

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. 18-0320-GA-UEx

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of Ohio, Inc.**

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. 18-320-GA-UEX)

Vectren Energy Delivery of Ohio, Inc. (“VEDO” or “the Company”) hereby submits its annual Uncollectible Expense (“UEX”) Rider Report and respectfully requests approval to revise its UEX Rider rate. In support of its Application, VEDO states as follows:

1. In its December 17, 2003 Finding and Order (“December 17 Order”) in Case No. 03-1127-GA-UNC, the Public Utilities Commission of Ohio (“PUCO” or “Commission”) approved an application for authority to establish a UEX Rider for VEDO and several other natural gas companies.
2. By Entry dated April 7, 2004, in Case No. 03-2571-GA-ATA, the Commission approved VEDO’s initial UEX Rider rate. VEDO filed final tariffs consistent with the April 7, 2004 Entry on April 16, 2004, effective as of that date.
3. In the December 17 Order, the Commission directed VEDO (and the other companies subject to that order) to file a yearly report that

identifies amounts recovered, deferred, and amortized pursuant to the UEX Rider. The Staff, in its report filed March 9, 2004, in Case No. 03-2571-GA-ATA, recommended that the information be provided in the format of Attachment A to that report. VEDO's 2018 report, in that format, is Attachment 1 to this Application. In its August 19, 2009 Finding and Order in Case No. 08-1229-GA-COI, the Commission ordered that the yearly report should include the UEX balance at the beginning of the reporting year; additions to the UEX balance, including the vintage of the additions during the calendar year; and credits to the UEX balance during the calendar year. VEDO has incorporated this additional information into Attachment 3 to this Application.

4. VEDO proposes a revised UEX Rider rate of \$0.00569 per Ccf. The rate is comprised of: (1) the balance of deferred uncollectible accounts expense net of recoveries as of April 30, 2018 and (2) an estimate of net uncollectible accounts expense and recoveries for the 12 months ending April 30, 2019. The calculation of the revised rate is shown on Attachment 2 hereto.
5. Sheet No. 39 of the Company's tariff for gas service states that VEDO shall file an application with the PUCO requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed. VEDO has projected its net UEX through April 2019, and has added to that the existing

deferred balance in the UEX Rider account. The sum of these two components, divided by projected annual volumes, yields the proposed revised UEX Rider rate. The proposed UEX Rider rate is more than ten percent greater than the currently effective rate.

6. The portion of the proposed UEX Rider rate attributable to estimated UEX is derived by subtracting from the estimated charge-off amount the estimated dollars attributable to agency assistance and customer payments.
7. The resulting rate of \$0.00569 per Ccf is just and reasonable and should be approved.
8. As noted above, the UEX rider is subject to reconciliation. In response to decisions of the Commission, VEDO proposes to amend the rider to address the terms and conditions under which the rider will be reconciled to adjust for the recoveries for the annual period in which the Rider Rate was in effect, and findings or decisions of the Commission or the Supreme Court of Ohio.
9. Copies of the proposed and red-lined tariff sheets are Attachment 4 of this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new UEX Rider tariff sheet and UEX Rider rate proposed herein.

Respectfully submitted,

/S/ Frank P. Darr

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

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2017 Annual Balance Reconciliation

Line No.	Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
1	Balance - Beginning of Month	\$ 447,543	\$ 174,164	\$ (7,617)	\$ (219,332)	\$ (198,297)	\$ (68,099)	\$ 210,632	\$ 532,742	\$ 826,337	\$ 1,306,206	\$ 1,526,908	\$ 1,257,316	\$ 447,543
2	Bad Debts Written Off (b)	\$ 48,751	\$ (1,770)	\$ (6,070)	\$ 94,015	\$ 212,378	\$ 329,079	\$ 374,133	\$ 380,078	\$ 544,074	\$ 406,785	\$ (31,358)	\$ (16,808)	\$ 2,333,284
3	Other													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 249,552	\$ 170,211	\$ 186,870	\$ 64,208	\$ 53,004	\$ 24,865	\$ 24,103	\$ 23,536	\$ 24,845	\$ 57,901	\$ 139,109	\$ 243,092	\$ 1,261,296
5	Recovery - Other (b)	\$ 72,736	\$ 9,841	\$ 18,712	\$ 8,641	\$ 29,093	\$ 25,534	\$ 28,205	\$ 63,466	\$ 40,173	\$ 129,262	\$ 100,181	\$ 40,655	\$ 566,498
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))]	\$ (273,537)	\$ (181,822)	\$ (211,652)	\$ 21,166	\$ 130,281	\$ 278,681	\$ 321,825	\$ 293,076	\$ 479,055	\$ 219,621	\$ (270,648)	\$ (300,556)	\$ 505,490
7	Balance Subtotal [1+ 6]	\$ 174,006	\$ (7,658)	\$ (219,269)	\$ (198,167)	\$ (68,016)	\$ 210,582	\$ 532,456	\$ 825,818	\$ 1,305,392	\$ 1,525,827	\$ 1,256,261	\$ 956,760	\$ 953,033
8	Carrying Charges [((1+7) X 65%) X .50 X (c)] *	\$ 158	\$ 41	\$ (64)	\$ (130)	\$ (83)	\$ 49	\$ 286	\$ 519	\$ 814	\$ 1,081	\$ 1,055	\$ 977	\$ 4,705
9	Balance - End of Month [7 + 8]	\$ 174,164	\$ (7,617)	\$ (219,332)	\$ (198,297)	\$ (68,099)	\$ 210,632	\$ 532,742	\$ 826,337	\$ 1,306,206	\$ 1,526,908	\$ 1,257,316	\$ 957,738	\$ 957,738

