

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
VECTREN ENERGY DELIVERY OF OHIO,
INC. FOR APPROVAL TO CONTINUE ITS
DEMAND SIDE MANAGEMENT PROGRAM
FOR ITS RESIDENTIAL, COMMERCIAL,
AND INDUSTRIAL CUSTOMERS.

CASE NO. 19-2084-GA-UNC

ENTRY

Entered in the Journal on December 30, 2020

I. SUMMARY

{¶ 1} The Commission finds that Vectren Energy Delivery of Ohio, Inc. may continue its demand side management/energy efficiency programs and funding, based on the existing model and procedures, beyond the current expiration date of December 31, 2020, and until the Commission specifically orders otherwise.

II. DISCUSSION

{¶ 2} 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.

{¶ 3} Pursuant to R.C. 4929.02(A)(12), it is state policy to “[p]romote an alignment of natural gas company interests with consumer interests in energy efficiency and conservation.” Furthermore, under R.C. 4905.70, the Commission is tasked to “initiate programs that will promote and encourage conservation of energy and a reduction in the growth rate of energy consumption, promote economic efficiencies, and take into account long-run incremental costs.”

{¶ 4} VEDO’s current demand side management (DSM) programs were established as part of a stipulation and recommendation adopted and approved by the Commission that provided for the creation of an energy efficiency funding rider (EEFR). *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). The EEFR would be used to fund VEDO’s DSM energy efficiency (EE)

programs, the implementation of which would be monitored by the VEDO Collaborative originally established in *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 05-1444-GA-UNC, Supplemental Opinion and Order (June 28, 2007). *2007 Rate Case*, Opinion and Order (Jan. 7, 2009) at 4.

{¶ 5} Subsequently, as part of VEDO's most recent rate case, the Commission approved a stipulation and recommendation that altered the landscape of VEDO's DSM programs by, among other things, removing all funding for such programs from base rates in favor of the EEFR. *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 18-298-GA-AIR, et al. (*2018 Rate Case*), Opinion and Order (Aug. 28, 2019). Specifically, the approved stipulation removed all EE funding from base rates; directed that all approved EE expenses will be recovered through the EEFR, subject to application and Commission approval; and provided that the Commission would approve VEDO's EE programs and funding via a separate application. *2018 Rate Case*, Opinion and Order (Aug. 28, 2019) at ¶ 53.

{¶ 6} The stipulation further provided that the VEDO Collaborative would continue to select, manage, and review EE programs through December 31, 2020, and beginning not later than July 31, 2019, VEDO would confer with Staff and any interested parties regarding the Company's EE programs and funding. If the participating parties were able to negotiate and file an unopposed stipulation by October 1, 2019, the agreement would request Commission approval of an EE portfolio and EE funding through calendar year 2020. If an unopposed stipulation was not filed by that date, however, EE programs and funding through December 31, 2020, would continue under the existing model and procedures. Additionally, VEDO agreed to file an application by November 30, 2019, seeking Commission approval of an EE portfolio and EE funding to take effect beginning 2021; the application could also propose an annual performance incentive and could request annual funding in excess of \$5.6 million, with each proposal being subject to support or opposition from any signatory party to the stipulation.

{¶ 7} On November 22, 2019, and in accordance with the above, VEDO filed an application (Application) requesting that the Commission approve a triannual Gas DSM Program Plan for calendar years 2021 through 2023 (the DSM EE Plan). In addition to outlining the proposed DSM EE Plan, the Application calls for an accelerated procedural schedule that would culminate in a decision from the Commission on or before November 30, 2020. And, in the event that no Commission decision is issued by that date, VEDO requests that EE programs and funding continue beyond December 31, 2020, through the existing Collaborative model and procedures until the Commission acts on the Application.

{¶ 8} By Entry dated January 10, 2020, the attorney examiner issued a procedural schedule establishing February 3, 2020, as the deadline for filing motions to intervene and instructing parties to file initial comments by March 6, 2020, and reply comments by April 3, 2020.

