

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
VECTREN ENERGY DELIVERY OF OHIO,
INC. FOR AUTHORITY TO ADJUST ITS
DISTRIBUTION REPLACEMENT RIDER
CHARGES.

CASE NO. 19-1011-GA-RDR

ENTRY

Entered in the Journal on May 8, 2019

{¶ 1} Vectren Energy Delivery of Ohio, Inc. (VEDO or the Company) is a natural gas company and a public utility as defined in R.C. 4905.03 and R.C. 4905.02, respectively. As such, VEDO is subject to the jurisdiction of this Commission.

{¶ 2} On May 1, 2019, VEDO filed an application requesting that the Commission approve an adjustment to its Distribution Replacement Rider (DRR), a rider that was first established in 2009 as part of a distribution rate proceeding.

{¶ 3} More specifically, on January 7, 2009, the Commission approved a stipulation and recommendation (Stipulation) that authorized VEDO to recover the costs and receive a return on investments made by the Company to accelerate implementation of a bare-steel and cast-iron pipeline replacement program (Replacement Program). *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 07-1080-GA-AIR, et al. (2007 Rate Case), Opinion and Order (Jan. 7, 2009). As originally approved by the Commission, the DRR was to be in effect until February 2014, or until new rates became effective as a result of the filing of a new distribution rate or alternative rate plan proceeding, whichever was earlier.¹

{¶ 4} In addition to the parameters of the DRR mechanism, the Stipulation approved in the 2007 Rate Case also dictated the review process associated with the

¹ Ultimately, via Commission approval of a stipulation and recommendation in an alternative rate plan proceeding, the Replacement Program was expanded and the DRR was extended to recover the associated costs incurred through the end of calendar year 2017. *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 13-1571-GA-ALT, Opinion and Order (Feb. 19, 2014). And, in a pending application to increase gas rates filed in 2018, VEDO seeks to extend the DRR through December 31, 2023. *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 18-298-GA-AIR, et al.

implementation of that mechanism during its existence. Beginning in 2010, the Company is required to make an application by May 1 to establish the DRR rate to be effective for a 12-month period commencing September 1 of the same year. Commission Staff is required to conduct an investigation of the application and issue a recommendation regarding the level of the proposed DRR charge to be effective on a service rendered basis on September 1 of that year. If Staff finds that the Company's application is unjust or unreasonable, or if any party files an objection that is not resolved by the Company, no party will object to a request for a hearing process in order to effectuate, to the extent practicable and as long as consistent with there being full and reasonable discovery that provides for an expedited response time (i.e., ten days), the implementation of the DRR charge. The parties agreed to use best efforts to achieve implementation of successor DRR charges on September 1 of each year, and the Company agreed not to oppose a request by any party to conduct permissible discovery. Finally, upon reasonable request by any party, the parties agreed to undertake good faith negotiations to streamline or otherwise improve this process for establishing successor DRR charges.

{¶ 5} Although VEDO's DRR has been addressed in subsequent filings, the procedure outlined above does not appear to have been streamlined or otherwise altered. Accordingly, the Company's May 1, 2019 application to adjust the DRR charge is subject to the review process outlined in the *2007 Rate Case*. In order to accomplish that review, the attorney examiner finds that the following procedural schedule should be established:

- (a) June 19, 2019 – deadline for filing motions to intervene.
- (b) July 17, 2019 – deadline for Staff and intervenors to file comments on the application.
- (c) July 26, 2019 – deadline for VEDO to file a statement informing the Commission whether the issues raised in the comments have been resolved.

- (d) In the event that all issues raised in the comments are not resolved, or if the Commission regards the application as possibly unfair or unreasonable, a hearing will commence on August 1, 2019, at 10:00 a.m., in Hearing Room 11-C at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (e) If a hearing is necessary and some or all of the parties enter into a stipulation resolving some or all of the issues in this case, the stipulation must be filed with the Commission by July 31, 2019.

{¶ 6} It is, therefore,

{¶ 7} ORDERED, That the procedural schedule set forth in Paragraph 5 be adopted.

It is, further,

{¶ 8} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Patricia A. Schabo

By: Patricia A. Schabo
Attorney Examiner

GAP/hac

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Summary: Attorney Examiner Entry setting forth procedural schedule electronically filed by Heather A Chilcote on behalf of Patricia Schabo, Attorney Examiner, Public Utilities Commission