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September 18, 2015

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

RE: Case No. 15-420-GA-PIP

Dear Secretary McCauley:

Enclosed please find the Audit Report of Deloitte & Touche LLP of Vectren Energy Delivery of Ohio, Inc.'s Percentage of Income Payment Plan 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 recovery of deferred charges related to the percentage of income payment plan ("PIPP") through a PIPP recovery mechanism for the period April 1, 2014 to April 30, 2015, in conjunction with the PUCO Case No. 15-420-GA-PIP. The Company's management is responsible for the PIPP recovery 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:

Percentage of Income Payment Plan Mechanism

1. We obtained from Company management and proved the arithmetic accuracy of all the accounting schedules summarizing the following items included as a component of the PIPP rider (the "Filing") for the period April 1, 2014 to April 30, 2015 (Note that the period covered by this report spans two annual Filings. We previously performed these procedures on the PIPP recovery mechanism for the month of April 2014 in association with the Filing period January 1, 2013 to March 31, 2014 as described in our report dated September 19, 2014):
 - a. PIPP balance change activity for the period of April 1, 2014 to December 31, 2014 of \$1,483,837 and for the four-month period ended April 30, 2015 of (\$348,532).
 - b. Billed and unbilled recovery of PIPP charges for the period of April 1, 2014 to December 31, 2014 of (\$2,927,493) and for the four-month period ended April 30, 2015 of (\$4,422,850).
 - c. PIPP program credits for the period of April 1, 2014 to December 31, 2014 of \$2,347,645 and for the four-month period ended April 30, 2015 of \$2,298,028
 - d. Carrying charges for the period of April 1, 2014 to December 31, 2014 of \$2,690 and for the four-month period ended April 30, 2015 of (\$1,689).
2. We compared PIPP recoveries from the two Filings obtained in step 1b above to the schedules prepared by Company management and found such amounts to be in agreement.

3. We randomly selected a total of ten customers from the PIPP recoveries supporting documentation across the months of May, August, November 2014 and February 2015, totaling monthly customer recoveries by customer and premise for the period April 1, 2014 to April 30, 2015 and recalculated the PIPP portion of their bills in the randomly selected month, agreeing the rate to the corresponding PIPP rider rates found on the PUCO website. Procedures were performed as follows:
 - a. We obtained each customer's bill detail from the customer billing system from the *Customer History Card* in Banner (the Company's customer 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 PIPP eligibility based on the customer's rate class.
 - d. We recalculated the PIPP rider revenue portion of the customer invoice.
 - e. We agreed PIPP rider revenue to the *Customer History Card* in Banner and agreed total charges per screenshot to the customer invoice.
4. We randomly selected the months of May, August, November 2014 and February 2015 included in the schedules obtained in step 1 above and performed the following procedures:
 - a. We *compared* the PIPP rider rates for the Company with those permitted by the PUCO, as outlined in Case Nos. 13-420-GA-PIP and 14-420-GA-PIP, and found the PIPP rates to be in agreement.
 - b. We compared the summary schedule in the two Filings obtained in step 1 above to the supporting *schedules* for PIPP balance change, PIPP rider recoveries, and PIPP program credits and found such amounts to be in agreement.
 - c. We compared the internal interest rates utilized by the Company to calculate the carrying charges *included* in the schedule obtained in step 1d above to interest rates included in a supporting schedule we obtained from Company management and found the interest rates to be in agreement.
5. From the PIPP program credits issued during the period April 1, 2014 to April 30, 2015, we randomly selected 25 credits and obtained the related customer billing history from Banner. We documented the customer's consumption amount, PIPP payment amount received from the State of Ohio, and supporting payment documentation in order to verify each program credit. Our recalculation of each credit agreed to the detailed population, within \$1. However, we noted that one of our credit selections was not recorded in accordance with the Energy Assistance Resource Guide, published by the PUCO. Because of the exceptions identified associated with the selection, PIPP credits for the period ended April 30, 2015 were overstated by \$77.93.
6. We obtained the balances for the PIPP and PIPP carrying charges regulatory assets at December 31, 2014 and April 30, 2015 from the Company's general ledger account numbers 1905907 and 1905923, respectively, and compared the balances to the Filing. We compared the balances in the general ledger to the balances in the Filing 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 percentage of income payment plan mechanism in accordance with the PUCO Case No. 15-420-GA-PIP. 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). 15-0420-GA-PIP

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