

**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. 18-0420-GA-PIP

APPLICATION

Frank P. Darr (Reg. No. 0025469)
Trial Attorney
McNees, Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, Ohio 43215
Telephone: (614) 469-8000
Telecopier: (614) 469-4653
fdarr@mwncmh.com
(willing to accept service by e-mail)

May 31, 2018

Attorney for Vectren Energy Delivery
of Ohio, Inc.

**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. 18-0420-GA-PIP

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, and 90-879-GE-ORD, with the December 14, 2011 Finding and Order in Case No. 08-1229-GA-COI, and with Commission decisions addressing the terms and conditions to be included in riders that are subject to reconciliation on a periodic basis, 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 11, 2017. The method for computing the modified rate is consistent with Case No. 88-1115-GE-PIP, *et al.* The resulting rate, which is an increase 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, 2018 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 increased 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 16, 2018, absent action by the Commission.

Respectfully submitted,

/s/ Frank P. Darr

Frank P. Darr (Reg. No. 0025469)
Trial Attorney
McNees, Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, Ohio 43215
Telephone (614) 469-8000
Telecopier: (614) 469-4653
fdarr@mwncmh.com
(willing to accept service by e-mail)

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~~previous Commission Orders.

RECONCILIATION

The PIPP Rider is 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.

PIPP RIDER RATE

The PIPP Rider Rate is \$0.00248~~(0.00066)~~ per Ccf

Filed pursuant to Case No. 187-0420-GA-PIP dated May 31~~26~~, 2018~~7~~ with The Public Utilities Commission of Ohio.

Issued July 10, 2017 Issued by Scott E. Albertson, Vice-President Effective July 11, 2017

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 previous Commission Orders.

RECONCILIATION

The PIPP Rider is 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.

PIPP RIDER RATE

The PIPP Rider Rate is \$0.00248 per Ccf

Filed pursuant to Case No. 18-0420-GA-PIP dated May 31, 2018 with The Public Utilities Commission of Ohio.

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

Exhibit B

**Attachment 1 through
Attachment 8**

**Calculations Supporting the
Proposed PIPP Rider Rate**

VECTREN ENERGY DELIVERY OF OHIO, INC. PIPP RATE CALCULATION April 2018 Actual Data				
Line	Description	Calculation	Gas Utility	
1	Projected Volumes for the 12 Months Ended 04/30/19	(Attachment 7, Column M, Line 7)	324,829,073	Ccf
Continuing Rate:				
2	Projected Transfers 05/01/18 to 04/30/19 [Forms the Basis for Continuing Recovery]		\$2,400,000	
3	Annual Rate	(2)/(1)	\$0.00739	/ Ccf
Rate Adjustment:				
4	(Over)/Under Recovery - PIPP Rider	(Attachment 2, Line 6)	(\$1,546,026)	
5	(Over)/Under Recovery - Carrying Costs	(Attachment 2, Line 14)	(\$37,040)	
6	Total (Over)/Under Recovery	(4)+(5)	(\$1,583,065)	
7	Annual Rate	(6)/(1)	(\$0.00487)	/ Ccf
Continuing Carrying Cost Rate:				
8	Net Projected Carrying Costs	(Attachment 8, Line 6)	(\$12,278)	
9	Annual Rate	(8)/(1)	(\$0.00004)	/ Ccf
10	Total Annual Rate	(3)+(7)+(9)	\$0.00248	/ Ccf

Current PIPP Rate	(\$0.00066) / Ccf
Increase/(Decrease)	\$0.00314 / Ccf
% Change	475.76%

