

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Vectren Energy Delivery of Ohio, Inc.	)	Case No. 19-779-GA-RDR
for Approval of an Adjustment to its	)	
Energy Efficiency Funding Rider Rate.	)	

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**APPLICATION**

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**March 29, 2019**

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

**BEFORE  
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**APPLICATION**

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Vectren Energy Delivery of Ohio, Inc. (“VEDO” or “the Company”) hereby requests approval to revise its Energy Efficiency Funding Rider (“EEFR”). In support of its Application, VEDO states as follows:

1. In Case No. 07-1080-GA-AIR (“2007 Rate Case”), the Public Utilities Commission of Ohio (“Commission”) approved a Stipulation and Recommendation (“Stipulation”) which provided for the establishment of an Energy Efficiency Funding Rider calculated to produce “... a minimum of \$1 million which shall be utilized to continue funding for the low-income weatherization program for customers whose income is between 200% and 300% of poverty level consistent with the program currently provided as a result of the Company’s compliance with the Commission’s Supplemental Order in Case No. 05-1444-GA-UNC.”<sup>1</sup>

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<sup>1</sup> *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Service and Related Matters*, Case Nos. 07-1080-GA-AIR, *et al.*, Stipulation and Recommendation at 6-7 (Sept. 8, 2008) (hereinafter “Stipulation”).

2. By Finding and Order dated August 26, 2009 in Case No. 09-254-GA-ATA,<sup>2</sup> and consistent with the provisions of the Stipulation, the Commission approved VEDO's initial EEFR rate. On December 11, 2009, VEDO filed final EEFR tariffs effective on January 1, 2010.
3. The Stipulation provides that "[s]ubject to such Commission approvals as may be required, the EEFR charge shall, in all cases, be calculated based on [VEDO's DSM] Collaborative-approved funding to be expended over the subsequent 12-month period, with any variation between actual recoveries and intended recoveries being included in a subsequent EEFR rate."<sup>3</sup> The Stipulation also provides that "... any application to establish or adjust the EEFR charge shall be an application to establish a charge and shall not be considered an application to increase rates."<sup>4</sup>
4. Consistent with VEDO's 2019 DSM Operating Plan and the Collaborative approval thereof, VEDO proposes a revised EEFR rate of \$0.01809 per Ccf. This proposed rider rate reconciles actual EEFR recoveries and intended recoveries, and the support for and calculation of the revised rider rate is shown on Attachment 1 hereto.

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<sup>2</sup> *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. to Establish an Energy Efficiency Funding Rider Rate*, Case No. 09-254-GA-ATA, Finding and Order (Aug. 26, 2009).

<sup>3</sup> *2007 Rate Case*, Stipulation at 7.

<sup>4</sup> *Id.* Consistent with this process, the Commission has authorized updates to VEDO's EEFR in Case Nos. 11-2651-GA-RDR, 12-1416-GA-RDR, 13-1032-GA-RDR, 14-747-GA-RDR, 15-735-GA-RDR, 16-839-GA-RDR, 17-782-GA-RDR, and 18-444-GA-RDR.

5. In accordance with the pending Stipulation and Recommendation filed on January 4, 2019 in Case Nos. 18-298-GA-AIR, *et al.* (“Rate Case”),<sup>5</sup> the proposed rate of \$0.01809 per Ccf includes recovery of all projected conservation expenses, including the \$4 million in conservation program funding historically collected through base rates.
6. To reduce the need for additional reconciliations, VEDO requests that the Commission authorize VEDO to implement the proposed rate effective with the effective date for new rates in the Rate Case.
7. If the Commission modifies the pending Stipulation and Recommendation in the Rate Case with respect to conservation funding, VEDO will reconcile the proposed rate with the Commission’s order in the Rate Case.
8. The pending Stipulation and Recommendation in the Rate Case also provides that VEDO will confer with Staff and other interested parties to discuss VEDO’s conservation programs, specifically the level of program funding and development of a portfolio in lieu of the Collaborative process.<sup>6</sup> This additional process does not impact the need for the Commission to approve the proposed rate contained in this Application. But, depending on the results of this process, VEDO may request interim authority from the Commission to modify its EEFR rate prior to the next annual reconciliation.

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<sup>5</sup> *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Gas Rates*, Case Nos. 18-298-GA-AIR, *et al.*, Stipulation and Recommendation (Jan. 4. 2019) (“Rate Case”).

<sup>6</sup> *Id.* at 6.

9. The proposed rider rate of \$0.01809 per Ccf is just and reasonable and should be approved. A copy of the redlined current tariff sheet and proposed tariff sheet are included as Attachment 2 to this Application.

WHEREFORE, VEDO respectfully requests that the Commission approve the new EEFR rate proposed herein.

