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May 23, 2019 2019 MAY 23 PM 3: 40 RECEIVED-DOCKETING DIV PUCO **Docketing Division** Public Utilities Commission of Ohio 180 East Broad Street Columbus, Ohio 43215

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

Enclosed please find the Staff's Comments regarding Vectren Energy Delivery of Ohio's Energy Efficiency Rider balance reconciliation statement and rate proposal in Case No. 19-779-GA-RDR.

Respectfully submitted,

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

David Lipthratt 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. 19-779-GA-RDR

## **OVERVIEW**

On January 7, 2009, in Case No. 07-1080-GA-AIR, the Commission approved a Stipulation<sup>1</sup> providing for the establishment of an Energy Efficiency Funding Rider (EEFR), initially set to zero, that would be utilized to fund the low-income weatherization program for customers whose income is between 200% and 300% of federal poverty levels.

Subsequently, on August 26, 2009, in Case No. 09-254-GA-ATA, the Commission issued a Finding and Order authorizing Vectren Energy Delivery of Ohio, Inc. (Vectren) to establish and implement an initial EEFR rate of \$0.00320 per Ccf, which became effective on January 1, 2010.

On January 4, 2019, in Case No. 18-298-GA-AIR, Vectren entered into a Stipulation and Recommendation (Stipulation) with multiple parties<sup>2</sup>. The signatory parties recommended, in part, that the Company remove \$4 million of conservation funds from base rates to the EEFR. The Commission has not yet ruled on this proceeding.

On March 29, 2019, Vectren filed Case No. 19-779-GA-RDR to revise its current EEFR rate from \$0.00518 per Ccf to \$0.01809 per Ccf. The proposed EEFR rate, in this application, included \$4 million of conservation program funds, normally included in base rates, in the rider calculation. On May 7, 2019, Staff filed its comments regarding the Company's original filing. On May 13, 2019, Staff filed a correction to its comments.

On May 21, 2019, Vectren filed supplemental attachments to its March 29 application to reflect the proposed EEFR rate minus the \$4 million of conservation program funds proposed in the Stipulation. In the supplemental attachments, the Company proposes to adjust its EEFR rate from \$0.00518 per Ccf to \$0.00499 per Ccf, a decrease of \$0.00019 per Ccf.

Staff makes its findings and recommendations, based upon the supplemental attachments, in this Staff letter.

<sup>&</sup>lt;sup>1</sup> Signatory Parties include Vectren Energy Delivery of Ohio, Inc., the Ohio Consumers' Counsel, Ohio Partners for Affordable Energy and the Staff of the Public Utilities Commission.

<sup>&</sup>lt;sup>2</sup> Signatory Parties include Vectren Energy Delivery of Ohio, Inc., the Staff of the Public Utilities Commission, the City of Dayton, the Environmental Law & Policy Center, Federal Executive Agencies, Honda of America Mfg. Interstate Gas Supply, Inc., the Office of the Ohio Consumers' Counsel, Ohio Partners for Affordable Energy, and the Retail Energy Supply Association

## STAFF REVIEW AND CONCLUSION

Staff completed its review of Vectren's supplemental attachments filed on May 21, 2019. Staff believes that the Company calculated the proposed EEFR rate correctly and recommends that the proposed rate of \$0.00499 per Ccf be approved.