

**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. 17-0420-GA-PIP

APPLICATION

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May 26, 2017

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of Ohio, Inc.

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In the Matter of the Application of)
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, 2016. 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, 2017 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 decreased 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 25, 1993 in Case No. 93-1000-EL-EFR, VEDO will implement the proposed PIPP Rider rate for all usage on and after July 10, 2017, 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 \$(~~0.00066~~)~~0.00176~~ per Ccf

Filed pursuant to Case No. ~~176~~-0420-GA-PIP dated May ~~2634~~, 2017~~6~~ with The Public Utilities Commission of Ohio.

Issued _____ Issued by Scott E. Albertson, Vice-President Effective _____

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Filed pursuant to Case No. 17-0420-GA-PIP dated May 26, 2017 with The Public Utilities Commission of Ohio.

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Exhibit B

**Attachment 1 through
Attachment 8**

**Calculations Supporting the
Proposed PIPP Rider Rate**

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RATE CALCULATION April 2017 Actual Data				
Line	Description	Calculation	Gas Utility	
1	Projected Volumes for the 12 Months Ended 04/30/18	(Attachment 7, Column M, Line 7)	353,336,601	Ccf
Continuing Rate:				
2	Projected Transfers 05/01/17 to 04/30/18 [Forms the Basis for Continuing Recovery]		\$3,000,000	
3	Annual Rate	(2)/(1)	\$0.00849	/ Ccf
Rate Adjustment:				
4	(Over)/Under Recovery - PIPP Rider	(Attachment 2, Line 6)	(\$3,203,293)	
5	(Over)/Under Recovery - Carrying Costs	(Attachment 2, Line 14)	(\$18,349)	
6	Total (Over)/Under Recovery	(4)+(5)	(\$3,221,642)	
7	Annual Rate	(6)/(1)	(\$0.00912)	/ Ccf
Continuing Carrying Cost Rate:				
8	Net Projected Carrying Costs	(Attachment 8, Line 6)	(\$12,253)	
9	Annual Rate	(8)/(1)	(\$0.00003)	/ Ccf
10	Total Annual Rate	(3)+(7)+(9)	(\$0.00066)	/ Ccf

Current PIPP Rate	\$0.00176 / Ccf
Increase/(Decrease)	(\$0.00242) / Ccf
% Change	-137.50%

