcy McNeal
Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: Case No. 15-220-GA-EXR

Dear Secretary McCauley:

Enclosed please find the Audit Report of Deloitte & Touche LLP of Vectren Energy Delivery of Ohio, Inc.'s Exit Transition Cost Rider to be filed in the above referenced case.

Very truly yours,

/s/ Frank P. Darr

Frank P. Darr

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

Enclosure
FPD:vlp

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Vectren Energy Delivery of Ohio:

We have performed the procedures enumerated below, which were agreed to by Vectren Energy Delivery of Ohio (the "Company") and provided to the Public Utility Commission of Ohio (the "PUCO"), solely to assist the specified parties in the evaluation of the Exit Transition Cost ("ETC") Rider for the period April 1, 2014 through June 30, 2015 (the "specified period"), in conjunction with the PUCO Entry regarding Case No. 15-220-GA-EXR. The Company's management is responsible for the ETC mechanism. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

Exit Transition Cost Rider (the "ETC Rider")

1. For the specified period, there were two annual filings (the "Filings"), which capture actual costs and recoveries incurred from April 1, 2014 through June 30, 2015. One filing captures actual costs and recoveries for the period July 1, 2013 through June 30, 2014, and sets the ETC Rider rate for the period October 1, 2014 through September 30, 2015 (the "First Filing"). Another filing captures actual costs and recoveries for the period July 1, 2014 through June 30, 2015, and sets the ETC Rider rate for the period October 1, 2015 through September 30, 2016 (the "Second Filing"). We obtained the Filings summarizing components of the ETC Rider and proved the mathematical accuracy noting no exceptions.
2. We obtained a schedule of costs incurred from April 1, 2014 to June 30, 2015. For costs incurred between April 1, 2014 and June 30, 2014, we agreed the monthly total to the First Filing. For costs incurred between July 1, 2014 and June 30, 2015, we agreed the monthly total to the Second Filing. We randomly selected eight charges using a sampling interval of \$100,000, as defined by the PUCO in the Entry regarding Case No. 15-220-GA-EXR. The following categories were sampled:
 - a. Billing costs totaling \$454,677 (5 selections)
 - b. Informational and educational costs totaling \$239,881 (2 selections)
 - c. Other implementation costs, such as tax consulting and legal fees totaling \$65,000 (1 selection)

3. We did not make any selections of costs with zero balances included for the period April 1, 2014 to June 30, 2015 for the following categories:
 - a. Business system development costs
 - b. Call center costs
 - c. Any incremental provider of last resort costs not recovered from defaulting SSO or choice supplier
 - d. Any imbalance costs not recovered from transportation customers or pool customers
 - e. Gas costs incurred by the Company when diverting customers' transportation gas quantities during curtailment
 - f. Stranded gas supply costs related to customer migrations to Choice Service
 - g. Other cost or credit applicable to sales and/or choice customers as approved by the Commission
4. From randomly selected months in the period April 1, 2014 to June 30, 2015, we selected a total of ten customers from the ETC recovery supporting documentation of monthly customer recoveries by customer and premise. We recalculated the ETC portion of their bills, agreeing the rate to the corresponding ETC rider rates found on the PUCO website without exception. We performed the following:
 - a. We obtained each customer's bill detail from the customer billing system from the *Customer History Card* in Banner (the Company's billing system) for the selected month.
 - b. We agreed customer and premise numbers from each selection to the customer bill.
 - c. We agreed the selected customer's ETC Rider eligibility based on the customer's rate class.
 - d. We recalculated the ETC Rider revenue portion of the customer invoice.
 - e. We agreed ETC Rider revenue to the *Customer History Card* in Banner and agreed total charges for the billing period per the *Customer History Card* to the customer invoice
5. We obtained the Regulatory Asset balances at December 31, 2014 and June 30, 2015 from the Company's general ledger account number 1905924 and compared the balances to the Second Filing (as noted in #1 above), and found them to be in agreement.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance with the Exit Transition Cost Rider in accordance with the PUCO letter regarding Case No. 15-220-GA-EXR. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 18, 2015

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 15-0220-GA-EXR

Summary: Report Deloitte and Touche LLP's Audit Report of Vectren Energy Delivery of Ohio, Inc.'s exit transition cost rider electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.