



Vectren Corporation  
One Vectren Square  
Evansville, IN 47708

March 4, 2011

Brenda A. Howe  
Secretary to the Commission  
Indiana Utility Regulatory Commission  
PNC Center  
101 W. Washington Street, Suite 1500 East  
Indianapolis, IN 46204

RE: SIGECO 30-Day Filing for Rate CSP

Dear Ms. Howe:

This filing is being made on behalf of Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Company") under the Commission's final Thirty-Day Administrative Filing Procedures and Guidelines ("Guidelines") in compliance with Commission's Rules and Regulations with respect to Cogeneration and Alternative Energy Production Facilities. Enclosed is the tariff sheet covering rates for purchase of energy and capacity as required by 170 IAC 4-4.1-8, 170 IAC 4-4.1-9, and 170 IAC 4-4.1-10, and the supporting data for the rates and rate filing as required by 170 IAC 4-4.1-4.

The Company's filing is an allowable filing under 170 IAC 1-6-3 because the proposal is a filing for which the Commission has already approved or accepted the procedure for the change.

Proof of Publication of the legal notice for this filing from the *Evansville Courier & Press*, a newspaper of general circulation in Vanderburgh County that has a circulation encompassing the highest number of the Company's customers affected by the filing is included. The Company also affirms that the notice has been posted on its website. The Company does not have a local customer service office in which to post the notice.

Any questions concerning this submission should be directed to Scott E. Albertson by using the following contact information:

Scott E. Albertson  
Director of Regulatory Affairs  
One Vectren Square  
211 N.W. Riverside Drive  
Evansville, IN 47708  
Tel.: 812.491.4682  
Fax: 812.491.4138  
Email: [Scott.Albertson@vectren.com](mailto:Scott.Albertson@vectren.com)

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

Sincerely,

A handwritten signature in cursive script, reading "Jerry Schapker", is written over a solid horizontal line.

M. Jerry Schapker  
Senior Rate Analyst

Enclosures  
cc: A. David Stippler  
Indiana Office of Utility Consumer Counselor (w/ encl.)

**VERIFICATION**

The undersigned, Scott E. Albertson, being duly sworn, under penalty of perjury affirms that the affected customers of the Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. Rate CSP filing have been notified by publication in the *Evansville Courier & Press*, as required by 170 IAC 1-6-6. A copy of said legal notice of publication is enclosed.



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Scott E. Albertson

**RATE CSP**  
**COGENERATION AND SMALL POWER PRODUCTION**

**Capacity Component**

There shall be demand credit paid to qualifying facilities who can enter into a contract with Company to provide firm capacity for specified term. Capacity payments are expressed on a dollars per Kilowatt per month basis in Table 1 of this schedule.

The monthly capacity payment shall be adjusted by the following factor:

$$F = \frac{E_p}{(K)(T_p)}$$

Where:

F = Capacity payment adjustment factor

E<sub>p</sub> = Kilowatt-hours delivered to Company by the qualifying facility during the peak period defined as the hours of 6:00 a.m. to 10:00 p.m. during weekdays, excluding holidays.

K = Kilowatts of capacity the qualifying facility contracts to provide.

T<sub>p</sub> = Number of hours in the peak period.

Company and a qualifying facility may negotiate a rate for energy or capacity which differs from the filed Rate CSP.

**Table 1**

**ENERGY PAYMENT TO A QUALIFYING FACILITY <sup>(1)</sup>**

Annual On-Peak	=	\$0.04569/kWh
Annual Off-Peak	=	\$0.03596/kWh

**CAPACITY PAYMENT TO A QUALIFYING FACILITY**

\$5.32 per kW Per Month

<sup>(1)</sup> On-Peak hours = 6 am – 10 pm, weekdays  
Off-Peak hours = All other hours, including weekends and designated holidays

Effective:

Deleted: Third  
Deleted: Second

**RATE CSP**  
**COGENERATION AND SMALL POWER PRODUCTION**

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Annual On-Peak = \$0.04569/kWh  
Annual Off-Peak = \$0.03596/kWh

