



# Public Utilities Commission

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## Commissioners

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July 10, 2018

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

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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. 18-320-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. 18-320-GA-UEX.

Tamara S. Turkenton  
Director, Rates and Analysis Department  
Public Utilities Commission of Ohio

David Lipthrott  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

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**Vectren Energy Delivery of Ohio, Inc.**  
**Case No. 18-320-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 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 – July 2017	\$0.0470 per Mcf
August 2017 – Current	\$0.0397 per Mcf

Vectren's application filed on May 31, 2018, would increase the existing UEX rider rate of \$0.0397 per Mcf to \$0.0569 per Mcf, an adjustment of \$0.0172. 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 January 2017 through April 2018 (Attachment 1), the UEX rider calculation (Attachment 2), the UEX write-off and collection summary from May 2017 through April 2018 (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 audit in Case No. 19-320-GA-UEx.

**STAFF RECOMMENDATION**

Staff believes that Vectren's application appropriately calculates the rider and recommends the proposed rate of \$0.0569 per Mcf be approved. In addition, Staff recommends that the Commission approve Vectren's proposed tariff language for the Rider UEX as shown within their application.