

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of Vectren Energy Delivery of Ohio, Inc.)	
)	18-1027-GA-UNC
)	
)	

NOTICE OF PARENT COMPANY MERGER

Vectren Energy Delivery of Ohio, Inc. (VEDO or the Company) hereby notifies the Commission of the execution of a merger agreement between Vectren Corporation (Vectren) and CenterPoint Energy, Inc. (CenterPoint Energy). In furtherance of this notice, VEDO states as follows:

1. VEDO is an Ohio corporation engaged in the business of providing natural gas service to customers in Ohio and, as such, is a “natural gas company” and “public utility” as defined by R.C. 4905.03(A)(5) and 4905.02, respectively.

2. VEDO’s stock is owned by Vectren Utility Holdings, Inc. (“VUHI”), a wholly owned subsidiary of Vectren. Vectren is a holding company that is not engaged in the business of supplying natural gas for lighting, power, or heating purposes to consumers within this state, and thus is not a public utility as defined in R.C. 4905.02.

3. CenterPoint Energy is a public utility holding company headquartered in Houston, Texas, and is a domestic energy delivery company that includes electric transmission and distribution, natural gas distribution and energy services operations. CenterPoint Energy’s electric transmission and distribution utility delivers electricity to more than 2.4 million customers in a 5,000-square mile area that includes Houston, the nation’s fourth-largest city. Its natural gas distribution operations engage in natural gas sales to, and transportation for,

approximately 3.5 million residential, commercial, and industrial customers in the states of Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas.

4. On April 21, 2018, Vectren entered into an Agreement and Plan of Merger (the Merger Agreement) with CenterPoint Energy. The Merger Agreement has been approved and authorized by the boards of directors of those companies.

5. Under the Merger Agreement, upon closing of this Merger, Vectren will become a wholly owned subsidiary of CenterPoint Energy and will continue to exist. VEDO and its affiliates, including public utilities providing service in Indiana, will continue to be subsidiaries of VUHI, which will continue to be a subsidiary of Vectren.

6. Vectren and CenterPoint Energy believe that combining the two holding companies creates the opportunity to create a long-term, constructive and strategic relationship. The companies' vision is to lead the nation in delivering energy, service and value to its customers, enhance its already diverse and capable employee base, and continue to provide leadership in the communities it serves. Both Vectren and CenterPoint Energy have built their existing utility networks on solid foundations of safety, technology, reliability, experienced people, and high-quality service. Additionally, both companies have built their reputations as companies that care about and are actively involved in the local communities they serve. By joining the CenterPoint Energy family of companies, Vectren will be well-positioned to continue providing safe and reliable gas and electric service, as well as high-quality customer service. Vectren and CenterPoint Energy believe that the combined company will have a greater scope of operations, expertise and resources available to sustain long-term service reliability and to provide benefits to customers over time due to operating efficiencies for the benefit of Vectren's customers for generations to come.

7. The corporate and regulatory status of VEDO shall not change as a result of the transaction. Upon closing of the transaction, VEDO will remain a separate public utility subject to Commission jurisdiction. VEDO will continue to provide public utility service, and will continue to own, operate and maintain the facilities necessary to provide such service. VEDO's activities will continue to be accounted for separately, with separate books and records maintained. The transaction will have no immediate effect on the rates, terms, or conditions of service to VEDO's existing customers. VEDO will continue to provide service under its existing, Commission-approved tariffs and special arrangements. Existing procedures for Commission review and approval of rates and new contracts will continue to be observed, and VEDO does not expect the Merger to have any impact on VEDO's currently pending applications for an increase in rates, alternative rate plans, and related relief. *See* Case Nos. 18-49-GA-ALT, 18-298-GA-AIR, & 18-299-GA-ALT. Over the longer term, Vectren and CenterPoint Energy believe that the combined company will have a greater scope of operations, expertise, and resources available to sustain long-term service reliability and provide benefits to customers over time due to operating efficiencies, in particular given CenterPoint Energy's demonstrated commitment to prioritizing customer service and community support. VEDO does not intend to seek recovery from customers of the transactional costs related to the Merger. VEDO does not believe that the Merger will have any adverse consequences.

8. VEDO does not believe that Commission approval of the Merger between Vectren and CenterPoint Energy is required.

- a. The transaction will not require VEDO to issue stocks, bonds or notes under R.C. 4905.40.