Deleted: 03920  
Deleted: 03446

CAPACITY PAYMENT TO A QUALIFYING FACILITY

\$5.32 per kW Per Month

Deleted: 71

<sup>(1)</sup> On-Peak hours = 6 am – 10 pm, weekdays  
Off-Peak hours = All other hours, including weekends and designated holidays

Effective: Deleted: April 8, 2010

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY**

**CALCULATION OF PRESENT VALUE  
 OF CARRYING CHARGES  
 YEAR 2011**

**Formulas:**

Carrying Charge = cc,  
 cc = r + d + I + P + T, where  
 T = Income Tax, and  
 $T = (t/l - t) (r + d - D) (r - bL) / r$

**Inputs:**

r	=	Cost of Capital	=	8.38%
d	=	Sinking fund depreciation rate [ (r) / ((1 + r)^n - 1) ]	=	0.82%
n	=	Service life (years)	=	30
I	=	Insurance cost rate (\$1,097,217 ÷ \$2,211,011,990)	=	0.05%
P	=	Property tax rate (\$7,019,298 ÷ \$2,211,011,990)	=	0.32%
D	=	Book depreciation rate (30 year life - per EPRI "TAG")	=	3.33%
t	=	Income tax rate (composite) (35% Federal, 8.5% State)	=	40.525%
b	=	Debt interest cost rate	=	6.21%
L	=	Debt capital structure ratio	=	48.14%

**Carrying Charge**

T = 2.57%  
 cc = 8.38% + 0.82% + 0.05% + 0.32% + 2.57% = **12.14%**

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY**

**CALCULATION OF COGENERATION RATE  
 FOR PURCHASE OF CAPACITY  
 YEAR 2011**

**Formula per 170 IAC 4-4.1-9:**

$$C = \frac{1}{12} \left[ DV \left[ \frac{1 - \frac{1+ip}{1+r}}{1 - \left(\frac{1+ip}{1+r}\right)^n} \right] (1+ip)^{t-1} + O \left( \frac{1+io}{1+r} \right) (1+io)^{t-1} \right] \div \left( 1 - \frac{L}{2} \right)$$

$$Ca = C \left( \left( (1+ip) \div (1+r) \right)^{(Yi-Yc)} \right)$$

**Inputs:**

- D =  $(cc) \frac{(1+r)^n - 1}{r(1+r)^n} = (cc) * 11.0105 = 1.3367$
- cc = 12.14% (See Carrying Charge calculation)
- V = \$812/ kW (See Capacity Capital Cost \$742 (excl AFUDC) in 2010 inflated to 2014)
- ip = 4.4% (Growth Rate in Handy Whitman Cost Index for Gas Turbogenerators)
- io = 2.8% (Growth Rate in Producer Price Index for Finished Goods)
- r = 8.38% (See Cost of New Capital)
- O = \$11.26 / kW (Estimated Operating Cost for 2014)
- L = 4.44% (2009 FERC Form 1 data)  
(262,893 ÷ 5,919,819)
- t = 1

n = 30 years (EPRI - TAG 1993)  
Yi = 2014 (In service date of turbine)  
Yc = 2011 (Current Year)

**Rate:**

C = Unadjusted Capacity Payment = **\$5.95** per kW per month for year 2014

Ca = Adjusted Capacity Payment = **\$5.32** per kW per month for year 2011

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY**

**ESTIMATED CAPACITY CAPITAL COST  
YEAR 2011**

**Basis of Cost**

Based on SIGECO generic 160 MW simple cycle turbine.

**Capacity Cost**

Cost per kW (2014 \$) = \$812/kW

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY**

**CALCULATIONS OF COGENERATION RATE  
FOR PURCHASE OF ENERGY  
YEAR 2011**

**Basis of Calculation:**

The system's energy cost was derived utilizing a production cost simulation model for the estimated 2011 system loads. NewEnergy Strategist dispatches the system on a monthly basis using load duration curves derived from a typical historical year of hourly loads. The avoided values, which reflect a small load change, are used in this calculation.

