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IURC 30-Day Filing No.: 50124
Indiana Utility Regulatory Commission

April 16, 2018

Mary Becerra
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 E
Indianapolis, IN 46204

RE: Vectren South Thirty-Day Administrative Filing (#50124) – Sur-reply

Dear Ms. Becerra,

Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South") hereby tenders this sur-reply to the Citizens Action Coalition and the Environmental Law & Policy Center (collectively the "Objectors") Response. While the Indiana Utility Regulatory Commission ("Commission") Rules allow for a utility response to an objection filed under 170 IAC 1-6-7, the rules do not contemplate a response from the objector. The Objectors have submitted a Reply anyway and raise new issues therein that Vectren South feels compelled to respond to.

Vectren South calls the Commission's attention to what Objectors' do not say in their response. Significantly, the Objectors' Response offer no response to Vectren South's demonstration that the Rate CSP thirty-day filing fails to comply with the pertinent Commission regulations under which it is filed. Rather, Objectors' Response makes clear that Objectors' purpose is to frustrate the Commission's Thirty-Day Filing process to force an investigation into which it can raise issues that have nothing to do with whether Vectren South's updated Rate CSP is calculated in accordance with 170 IAC 4-4.1-8(a) and 9(c) through 9(d). The Commission should not, and is not required under applicable Rules, to allow the Objectors' to turn a matter delegated to a thirty-day filing precisely because the issues are straightforward, into a wide ranging investigation of other matters the Objectors' wish to raise.

<u>Vectren South's Standard Form Contract does Comply with Indiana and Federal Law.</u>

The Objectors claim that Vectren South's standard form contract ("contract") is not in compliance with Indiana law because Burns Ind. Code Ann. § 8-1-2.4-4(a) requires electric utilities to enter into long term contracts to purchase electricity from qualifying facilities. The Objectors state that because Vectren South's contract contains a 3-year-term, the term length does not constitute a "long term contract." I.C. 8-1-2.4-4 does not define "long term contract", and there is no basis in the statutory language to contend that a 3-year term is insufficient. More importantly, this question has no bearing on whether Rate CSP was appropriately calculated—the question at issue in the Filing.

The Objectors also criticize Vectren South's contract for being unclear about whether rates are fixed or changed annually, and that 18 C.F.R. § 292.304(d)(2)(ii) require qualifying facilities have the option of a fixed contract price over the contract term. Electric utilities are required to purchase electricity from qualifying facilities in accordance with 18 C.F.R. § 292.304 ***unless*** exempted by § 292.309 and § 292.310.

Vectren South received an exemption from § 292.310 by FERC in November 2011 in Docket No. QM11-4-00. Since Vectren South is exempt from § 292.310, it is not subject to the requirements of § 292.304 and therefore the Objector's basis for concerns about Vectren South's contract has no basis.

The Objectors also contend that Vectren South has not complied with all the requirements of 18 C.F.R. § 292.302(b), however, compliance with § 292.302(b) is not a requirement of Vectren South's thirty-day filing, and as such the Objector's argument is beyond the scope of this proceeding.

The Commission Is Not Required To Reject A 30-Day Filing Due To Baseless Objections.

The thirty-day filing process was put in place as a means to expedite noncontroversial filings for consideration before the Commission (see 170 IAC 1-6-1 Policy and scope). While objections are allowed under section 7 of the rule, objections must be based on aspects of the filings that violate applicable law, commission order, commission rule, and inaccurate and incomplete filings. The basis for the objections filed by the Objectors do not address rules and requirements specific to Vectren South's thirty- day filing, but instead speak to rules that go beyond the scope of what is required. Objectors are misusing the ability to object to attempt to force a broad-based investigation that has nothing to do with the Filing (*i.e.* whether Vectren South's updated Rate CSP is correctly calculated). A PURPA investigation is something the Objectors have requested as part of their objection not only to Vectren South's thirty-day filing, but to the thirty-day filings of Indiana's other electric utilities. Such abuse of Commission procedures should not be tolerated.

Given that Vectren South's Thirty-Day filing remains in compliance with Indiana and federal laws, its Filing should be presented to the Commission for consideration.

Sincerely,

Jason Stephenson
Vice President, General Counsel of Vectren Utility Holdings, Inc.