

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. 20-101-GA-RDR

ENTRY

Entered in the Journal on May 19, 2020

{¶ 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 January 7, 2009, the Commission approved a stipulation and recommendation that authorized VEDO to establish a distribution replacement rider (DRR) 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). In approving the DRR, the Commission also approved the parties' stipulated review process associated with the rider. Under that process, 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 investigate 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 filed 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 with full and reasonable yet expedited discovery, the implementation of the DRR charge; further, the parties agreed to use best efforts to achieve implementation of successor DRR charges on September 1 of each year.

{¶ 3} 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 filing a new distribution rate or alternative rate plan proceeding, whichever was earlier. Subsequently, in approving a stipulation and recommendation reached in an alternative rate plan proceeding, the Commission authorized VEDO to expand the scope of the Replacement Program and extended the DRR to recover associated costs 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) (2013 DRR Order). As part of the stipulation approved by the Commission, VEDO agreed that any additional request to extend the DRR would be made as part of an application for an increase in rates under R.C. 4909.18 and 4909.19. 2013 DRR Order at 8.

{¶ 4} In 2018, VEDO filed an application to increase its rates for gas distribution service and for approval of alternative rate plans. *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Rates*, Case No. 18-298-GA-AIR; *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan*, Case No. 18-299-GA-ALT; *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan*, Case No. 18-49-GA-ALT (combined, 2018 Rate Case). On August 28, 2019, the Commission approved a stipulation and recommendation in the 2018 Rate Case (Rate Case Stipulation) that, among other things, authorized VEDO to include the DRR balance as of December 31, 2017, in base rates. Additionally, the approved Rate Case Stipulation extended both the Replacement Program and the DRR for the period from January 1, 2018, through December 31, 2023. 2018 Rate Case, Opinion and Order (Aug. 28, 2019). The Rate Case Stipulation did not, however, make any changes to the DRR review process as established in the 2007 Rate Case.

{¶ 5} On January 21, 2020, VEDO initiated this proceeding to inform the Commission that the Company would file an application to adjust the DRR on or before May 1, 2020.

{¶ 6} On January 29, 2020, the Commission issued an Entry directing Staff to issue a request for proposal for audit services to review, among other things, (1) the accounting accuracy and used and useful nature of VEDO's capital expenditures and related assets and corresponding depreciation reserve from December 31, 2017, through December 31, 2019, and (2) the necessity, reasonableness, and prudence of VEDO's capital expenditures and related assets, with an emphasis on the capital expenditure program and DRR expenditures and assets, for the same period. Subsequently, on February 26, 2020, the Commission selected Blue Ridge Consulting Services, Inc. to conduct the ordered audit.

{¶ 7} On May 1, 2020, VEDO filed its application for authority to adjust its DRR (Application).

{¶ 8} The process approved by the Commission in the *2007 Rate Case* was unchanged by more recent proceedings. Accordingly, to aid the Commission in reviewing VEDO's Application, the attorney examiner finds that the following procedural schedule should be established:

- (a) June 15, 2020 – deadline for filing motions to intervene.
- (b) July 13, 2020 – deadline for Staff and intervenors to file comments on the application.
- (c) July 24, 2020 – deadline for VEDO to file a statement informing the Commission whether the issues raised in comments have been resolved.
- (d) In the event that all issues raised in the comments are not resolved, or if the Commission finds that the application may be unjust or unreasonable, a hearing will commence on August 4, 2020, at 10:00 a.m., in Hearing Room 11-D 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, 2020.

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the procedural schedule set forth in Paragraph 8 be adopted.
It is, further,

{¶ 11} ORDERED, That a copy of this Entry be served upon all interested persons and 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