

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
VECTREN ENERGY DELIVERY OF OHIO,  
INC. FOR AUTHORITY TO REVISE ITS  
TARIFFS.

CASE No. 19-1161-GA-ATA

IN THE MATTER OF THE APPLICATION  
OF VECTREN ENERGY DELIVERY OF OHIO,  
INC. FOR APPROVAL TO ESTABLISH AN  
INFRASTRUCTURE DEVELOPMENT RIDER.

CASE No. 19-1162-GA-IDR

## FINDING AND ORDER

Entered in the Journal on July 2, 2019

### I. SUMMARY

{¶ 1} The Commission approves the application of Vectren Energy Delivery of Ohio, Inc. to establish an infrastructure development rider.

### II. DISCUSSION

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

{¶ 3} R.C. 4929.161 permits a natural gas company to file an application with the Commission for approval of an infrastructure development rider (IDR) to recover prudently incurred infrastructure development costs of one or more approved economic development projects.

{¶ 4} On May 24, 2019, VEDO filed an application, pursuant to R.C. 4929.161 and Ohio Adm.Code 4901:1-43-04, seeking authority to establish an IDR as part of its tariff. VEDO also proposes to establish a new provision in its rules and regulations to address mainline extensions funded by the IDR. Finally, VEDO proposes several non-substantive revisions to various rate schedules to reflect the applicability of the IDR, as well as updates to the table of contents.

{¶ 5} With respect to the proposed IDR, VEDO notes that it seeks to establish the rider at an initial rate of zero per customer and that, as economic development projects are proposed and approved, the Company will update the rider rate, consistent with the timelines and conditions established by the Commission. VEDO further notes that cost recovery under the IDR will be capped, in accordance with R.C. 4929.162. Additionally, VEDO states that, in some instances, an IDR-funded mainline may enable the Company to provide service to a subsequent, additional customer and that, in such a case, the Company will credit incremental revenues to amounts being recovered through the IDR by way of a subsequent rate adjustment. VEDO further states that incremental revenues will be credited to the IDR only to the extent that the credit to the IDR equals that portion of the project costs previously recovered through the IDR. Finally, requesting expedited treatment of its application, VEDO asserts that, to the extent that the proposed IDR constitutes a rate or charge under R.C. 4909.18, the Company's application requests approval of a new service, should not be treated as an application for an increase in rates, and may be approved without a hearing.

{¶ 6} On June 7, 2019, Staff filed its review and recommendation in response to VEDO's application. Based upon its review, Staff states that VEDO's application is consistent with the Commission's rules governing approval of tariffs. Staff, therefore, recommends that VEDO's application be approved.

{¶ 7} Upon consideration of VEDO's application, as well as Staff's review and recommendation, the Commission finds that the proposed tariff changes do not appear to be unjust or unreasonable, are in the public interest, and are consistent with R.C. 4929.16 et seq. Accordingly, the Commission finds that VEDO's application should be approved and that the Company should be authorized to include the revised language in its tariff, which contains the terms, conditions, and rates that the Company applies to the gas service that it provides to customers. Consistent with our approval of IDR-related tariffs for other natural gas companies, we also find that VEDO should revise its tariff to

include language that states that, where an IDR-funded mainline enables the Company to provide service to a subsequent, additional customer, the Company will credit incremental revenues to amounts being recovered through the IDR by way of a subsequent rate adjustment. *See, e.g., In re Columbia Gas of Ohio, Inc.*, Case No. 16-2067-GA-ATA, et al., Finding and Order (May 24, 2017); *In re The East Ohio Gas Co. d/b/a Dominion Energy Ohio*, Case No. 17-2514-GA-ATA, et al., Finding and Order (May 2, 2018); *In re Duke Energy Ohio, Inc.*, Case No. 17-1197-GA-ATA, et al., Finding and Order (June 13, 2018). The revised final tariff shall be approved effective upon filing, subject to final review by the Commission.

{¶ 8} We find that VEDO's proposed tariff constitutes a "first filing" for a new service and, thus, the application is not an application for an increase in rates. *City of Cleveland v. Pub. Util. Comm.*, 67 Ohio St.2d 446, 424 N.E.2d 561 (1981); *Cookson Pottery v. Pub. Util. Comm.*, 161 Ohio St. 498, 120 N.E.2d 98 (1954). Therefore, consistent with R.C. 4909.18, the Commission finds that no hearing is required in these cases.

### III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That VEDO's application be approved. It is, further,

{¶ 11} ORDERED, That VEDO be authorized to file tariffs, in final form, consistent with this Finding and Order. VEDO shall file one copy in these case dockets and one copy in its TRF docket. It is, further,

{¶ 12} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission, subject to final review by the Commission. It is, further,

{¶ 13} ORDERED, That VEDO shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 14} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

COMMISSIONERS:

*Approving:*

Sam Randazzo, Chairman  
M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

SJP/sc

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**Case No(s). 19-1161-GA-ATA, 19-1162-GA-IDR**

Summary: Finding & Order The Commission approves the application of Vectren Energy Delivery of Ohio, Inc. to establish an infrastructure development rider. electronically filed by Docketing Staff on behalf of Docketing.