Respectfully submitted,

/s/ Matthew R. Pritchard

**Frank P. Darr** (Reg. No. 0025469)

**Matthew R. Pritchard** (Reg. No. 0088070)

(Counsel of Record)

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

# **ATTACHMENT 1**

**[Support for/Calculation of Revised Rider Rate]**

Vectren Energy Delivery of Ohio, Inc.  
Energy Efficiency Funding Rider ("EEFR")  
Twelve Months Ended December 31, 2018

Total Program Budget

Line	Description	Reference	[A]=[B]+[C]+[D] Total	[B] DSM	[C] VWP I	[D] VWP II
<u>Current Year Projected Spend</u>						
1	Regulatory Asset Balance 12/31/2017	Prior Filing	\$ (34,678)			
2	Total 2019 Budget	2019 DSM Operating Plan	\$ 5,739,723	\$ 3,577,994	\$ 1,115,468	\$ 1,046,261
3	Total EEFR Recoverable Amount		\$ 5,739,723	\$ 3,577,994	\$ 1,115,468	\$ 1,046,261
<u>Prior Year Reconciliation</u>						
4	Total 2018 Program Spend	2018 DSM Annual Plan	\$ 5,615,268	\$ 3,478,441	\$ 1,147,085	\$ 989,742
5	Less: Base Rate Recoveries	Cause No. 07-1080-GA-AIR	\$ 4,000,000	\$ 2,900,000	\$ 1,100,000	\$ -
6	Less: EEFR Recoveries	Exhibit B, Line 14	\$ 1,799,262			
7	2018 Variance	Line 4 - Line 5 - Line 6	\$ (183,994)			
8	Total EEFR Variance - (Over)/Under	Line 1 + Line 7	\$ (218,672)			
9	Total EEFR Recoverable Expenses/(Credits)	Line 3 + Line 8	\$ 5,521,051			
10	Projected Billing Volumes (Ccf)	Exhibit C, Line 7	305,115,060			
11	Unit Rate (\$ per Billing Ccf)	[Line 9 / Line 10]	\$ 0.01809			

**Vectren Energy Delivery of Ohio, Inc.**  
**Energy Efficiency Funding Rider ("EEFR")**  
**Actual Recoveries Year-to-Date December 31, 2018**

Line	Description	Consumption (Ccf)	EEFR Unit Rate (\$ per Ccf)	EEFR Revenue (\$ (1))
1	EEFR Recoveries			
2	January 2018	67,810,392	\$0.00558	\$ 378,382
3	February 2018	43,150,074	\$0.00558	\$ 240,777
4	March 2018	42,532,189	\$0.00558	\$ 237,330
5	April 2018	33,066,072	\$0.00558	\$ 184,509
6	May 2018	6,238,133	\$0.00558	\$ 34,809
7	June 2018	12,693,498	\$0.00518	\$ 65,752
8	July 2018	5,103,159	\$0.00518	\$ 26,434
9	August 2018	5,463,455	\$0.00518	\$ 28,301
10	September 2018	5,707,324	\$0.00518	\$ 29,564
11	October 2018	17,705,799	\$0.00518	\$ 91,716
12	November 2018	41,572,002	\$0.00518	\$ 215,343
13	December 2018	51,417,978	\$0.00518	\$ 266,345
14	Annual	<u>332,460,075</u>		<u>\$ 1,799,262</u>

**Notes:**

(1) Actual booked EEFR Revenue



Vectren Energy Delivery of Ohio, Inc.  
Energy Efficiency Funding Rider ("EEFR")  
Projected Sales Volumes (Ccf)

<u>Line No.</u>	<u>Tariff</u>	<u>June 2019</u> <u>Amount</u>	<u>July 2019</u> <u>Amount</u>	<u>August 2019</u> <u>Amount</u>	<u>September 2019</u> <u>Amount</u>	<u>October 2019</u> <u>Amount</u>	<u>November 2019</u> <u>Amount</u>	<u>December 2019</u> <u>Amount</u>	<u>January 2020</u> <u>Amount</u>	<u>February 2020</u> <u>Amount</u>	<u>March 2020</u> <u>Amount</u>	<u>April 2020</u> <u>Amount</u>	<u>May 2020</u> <u>Amount</u>	<u>Annual</u> <u>Amount</u>
1	Rate 310 - Residential DSS Service	248,529	229,150	226,498	247,900	691,411	1,414,660	2,393,447	2,800,644	2,124,945	1,888,164	883,537	449,758	13,598,644
2	Rate 311 - Residential SCO Service	2,160,398	1,991,940	1,968,881	2,154,924	6,010,247	12,297,252	20,805,579	24,345,231	18,471,558	16,413,291	7,680,344	3,909,619	118,209,264
3	Rate 315 - Residential Transportation Service	1,463,182	1,349,090	1,333,473	1,459,475	4,070,586	8,328,613	14,091,085	16,488,400	12,510,312	11,116,301	5,201,700	2,647,885	80,060,102
4	Rate 320 - General Service DSS Service	2,745	2,534	2,504	2,737	7,626	15,609	26,415	31,049	23,572	20,923	9,764	4,964	150,441
5	Rate 321 - General SCO Service	952,677	830,928	824,857	947,275	2,830,186	6,325,940	11,086,926	8,727,649	7,225,686	6,413,704	2,993,109	1,521,552	50,680,488
6	Rate 325 - General Transportation Service	839,123	770,859	764,419	833,793	2,189,089	4,497,145	7,638,382	8,558,513	6,497,605	5,767,441	2,691,515	1,368,236	42,416,121
7	Total Budgeted Volumes	5,666,654	5,174,501	5,120,631	5,646,103	15,799,146	32,879,219	56,041,834	60,951,486	46,853,679	41,619,825	19,459,970	9,902,013	305,115,060

