

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE AUDIT OF THE  
EXIT TRANSITION COST RIDER OF  
VECTREN ENERGY DELIVERY OF OHIO,  
INC.

CASE NO. 21-220-GA-EXR

IN THE MATTER OF THE AUDIT OF THE  
UNCOLLECTIBLE EXPENSE RIDER OF  
VECTREN ENERGY DELIVERY OF OHIO,  
INC.

CASE NO. 21-320-GA-UEx

IN THE MATTER OF THE AUDIT OF THE  
PERCENTAGE OF INCOME PAYMENT PLAN  
RIDER OF VECTREN ENERGY DELIVERY  
OF OHIO, INC.

CASE NO. 21-420-GA-PIP

### FINDING AND ORDER

Entered in the Journal on October 20, 2021

#### I. SUMMARY

{¶ 1} The Commission adopts the findings set forth in the audit reports regarding the exit transition cost rider, uncollectible expense rider, and percentage of income payment plan rider of Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio.

#### II. DISCUSSION

{¶ 2} Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio (CenterPoint) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} Pursuant to R.C. 4905.302, natural gas companies implement purchased gas adjustment mechanisms, which allow them to adjust the rates they charge customers in accordance with any fluctuation in the cost the company incurs for the gas it sells to customers. R.C. 4905.302 also directs the Commission to audit the companies' gas cost recovery (GCR) rates and to review each company's production and purchasing policies and their effect upon the rates.

{¶ 4} R.C. 4929.04, among other things, authorizes the Commission, upon the application of a natural gas company such as CenterPoint, to exempt any commodity sales service or ancillary service from all provisions of R.C. Chapter 4905, including the GCR provisions contained in R.C. 4905.302.

{¶ 5} By Opinion and Order issued April 30, 2008, in accordance with R.C. 4929.04, the Commission authorized CenterPoint to proceed with the first and second phases of its plan to eliminate its GCR mechanism. *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 07-1285-GA-EXM (*Vectren EXM Case*), Opinion and Order (Apr. 30, 2008).

{¶ 6} With the elimination of the GCR mechanism, costs and credits that were once recovered through the GCR are now to be recovered through the exit transition cost (ETC) rider. In its Order in the *Vectren EXM Case*, the Commission determined that all aspects of the costs proposed to be recovered through the ETC rider are to be reviewed as part of an annual financial audit that would be conducted by an outside auditor, docketed, and reviewed by Staff.

{¶ 7} By Finding and Order issued December 17, 2003, the Commission approved an application filed by five gas distribution companies, including CenterPoint, requesting authorization to recover uncollectible expenses (UEX) through riders. *In re Vectren Energy Delivery of Ohio, Inc.*, Case No. 03-1127-GA-UNC (*UEX Case*), Finding and Order (Dec. 17, 2003). A requirement of the Order in the *UEX Case* was that the new UEX riders would be audited in the course of each company's GCR audit. With the elimination of CenterPoint's GCR mechanism, the UEX rider is to be audited in the course of CenterPoint's audit of the ETC rider.

{¶ 8} Furthermore, the Commission has authorized the utility companies, including CenterPoint, to recover percentage of income payment plan (PIPP) arrearages associated with providing natural gas service through their PIPP riders. *In re Establishment of Recovery Method for Percentage of Income Payment Plan*, Case No. 87-244-GE-UNC, Finding and Order (Aug. 4, 1987).

{¶ 9} By Entry issued March 10, 2021, the Commission initiated the financial audits of CenterPoint's ETC, UEX, and PIPP riders. CenterPoint's auditor was directed to docket its audit findings for the ETC rider in Case No. 21-220-GA-EXR (*CenterPoint 2021 EXR Case*); audit findings for the UEX rider in Case No. 21-320-GA-UEX (*CenterPoint 2021 UEX Case*); and audit findings for the PIPP rider in Case No. 21-420-GA-PIP (*CenterPoint 2021 PIPP Case*). The auditor, to be selected by CenterPoint, was directed to docket all three audit reports in their respective dockets by September 17, 2021. Interested parties were directed to file comments and reply comments by October 1, 2021, and October 15, 2021, respectively.

{¶ 10} The audit report for the ETC rider, for the period July 1, 2020, through June 30, 2021, was filed on September 17, 2021, in the *CenterPoint 2021 EXR Case*. The audit was performed by Deloitte & Touche LLP (D&T) and found no discrepancies.

{¶ 11} No comments were filed concerning the ETC rider.

{¶ 12} The audit report for the UEX rider, for the period May 1, 2020, through April 30, 2021, was filed on September 17, 2021, in the *CenterPoint 2021 UEX Case*. One discrepancy was found by D&T. D&T obtained the combined population of bad debts written off or recalled from the UEX from May 1, 2020, to April 30, 2021. D&T explains that CenterPoint's policy is to write off a customer receivable 90 days after the final bill date. D&T identified one exception in 25 selections; specifically, CenterPoint recorded a write-off totaling \$1,904.85, while the customer's final bill totaled \$1,932.37, resulting in a difference of \$27.52. No other exceptions were identified.

{¶ 13} CenterPoint filed its comments on October 1, 2021. CenterPoint agrees with D&T's findings and states that, while the amount of the exception had no effect on the UEX recoverable balance, this item was an exception to CenterPoint policy. CenterPoint explains that this account had previously been written off and recalled twice with bad debt activity reaching back to 2013. CenterPoint adds that such a system defect is rare, but can happen with aged accounts that are written off and recalled multiple times. According to

CenterPoint, efforts are underway to resolve the defect with billing system enhancements. CenterPoint asserts that the defect will be fully corrected in time for the 2023 UEX audit.

{¶ 14} No reply comments were filed concerning the UEX rider audit.

{¶ 15} The audit report for the PIPP rider, for the period May 1, 2020, through April 30, 2021, was filed on September 17, 2021, in the *CenterPoint 2021 PIPP Case*. D&T found no discrepancies regarding the PIPP rider.

{¶ 16} No comments were filed concerning the PIPP rider.

{¶ 17} The Commission has reviewed the reports filed in these dockets by D&T, as well as CenterPoint's comments in response. The Commission concludes that D&T found no material discrepancies in CenterPoint's calculation of the ETC, UEX, and PIPP riders that were not resolved by CenterPoint. Therefore, the Commission concludes that the findings of D&T, as set forth in the audit reports docketed in the *CenterPoint 2021 EXR Case*, *CenterPoint 2021 UEX Case*, and *CenterPoint 2021 PIPP Case*, should be adopted.

### III. ORDER

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That the findings of D&T set forth in the audit reports docketed in these cases be adopted. It is, further,

{¶ 20} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 21} ORDERED, That a copy of this Finding and Order be served upon CenterPoint and upon all other persons of record in these proceedings.

COMMISSIONERS:

*Approving:*

Jenifer French, Chair  
M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

JML/hac

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Summary: Finding & Order adopting the findings set forth in the audit reports regarding the exit transition cost rider, uncollectible expense rider, and percentage of income payment plan rider of Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio. electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio