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September 29, 2017

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

RE: Case No. 17-320-GA-UEx

Dear Secretary McNeal:

On September 22, 2017, Deloitte & Touche LLP ("D&T") filed its Audit Report regarding Vectren Energy Delivery of Ohio, Inc.'s ("VEDO") uncollectible expense ("UEx") rider. In its report, D&T reported the following regarding its audit of the bad debts written off by VEDO during the period May 1, 2016 to April 30, 2017:

- 5a. D&T noted one customer had a write-off of \$1,501.65; however, the write-off amount should have been \$1,512.71, resulting in a remaining balance of \$11.06.
- 5b. D&T noted one customer balance, \$281.95, written off in October 2016; however, according to the Company's write-off policy and records, the balance was not eligible to be written off in October 2016.

VEDO concurs with D&T's findings. Although both were exceptions based on the defined policy, neither selection resulted in a misstatement of the UEx deferral for this filing period. VEDO researched both exceptions and concluded that they were the results of a system error within the billing computer system and a human error respectively.

On the first exception, the code within VEDO's customer billing system ("Banner") which prevented the write-off of the \$11.06 balance is related to a system status defect. In October 2016, VEDO identified this system status error and determined that a partial payment to recall accounts from write-off status was the cause of the error. VEDO subsequently created a validation report to determine which accounts were affected by the status error and, going forward, will correct these

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associated errors once identified. The account noted by D&T was written off August 18, 2016. If the account had been written off after October 2016, the validation report would have identified the \$11.09 balance and it would have been manually corrected. This particular customer paid the Ohio minimum re-instatement payment of \$175 on November 11, 2016, and the full balance was accordingly recalled resulting in no net effect to the deferral balance included for recovery in the UEX rider. The Company has further refined the report, as discussed below, and status errors identified on the report are corrected as they occur.

The second selected exception was a manual error. The aforementioned validation report implemented in October 2016 was not used correctly by the account representative, which resulted in the account being written off sooner than policy would dictate. The "Shut Off Date," as opposed to the "Final Bill Due Date" on the report, was used to determine the age of the debt and the number of days to write off. While the account was written off earlier than policy, there were no payments made and no resulting net change in the deferral balance included for recovery in the UEX rider. As of August 2017, VEDO has removed non-pertinent dates from the validation report. The removal of unnecessary dates in the report should prevent this error from occurring in the future.

Despite these exceptions, the accounts were actively being worked to collect the debts in accordance with the Company's policy.

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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Summary: Comments Comments of Vectren Energy Delivery of Ohio, Inc. to Audit Report electronically filed by Mr. Frank P Darr on behalf of Vectren Energy Delivery of Ohio, Inc.