



Regulatory Affairs and Fuels

P.O. Box 209

Evansville, IN 47702-0209

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July 17, 2006

Ms. Renee Jenkins
Director of Administration Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

Re: August 2006 Monthly EGC Filing in Case No. 06-220-GA-GCR

Dear Ms. Jenkins:

Pursuant to the Commission's Entry dated September 1, 2004 in Case No. 04-1225-GA-GCR, Vectren Energy Delivery of Ohio, Inc. ("VEDO") herewith submits for filing an original and four (4) copies of the Monthly EGC Filing. One copy shall be filed in VEDO's Case No. 06-220-GA-GCR. The remaining copies shall be designated for distribution to the Commission staff.

Pursuant to the Entry dated September 1, 2004 in Case No. 04-1225-GA-GCR, VEDO is filing a monthly adjustment to its Expected Gas Cost ("EGC") for August 2006. The supporting GCR Schedules reflecting the revised August 2006 gas costs are attached for your review.

Please return one date-stamped copy in the enclosed self-addressed stamped envelope.

Sincerely,

Jeremy Schmidt
Rate Analyst

Enclosures

CC:
Steve Hines (Ohio Consumers' Counsel)
Ann Hotz (Ohio Consumers' Counsel)
Gretchen Hummel (McNees, Wallace & Nurick)
Robert Heidorn
Scott Albertson
Jerrold Ulrey

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**PURCHASED GAS ADJUSTMENT
VECTREN ENERGY DELIVERY OF OHIO
GAS COST RECOVERY RATE CALCULATION**

SUMMARY OF GCR COMPONENTS

	Actual August 2006 (\$/Mcf)	Estimated September 2006 (\$/Mcf)	Estimated October 2006 (\$/Mcf)
1 Expected Gas Cost (EGC)	\$9.2374	\$8.7087	\$8.6740
2 Supplier Refund and Reconciliation Adjustment (RA)	\$0.0000	\$0.0000	\$0.0000
3 Actual Adjustment (AA)	(\$0.3627)	(\$0.3627)	(\$0.3627)
4 Gas Cost Recovery Rate (GCR) = EGC + RA + AA	\$8.8747	\$8.3460	\$8.3113

Gas Cost Recovery Rate Effective Dates: August 1, 2006 to October 31, 2006

EXPECTED GAS COST SUMMARY CALCULATION

	Actual August 2006 (\$/Mcf)	Estimated September 2006 (\$/Mcf)	Estimated October 2006 (\$/Mcf)
5 Expected Gas Cost	\$9.2374	\$8.7087	\$8.6740

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

		UNIT	AMOUNT
6 Current Quarterly Supplier Refund & Reconciliation Adj.	(Sch 2, Line 11)	\$/Mcf	\$0.0000
7 Previous Quarterly Reported Supplier Refund & Reconciliation Adj.	(GCR 106, Sch 2, L 11)	\$/Mcf	\$0.0000
8 Second Previous Quarterly Reported Supplier Refund & Reconciliation Adj.	(GCR 105, Sch 2, L 11)	\$/Mcf	\$0.0000
9 Third Previous Quarterly Reported Supplier Refund & Reconciliation Adj.	(GCR 104, Sch 2, L 11)	\$/Mcf	\$0.0000
10 Supplier Refund and Reconciliation Adjustment (RA)		\$/Mcf	\$0.0000

ACTUAL ADJUSTMENT SUMMARY CALCULATION

		UNIT	AMOUNT
11 Current Quarterly Actual Adjustment	(Sch 3, Line 24)	\$/Mcf	(\$0.2236)
12 Previous Quarterly Reported Actual Adjustment	(GCR 106, Sch 3, L 24)	\$/Mcf	(\$0.1358)
13 Second Previous Quarterly Reported Actual Adjustment	(GCR 105, Sch 3, L 24)	\$/Mcf	\$0.0832
14 Third Previous Quarterly Reported Actual Adjustment	(GCR 104, Sch 3, L 25)	\$/Mcf	(\$0.0865)
15 Actual Adjustment (AA)		\$/Mcf	(\$0.3627)

This Quarterly Report Filed Pursuant to Order No. 79-1171-GA-COI of the
Public Utilities Commission of Ohio, Dated December 27, 1979.

Date Filed: July 17, 2006

By: Jeremy Schmidt

Title: Rate Analyst

**VECTREN ENERGY DELIVERY OF OHIO
DETERMINATION OF GAS COST RECOVERY (GCR)
For the Period August 1, 2006 to October 31, 2006**