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

Line No.	Description	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
PIPP Regulatory Asset														
1	Balance - Beginning of Month	(3,701,020)	\$ (3,515,313)	\$ (3,473,451)	\$ (3,451,642)	\$ (3,416,866)	\$ (3,462,387)	\$ (3,530,682)	\$ (3,668,368)	\$ (3,796,496)	\$ (3,973,472)	\$ (3,842,284)	\$ (3,537,985)	\$ (3,701,020)
2	PIPP Balance Change (Attachment 4)	7,979	(83,723)	(109,723)	(128,760)	(153,251)	(210,214)	(231,729)	(189,058)	(431,433)	(129,083)	16,079	134,360	(1,508,556)
3	Recovery - PIPP Rider (Attachment 5)	(80,376)	(42,729)	(10,528)	(12,405)	(9,974)	(18,514)	(48,121)	(103,599)	(94,499)	(64,491)	(70,764)	(24,314)	(580,312)
4	PIPP Program Credits (Attachment 6)	\$258,104	\$168,314	\$142,060	\$175,941	\$117,703	\$160,433	\$142,163	\$164,530	\$348,956	\$324,761	\$358,984	\$224,646	\$ 2,586,596
5	Transportation Penalties (Attachment 7)													\$ -
6	Balance - End of Month	Sum [1 - 5]	(3,515,313)	(3,473,451)	(3,451,642)	(3,416,866)	(3,462,387)	(3,530,682)	(3,668,368)	(3,796,496)	(3,973,472)	(3,842,284)	(3,537,985)	(3,203,293)
7	Monthly carrying charge rate	0.03417%	0.05083%	0.05333%	0.05000%	0.05333%	0.05500%	0.05667%	0.07417%	0.07833%	0.07667%	0.08667%	0.09583%	0.06375%
8	Gross Carrying Charges	[1 + 6] x 50% x [7]	(1,233)	(1,776)	(1,847)	(1,717)	(1,834)	(1,923)	(2,040)	(2,768)	(3,043)	(2,996)	(3,198)	(3,230)
9	Income Tax on Carrying Charges	35% x [8]	(431)	(622)	(646)	(601)	(642)	(673)	(714)	(969)	(1,065)	(1,049)	(1,119)	(1,131)
10	Net Carrying Charges	[8 - 9]	(801)	(1,155)	(1,200)	(1,116)	(1,192)	(1,250)	(1,326)	(1,799)	(1,978)	(1,947)	(2,079)	(2,100)
Carrying Charges Regulatory Asset														
11	Beginning Balance	(5,671)	\$ (6,357)	\$ (7,451)	\$ (8,542)	\$ (9,557)	\$ (10,637)	\$ (11,679)	\$ (12,464)	\$ (13,100)	\$ (14,016)	\$ (15,239)	\$ (16,523)	\$ (5,671)
12	Carrying Charge Recovery - PIPP Rider	Line 17	115	61	110	101	112	208	541	1,164	1,062	725	795	273
13	Interest Incurred	Line 10	(801)	(1,155)	(1,200)	(1,116)	(1,192)	(1,250)	(1,326)	(1,799)	(1,978)	(1,947)	(2,079)	(2,100)
			(686)	(1,094)	(1,091)	(1,015)	(1,080)	(1,042)	(785)	(635)	(916)	(1,223)	(1,284)	(1,826)
14	Ending Balance	Sum [11 - 13]	(6,357)	(7,451)	(8,542)	(9,557)	(10,637)	(11,679)	(12,464)	(13,100)	(14,016)	(15,239)	(16,523)	(18,349)
15	Volumes (Ccf) (Attachment 5)	11,482,202	6,112,009	5,442,566	5,460,898	5,684,064	10,388,798	27,049,168	58,234,460	53,089,638	36,185,388	39,751,092	13,691,643	272,571,926
16	Rate	(0.00001)	(0.00001)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)	(0.00002)
17	Carrying Charge Recovery - PIPP Rider	[15] x [16]	(115)	(61)	(110)	(101)	(112)	(208)	(541)	(1,164)	(1,062)	(725)	(795)	(273)

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PIPP PLAN INFORMATION AS OF
April 30, 2017

Line No.	Description	Amount
1	PIPP Accounts Receivable Balances 2 months in Arrears (Attachment 4, Column B, Line 13)	\$56,993,102
2	Amount Recovered to Date (Attachment 5, Column E, Line 13)	\$106,155,594
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)	\$47,378,761
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	(\$3,203,293)

**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. 16-0420-GA-PIP	May 01, 2016	\$ 58,501,658	\$ 7,979
2		June 1, 2016	\$ 58,509,636	\$ (83,723)
3		July 1, 2016	\$ 58,425,914	\$ (109,723)
4		August 1, 2016	\$ 58,316,191	\$ (128,760)
5		September 1, 2016	\$ 58,187,430	\$ (153,251)
6		October 1, 2016	\$ 58,034,180	\$ (210,214)
7		November 1, 2016	\$ 57,823,966	\$ (231,729)
8		December 1, 2016	\$ 57,592,237	\$ (189,058)
9		January 1, 2017	\$ 57,403,178	\$ (431,433)
10		February 1, 2017	\$ 56,971,745	\$ (129,083)
11		March 1, 2017	\$ 56,842,663	\$ 16,079
12		April 1, 2017	\$ 56,858,742	\$ 134,360
13		May 1, 2017	\$ 56,993,102	

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. 16-0420-GA-PIP					\$	105,575,282
2	May-16	11,482,202	\$ 0.00700	\$ 80,376	\$	105,655,658	
3	Jun-16	6,112,009	\$ 0.00699	\$ 42,729	\$	105,698,387	
4	Jul-16	5,442,566	\$ 0.00193	\$ 10,528	\$	105,708,915	
5	Aug-16	5,460,898	\$ 0.00227	\$ 12,405	\$	105,721,320	
6	Sep-16	5,684,064	\$ 0.00175	\$ 9,974	\$	105,731,294	
7	Oct-16	10,388,798	\$ 0.00178	\$ 18,514	\$	105,749,807	
8	Nov-16	27,049,168	\$ 0.00178	\$ 48,121	\$	105,797,928	
9	Dec-16	58,234,460	\$ 0.00178	\$ 103,599	\$	105,901,527	
10	Jan-17	53,089,638	\$ 0.00178	\$ 94,499	\$	105,996,026	
11	Feb-17	36,185,388	\$ 0.00178	\$ 64,491	\$	106,060,517	
12	Mar-17	39,751,092	\$ 0.00178	\$ 70,764	\$	106,131,281	
13	Apr-17	13,691,643	\$ 0.00178	\$ 24,314	\$	106,155,594	