(To Exhibit A, Line 10)

## **ATTACHMENT 2**

**[Redlined Current Tariff Sheet & Proposed Tariff Sheet]**

## **ENERGY EFFICIENCY FUNDING RIDER**

### **APPLICABILITY**

The Energy Efficiency Funding Rider ("EEFR") 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

### **DESCRIPTION**

The ~~Energy Efficiency Funding Rider~~ Rate shall be applied to all ~~b~~Billeding Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The ~~Rider~~EEFR shall recover the costs of funding energy efficiency programs as determined by the Demand Side Management ("DSM") Collaborative and as approved by the Commission.

~~Company shall file an application with the Commission requesting approval to change the~~  
~~Energy Efficiency Funding Rider~~ Rate shall be updated periodically in accordance with the Stipulation and Recommendation Commission's Order in Case No. 0718-40800298-GA-AIR.

The EEFR ~~Rider~~ Rate shall be calculated based on the approved funding to be expended over the subsequent recovery period. The costs to be recovered and the costs actually recovered shall be reconciled annually, with any under- or over- recovery being recovered or returned via the EEFR over a subsequent period.

### **RECONCILIATION**

The EEFR is updated subject to reconciliation or adjustment annually. ~~The costs to be recovered and the costs actually recovered shall be reconciled annually, with any under or over collection being reflected as a charge or credit in a subsequent update of the EEFR 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 including but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to: (1) the twelve-month period of expenditures upon which rates were calculated, if determined to be unlawful, unreasonable, or imprudent by the Commission in the docket those rates were approved or the Supreme Court of Ohio; (2) the Commission's orders in Case No. 18-47-AU-COI or any case ordered by the Commission to address tax reform changes.~~

### **ENERGY EFFICIENCY FUNDING RIDER RATE**

The ~~Energy Efficiency Funding Rider~~ Rate is \$0.005181809 per Ccf.

Filed pursuant to the Finding and Order dated May XX, 2018 in Case No. 189-XXXX779-GA-RDR of The Public Utilities Commission of Ohio.

Issued June X, 2018 Issued by Scott E. Albertson, Vice-President  
Effective June X, 2018

## **ENERGY EFFICIENCY FUNDING RIDER**

### **APPLICABILITY**

The Energy Efficiency Funding Rider ("EEFR") 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

### **DESCRIPTION**

The EEFR Rate shall be applied to all Billing Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The EEFR shall recover the costs of funding energy efficiency programs as determined by the Demand Side Management ("DSM") Collaborative and as approved by the Commission.

The EEFR Rate shall be updated periodically in accordance with the Commission's Order in Case No. 18-0298-GA-AIR.

The EEFR Rate shall be calculated based on the approved funding to be expended over the subsequent recovery period. The costs to be recovered and the costs actually recovered shall be reconciled annually, with any under- or over- recovery being recovered or returned via the EEFR over a subsequent period.

### **RECONCILIATION**

The EEFR is subject to reconciliation or adjustment annually, including but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to: (1) the twelve-month period of expenditures upon which rates were calculated, if determined to be unlawful, unreasonable, or imprudent by the Commission in the docket those rates were approved or the Supreme Court of Ohio; (2) the Commission's orders in Case No. 18-47-AU-COI or any case ordered by the Commission to address tax reform changes.

### **ENERGY EFFICIENCY FUNDING RIDER RATE**

The EEFR Rate is \$0.01809 per Ccf.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No.19-779-GA-RDR of The Public Utilities Commission of Ohio.

Issued \_\_\_\_\_ Issued by \_\_\_\_\_ Effective \_\_\_\_\_

## **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Application* was sent by, or on behalf of, the undersigned counsel for Vectren Energy Delivery of Ohio, Inc. to the following parties of record this 29<sup>th</sup> day of March 2019, via electronic transmission.

/s/ Matthew R. Pritchard

Matthew R. Pritchard

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**COUNSEL FOR THE STAFF OF THE PUBLIC  
UTILITIES COMMISSION OF OHIO**

**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 19-0779-GA-RDR**

Summary: Application for Approval of an Adjustment to its Energy Efficiency Funding Rider Rate electronically filed by Mr. Matthew R. Pritchard on behalf of Vectren Energy Delivery of Ohio, Inc.