Line No.	Estimated Cost of Gas to be Recovered	Actual August 2006 (A)	Estimated September 2006 (B)	Estimated October 2006 (C)	Total (D)
<u>Commodity Costs</u>					
1	Commodity Purchases (Sch 1, Pages 2-4)	\$16,498,128	\$12,845,320	\$17,437,886	\$46,781,334
2	Propane (Sch 1, Page 9)	\$0	\$0	\$0	\$0
3	Contract Storage Commodity Costs (Sch 1, Page 6)	\$56,421	\$38,251	\$29,164	\$123,836
4	Storage (In)/With (Sch 1, Page 8)	(\$11,253,760)	(\$6,904,282)	(\$5,213,567)	(\$23,371,609)
5	Total Commodity Costs	\$5,300,789	\$5,979,289	\$12,253,483	\$23,533,561
6	Quarterly Sales Volumes (Dth) - Projected	665,229	802,590	1,652,300	3,120,119
7	Unit Commodity Cost	\$7.9684	\$7.4500	\$7.4160	
<u>Demand Costs</u>					
8	Annual Pipeline Demand Costs (Sch 1, Page 5)				\$12,532,898
9	Annual Contract Storage Demand Costs (Sch 1, Page 7)				\$20,145,792
10	Total Annual Demand Cost				\$32,678,690
11	Annual Sales Volumes (Dth) - Projected				30,037,000
12	Unit Demand Cost (\$/Dth)	\$1.0879	\$1.0879	\$1.0879	
<u>Total Cost of Gas</u>					
13	Expected Gas Cost per Dth (Line 7 + Line 12)	\$9.0563	\$8.5379	\$8.5040	
14	Expected Gas Cost per Mcf (Line 13 X 1.02)	\$9.2374	\$8.7087	\$8.6740	

VECTREN ENERGY DELIVERY OF OHIO
ESTIMATED PURCHASED GAS COST - COMMODITY COST
August 2006

Supplier	Delivered Quantities (Dth)	Fuel Comp. (%)	Comp. Fuel (Dth)	Purchased Quantities (Dth)	Transport Rate (\$/Dth)	Wellhead Price* (\$/Dth)	Transport Cost (\$)	Wellhead Cost (\$)	Total Commodity Cost (\$)
	(A)	(B)	(C)	(A)/(1-(B)) (D)	(E)	(F)	(A)*(E) (G)	(D)*(F) (H)	(G)+(H) (I)
<u>ANR PIPELINE COMPANY</u>									
FTS-1	0	1.62%	0	0	\$0.0125	\$6.6290	\$0	\$0	\$0
Fixed Price	0	1.62%	0	0	\$0.0125	\$0.0000	\$0	\$0	\$0
Subtotal ANR	0		0	0			\$0	\$0	\$0
<u>COLUMBIA GAS TRANSMISSION (TCO)</u>									
ADS 2.1 and ADS 3	1,183,766	2.08%	25,182	1,208,948	\$0.0156	\$6.9790	\$18,467	\$8,437,251	\$8,455,718
Fixed Price Columbia Gas	0	2.08%	0	0	\$0.0156	\$0.0000	\$0	\$0	\$0
Fixed Price (Col. Gulf)	0	4.35%	0	0	\$0.0326	\$0.0000	\$0	\$0	\$0
Subtotal Columbia Gas and Gulf	1,183,766		25,182	1,208,948			\$18,467	\$8,437,251	\$8,455,718
<u>PANHANDLE EASTERN PIPE LINE COMPANY</u>									
PEPL	582,429	4.65%	28,404	610,833	\$0.0416	\$6.2290	\$24,229	\$3,804,877	\$3,829,106
Fixed Price	524,426	4.65%	25,575	550,001	\$0.0416	\$7.1356	\$21,816	\$3,924,608	\$3,946,424
Subtotal PEPL	1,106,855		53,979	1,160,834			\$46,045	\$7,729,485	\$7,775,530
<u>TRUNKLINE GAS COMPANY</u>									
Trunkline to TETCO	0	7.14%	0	0	\$0.0560	\$6.5690	\$0	\$0	\$0
Fixed Price	0	7.14%	0	0	\$0.0560	\$0.0000	\$0	\$0	\$0
Subtotal Trunkline	0		0	0		\$33.5416	\$0	\$0	\$0
<u>PAN ENERGY</u>									
Trunkline to PEPL to TETCO	38,750	4.22%	1,707	40,457	\$0.0288	\$6.5690	\$1,116	\$265,764	\$266,880
Fixed Price	0	4.22%	0	0	\$0.0288	\$0.0000	\$0	\$0	\$0
Subtotal Pan Energy	38,750		1,707	40,457			\$1,116	\$265,764	\$266,880
<u>TEXAS GAS TRANSMISSION</u>									
ADS4	0	3.23%	0	0	\$0.0546	\$6.8090	\$0	\$0	\$0
Fixed Price	0	3.23%	0	0	\$0.0546	\$0.0000	\$0	\$0	\$0
Subtotal Texas Gas	0		0	0			\$0	\$0	\$0
<u>FINANCIAL HEDGES</u>									
Hedge Premiums				0		\$0.0000		\$	-
Estimated Hedge Impact				0		\$0.0000		\$	-
Total All Suppliers	2,329,371		80,868	2,410,239			\$65,628	\$16,432,500	\$16,498,128

* Including basis

VECTREN ENERGY DELIVERY OF OHIO
ESTIMATED CONTRACT GAS STORAGE AND TRANSPORTATION - COMMODITY COST
For the Period August 1, 2006 to October 31, 2006

