



January 31, 2017

Ms. Mary M. Becerra
Secretary of the Commission
Indiana Utility Regulatory Commission
PNC Center
101 W. Washington Street – Suite 1500 East
Indianapolis, IN 46204

RE: Thirty Day Filing for Vectren South

Dear Ms. Becerra:

This filing is being made on behalf of Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren South) under the Commission's Thirty-Day Administrative Filing Procedures and Guidelines (Guidelines) to request approval of the following:

1. Revisions to Rule 6 (Extension of Company's Facilities) of the General Terms and Conditions Applicable to Gas Service shown on Sheet No. 51, Page 1 of 2 and Page 2 of 2.

The Indiana Administrative Code 170 IAC 5-1-27 (Extension of distribution mains; variances) requires gas utilities to make free of charge an extension of distribution mains necessary to give service when the estimated total revenue, for a period of three (3) years, from the prospective customer or customers, is at least equal to the estimated cost of such extension. Vectren South requested and received Commission approval of a variance from the three (3) year revenue test on August 1, 2007 in Cause No. 43112, and since that time has employed a five and one-half (5.5) year non-gas cost revenue test as reflected on Vectren South's currently effective Tariff Sheet No. 51, Page 1 of 2.

Pursuant to Indiana Code 8-1-39, sometimes referred to as the "TDSIC Statute", and particularly Section 11 of the TDSIC Statute, Vectren South proposed in Cause No. 44429¹ that its facilities extension policies be amended to allow for extensions to residential and commercial customers located in rural areas, without a facilities extension deposit or other assurance payment, so long as the estimated non-gas cost revenue associated with the extension over a 20-year period is equal to or greater than the estimated cost of the extension. The Commission's order dated August 27, 2014 in Cause No. 44429 "authorized Petitioners¹ to modify their tariffs to permit a longer pay-back period for extensions to rural areas. This revision will help bring the benefits of lower-cost natural gas service to areas that would rather otherwise remain unserved." (Order at page 19.) Vectren South's capital investment in extension of facilities to Rural Areas pursuant to Rule 6.C.(1), as reflected in the currently effective Sheet No. 51, is

¹ Vectren South's initial TDSIC filing, Cause No. 44429 was consolidated with Vectren North's initial TDSIC filing was filed under Cause No. 44430 and approved by the Commission on August 27, 2014.

capped at \$1,000,000 over the 7-Year TDSIC Plan period.” Vectren South’s current Gas Tariff reflects the 20-year Non-Gas Cost Revenue test consistent with the Commission’s TDSIC orders.

The TDSIC Statute (particularly IC 8-1-39-11(c)) has resulted in improved opportunities to provide gas service to unserved areas. It has also resulted in the creation of a gap in terms of how accessible gas service is for all potential customers. Moreover, Vectren South recognizes that its consideration in the economic test of the cost of facilities other than distribution main reaches beyond the language in 170 IAC 5-1-27. Vectren South is therefore making this filing to modify its tariff provisions, in conformity with 170 IAC 5-1-27, such that only the cost of main extensions are considered when performing the 5.5-year and/or 20-year tests (as applicable), with one caveat – that being that any costs in excess of a “Standard Installation”, defined by the Company as a service line not more than 150 feet in length along with a meter and other necessary equipment, will also be included along with the cost of main extensions when performing the 5.5-year and 20-year tests. These proposed modifications 1) provide improved access to natural gas for more potential customers, 2) streamline customer service – particularly for potential customers on existing mains, and 3) are better aligned with 170 IAC 5-1-27 as well as the tariffs of other Indiana LDCs.

This filing is an allowable request under the Guidelines because it is a filing to change rules and regulations of the utility.

Vectren South affirms that a notice regarding the filing in the form attached hereto as Exhibit A was published on January 22, 2017 in the Evansville Courier, a newspaper of general circulation in the Evansville area, where the largest number of Vectren South’s customers is located. Vectren South also affirms that the notice has been posted on its website. Vectren South does not have a local customer service office in which to post the notice.

Any questions concerning this submission should be directed to J. Cas Swiz, whose contact information is as follows:

J. Cas Swiz
Director, Rates & Regulatory Analysis
One Vectren Square
Evansville, IN 47708
Tel: 812-491-4033
Email: jcswiz@vectren.com

The proposed tariff sheets will reflect an effective date consistent with the Commission’s approval thereof.

Upon approval of the enclosed tariff sheets, please return one (1) file marked and approved copy of the tariff sheets to me for our files.

Please let me know if the Commission Staff has any questions or concerns about this submission.

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Sincerely,



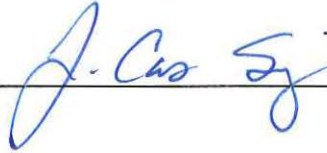
J. Cas Swiz

CC:

Kim Remy, Office of Utility Consumer Counselor
Bette J. Dodd, Lewis & Kappes, P.C.
Robert Heidorn
Jason Stephenson
Michelle Quinn
Goldie Bockstruck
Scott Albertson
Mike Roeder

VERIFICATION

I, J. Cas Swiz, Director, Rates & Regulatory Analysis for Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren South), affirm under penalties of perjury that, in addition to the attached schedules, the foregoing representations concerning the notice attached hereto are true and correct to the best of my knowledge, information, and belief. The attached notice was published in a newspaper of general circulation encompassing the highest number of the utility's customers affected by the enclosed filing. The attached notice was also published on the Vectren.com website.



J. Cas. Swiz

Date: 1/31/2017

GENERAL TERMS AND CONDITIONS **APPLICABLE TO GAS SERVICE**

6. EXTENSION OF COMPANY'S FACILITIES

- A. The obligation of Company to provide any extension of facilities shall be subject to the Restrictions and Curtailments of Gas Service made effective pursuant to other provisions of Company's Terms and Conditions and as otherwise provided by law.
- 1) Company shall provide to any Customer, without charge, a Standard Installation. A Standard Installation shall consist of up to 150 feet of underground service pipe to be supplied by a distribution main operating at 60 psig or less along with a meter and other equipment necessary to provide the service. All costs in excess of such Standard Installation shall be included along with the cost of distribution mains in the economic tests described in Rules 6.B. and 6.C.
- B. Except as provided for in Rule 6.C., upon request for Gas Service by a prospective Customer or a group of prospective Customers located in the same area, Company will extend without charge its facilities including distribution mains, underground service pipes, meters and other equipment necessary to provide the service provided:
- 1) that Company's estimate of its Non- Gas Cost revenue from such Gas Services provided to the prospective Customer(s) for a period of five and one-half (5.5) years is equivalent to or in excess of Company's estimate of the following:
- a. the cost of such distribution main(s), and
 - b. the cost in excess of a Standard Installation as defined in Rule 6.A. (1). and;
- 2) the prospective patronage or demand is of such permanency as to warrant the capital expenditure involved.
- C. Upon request for Gas Service by a prospective Customer in a Rural Area, or a group of prospective Customers located in the same Rural Area, that is (or are) eligible to receive service under Rate 110- Residential Sales Service or Rate 120-General Sales Service, Company will extend without charge its facilities including distribution mains, underground service pipes, and other equipment necessary to provide the service provided:
- 1) that Company's estimate of its Non-Gas Cost Revenue from such Gas Services provided to the prospective Customer(s) for a period of twenty (20) years is equivalent to or in excess of Company's estimate of the following:
- a. the cost of such distribution main(s), and
 - b. the cost in excess of a Standard Installation as defined in Rule 6.A. (1). and;
- 2) the prospective patronage or demand is of such permanency as to warrant the capital expenditure involved; and
- 3) Company's capital investment in extension of facilities to such Rural Areas pursuant to Rule 6.C. (1) on and after January 1, 2014 through December 31, 2020 has not exceeded \$1,000,000.
- 4) "Rural Area" is defined, for purposes of this Rule 6.C. as any area within Company's service territory that is unincorporated, or other areas as approved by the Commission.

GENERAL TERMS AND CONDITIONS **APPLICABLE TO GAS SERVICE**

- D. If the cost of the facilities necessary to provide the Gas Service requested exceeds the applicable without-charge limit; Company may require either a deposit or adequate provision of the payment of a deposit equal to the cost of the facilities extension in excess of the without-charge limit.
- E. Any refundable extension deposit accepted by Company shall be subject to refund until the expiration of the six-year contract period. For each Customer connected to the extension, Company shall refund an amount by which five and one-half (5.5) times the estimated annual Non-Gas Cost Revenue for gas appliances actually installed exceeds the estimated cost of connecting such Customer. At no time shall the aggregate refund made to any depositor exceed the amount of extension deposit received from such depositor.
- F. Upon request for Gas Service by a prospective Customer where, in Company's opinion, the facilities extension is of such length and the prospective revenue which may be developed by it is so meager as to make it doubtful whether the revenue from the extension would ever pay a fair return on the investment involved, or in the case of a real estate development with slight or no immediate demand for service, or in the case of Industrial installations requiring slight or irregular service and requiring extensive equipment, such facilities extension requests shall be submitted to the Commission for investigation and determination as to the convenience and necessity of such extension, and if so required, the conditions under which they shall be made.
- G. Targeted Economic Development Projects pursuant to Ind. Code Ch. 8-1-39 are excluded from the provisions of Rules 6.B.1 and 6.C.1.

