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September 30, 2016

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

Re: Case No. 16-0420-GA-PIP

Dear Secretary McNeal:

On September 16, 2016, Deloitte & Touche LLP ("D&T") filed its Audit Report regarding Vectren Energy Delivery of Ohio, Inc.'s ("VEDO") percentage of income payment plan ("PIPP") rider. In its report, D&T reported the following regarding its audit of the program credits applied by VEDO during the period May 1, 2015 to April 30, 2016:

1. D&T noted that seven of their 25 credit selections were not recorded in accordance with the Energy Assistance Resource Guide, published by the Public Utilities Commission of Ohio ("PUCO"). D&T also noted that one of the selections had been identified by VEDO and corrected during the audit period. Because of the exceptions identified associated with the selections, PIPP credits for the period ended April 30, 2016 were overstated by \$4,049.30.

VEDO concurs with D&T's findings. VEDO researched the seven exceptions and concluded that these exceptions were the result of three customer billing system defects, and a case of incomplete processing of account transfers, further explained below:

- One system defect was identified internally by VEDO early in June 2015. This defect was an unexpected result of implementing PIPP rule changes to the customer billing system in April 2015, and caused certain PIPP customers to receive credits for which they were ineligible under the terms of the program. A system correction was implemented on June 18, 2015. The three selected exceptions associated with this defect all occurred prior to the correction implementation date. As no additional errors of this type have been identified during or after the audit period, VEDO is confident that the correction is working effectively.
- One system defect relates specifically to Graduate PIPP customers (a small subset of PIPP customers). This defect incorrectly allowed certain Graduate PIPP customers to continue to receive credits for one to two months after they were no longer on the program and eligible (after the 12-month Graduate period). This defect was the cause of one of the selected exceptions. A correction has

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- been identified and is currently being tested to ensure no other issues are identified. This correction is expected to be implemented by the end of 2016.
- One system defect has been researched and VEDO is unable to recreate the business conditions that resulted in the incorrect credit being provided. This single account went through a series of events within a short time period. VEDO has concluded that this was an isolated incident, and is not related to a recurring system defect.
 - Two of the selected exceptions are related to account balances that were transferred as a result of change of address. In these instances, two separate customers received credits based on the transferred account balance rather than appropriately being based on the current bill amount. After researching, VEDO determined that for these accounts, the account representative had not completed a final step by correctly processing the customers' account transfers. The transfers needed to be processed in two system tables, but were only being processed in one. As a result, through additional representative education, VEDO has reiterated the importance of transferring the accounts in both system tables. Additionally, a report was developed and is being reviewed daily that should identify errors of this type prior to bills being printed.

In addition to the measures described above to remediate the errors identified and to prevent future issues from arising, VEDO has engaged Vectren's Corporate Audit Department to perform an evaluation of VEDO's systematic processes impacting the application of PIPP credits. In late 2016 and early 2017, Corporate Audit is expected to assist VEDO's Low Income Department in documenting and mapping processes, developing analytics to detect potentially problematic accounts, and developing internal sample testing procedures to help identify potential system issues.

Thank you for your kind attention to this matter.

Very truly yours,

/s/ Frank P. Darr

Frank P. Darr

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

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Case No(s). 16-0420-GA-PIP

Summary: Response Vectren Energy Delivery of Ohio, Inc.'s Response to Percentage of Income Payment Plan Audit by Deloitte & Touche LLP electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.