{¶ 9} Motions to intervene were timely filed by Ohio Consumers' Counsel (OCC), Environmental Law and Policy Center (ELPC), Ohio Partners for Affordable Energy (OPAE), Interstate Gas Supply, Inc. (IGS), and Retail Energy Supply Association (RESA).

{¶ 10} On March 6, 2020, Staff filed its Review and Recommendation regarding VEDO's Application, and OCC filed initial comments.¹

{¶ 11} On March 9, 2020, the governor signed Executive Order 2020-01D (Executive Order), declaring a state of emergency in Ohio to protect the well-being of Ohioans from the dangerous effects of COVID-19. As described in the Executive Order, state agencies are required to implement procedures consistent with recommendations from the Department of Health to prevent or alleviate the public health threat associated with COVID-19. Additionally, all citizens are urged to heed the advice of the Department of Health regarding this public health emergency in order to protect their health and safety. The Executive Order was effective immediately and will remain in effect until the COVID-19 emergency no

¹ OPAE filed correspondence advising the Commission that OPAE would not file initial comments while reserving the right to file reply comments.

longer exists. The Department of Health is making COVID-19 information, including information on preventative measures, available via the internet at coronavirus.ohio.gov/.

{¶ 12} On April 3, 2020, OCC, OPAE, and VEDO each filed reply comments. OCC's reply comments contained new suggestions to amend the DSM EE Plan to address the novel coronavirus pandemic and its impact on customers. In response, on April 9, 2020, VEDO and OPAE filed a joint motion seeking to strike portions of OCC's reply comments or, in the alternative, for leave to file comments in sur-reply.

{¶ 13} On April 28, 2020, the attorney examiner issued an Entry denying the motion to strike and, instead, allowing all parties the opportunity to submit limited sur-reply comments. The Entry also granted the motions to intervene previously filed by OCC, ELPC, OPAE, IGS, and RESA.

{¶ 14} On May 12, 2020, OPAE and VEDO each filed sur-reply comments.

{¶ 15} On June 26, 2020, VEDO filed a stipulation and recommendation (Stipulation) executed by the Company, Staff, OPAE, and ELPC.

{¶ 16} By Entry dated July 20, 2020, the attorney examiner granted a joint motion filed by VEDO, OCC, and OPAE that suggested a procedural schedule for resolution of the Stipulation absent an in-person hearing. The July 20, 2020 Entry adopted the parties' proposed procedural schedule under which briefing concluded in September 2020.

{¶ 17} The Commission recognizes that, absent action on the currently pending Application, VEDO's DSM EE programs and funding will expire on December 31, 2020. We further continue to recognize that energy efficiency programs have a place in our regulatory policy regarding natural gas companies. *See In re the Application of Columbia Gas of Ohio, Inc., for an Adjustment to Rider IRP and Rider DSM Rates*, Case No. 19-1940-GA-RDR, Opinion and Order (Dec. 2, 2020); *2018 Rate Case*, Opinion and Order (Aug. 28, 2019) at ¶ 102-103. To ensure the continuation of VEDO's EE programs, without interruption, the Commission finds good cause to continue these programs and funding through the existing

Collaborative model and procedures until the Commission formally acts on VEDO's Application. Accordingly, VEDO's approved EE programs and funding (via the EEFR) shall continue, without interruption, until the Commission specifically orders otherwise.

III. ORDER

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That VEDO's EE programs and funding continue beyond December 31, 2020, and until the Commission specifically orders otherwise in accordance with Paragraph 17. It is, further,

{¶ 20} ORDERED, That a copy of this Entry be served upon all parties of record.

COMMISSIONERS:

Approving:

M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

PAS/hac

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

Summary: Entry finding that Vectren Energy Delivery of Ohio, Inc. may continue its demand side management/energy efficiency programs and funding, based on the existing model and procedures, beyond the current expiration date of December 31, 2020, and until the Commission specifically orders otherwise. electronically filed by Kelli C. King on behalf of The Public Utilities Commission of Ohio