

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren)	
Energy Delivery of Ohio, Inc. for Approval to)	
Continue Demand Side Management Program)	Case No. 19-2084-GA-UNC
for its Residential, Commercial, and Industrial)	
Customers)	

STIPULATION AND RECOMMENDATION

Ohio Adm. Code 4901-1-30 provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such proceeding. The purpose of this document is to set forth the understanding and agreement of Vectren Energy Delivery of Ohio., Inc. (VEDO or the Company), the Staff of the Public Utilities Commission of Ohio (Staff) (which, for the purpose of entering into this Stipulation and Recommendation, will be considered a party by virtue of Ohio Adm. Code 4901-1-10(C)), Ohio Partners for Affordable Energy (OPAE), and the Environmental Law & Policy Center (ELPC) (collectively, the Signatory Parties),¹ and to recommend that the Public Utilities Commission of Ohio (PUCO or the Commission) approve and adopt this Stipulation and Recommendation (Stipulation), as part of its Opinion and Order, resolving all of the issues in the above-captioned proceeding.

This Stipulation, which shall be designated as Joint Exhibit 1.0, is supported by adequate data and information; represents, as an integrated and complete document, a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or precedent; is in the public interest; and is the product of lengthy, serious bargaining among knowledgeable and capable parties who represent the various interests and stakeholders in a cooperative process undertaken by the Signatory Parties. While this Stipulation is not binding on the Commission,

¹ Interstate Gas Supply, Inc. (IGS) does not oppose the Stipulation, but is not a signatory party.

where, as here, it is sponsored by parties representing a significant cross section of interests, including the Commission's Staff, it is entitled to careful consideration by the Commission.

The Signatory Parties stipulate and recommend as follows:

1. VEDO's Application filed on November 22, 2019 in this proceeding, which requested authority to continue to offer Demand Side Management (DSM) Energy Efficiency (EE) Programs and approval of a triannual Gas DSM Program Plan for calendar years 2021 through 2023 (the 2021-2023 Plan), shall be approved as filed, subject to the findings and recommendations of Staff's Review and Recommendations filed on March 6, 2020 (Staff Report) in this proceeding, and any other modification provided for in the Stipulation.

2. VEDO agrees to withdraw its proposal for an annual shared savings performance incentive, which is described in Paragraphs 22 – 25 of the Company's Application, reserving its right to propose an annual shared savings performance incentive in a future application seeking Commission approval of an EE program portfolio and EE funding. The other Signatory Parties similarly reserve their rights to support or oppose any future proposal for a shared savings performance incentive.

3. VEDO's total DSM portfolio funding for the 2021-2023 Plan will reflect the budgeted amounts set forth in Attachment A, Table 4 to the November 22, 2019 Application, except that VEDO agrees to eliminate the budgeted funding for the Multi-Family Direct Install (MFDI) program: \$158,194 for 2021, \$143,712 for 2022, and \$129,238 for 2023. VEDO agrees to this reduction in total DSM portfolio funding for purposes of resolving all issues in this proceeding, and reserves the right to propose this or a similar program in a future application seeking Commission approval of an EE program portfolio and EE funding.

4. VEDO's Application and the 2021-2023 Plan, as modified herein, are consistent with R.C. 4905.70 and R.C. 4929.02(A)(12).

5. As provided for in VEDO's Application and acknowledged in the Staff Report, VEDO will continue to recover all prudently-incurred DSM portfolio program costs through the Energy Efficiency Funding Rider (EEFR). 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 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.

6. Beginning in 2021, VEDO's EEFR Application will be filed annually on or before July 1 for rates effective on or before November 1. The EEFR will continue to reconcile VEDO's actual prudently-incurred DSM portfolio program costs for the prior calendar year (12 months ended December) and include projected DSM portfolio program costs for the subsequent calendar year (e.g., the 2021 EEFR filing will reconcile actual 2020 prudently-incurred DSM portfolio program costs and project DSM portfolio program costs for 2022). Signatory Parties shall have a right to intervene in the annual EEFR proceeding, provide comments, and if the PUCO sets a hearing, file testimony.

7. An annual Evaluation, Measurement, and Verification (EM&V) of VEDO's DSM portfolio programs will continue to be performed, in accordance with recognized industry-standard EM&V best practices and protocols, by Cadmus, an independent, third-party auditor previously selected by VEDO in 2018 after a Request for Proposal (RFP) process. VEDO agrees to file the EM&V annually with VEDO's Application in the EEFR proceedings beginning with

the EEFR proceeding filed in 2021. The EM&V will cover the annual prior calendar year's costs being reconciled in the EEFR proceedings.

8. As provided for in VEDO's Application and acknowledged in the Staff Report, the VEDO Collaborative will continue to review, evaluate, and monitor the DSM portfolio programs, under similar procedures that have been in place and established by the Commission in Case No. 05-1444-GA-UNC and Case No. 07-1080-GA-AIR. In addition, VEDO agrees to continue to provide Collaborative members with monthly scorecards, annual reports, and annual operating plans in a form similar to the scorecards, reports, and operating plans that VEDO previously provided to Collaborative members concerning VEDO's 2019 and 2020 DSM portfolio programs. VEDO agrees to provide Collaborative members with the annual report for the prior calendar year and the operating plan for the current calendar year by or before March 1 of each year.