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

Line No.	Description	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	Total
PIPP Regulatory Asset														
1	Balance - Beginning of Month	(3,203,293)	\$ (3,001,070)	\$ (2,781,832)	\$ (2,746,013)	\$ (2,721,652)	\$ (2,733,737)	\$ (2,754,906)	\$ (2,772,577)	\$ (2,745,285)	\$ (2,654,665)	\$ (2,368,965)	\$ (1,958,685)	\$ (3,203,293)
2	PIPP Balance Change (Attachment 4)	(1,933)	123,115	(56,658)	(60,895)	(91,977)	(111,547)	(115,322)	(140,061)	(188,230)	(66,049)	65,912	165,170	\$ (478,473)
3	Recovery - PIPP Rider (Attachment 5)	(20,107)	(9,417)	(813)	2,872	3,792	9,012	20,883	40,893	43,854	27,907	27,564	21,332	\$ 167,771
4	PIPP Program Credits (Attachment 6)	\$224,262	\$105,541	\$93,289	\$82,383	\$76,101	\$81,366	\$76,767	\$126,459	\$234,997	\$323,842	\$316,802	\$226,158	\$ 1,967,969
5	Transportation Penalties (Attachment 7)													\$ -
6	Balance - End of Month	Sum [1 - 5]	(3,001,070)	(2,781,832)	(2,746,013)	(2,721,652)	(2,733,737)	(2,754,906)	(2,772,577)	(2,745,285)	(2,654,665)	(2,368,965)	(1,958,685)	\$ (1,546,026)
7	Monthly carrying charge rate		0.09583%	0.10583%	0.11833%	0.11750%	0.11750%	0.11667%	0.13583%	0.15000%	0.14750%	0.17333%	0.19250%	0.13236%
8	Gross Carrying Charges	[1 + 6] x 50% x [7]	(2,973)	(3,060)	(3,271)	(3,212)	(3,205)	(3,225)	(3,224)	(3,748)	(4,050)	(3,705)	(3,751)	\$ (40,796)
9	Income Tax on Carrying Charges	Tax Rate x [8]	(1,041)	(1,071)	(1,145)	(1,124)	(1,122)	(1,129)	(1,312)	(850)	(778)	(788)	(708)	\$ (12,196)
10	Net Carrying Charges	[8 - 9]	(1,932)	(1,989)	(2,126)	(2,088)	(2,083)	(2,096)	(2,436)	(3,199)	(2,927)	(2,963)	(2,665)	\$ (28,601)
Carrying Charges Regulatory Asset														
11	Beginning Balance	(18,349)	\$ (20,055)	\$ (21,939)	\$ (23,920)	\$ (25,872)	\$ (27,774)	\$ (29,441)	\$ (30,543)	\$ (31,031)	\$ (32,142)	\$ (33,740)	\$ (35,391)	\$ (18,349)
12	Carrying Charge Recovery - PIPP Rider	Line 17	226	106	144	137	181	429	994	1,947	2,088	1,329	1,313	\$ 9,910
13	Interest Incurred	Line 10	(1,932)	(1,989)	(2,126)	(2,088)	(2,083)	(2,096)	(2,436)	(3,199)	(2,927)	(2,963)	(2,665)	\$ (28,601)
			(1,706)	(1,883)	(1,982)	(1,951)	(1,903)	(1,667)	(489)	(1,111)	(1,598)	(1,650)	(1,649)	\$ (18,691)
14	Ending Balance	Sum [11 - 13]	(20,055)	(21,939)	(23,920)	(25,872)	(27,774)	(29,441)	(30,543)	(31,031)	(32,142)	(33,740)	(35,391)	\$ (37,040)
15	Volumes (Ccf) (Attachment 5)		11,272,994	5,287,071	5,546,835	5,580,938	6,200,563	14,514,781	35,018,278	61,326,382	69,644,240	44,312,238	43,769,493	33,873,979
16	Rate		(0.00002)	(0.00002)	(0.00003)	(0.00002)	(0.00003)	(0.00003)	(0.00003)	(0.00003)	(0.00003)	(0.00003)	(0.00003)	(0.00003)
17	Carrying Charge Recovery - PIPP Rider	[15] x [16]	(226)	(106)	(144)	(137)	(181)	(429)	(994)	(1,947)	(2,088)	(1,329)	(1,313)	\$ (9,910)

Notes:

(1) On December 22, 2017, the United States government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act ("TCJA"). TCJA reduced VEDO's corporate income tax rate from 35% to 21%. Subsequently, the income tax on carrying charges from May-17 to Dec-17 is calculated at 35% and from Jan-18 to Apr-18 at 21%.

VECTREN ENERGY DELIVERY OF OHIO, INC.
PIPP RIDER
PIPP PLAN INFORMATION AS OF
April 30, 2018

Line No.	Description	Amount
1	PIPP Accounts Receivable Balances 2 months in Arrears (Attachment 4, Column B, Line 13)	\$56,514,629
2	Amount Recovered to Date (Attachment 5, Column E, Line 13)	\$105,987,823
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)	\$49,346,730
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	(\$1,546,025)

**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. 17-0420-GA-PIP	May 01, 2017	\$ 56,993,102	\$ (1,933)
2		June 1, 2017	\$ 56,991,169	\$ 123,115
3		July 1, 2017	\$ 57,114,284	\$ (56,658)
4		August 1, 2017	\$ 57,057,626	\$ (60,895)
5		September 1, 2017	\$ 56,996,732	\$ (91,977)
6		October 1, 2017	\$ 56,904,755	\$ (111,547)
7		November 1, 2017	\$ 56,793,208	\$ (115,322)
8		December 1, 2017	\$ 56,677,886	\$ (140,061)
9		January 1, 2018	\$ 56,537,825	\$ (188,230)
10		February 1, 2018	\$ 56,349,595	\$ (66,049)
11		March 1, 2018	\$ 56,283,546	\$ 65,912
12		April 1, 2018	\$ 56,349,459	\$ 165,170
13		May 1, 2018	\$ 56,514,629	

