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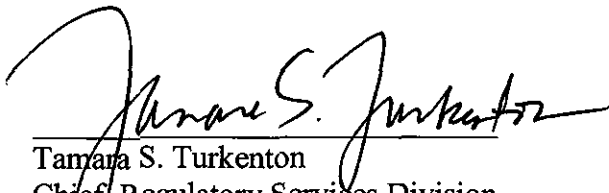
June 23, 2017

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

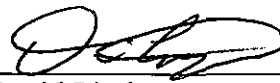
RE: *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 17-320-GA-UEx.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Vectren Energy Delivery of Ohio, Inc., to update its Uncollectible Expense Rider, in Case No. 17-320-GA-UEx.



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

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.

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Vectren Energy Delivery of Ohio, Inc.
Case No. 17-320-GA-UEx

SUMMARY

In Case No. 03-1127-GA-UNC, the Commission authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, Vectren Energy Delivery of Ohio, Inc. (Vectren or Company) was authorized in Case No. 03-2571-GA-ATA to establish a rider recovery mechanism consistent with that which was approved in Case No. 03-1127-GA-UNC. On April 7, 2004, the Commission issued an Entry, in that case, authorizing an initial uncollectible rider rate of \$0.0382 per Mcf.

Since that time Vectren has filed annual updates to adjust its rider rate and the Commission authorized such subsequent revisions. The recent history of Vectren's rider rate is as follows:

July 2012 – June 2013	\$0.0815 per Mcf
July 2013 – June 2014	\$(0.179) per Mcf
July 2014 – June 2015	\$0.0680 per Mcf
July 2015 – August 2016	\$0.0854 per Mcf
August 2016 – Current	\$0.0470 per Mcf

Vectren's application filed on May 31, 2017, would decrease the existing UEX rider rate of \$0.0470 per Mcf to \$0.0397 per Mcf, an adjustment of (\$0.0073). Staff has reviewed the application and makes its findings and recommendations in this Staff Letter.

STAFF REVIEW

Staff performed a review of Vectren's annual balance reconciliation covering May 2016 through April 2017 (Attachment 1), the UEX rider calculation (Attachment 2), the UEX write-off and collection summary from May 2016 through April 2017 (Attachment 3) and proposed tariff sheets (Attachment 4). Staff notes that a prudence review of this UEX rate, if approved, will occur in the Company's next UEX Audit in Case No. 18-320-GA-UEx.

STAFF RECOMMENDATION

Staff believes that Vectren's application appropriately calculates the rider and recommends the proposed rate of \$0.0397 per Mcf be approved.