Storage Month and Supplier	Estimated Volumes		Comp. Fuel		Comp. Fuel	Estimated Rates		Comp. Fuel	Estimated Cost		Comp. Fuel	Total Abs. Value
	Injected	Withdrawn	Injected	Withdrawn		Injected	Withdrawn		Injected	Withdrawn		
	Dth	Dth	%	%		Dth	Dth		Dth			
August 2006												
Columbia (# 37995-52990)	1,183,766	0	0.16%	0.16%	0	\$0.0153	\$0.0153	\$6.9790	\$18,112	\$0	\$0	\$18,112
Panhandle (# 015667)	480,376	0	1.53%	0.75%	0	\$0.0385	\$0.0385	\$6.2290	\$18,494	\$0	\$0	\$18,494
Subtotal	1,664,142	0			0				\$36,606	\$0	\$0	\$36,606
September 2006												
Columbia (# 37995-52990)	591,870	0	0.16%	0.16%	0	\$0.0153	\$0.0153	\$6.7750	\$9,056	\$0	\$0	\$9,056
Panhandle (# 015667)	480,390	0	1.53%	0.75%	0	\$0.0385	\$0.0385	\$6.0250	\$18,495	\$0	\$0	\$18,495
Subtotal	1,072,260	0			0				\$27,551	\$0	\$0	\$27,551
October 2006												
Columbia (# 37995-52990)	295,926	0	0.16%	0.16%	0	\$0.0153	\$0.0153	\$7.1800	\$4,528	\$0	\$0	\$4,528
Panhandle (# 015667)	480,376	0	1.53%	0.75%	0	\$0.0385	\$0.0385	\$6.4300	\$18,494	\$0	\$0	\$18,494
Subtotal	776,302	0			0				\$23,022	\$0	\$0	\$23,022

Total Storage Commodity Cost **\$87,179** **\$0** **\$0** **\$87,179**

Transportation Month and Supplier	Delivered	Comp. (%)	Comp. Fuel (Dth)	Purchased	Transport	Wellhead	Transport	Comp. Fuel (Dth)	Total
	Quantities			Quantities	Rate	Price	Cost		Cost
	(Dth)			(Dth)	(\$/Dth)	(\$/Dth)	(\$)		(\$)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
August 2006									
Columbia (# 38021)	1,183,766	2.08%	0	1,208,948	\$0.0154	\$6.9790	\$18,230	\$0	\$18,230
Panhandle (# 012769)	480,376	1.42%	0	487,296	\$0.0033	\$6.2290	\$1,585	\$0	\$1,585
Subtotal	1,664,142								\$19,815
September 2006									
Columbia (# 38021)	591,870	2.08%	0	604,461	\$0.0154	\$6.7750	\$9,115	\$0	\$9,115
Panhandle (# 012769)	480,390	1.42%	0	487,310	\$0.0033	\$6.0250	\$1,585	\$0	\$1,585
Subtotal	1,072,260								\$10,700
October 2006									
Columbia (# 38021)	295,926	2.08%	0	302,221	\$0.0154	\$7.1800	\$4,557	\$0	\$4,557
Panhandle (# 012769)	480,376	1.42%	0	487,296	\$0.0033	\$6.4300	\$1,585	\$0	\$1,585
Subtotal	776,302								\$6,142

Total Storage Transportation Commodity Cost **\$36,657**

VECTREN ENERGY DELIVERY OF OHIO
ESTIMATED COST OF GAS INJECTED AND WITHDRAWN FROM STORAGE
For the Period August 1, 2006 to October 31, 2006

Month and Type of Storage	Beginning Storage Inventory			Monthly Storage Activity					Ending Storage Inventory		
	Dth	\$	\$/Dth	Injected	Withdrawn	Unit Price (a)	Financial Hedges	Value of Activity	Dth	\$	\$/Dth
June-06	6,369,938	\$46,571,105	\$7.3111	(1,680,173)	0	\$6.6584	\$0	(\$11,187,264)	8,050,111	\$57,758,369	\$7.1749
July-06	8,050,111	\$57,758,369	\$7.1749	(1,664,142)	0	\$6.7235	\$0	(\$11,188,859)	9,714,253	\$68,947,228	\$7.0975
August 2006	9,714,253	\$68,947,228	\$7.0975	(1,664,142)	0	\$6.7625	\$0	(\$11,253,760)	11,378,395	\$80,200,988	\$7.0485
September 2006	11,378,395	\$80,200,988	\$7.0485	(1,072,260)	0	\$6.4390	\$0	(\$6,904,282)	12,450,655	\$87,105,270	\$6.9960
October 2006	12,450,655	\$87,105,270	\$6.9960	(776,302)	0	\$6.7159	\$0	(\$5,213,567)	13,226,957	\$92,318,837	\$6.9796

(a) If injection, unit price is monthly WACOG. If withdrawal, unit price is average cost of storage inventory.