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. 17-0420-GA-PIP				\$ 106,155,594
2	May-17	11,272,994	\$ 0.00178	\$ 20,107	\$ 106,175,702
3	Jun-17	5,287,071	\$ 0.00178	\$ 9,417	\$ 106,185,119
4	Jul-17	5,546,835	\$ 0.00015	\$ 813	\$ 106,185,932
5	Aug-17	5,580,938	\$ (0.00051)	\$ (2,872)	\$ 106,183,060
6	Sep-17	6,200,563	\$ (0.00061)	\$ (3,792)	\$ 106,179,268
7	Oct-17	14,514,781	\$ (0.00062)	\$ (9,012)	\$ 106,170,256
8	Nov-17	35,018,278	\$ (0.00060)	\$ (20,883)	\$ 106,149,373
9	Dec-17	61,326,382	\$ (0.00067)	\$ (40,893)	\$ 106,108,479
10	Jan-18	69,644,240	\$ (0.00063)	\$ (43,854)	\$ 106,064,626
11	Feb-18	44,312,238	\$ (0.00063)	\$ (27,907)	\$ 106,036,719
12	Mar-18	43,769,493	\$ (0.00063)	\$ (27,564)	\$ 106,009,155
13	Apr-18	33,873,979	\$ (0.00063)	\$ (21,332)	\$ 105,987,823

**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. 17-0420-GA-PIP		\$47,378,761
2	May 2017	\$224,262	\$47,603,023
3	June	\$105,541	\$47,708,564
4	July	\$93,289	\$47,801,854
5	August	\$82,383	\$47,884,237
6	September	\$76,101	\$47,960,338
7	October	\$81,366	\$48,041,704
8	November	\$76,767	\$48,118,471
9	December	\$126,459	\$48,244,930
10	January 2018	\$234,997	\$48,479,927
11	February	\$323,842	\$48,803,769
12	March	\$316,802	\$49,120,572
13	April	\$226,158	\$49,346,730

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

<u>Line No.</u>	<u>Tariff</u>	<u>A</u> <u>May-18</u> <u>Amount</u>	<u>B</u> <u>Jun-18</u> <u>Amount</u>	<u>C</u> <u>Jul-18</u> <u>Amount</u>	<u>D</u> <u>Aug-18</u> <u>Amount</u>	<u>E</u> <u>Sep-18</u> <u>Amount</u>	<u>F</u> <u>Oct-18</u> <u>Amount</u>	<u>G</u> <u>Nov-18</u> <u>Amount</u>	<u>H</u> <u>Dec-18</u> <u>Amount</u>	<u>I</u> <u>Jan-19</u> <u>Amount</u>	<u>J</u> <u>Feb-19</u> <u>Amount</u>	<u>K</u> <u>Mar-19</u> <u>Amount</u>	<u>L</u> <u>Apr-19</u> <u>Amount</u>	<u>M</u> <u>Annual</u> <u>Amount</u>
1	Rate 310/311 - Residential DSS/SCO Service	4,820,645	2,816,668	2,290,306	2,386,055	2,736,409	6,300,817	14,595,715	27,034,720	33,374,411	21,670,403	13,938,503	9,248,390	141,213,042
2	Rate 315 - Residential Transportation Service	2,928,059	1,710,844	1,391,132	1,449,289	1,662,094	3,827,115	8,865,435	16,420,885	20,271,612	13,162,599	8,466,245	5,617,470	85,772,779
3	Rate 320/321 - General DSS/SCO Service	1,742,685	1,296,366	1,167,881	1,079,690	1,220,974	2,427,893	4,551,924	8,568,721	10,486,581	7,360,592	4,655,368	3,079,570	47,638,246
4	Rate 325 - General Transportation Service	1,561,992	1,161,950	1,046,787	967,740	1,094,375	2,176,152	4,079,950	7,680,257	9,399,261	6,597,396	4,172,668	2,760,259	42,698,788
5	Rate 341 - Dual Fuel Sales Service	606	256	134	301	71	86	1,120	2,385	3,174	4,163	3,483	2,436	18,215
6	School Customers	275,763	99,207	86,406	107,827	141,419	272,813	730,969	1,503,775	1,656,824	1,296,919	749,972	566,114	7,488,003
7	Total Sales Volumes	11,329,749	7,085,290	5,982,646	5,990,902	6,855,341	15,004,877	32,825,112	61,210,742	75,191,863	50,092,073	31,986,240	21,274,239	324,829,073

PIPP Carrying Cost Support for Projection
Most Recent Twelve Months Ended April 30, 2018

Line No.			
1	Beginning PIPP Rider Asset	(Attachment 1, Line 4)	(\$1,546,026)
2	Projected Ending PIPP Rider Asset		\$0
3	Total Beginning and Projected Ending Asset	(Line 1 + Line 2)	<u>(\$1,546,026)</u>
4	Average Balance	(Line 3/2)	(\$773,013)
5	Projected Carrying Cost Rate		<u>1.5883%</u>
6	Projected PIPP Carrying Costs for the Twelve Months Ended April 30, 2019	(Line 4 * Line 5) (to Attachment 1, Line 8)	<u>(\$12,278)</u>

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/31/2018 9:35:12 AM

in

Case No(s). 18-0420-GA-PIP

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