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate 0.07833% 0.07667% 0.08667% 0.09583% 0.09583% 0.10583% 0.11833% 0.11750% 0.11750% 0.11750% 0.11667% 0.13583%

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
2018 Annual Balance Reconciliation

Line No.	Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
1	Balance - Beginning of Month	\$ 957,738	\$ 613,043	\$ 424,688	\$ 265,368									\$ 957,738
2	Bad Debts Written Off (b)	\$ (32,612)	\$ 8,900	\$ 23,896	\$ 54,718									\$ 54,903
3	Other													\$ -
4	Recovery - Uncollectible Expense Rider (a)	\$ 276,464	\$ 175,873	\$ 173,724	\$ 134,452									\$ 760,513
5	Recovery - Other (b)	\$ 36,550	\$ 21,986	\$ 9,963	\$ 38,477									\$ 106,976
6	Incremental Uncollectible Expense [(2 + 3 - (4 + 5))	\$ (345,625)	\$ (188,959)	\$ (159,791)	\$ (118,211)									\$ (812,587)
7	Balance Subtotal [1+ 6]	\$ 612,113	\$ 424,083	\$ 264,896	\$ 147,157									\$ 145,151
8	Carrying Charges [(((1+7) X 79%) X .50 X (c))] *	\$ 930	\$ 604	\$ 472	\$ 314									\$ 2,320
9	Balance - End of Month [7 + 8]	\$ 613,043	\$ 424,688	\$ 265,368	\$ 147,471									\$ 147,471

(a) Represents calendar uncollectible expense rider revenues.

(b) See write-off vintage and recovery source detail required by Case No. 08-1229-GA-COI on Attachment 3. Bad debt write-offs include account balances restored due to the moratorium.

(c) Monthly carrying charge rate 0.15000% 0.14750% 0.17333% 0.19250%

* Income Tax Rate Changed from 35% to 21% in JAN-18

VECTREN ENERGY DELIVERY OF OHIO, INC
Uncollectible Expense Rider Calculation
Report for May 2018

Line No.	Col. A Amount	Col. B Applicable Volumes (Ccf)	Col. C Unit Rate /Ccf
1	Actual Deferred Uncollectible Expense Balance through April 2018	\$ 147,471	
2	Projected Net Uncollectible Expense: May 2018 - April 2019	\$ 1,700,000	
3	<u>Unit Rate on which to Collect</u>	<u>\$ 1,847,471</u>	<u>324,829,073</u>
4	Prior approved UEX Rider Rate Effective July 26, 2017		\$ 0.00397
5	Increase/(Decrease) in Uncollectible Expense Rider		\$ 0.00172

VECTREN ENERGY DELIVERY OF OHIO, INC.
Uncollectible Expense Rider
Write-Off and Collection Summary

