



Public Utilities Commission

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June 25, 2020

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Adjustment to its Uncollectible Expense Rider Rate, Case No. 20-0320-GA-UEX.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by the Vectren Energy Delivery of Ohio Inc., to update its Gas Uncollectible Expense Rider, in Case No. 20-0320-GA-UEX.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Liphtratt".

David Liphtratt
Chief, Accounting and Finance Division
Public Utilities Commission of Ohio

Enclosure
cc: Parties of Record

Vectren Energy Delivery of Ohio, Inc.
Case No. 20-0320-GA-UEx

OVERVIEW

In Case No. 03-1127-GA-UNC, the Public Utilities Commission of Ohio (Commission) authorized the concept of an uncollectible accounts expense recovery mechanism for five natural gas companies. The mechanism approved allows for recovery of actual bad/uncollectible debt through a rider, rather than through base rates. Subsequently, in Case No. 03-2571-GA-ATA, the Commission authorized Vectren Energy Delivery of Ohio, Inc. (VEDO or Company) to establish an uncollectible expense rider recovery mechanism, initially set at \$0.00382 per Mcf.

Since that time, VEDO has filed annual updates to adjust its rider rate and the Commission has authorized such revisions. The most recent history of VEDO's uncollectible expense rider rate is as follows:

July 2015 - August 2016	\$0.0854 per Mcf
August 2016 - July 2017	\$0.0470 per Mcf
August 2017 - August 2018	\$0.0397 per Mcf
September 2018 - August 2019	\$0.0569 per Mcf
September 2019 - Current	\$0.0703 per Mcf

In its application, filed on May 29, 2020, VEDO proposes to modify its existing uncollectible expense rider rate of \$0.0703 per Mcf to \$0.0785 per Mcf, an increase of \$0.0082 per Mcf. Staff has reviewed VEDO's application and makes its findings and recommendations herein.

STAFF REVIEW

Staff's review of VEDO's Application included examination of its Uncollectible Expense Rider Annual Balance Reconciliation (Attachment 1), its Uncollectible Expense Rider Calculation (Attachment 2), its Write-Off and Collection Summary (Attachment 3), and its Red-Lined and Proposed Tariff Sheets (Attachment 4). Staff notes that a prudence review of this rate, if approved, will occur in a future uncollectible expense audit proceeding.

STAFF RECOMMENDATION

Staff avers that VEDO appropriately calculated the proposed rider rate in its Application, and recommends that the proposed rate of \$0.0785 per Mcf be approved.

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in

Case No(s). 20-0320-GA-UEx

Summary: Staff Review and Recommendation regarding the application filed by the Vectren Energy Delivery of Ohio Inc., to update its Gas Uncollectible Expense Rider electronically filed by Zee Molter on behalf of PUCO Staff