

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE CAPITAL  
EXPENDITURE PROGRAM RIDER OF  
VECTREN ENERGY DELIVERY OF OHIO,  
INC. D/B/A CENTERPOINT ENERGY OHIO.

CASE NO. 22-620-GA-RDR

## ENTRY

Entered in the Journal on March 8, 2022

{¶ 1} Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio (CEOH 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, CEOH is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4929.111 provides that a natural gas company may file an application to implement a capital expenditure program (CEP) for any infrastructure expansion, improvement, or replacement program; any program to install, upgrade, or replace information technology systems; or any program reasonably necessary to comply with any rules, regulations, or orders of the Commission or other governmental entity having jurisdiction. If the Commission finds the CEP is consistent with the applicant's statutory obligation to furnish necessary and adequate facilities, which are also found to be just and reasonable, the Commission is tasked with approving the application and authorizing the deferral or recovery of both a regulatory asset for post in-service carrying costs (PISCC) on that portion of the assets of the CEP placed in service, but not reflected in rates as plant in service, and a regulatory asset for the incremental depreciation directly attributable to the CEP and the property tax expense directly attributable to the CEP but not reflected in rates.

{¶ 3} On February 3, 2012, after making required statutory findings, the Commission modified and approved CEOH's application to implement a CEP for the period of October 1, 2011, through December 21, 2012. Under the approved CEP, the Company was authorized to begin deferring the PISCC, depreciation expense, and property tax expenses associated with its CEP up to the point where the accrued deferrals, if included in rates, would cause the rates charged to Residential and General Default Sales Service, Group

1 customers to increase by more than \$1.50 per month. In approving the application, the Commission noted that the prudence and reasonableness of CEOH's CEP-related regulatory assets and associated capital spending would be considered in any future proceeding seeking cost recovery, at which time the Company would be expected to provide detailed information regarding the expenditures for the Commission's review. *In re Application of Vectren Energy Delivery of Ohio, Inc. for Approval to Implement a Capital Expenditure Program*, Case No. 12-530-GA-UNC, Finding and Order (Dec. 12, 2012).

{¶ 4} The next year, the Commission modified and approved the Company's application to continue the CEP, including deferral of the PISCC, depreciation expense, and property tax expense, in 2013 and succeeding years. Once again, the Commission noted that a prudence and reasonableness review would occur through a future cost-recovery proceeding. *In re Application of Vectren Energy Delivery of Ohio, Inc., for Approval to Implement a Capital Expenditure Program*, Case No. 13-1890-GA-UNC, Finding and Order (Dec. 4, 2013).

{¶ 5} In 2018, CEOH filed an application to increase its rates for gas distribution service and for approval of alternative rate plans, one of which sought authority for cost recovery of the deferrals and expenses related to the CEP. *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Rates*, Case No. 18-298-GA-AIR; *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan*, Case No. 18-299-GA-ALT; *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Alternative Rate Plan*, Case No. 18-49-GA-ALT (combined, 2018 Rate Case). As is relevant, through the applications, CEOH requested authority to recover in base rates the CEP-related deferrals through December 31, 2017, and, beginning with 2018 investment, to annually review and recover CEP-related deferrals through a new CEP Rider.

{¶ 6} On August 28, 2019, the Commission approved a stipulation and recommendation in the combined cases (Rate Case Stipulation) that, among other things, authorized CEOH to include the deferred CEP balance as of December 31, 2017, as well as

the assets underlying that balance, in new base rates and established a new CEP Rider with initial rates set at zero. *2018 Rate Case*, Opinion and Order (Aug. 28, 2019) at ¶53, 65-66, 125. The Rate Case Stipulation also set forth the procedures, terms, and conditions that would govern CEOH's future cost-recovery proceedings to update customer charges for the CEP Rider, including an annual or biennial review of the necessity, prudence, lawfulness, and reasonableness of the Company's CEP investments.

{¶ 7} By Finding and Order dated August 25, 2021, the Commission approved CEOH's most recent application to adjust its CEP Rider as modified by Staff's recommendations. *In re Vectren Energy Delivery of Ohio, Inc.'s Capital Expenditure Program Rider*, Case No. 21-620-GA-RDR, Finding and Order (Aug. 25, 2021) at ¶ 1, 20, 22. The rider rates resulting from that Finding and Order are intended to be effective through August 31, 2022.

{¶ 8} By Entry dated January 26, 2022, in this proceeding, the Commission directed Staff to issue a request for proposal for services to conduct a two-phase audit reviewing the accounting accuracy, necessity, prudence, lawfulness, and reasonableness of the Company's CEP-related assets and associated capital spending for calendar year 2021. Subsequently, on February 23, 2022, the Commission selected Larkin & Associates PLLC to conduct the ordered audit.

{¶ 9} On March 1, 2022, CEOH filed its application for authority to adjust its CEP Rider (Application). With the Application, the Company requests that the Commission approve proposed CEP Rider rates that would be effective for the 12-month period beginning September 1, 2022. The proposed revenue requirement for the rider represents the total CEP-related deferred balance for calendar year 2021 and does not include the CEP assets underlying such deferred balance. Pursuant to the terms of the Rate Case Stipulation, the Application also sets forth a proposed procedural schedule.

{¶ 10} The attorney examiner finds that the process set forth by the Rate Case Stipulation and the general schedule proposed by the Application should be observed and, therefore, implements the following dates:

- (a) July 1, 2022 – deadline for filing Staff Report.
- (b) July 15, 2022 – deadline for filing motions to intervene.
- (c) July 15, 2022 – deadline for CEOH and intervenors to file comments.
- (d) July 29, 2022 – deadline for CEOH to file a statement notifying the Commission as to whether issues raised in comments have been resolved.
- (e) If necessary, an evidentiary hearing will be conducted on August 4, 2022, at 10:00 a.m., in Hearing Room 11-C, at the offices of the Commission, 180 East Broad Street, Columbus, Ohio 43215-3793.

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That the procedural schedule set forth in Paragraph 10 be adopted. It is, further,

{¶ 13} ORDERED, That an evidentiary hearing, if necessary, be scheduled for August 4, 2022, at 10:00 a.m., as stated in Paragraph 10. It is, further,

{¶ 14} ORDERED, That a copy of this Entry be served upon all interested persons and parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/*Patricia A. Schabo*

By: Patricia A. Schabo  
Attorney Examiner

GAP/hac

**This foregoing document was electronically filed with the Public Utilities  
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**in**

**Case No(s). 22-0620-GA-RDR**

Summary: Attorney Examiner Entry ordering that the procedural schedule set forth in Paragraph 10 be adopted and that an evidentiary hearing, if necessary, be scheduled for August 4, 2022, at 10:00 a.m., as stated in Paragraph 10 electronically filed by Heather A. Chilcote on behalf of Patricia Schabo, Attorney Examiner, Public Utilities Commission