**Energy Rate:**

Values from dispatch model:

Annual On-Peak avoided cost <sup>(1)</sup> = \$0.04456 /kWh  
Annual Off-Peak avoided cost = \$0.03507 /kWh

Adjustment for losses <sup>(2)</sup>

$\frac{1}{(1 - (0.0495/2))}$  = 1.02535

Adjusted Energy Rates

Annual On-Peak avoided cost = \$0.04569 /kWh  
Annual Off-Peak avoided cost = \$0.03596 /kWh

Notes:

- <sup>(1)</sup> On-Peak hours = 6 am – 10 pm, weekdays  
Off-Peak hours = All other hours, including weekends and designated holidays
- <sup>(2)</sup> Energy losses from 2009 FERC Form 1, page 401a.

**SOUTHERN INDIANA GAS & ELECTRIC COMPANY**

**CALCULATION OF COST OF NEW CAPITAL  
YEAR 2011**

<u>Item</u>	<u>Capital Structure</u> <sup>(1)</sup>	<u>Cost Rate</u> <sup>(1)</sup>	<u>Composite Rate</u>
Debt	48.14%	6.21%	2.99%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	<u>51.86%</u>	10.40%	<u>5.39%</u>
	100.00%		8.38%

Notes: <sup>(1)</sup> Capital structure and cost rates as of December 31, 2010. Common equity cost rate from Order in Cause No. 43111, page 16.

Southern Indiana Gas & Electric Company

Weighted  
Cost of Capital  
Year 2011

Item	Capital Structure	Cost Rate	Composite Cost	
Debt	48.14%	6.21%	2.99%	Balance 12-31-10
Preferred Stock	0.00%	0.00%	0.00%	Balance 12-31-10
Common Equity	<u>51.86%</u>	10.40%	<u>5.39%</u>	Rate Per Order in Cause No. 43111
	100.00%		8.38%	

r	=	Cost of capital	8.38%
d	=	Sinking fund depreciation rate $[(r) / ((1+r)^n - 1)]$	0.82%
n	=	Service life (years)	30
I	=	Insurance cost rate (\$1097217/\$2211011990)	0.05% FERC 1 page 323, line 156 / page 200, line 13
P	=	Property tax rate (\$7019298/\$2211011990)	0.32% FERC 1 page 263, line 8 / page 200, line 13
D	=	Book depreciation rate (30 year life - per EPRI "TAG")	3.33%
t	=	Income tax rate (composite) (35% Federal, 8.5% State)	40.525%
b	=	Debt interest cost rate	6.21%
L	=	Debt capital structure ratio	48.14%

Carrying Charge

T	=	2.57%
cc	=	12.14%

Southern Indiana Gas & Electric Company

Calculation of Cogeneration Rate  
 For Purchase of Capacity  
 Year 2011

C	=	Unadjusted monthly capacity payment per-kilowatt of contracted capacity year of completion of unit.	5.95	Unadjusted Capacity Rate
Ca	=	$C * (((1 + Ip)/(1 + r))^{(Yc - Yi)})$	<b>5.32</b>	Adjusted Capacity Rate
D	=	Present value of carrying charges for one dollar of investment over n years with carrying charges assumed to be paid at end of each year. $(1+r)^{-(n-1)}/r(1+r)^n$	(cc)* 11.0105 =	1.3367
cc			12.14%	
V	=	Investment amount in year of completion, including allowance for funds used during construction, of the avoidable or deferrable unit, stated on a per-kilowatt basis and including rated share of common costs.	812	2009 inflated to 2014 level
n	=	Expected life of the avoidable or deferrable unit.	30	
ip	=	Annual escalation rate associated with the avoidable or deferrable unit.	4.4%	From Handy Whitman
io	=	Annual escalation rate associated with the operation and maintenance expenses, less fuel and fuel-related expenses, of the avoidable or deferrable unit.	2.8%	From Producer Price Index
r	=	Purchasing utility's after tax cost of capital.	8.38%	
O	=	Expected total fixed and variable yearly operating and maintenance expenses, less fuel and fuel-related expenses, in expected first year of avoidable or deferrable unit's operation stated on a per-kilowatt basis	11.26	
L	=	Line losses, expressed as a percentage, for the previous year. (262893/5919819)	4.44%	FERC 1 Page 401a, line 27/ line 28
t	=	Contract term in years, with t = 1 to t.	1	
Yi	=	In service date of the avoidable or deferrable unit	2014	
Yc	=	Current Year	2011	