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GENERAL TERMS AND CONDITIONS **APPLICABLE TO GAS SERVICE**

6. EXTENSION OF COMPANY'S FACILITIES

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1) ~~Company shall provide to any Customer, without charge, a Standard Installation. A Standard Installation shall consist of up to 150 feet of underground service pipe to be supplied by a distribution main operating at 60 psig or less along with a meter and other equipment necessary to provide the service. All costs in excess of such Standard Installation shall be included along with the cost of distribution mains in the economic tests described in Rules 6.B. and 6.C.~~

B. Except as provided for in Rule 6.C., upon request for Gas Service by a prospective Customer or a group of prospective Customers located in the same area, Company will extend without charge its facilities including distribution mains, underground service pipes, meters and other equipment necessary to provide the service provided:

1) that Company's estimate of its Non- Gas Cost revenue from such Gas Services provided to the prospective Customer(s) for a period of five and one-half (5.5) years is equivalent to or in excess of Company's estimate of the ~~following:~~

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Deleted: cost of providing such facilities, and;

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Deleted: cost of providing such facilities, and;

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4) "Rural Area" is defined, for purposes of this Rule 6.C. as any area within Company's service territory that is unincorporated, or other areas as approved by the Commission.

Effective: 

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GENERAL TERMS AND CONDITIONS **APPLICABLE TO GAS SERVICE**

- D. If the cost of the facilities necessary to provide the Gas Service requested exceeds the applicable without-charge limit; Company may require either a deposit or adequate provision of the payment of a deposit equal to the cost of the facilities extension in excess of the without-charge limit.
- E. Any refundable extension deposit accepted by Company shall be subject to refund until the expiration of the six-year contract period. For each Customer connected to the extension, Company shall refund an amount by which five and one-half (5.5) times the estimated annual Non-Gas Cost Revenue for gas appliances actually installed exceeds the estimated cost of connecting such Customer. At no time shall the aggregate refund made to any depositor exceed the amount of extension deposit received from such depositor.
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- G. Targeted Economic Development Projects pursuant to Ind. Code Ch. 8-1-39 are excluded from the provisions of Rules 6.B.1 and 6.C.1.

Effective:

Deleted: September 9, 2014



Affidavit

PROOF OF PUBLICATION OF LEGAL ADVERTISEMENT

Account Number: EXV22 / 108836

LEGAL NOTICE
Notice is hereby given that on or about January 25, 2017, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South") will file a request for approval of revisions to its General Terms and Conditions Applicable to Gas Service Rule 6 (Extension of Company's Facilities) as shown on Sheet No. 51 of Vectren South's Tariff for Gas Service. Sheet No. 51 is applicable to Residential and Non-Residential Customers requesting extension of gas facilities.

Vectren South anticipates approval of the filing in March 2017, but no sooner than 30 days after receipt of the filing by the Commission. Objections to the filing should be made in writing addressed to:

Mary M. Becerra
Secretary of the Commission
Indiana Utility Regulatory
Commission
PNC Center
101 W. Washington Street,
Suite 1500 East
Indianapolis, Indiana 46204

William Fine
Indiana Utility Consumer
Counselor
Indiana Office of Utility Con-
sumer Counselor
PNC Center
115 W. Washington St., Suite
1500 South
Indianapolis, Indiana 46204

Scott E. Albertson
Vice President, Regulatory
Affairs and Gas Supply
VECTREN UTILITY HOLDINGS,
INC.
(Courier & Press January 22,
2017)hspaxlp

STATE OF INDIANA
VANDERBURGH COUNTY

Mary Stephouse who being sworn,
is employee of the Evansville Courier Company, publisher of The Evansville Courier a daily newspaper published in the city of Evansville, in said county and state and that the legal advertisement, of which the attached is a true copy, was printed in its issues of:

Ad ID: 1451905
EC-Evansville Courier & Press 01/22/17 Sun

Mary Stephouse 1-23-17
Signed Date

Subscribed and sworn to before me this date:

1-23-17
Date

Julia Andrea Kastle Notary Public
Notary is Resident of Vanderburgh County

My Commission expires: 10-11-2020