#	Bad Debts Written off by Vintage (a)													
		2017 May	2017 June	2017 July	2017 August	2017 September	2017 October	2017 November	2017 December	2018 January	2018 February	2018 March	2018 April	Total
1	Vintage													
1	1-6 Months	(428,455)	(575,285)	(574,899)	(665,644)	(799,905)	(727,569)	(357,136)	(312,332)	(170,799)	(202,181)	(242,723)	(209,740)	(5,266,668)
2	6-12 months	5,988	11,742	13,176	2,627	10,523	27,506	75,530	76,137	29,947	28,213	26,561	13,124	321,075
3	> 12 months (b)	33,736	14,111	18,985	40,000	38,741	95,221	527,180	322,898	341,184	201,887	246,689	140,919	2,021,550
4	Subtotal	(388,732)	(549,432)	(542,738)	(623,018)	(750,640)	(604,842)	245,574	86,702	200,331	27,920	30,528	(55,696)	(2,924,042)
5	Other Write-Off Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
6	PIPP Bad Debt Write-Offs	(176,354)	(220,352)	(168,606)	(242,940)	(206,567)	(198,057)	214,216	69,894	167,720	36,820	54,424	(978)	(670,780)
7	Total Bad Debts Written Off (Attachment 1)	(212,378)	(329,079)	(374,133)	(380,078)	(544,074)	(406,785)	31,358	16,808	32,612	(8,900)	(23,896)	(54,718)	(2,253,262)
	Collections by Type													
		2017 May	2017 June	2017 July	2017 August	2017 September	2017 October	2017 November	2017 December	2018 January	2018 February	2018 March	2018 April	Total
8	From Customers	48,607	43,296	36,004	69,917	84,683	160,936	143,684	81,155	37,782	46,260	15,207	40,777	808,308
9	From Collection Agencies	1,595	1,585	2,248	4,342	1,921	2,006	1,341	1,705	2,696	4,188	1,889	2,783	28,299
10	From Other	178	0	17	-	-	28	8,368	2,359	1,986	1,023	517	361	14,837
11	Subtotal	50,380	44,881	38,268	74,259	86,604	162,970	153,394	85,219	42,464	51,471	17,614	43,920	851,444
12	Other Activity	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Collection Agency Commissions	12,212	13,055	12,421	2,850	29,922	16,457	32,909	34,348	(9,413)	24,058	3,195	-	172,013
14	Collections from PIPP Customers	9,075	6,293	(2,357)	7,943	16,509	17,251	20,304	10,216	15,327	5,427	4,456	5,443	115,887
15	Total Recovery - Other (Attachment 1)	29,093	25,534	28,205	63,466	40,173	129,262	100,181	40,655	36,550	21,986	9,963	38,477	563,545

(a) - Bad debt write-offs include account balances restored due to the moratorium.

(b) - Write-offs without a print date have been categorized as greater than twelve months.

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 3

Sheet No. 39
~~Tenth~~~~Ninth~~ Revised Page 1 of 1
Cancels ~~Ninth~~~~Eighth~~ Revised Page 1 of 1

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all Customers responsible for payment of Company's Percentage of Income Payment Plan Rider on Sheet No. 40.

DESCRIPTION

The Uncollectible Expense Rider Rate shall be applied to all billed Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover costs associated with uncollectible accounts arising from those Customers in those Rate Schedules responsible for paying the Uncollectible Expense Rider.

~~The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate.~~

Company shall file an application with the Commission requesting approval to change the Uncollectible Expense Rider Rate if Company determines that an adjustment of more than plus or minus ten percent is needed.

RECONCILIATION

~~The Uncollectible Expense Rider is updated annually. The Company's actual uncollectible expense for the applicable Rate Schedules, including carrying charges, shall be reconciled annually, with any over or under collection being reflected as a charge or credit in a subsequent update of the Rider Rate. The charge or credit may include Customer refunds if the Commission or Supreme Court of Ohio determines, as a result of an audit of the annual period in which the Rider Rate was in effect, that the Company's charge was unlawful or unreasonable or included imprudent amounts.~~

UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.~~0056900397~~ per Ccf.

Filed pursuant to the Finding and Order dated July 26, 2017 in Case No. 1817-320-GA-UEX of The Public Utilities Commission of Ohio.

Issued July 26, 2017 Issued by Scott E. Albertson, Vice-President Effective July 26, 2017

VECTREN ENERGY DELIVERY OF OHIO, INC.
Tariff for Gas Service
P.U.C.O. No. 3

Sheet No. 39
Tenth Revised Page 1 of 1
Cancels Ninth Revised Page 1 of 1

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RECONCILIATION

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UNCOLLECTIBLE EXPENSE RIDER RATE

The Uncollectible Expense Rider Rate is \$0.00569 per Ccf.

Filed pursuant to the Finding and Order dated _____ in Case No. 18-320-GA-UEX of The Public Utilities Commission of Ohio.

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

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Summary: Application Application electronically filed by Mr. Frank P Darr on behalf of Vectren Energy Delivery of Ohio, Inc.