**Southern Indiana Gas & Electric Company  
 Compound Growth Rate of  
 Handy-Whitman Cost Index for Gas Turbogenerators**

Year	Year Index	Handy-Whitman Index	Annual Growth Rate	y = Year Index	x = LN (H-W Index)
1998	1	385		1	5.95324
1999	2	399	0.03636	2	5.98896
2000	3	410	0.02757	3	6.01616
2001	4	402	(0.01951)	4	5.99645
2002	5	418	0.03980	5	6.03548
2003	6	437	0.04545	6	6.07993
2004	7	428	(0.02059)	7	6.05912
2005	8	420	(0.01869)	8	6.04025
2006	9	435	0.03571	9	6.07535
2007	10	511	0.17471	10	6.23637
2008	11	581	0.13699	11	6.36475
2009	12	619	0.06540	12	6.42811
2010	13	680	0.09855	13	6.52209

Log-Linear Growth 0.04265

Compound Growth Rate (Exponential of Log-Linear Growth) 0.04357  
 Stated as percentage 4.4%

**Southern Indiana Gas & Electric Company  
 Compound Growth Rate of  
 Producer Price Index**

Year	Year Index	Producer Price Finished Goods Index	Annual Growth Rate	y = Year Index	x = LN (H-W Index)
1998	1	130.7		1	4.87290
1999	2	133.0	0.01760	2	4.89035
2000	3	138.0	0.03759	3	4.92725
2001	4	140.7	0.01957	4	4.94663
2002	5	138.9	(0.01279)	5	4.93375
2003	6	143.3	0.03168	6	4.96494
2004	7	148.5	0.03629	7	5.00058
2005	8	155.7	0.04848	8	5.04793
2006	9	160.4	0.03019	9	5.07767
2007	10	166.6	0.03865	10	5.11560
2008	11	177.1	0.06303	11	5.17671
2009	12	172.5	(0.02597)	12	5.15040
2010	13	179.9	0.04290	13	5.19240

Log-Linear Growth 0.02798

Compound Growth Rate (Exponential of Log-Linear Growth) 0.02838  
 Stated as percentage 2.8%

	<b>Escalated Capital Cost</b>
<b>Capability, MW (nominal)</b>	<b>160</b>
<b>Fixed O&amp;M, \$/kW-yr</b>	6.37
\$/yr	1,019,200
<b>Variable O&amp;M, \$/MWh</b>	1.38
Capacity Factor	3%
\$/yr	58,026
<b>Major Maintenance</b>	
\$/start	14,350
\$/run hour	610
estimated starts	30
estimated average run time	6
estimated run hours	180
\$/yr	540,300

<b>Total O&amp;M, \$/kW</b>	<b>10.11</b>
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2008 B&M

<b>Capital Cost Estimate (2010 \$)</b>	
<b>\$/kW</b>	<b>742</b>

Total O & M \$/kW 2009 \$	10.29
2010 \$	10.48
2011 \$	10.67
2012 \$	10.86
2013 \$	11.06
2014 \$	11.26 =O
capital cost estimate 2010	756
2011	770
2012	784
2013	798
2014	812 =V

1.018 inflation factor  
 Factor of 1.018 for inflation per EIA  
 Annual Energy Outlook, Table A20

Table ES-1  
 CCAF-P Market Index and 12-month Outlook

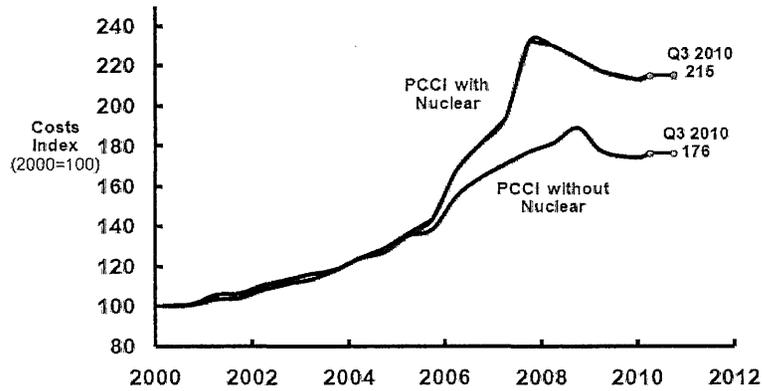
	Market Index												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	Q1 2009	Q3 2009	Q1 2010	Q3 2010
PCCI													
Overall PCCI	100	103	108	114	124	136	181	233	224	213	213	215	215
Overall PCCI, without nuclear	100	106	111	116	124	135	164	177	189	174	174	176	176

Source: IHS CERA.