9. As provided for in VEDO's Application and acknowledged in the Staff Report, VEDO will continue to have the authorization to transfer funding across programs within a calendar year of the 2021-2023 Plan.

10. As provided for in VEDO's Application and acknowledged in the Staff Report, the VEDO Collaborative will no longer vote on the EE program portfolio and EE funding and VEDO will file any future requests for approval of an EE program portfolio and EE funding with the Commission.

11. The Signatory Parties agree that the following exhibits should be admitted into the record:

Joint Exhibit 1.0	Stipulation and Recommendation
VEDO Exhibit 1.0	VEDO's Application with Attachments (filed Nov. 22, 2019 in this proceeding)

12. This Stipulation is entered into as an overall compromise and resolution of the issues presented in this proceeding, and does not necessarily represent the position that any Signatory Party would have taken absent its execution. The Signatory Parties believe that this Stipulation represents a reasonable compromise of the varying interests that have been asserted in this proceeding.

13. This Stipulation is expressly conditioned upon adoption in its entirety by the Commission without material modification by the Commission; provided, however, that each Signatory Party has the right, in its sole discretion, to determine whether the Commission's approval of this Stipulation contains a material modification thereof.

14. If the Commission rejects or materially modifies all or part of this Stipulation, any Signatory Party shall have the right, within 30 days of issuance of the Commission's Order, to apply for rehearing. If, upon rehearing, the Commission does not adopt the Stipulation without material modification, or if the Commission makes a material modification to any Order adopting the Stipulation pursuant to any reversal, vacation and/or remand by the Supreme Court of Ohio, then within 30 days of the Commission's Entry on Rehearing or Order on Remand any Signatory Party may withdraw from the Stipulation by filing a notice with the Commission in this proceeding (Notice of Withdrawal), and serving said Notice of Withdrawal upon all Signatory Parties.

15. No Signatory Party shall file a Notice of Withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement achieves such an outcome, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an

outcome that substantially satisfies the intent of the Stipulation are unsuccessful, and a Signatory Party files a Notice of Withdrawal, then the Commission will convene an evidentiary hearing to afford that Signatory Party the opportunity to contest the Stipulation by presenting evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are successful, then some or all of the Signatory Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

16. Unless the Signatory Party exercises its right to terminate its Signatory Party status or withdraw as described above, each Signatory Party agrees to and will support the reasonableness of this Stipulation before the Commission and in any appeal that it participates in from the Commission's adoption and/or enforcement of this Stipulation.

17. This Stipulation is submitted for purposes of this proceeding only. This Stipulation, including any information and data submitted herewith, shall not be cited as precedent in any future proceeding for or against any Signatory Party, except as necessary to enforce the terms of this Stipulation.

18. The Signatory Parties stipulate, agree, and recommend that the Commission issue a final Opinion and Order in this proceeding, ordering the adoption of this Stipulation, including the terms and conditions agreed to in this Stipulation by all Signatory Parties.

The undersigned hereby stipulate and agree and each represents that it is authorized to enter into this Stipulation and Recommendation on this 26th day of June 2020. This Stipulation and Recommendation may be signed in counterparts.

Vectren Energy Delivery of Ohio, Inc.

**The Staff of the Public Utilities
Commission of Ohio**

By: /s/ Christopher T. Kennedy
Counsel

By: /s/ Werner S. Margard, per e-mail auth.
Counsel

Date: June 26, 2020

Date: June 26, 2020

Ohio Partners for Affordable Energy

Environmental Law and Policy Center

By: /s/ Robert Dove per e-mail auth.
Counsel

By: /s/ Caroline Cox per e-mail auth.
Counsel

Date: June 26, 2020

Date: June 26, 2020

CERTIFICATE OF SERVICE

I hereby certify that a courtesy copy of the foregoing Stipulation and Recommendation was served by electronic mail, to the following on this 26th day of June, 2020:

werner.margard@ohioattorneygeneral.gov
christopher.healey@occ.ohio.gov
amy.botschner.obrien@occ.ohio.gov
ambrosia.wilson@occ.ohio.gov
rdove@keglerbrown.com
ccox@elpc.org
Joe.Oliker@IGS.com
Michael.Nugent@IGS.com
Bethany.Allen@IGS.com
mjsettineri@vorys.com
glpetrucci@vorys.com

Attorney Examiner:
patricia.schabo@puc.state.oh.us

/s/ Christopher T. Kennedy
One of the Attorneys for Vectren Energy Delivery
of Ohio, Inc., A CenterPoint Energy Company

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/26/2020 4:05:28 PM

in

Case No(s). 19-2084-GA-UNC

Summary: Stipulation Stipulation and Recommendation electronically filed by Christopher T Kennedy on behalf of Vectren Energy Delivery of Ohio, Inc.