**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. 16-0420-GA-PIP		\$44,792,165
2	May 2016	\$258,104	\$45,050,270
3	June	\$168,314	\$45,218,584
4	July	\$142,060	\$45,360,644
5	August	\$175,941	\$45,536,585
6	September	\$117,703	\$45,654,288
7	October	\$160,433	\$45,814,721
8	November	\$142,163	\$45,956,884
9	December	\$164,530	\$46,121,415
10	January 2017	\$348,956	\$46,470,370
11	February	\$324,761	\$46,795,132
12	March	\$358,984	\$47,154,115
13	April	\$224,646	\$47,378,761

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

<u>Line No.</u>	<u>Tariff</u>	<u>A</u> <u>May-17</u> <u>Amount</u>	<u>B</u> <u>Jun-17</u> <u>Amount</u>	<u>C</u> <u>Jul-17</u> <u>Amount</u>	<u>D</u> <u>Aug-17</u> <u>Amount</u>	<u>E</u> <u>Sep-17</u> <u>Amount</u>	<u>F</u> <u>Oct-17</u> <u>Amount</u>	<u>G</u> <u>Nov-17</u> <u>Amount</u>	<u>H</u> <u>Dec-17</u> <u>Amount</u>	<u>I</u> <u>Jan-18</u> <u>Amount</u>	<u>J</u> <u>Feb-18</u> <u>Amount</u>	<u>K</u> <u>Mar-18</u> <u>Amount</u>	<u>L</u> <u>Apr-18</u> <u>Amount</u>	<u>M</u> <u>Annual</u> <u>Amount</u>
1	Rate 310/311 - Residential DSS/SCO Service	4,533,628	3,073,865	2,585,186	2,435,776	2,573,784	7,446,926	15,318,336	24,557,282	29,318,071	23,797,562	19,897,862	10,418,401	145,956,680
2	Rate 315 - Residential Transportation Service	3,099,361	2,101,411	1,767,332	1,665,189	1,759,537	5,091,002	10,472,198	16,788,294	20,042,951	16,268,920	13,602,937	7,122,416	99,781,550
3	Rate 320/321 - General DSS/SCO Service	1,710,832	1,439,034	1,372,795	1,289,592	1,339,230	2,963,723	5,407,561	8,872,607	10,559,650	8,643,193	7,276,444	3,756,865	54,631,526
4	Rate 325 - General Transportation Service	1,406,018	1,182,646	1,128,208	1,059,829	1,100,623	2,435,685	4,444,111	7,291,800	8,678,268	7,103,261	5,980,021	3,087,516	44,897,987
5	Rate 341 - Dual Fuel Sales Service	8,940	99	64	83	199	(73)	1,132	28,580	3,982	4,375	4,940	2,930	55,251
6	School Customers	185,284	109,191	92,645	108,888	135,935	342,359	714,366	974,059	1,792,374	1,882,039	1,194,763	481,703	8,013,606
7	Total Sales Volumes	10,944,064	7,906,246	6,946,231	6,559,357	6,909,308	18,279,622	36,357,704	58,512,622	70,395,297	57,699,350	47,956,968	24,869,832	353,336,601

PIPP Carrying Cost Support for Projection
Most Recent Twelve Months Ended April 30, 2017

Line No.			
1	Beginning PIPP Rider Asset	(Attachment 1, Line 4)	(\$3,203,293)
2	Projected Ending PIPP Rider Asset		\$0
3	Total Beginning and Projected Ending Asset	(Line 1 + Line 2)	<u>(\$3,203,293)</u>
4	Average Balance	(Line 3/2)	(\$1,601,646)
5	Projected Carrying Cost Rate		<u>0.76500%</u>
6	Projected PIPP Carrying Costs for the Twelve Months Ended April 30, 2018	(Line 4 * Line 5) (to Attachment 1, Line 8)	<u>(\$12,253)</u>

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 17-0420-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.