November 2010 CERA Special Report *Capital Costs Analysis Forum—North America Power: Market Update*.

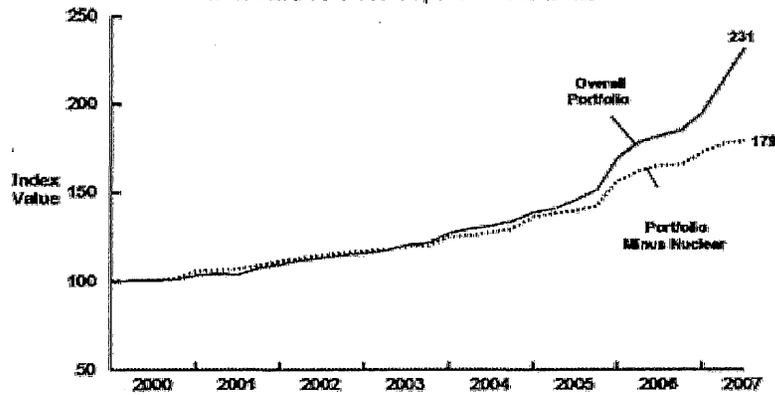


IHS CERA North American Power Capital Costs Index (PCCI) with and without Nuclear



Published 2/14/2008

IHS/CERA Power Capital Costs Index



Name of Respondent 20100429-2010 FERC PDF (Unofficial) Southern Indiana Gas and Electric Company		This Report Is: <input type="checkbox"/> An Original <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2010	Year/Period of Report End of 2009/Q4
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	5,039,673
3	Steam	4,618,892	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	603,639
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,614
7	Other	36,663	27	Total Energy Losses	262,893
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	5,919,819
9	Net Generation (Enter Total of lines 3 through 8)	4,657,555			
10	Purchases	1,158,713			
11	Power Exchanges:				
12	Received	2,240,982			
13	Delivered	2,137,431			
14	Net Exchanges (Line 12 minus line 13)	103,551			
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	5,919,819			

losses 4.95% % of requirements

		Data	
month		Average of onpk	Average of offpk
	3	43.76	34.84
	4	42.98	34.65
	5	40.16	35.68
	6	44.40	35.85
	7	48.68	36.03
	8	51.06	35.79
	9	43.01	35.91
	10	43.75	34.64
	11	42.60	34.75
	12	44.07	34.61
	1	46.40	34.13
	2	43.81	34.00
Grand Total		44.56	35.07
<b>Unadjusted \$ per kWh</b>		<b>\$ 0.44558</b>	<b>\$ 0.35073</b>

ferc 1 line losses 4.95%  
 Adjusted for losses 1.02535

	<b>On peak</b>	<b>Off-Peak</b>
	<b>\$/MWh</b>	<b>\$/MWh</b>
<b>Adjusted Energy Rates</b>	<b>45.68766</b>	<b>35.96160</b>

<b>\$ per kWh</b>	<b>\$</b>	<b>0.04569</b>	<b>\$</b>	<b>0.03596</b>
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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION

NORTH CENTRAL REGION (1973=100)