- b. The transaction does not constitute a “control bid” under R.C. 4905.403. The transaction does not involve “the purchase of, or offer to purchase, from a resident of this state, by tender offer, invitation for tenders, or otherwise, any equity security of a natural gas company . . . or any equity security of a holding company controlling such a company.” R.C. 4905.403(A)(1). In addition, even if the transaction were so structured, it was approved in advance by the directors of the subject company and thus would be excluded from the scope of the statute. *See* R.C. 4905.403(A)(1)(c). Accordingly, Commission approval is not required under R.C. 4905.403.
- c. R.C. 4905.48 requires Commission approval of transactions between public utilities. Neither Vectren nor CenterPoint Energy is a public utility. Although VEDO is a public utility, VEDO is not a party to the transaction described herein. For these reasons, R.C. 4905.48 does not apply.
- d. R.C. 4905.63 provides that companies formed to acquire property or to transact business under Chapters 4901, 4903, 4905, 4907, 4909, 4921, 4923 and 4972, Revised Code, are subject to those chapters’ provisions, although no property has been acquired and no business has been transacted. The parties to the transaction described herein have not been formed to acquire property or transact business subject to the foregoing Revised Code provisions.
- e. The transaction will not constitute either an abandonment of service under R.C. 4905.20 or a substitution of service. Upon closing of the transaction, the same public utility (VEDO) will continue, without interruption, to provide service to

the same customers under the same Commission-approved special arrangements or tariffs.

9. In short, none of the foregoing statutes require review or approval of the Merger, and the Commission has elected not to exercise authority to review similar transactions in the past. *See In re Petition of Ohio Schools Council, et al., for the Commission to Require a Merger Filing*, Case No. 00-762-GA-UNC, Entry on Rehg. at 5–6 (June 29, 2000) (denying rehearing and rejecting request to “open a docket, require the filing of a merger approval application, and further examine the [Columbia Energy Group]/NiSource transaction”). Nevertheless, VEDO is also aware that the Commission has exercised its general supervisory authority under R.C. 4905.05 and 4905.06 to review a variety of transactions for the limited purpose of ensuring that the effect of the transaction will be consistent with the public interest, convenience and necessity. *See, e.g., Joint Application of Dominion Energy, Inc. et al.*, Case No. 04-1179-HT-UNC (July 26, 2004 Application at ¶ 13; Sept. 1, 2004 Finding and Order at ¶ 3).

10. Although VEDO does not believe that Ohio law requires the Commission’s review or approval of the Merger, VEDO provides this Notice so that the Commission may elect whether to review the transaction and any impacts it might have on VEDO or its customers under its general supervisory authority. Although VEDO does not request that it do so, if the Commission does elect to exercise such general supervisory authority here, it should determine that the Merger will not adversely impact VEDO’s customers, for the reasons discussed above.

11. Given that the transaction will not affect the rates, terms, or conditions of service to customers, and given neither Commission review nor formal process is required by law, VEDO requests that the Commission consider this Notice without ordering any public hearing, evidentiary hearing, customer notice, or other formal process.

12. In order to facilitate timely closing of the transaction, the Joint Applicants request that the Commission take any action deemed necessary on this filing as expeditiously as possible, but no later than January 31, 2019, so that the transaction may close by no later than end of the first quarter of 2019. Timely action is necessary, among other reasons, to permit the closing of the Merger transaction and to enable the parties to adequately evaluate and respond to any concerns or actions of the Commission.

WHEREFORE, the Joint Applicants request a Finding and Order by not later than January 31, 2019, affirming that Commission review of the Merger is not required, or (if and to the extent the Commission elects to review the transaction) indicating that the Merger will not adversely impact VEDO or its customers, and granting such other relief as may be appropriate.

Dated: June 15, 2018

Respectfully submitted,

/s/ Andrew J. Campbell

Mark A. Whitt (0067996)

Andrew J. Campbell (0081485)

Rebekah J. Glover (0088798)

WHITT STURTEVANT LLP

The KeyBank Building, Suite 1590

88 East Broad Street

Columbus, Ohio 43215

Telephone: (614) 224-3946

Facsimile: (614) 224-3960

whitt@whitt-sturtevant.com

campbell@whitt-sturtevant.com

glover@whitt-sturtevant.com

(Counsel willing to accept service by email)

ATTORNEYS FOR VECTREN ENERGY
DELIVERY OF OHIO, INC.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/15/2018 9:29:27 AM

in

Case No(s). 18-1027-GA-UNC

Summary: Text In the Matter of Vectren Energy Delivery of Ohio, Inc. Notice of Parent Company Merger electronically filed by Ms. Rebekah J. Glover on behalf of Vectren Energy Delivery of Ohio, Inc.