



21 East State Street • Columbus, OH 43215-4228
Tel: 614.469.8000 • Fax: 614.469.4653

Matthew R. Pritchard
(614) 719-2842—Direct Dial
mpritchart@mcneeslaw.com

September 18, 2020

Tanowa Troupe
Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: Case No. 20-220-GA-EXR

Dear Secretary Troupe:

Enclosed please find the Audit Report of Deloitte & Touche LLP of Vectren Energy Delivery of Ohio, Inc.'s Exit Transition Cost Rider to be filed in the above referenced case.

Very truly yours,

/s/ Matt Pritchard

Matthew R. Pritchard

**Attorney for Vectren Energy Delivery of
Ohio, Inc.**

C0115283:1

www.mwn.com

HARRISBURG, PA • LANCASTER, PA • STATE COLLEGE, PA • HAZLETON, PA • COLUMBUS, OH • WASHINGTON, DC



Deloitte & Touche LLP
111 Monument Circle
Suite 4200
Indianapolis, IN 46204-5105
USA

Tel: +1 317 464 8600
Fax: +1 317 464 8500
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Vectren Energy Delivery of
Ohio:

We have performed the procedures enumerated below, which were agreed to by Vectren Energy Delivery of Ohio (the "Company") and provided to the Public Utility Commission of Ohio (the "PUCO"), solely to assist the specified parties in the evaluation of the accuracy of the financial data associated with the Exit Transition Cost ("ETC") recovery mechanism for the period July 1, 2019 through June 30, 2020, in conjunction with PUCO Case No. 20-220-GA- EXR. The Company's management is responsible for the completeness and accuracy of the information provided to us in connection with our procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

Exit Transition Cost Recovery Mechanism

1. We obtained from Company management ETC Rider Exhibit A capturing actual costs incurred and recoveries from inception of the ETC recovery mechanism through June 30, 2020, which includes the period July 1, 2019 to June 30, 2020 (the "Filing"). We agreed each component of Exhibit A to supporting exhibits prepared by Company management and proved the arithmetic accuracy of all such exhibits within \$1. We noted no exceptions.
2. We obtained from Company management the ETC Balance Sheet Reconciliation report, which includes activity for the period July 1, 2019 to June 30, 2020. We agreed total deferred operating expenses through June 30, 2020 to Exhibit E of the Filing within \$1. We selected one (1) cost from the cost buckets provided by management and as described by the PUCO in the Entry regarding Case No. 20-220-GA-EXR, using a sampling interval of \$100,000 to determine selections and agreed the selected costs to supporting documentation obtained from Company management. We sampled the following categories:
 - a. Billing costs totaling \$59,066 (1 selection). No exception noted.

Based on the schedule of costs obtained as part of Step 2. above, the following categories had no costs for the period July 1, 2019 to June 30, 2020:

- a. Business system development costs
 - b. Call center costs
 - c. Any incremental provider of last resort costs not recovered from defaulting standard service offer ("SSO") or choice supplier
 - d. Any imbalance costs not recovered from transportation customers or pool customers
 - e. Gas costs incurred by the Company when diverting customers' transportation gas quantities during curtailment
 - f. Stranded gas supply costs related to customer migrations to Choice Service
3. Using the ETC Deferred Operating Expense Rollforward report obtained in Step 2. above, we agreed the gas delivery expenses per the volume reconciliation for suppliers for the period July 1, 2019 to June 30, 2020 to the monthly Choice and standard choice offer ("SCO") Supplier Volume Reconciliation Report and recalculated the arithmetic accuracy of the reports.
 4. We agreed Total ETC Rider Revenues from Exhibit A of the Filing to Exhibit B of the Filing. From Exhibit B, we selected four (4) months and agreed the monthly ETC rider revenue within Exhibit B to the Exit Transition Cost Rider Billed and Unbilled Revenue report, as obtained from Company management, noting no exceptions. Within the Exit Transition Cost Rider Billed and Unbilled Revenue report, we agreed the sum of revenue 'Billed at Current Rate' and 'Billed in Current Month at Prior Rate' as applicable, to the revenue listing by cycle for the selected month, as obtained from Company management. No differences were identified.

Subsequently, we selected a billing cycle within each month and obtained the Banner (customer information system) detail, totaling monthly billed revenue by customer and premise. Using this method, we selected ten (10) customers, in aggregate, from the Banner detail for the four months selected. We performed the following procedures:

- a. We obtained each customer's bill detail from the *Customer History Card* in Banner for the selected month.
- b. We agreed customer and premise numbers for each selection to the customer bill, noting no exceptions.
- c. For each customer, we agreed the customer rate code included in Banner detail to the Company's Rate Reference schedule and, based on the customer code included in the Banner detail, determined the customer appears eligible for the ETC rate rider based on the information provided. No exceptions were noted.
- d. We recalculated the ETC portion of each selected customer's bill based on consumption (ccf) included on the customer bill and the ETC rider rate. We agreed the rate used in calculating the ETC portion to the corresponding approved ETC rider rates found on the PUCO website. No exceptions were noted.

- e. We agreed recalculated ETC rider revenue to the Customer History Card in Banner and agreed total charges per the *Customer History Card* to the customer bill. There were no exceptions noted.
- 5. We obtained the ETC regulatory asset balance and reconciliation at June 30, 2020 for the Company's general ledger account number 1905924 and compared it to the balance in Exhibit A of the Filing. We noted a difference of \$80,927 between the ETC regulatory asset general ledger balance and Exhibit A of the Filing, which was identified in management's reconciliation of general ledger account 1905924 and Exhibit A to the Filing.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the exit transition cost recovery mechanism in accordance with the PUCO order regarding Case No. 20-220-GA-EXR. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 18, 2020

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/18/2020 1:39:57 PM

in

Case No(s). 20-0220-GA-EXR

Summary: Audit Report electronically filed by Mr. Matthew R. Pritchard on behalf of Vectren Energy Delivery of Ohio, Inc.