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May 21, 2019

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, OH 43215

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

To Whom it May Concern,

The Staff of the Public Utilities Commission of Ohio (“Commission”) has requested that Vectren Energy Delivery of Ohio, Inc. (“VEDO”) provide supplemental attachments to the Application VEDO filed in the above-captioned docket on March 29, 2019 (“Application”). The supplemental attachments reflect what the proposed Energy Efficiency Funding Rider (“EEFR”) rate would be if the revenue requirement identified in the Application was reduced by \$4 million, the amount that is currently included in VEDO’s calculation of base rates to account for conservation programs.

The supplemental attachments are relevant if the Commission approves the Application prior to its approval (or modification) of the pending Stipulation and Recommendation (“Rate Case Stipulation”) signed by VEDO, Staff, and other interested parties in VEDO’s pending Rate Case, Case Nos. 18-298-GA-AIR, *et al.* Under current base rates, VEDO has the opportunity to collect \$4 million for conservation programs; the remaining cost of these programs is collected through the EEFR, which is adjusted annually. The Rate Case Stipulation recommends that \$4 million of the revenue requirement be removed from base rates and recovered through VEDO’s EEFR. The Rate Case Stipulation also provides that the EEFR rate shall be adjusted upon approval of the Rate Case Stipulation.

Consistent with the Rate Case Stipulation, the Application proposes a rate of \$0.01809 per Ccf effective with the effective date of new rates in the Rate Case. The rate of \$0.01809 per Ccf reflects recovery of the \$4 million previously recovered in base rates. If the Commission approves the Application and the Rate Case Stipulation at the same time, the transfer of the \$4 million in funding can occur simultaneously. However, if the Commission approves the rate contained in the supplemental attachments, \$0.00499 per Ccf, then VEDO would file the proposed rate of \$0.01809

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per Ccf as part of the compliance tariffs in the Rate Case. Any true-up associated with the transition from recovery through base rates to the EEFR would occur in the 2020 true-up of the EEFR. Of course, as reflected in paragraph 7 of the Application, if the Rate Case Stipulation is modified by the Commission, VEDO will reconcile the proposed EEFR rate with the Commission's order in the Rate Case.

Please do not hesitate to contact us if you have any questions regarding this letter.

Very truly yours,

McNEES WALLACE & NURICK LLC

/s/ Matthew R. Pritchard

Matthew R. Pritchard

MRP:dr
Attachments
cc: Parties of Record

ATTACHMENT 1

**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
1	<u>Current Year Projected Spend</u> 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	Less: Annual Base Rate Amount	Cause No. 07-1080-GA-AIR	\$ 4,000,000	\$ 2,900,000	\$ 1,100,000	\$ -
4	Total EEFR Recoverable Amount	[Line 2 - Line 3]	\$ 1,739,723	\$ 677,994	\$ 15,468	\$ 1,046,261
5	<u>Prior Year Reconciliation</u> Total 2018 Program Spend	2018 DSM Annual Plan	\$ 5,615,268	\$ 3,478,441	\$ 1,147,085	\$ 989,742
6	Less: Base Rate Recoveries	Cause No. 07-1080-GA-AIR	\$ 4,000,000	\$ 2,900,000	\$ 1,100,000	\$ -
7	Less: EEFR Recoveries	Exhibit B, Line 14	\$ 1,799,262			
8	2018 Variance	Line 5 - Line 6 - Line 7	\$ (183,994)			
9	Total EEFR Variance - (Over)/Under	Line 1 + Line 8	\$ (218,672)			
10	Total EEFR Recoverable Expenses/(Credits)	Line 4 + Line 9	\$ 1,521,051			
11	Projected Volumes (Ccf)	Exhibit C, Line 7	305,115,060			
12	Unit Rate (\$ per Ccf)	[Line 10 / Line 11]	\$ 0.00499			

**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	332,460,075		\$ 1,799,262

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 Amount</u>	<u>July 2019 Amount</u>	<u>August 2019 Amount</u>	<u>September 2019 Amount</u>	<u>October 2019 Amount</u>	<u>November 2019 Amount</u>	<u>December 2019 Amount</u>	<u>January 2020 Amount</u>	<u>February 2020 Amount</u>	<u>March 2020 Amount</u>	<u>April 2020 Amount</u>	<u>May 2020 Amount</u>	<u>Annual 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 11)

ATTACHMENT 2

[Redlined Current Tariff Sheet & Proposed Tariff Sheet]

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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

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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 \$0.00499 per Billing Ccf.

Filed pursuant to the Finding and Order dated _____ in Case No. 19-0779-GA-RDR of The Public Utilities Commission of Ohio.

Issued _____ Issued by _____ Effective _____

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.

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ENERGY EFFICIENCY FUNDING RIDER RATE

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Filed pursuant to the Finding and Order dated _____ in Case No.19-0779-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 *Supplemental Attachments to Vectren Energy Delivery of Ohio, Inc.'s 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 21st day of May 2019, via electronic transmission.

/s/ Matthew R. Pritchard

Matthew R. Pritchard

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ATTORNEY EXAMINER

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

Summary: Application Supplemental Attachments to Application electronically filed by Mr. Matthew R. Pritchard on behalf of Vectren Energy Delivery of Ohio, Inc.