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2016 MAY -2 PM 12:56

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May 2, 2016

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

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. 16-839-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. 16-839-GA-RDR.

Respectfully submitted,

Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio

David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

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Application of Vectren Energy Delivery of Ohio, Inc.
Case No. 16-839-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) that would be utilized to fund 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.

On April 15, 2016, Vectren filed the pending application to revise its current EEFR rate. On April 18, 2016, Vectren amended its application to reflect lower projected sales volumes. Staff has reviewed the amended application and makes its findings and recommendations in this Staff letter.

Staff Review

Vectren is proposing in its amended application to increase its EEFR rate from \$0.00204 per Ccf to \$0.003940 per Ccf, a rate change of \$0.0019 per Ccf. Vectren proposes this increase in the EEFR based on its actual EEFR recoveries through December 2015 and forecasted recoveries through December 2016.

Attachment 1 (Exhibits A through C), to the application, provides Vectren's 2016 calculation in determining the new the proposed rate.

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

Recommendation

Staff has performed a review of Vectren's EEFR covering calendar years 2015 and 2016. Staff believes Vectren's amended application appropriately calculates the rider and recommends the proposed rate of \$0.003940 per Ccf be approved.