L i n e	CONSTRUCTION AND EQUIPMENT	F E R C	COST INDEX NUMBERS											
			2005		2006		2007		2008		2009		2010	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Total Plant-All Steam Generation		453	460	481	495	518	529	561	580	585	564	579	587
2	Total Plant-All Steam & Nuclear Gen.		452	459	480	494	517	527	559	578	583	561	577	585
3	Total Plant-All Steam & Hydro Gen.		452	459	479	493	516	527	559	578	583	561	577	585
4														
5	<b>Steam Production Plant</b>													
6	Total Steam Production Plant		477	481	495	503	520	531	547	576	570	554	566	577
7	Structures & Improvements-Indoor	311	435	438	451	458	474	482	501	530	532	518	528	535
8	Structures & Improvements-Semi-Outdoor	311	418	425	438	445	457	483	501	513	514	490	495	498
9	Boiler Plant Equipment-Coal Fired	312	495	499	514	521	534	543	557	585	591	577	589	597
10	Boiler Plant Equipment-Gas Fired	312	-	-	-	-	-	-	-	-	-	-	-	-
11	Boiler Plant Piping Installed		439	443	460	465	477	475	491	530	545	529	538	550
12	Turbogenerator Units	314	464	461	471	483	499	501	513	559	514	489	502	525
13	Accessory Electrical Equipment	315	562	572	596	616	661	682	719	744	774	793	812	828
14	Misc. Power Plant Equipment	316	511	513	531	538	540	544	555	593	595	587	597	603
15														
16	<b>Nuclear Production Plant</b>													
17	Total Nuclear Production Plant		447	449	462	471	486	489	502	530	521	510	521	532
18	Structures & Improvements	321	406	410	420	427	438	433	447	462	462	455	461	466
19	Reactor Plant Equipment	322	439	441	455	463	476	480	489	518	512	502	513	521
20														
21	<b>Hydro Production Plant</b>													
22	Total Hydraulic Production Plant		397	400	410	417	432	442	454	471	469	461	467	475
23	Structures & Improvements	331	435	438	451	458	474	482	501	530	532	518	528	535
24	Reservoirs, Dams & Waterways	332	384	388	399	404	417	428	439	446	447	441	445	449
25	Water Wheels, Turbines & Generators	333	399	397	406	416	436	444	455	493	481	469	478	496
26														
27	<b>Other Production Plant</b>													
28	Total Other Production Plant		428	435	445	456	516	529	582	603	620	655	675	688
29	Fuel Holders, Producers & Accessories	342	454	460	469	478	494	497	512	548	554	537	541	540
30	Gas Turbogenerators	344	420	427	435	447	511	524	581	602	619	659	680	693
31														
32	<b>Transmission Plant</b>													
33	Total Transmission Plant		471	485	512	528	553	568	603	631	640	591	617	619
34	Station Equipment	353	483	495	517	533	567	583	604	627	640	641	658	665
35	Towers & Fixtures	354	436	439	454	457	468	494	513	515	523	500	506	506
36	Poles & Fixtures	355	476	493	502	515	526	529	561	570	583	587	596	574
37	Overhead Conductors & Devices	356	511	542	605	643	678	695	753	828	831	580	669	677
38	Underground Conduit	357	436	436	454	458	477	472	494	527	536	519	520	526
39	Underground Conductors & Devices	358	529	547	590	594	605	610	790	828	829	840	836	828
40														
41	<b>Distribution Plant</b>													
42	Total Distribution Plant		408	417	446	466	499	507	563	562	581	567	583	591
43	Station Equipment	362	457	464	492	503	537	555	573	595	606	608	629	637
44	Poles, Towers & Fixtures	364	453	457	470	480	496	497	511	525	537	538	547	545
45	Overhead Conductors & Devices	365	489	512	555	579	609	624	670	715	725	612	666	679
46	Underground Conduit	366	420	422	449	451	471	468	487	495	509	507	501	504
47	Underground Conductors & Devices	367	382	393	423	428	507	514	554	586	647	639	593	600
48	Line Transformers	368	275	283	320	361	408	416	602	506	532	555	581	606
49	Pad Mounted Transformers	368	492	541	562	653	689	820	642	759	728	665	668	646
50	Services-Overhead	369	395	402	428	428	451	452	475	485	491	457	477	484
51	Services-Underground	369	279	292	335	372	356	352	349	350	325	327	328	350
52	Meters Installed	370	306	306	310	316	319	326	330	332	334	334	346	347
53	Street Lighting-Overhead	373	499	508	526	594	617	627	641	672	738	751	771	719
54	Mast Arms & Luminaires Installed	373	482	496	524	555	574	585	576	587	709	705	714	728
55	Street Lighting-Underground	373	510	517	535	615	640	651	671	708	766	784	809	735
56														

ref2011.d120810c                      2008      2009      2010      2011      2012      2013      2014      2015      2016      2017      2018  
Report      Annual Energy Outlook 2011  
Scenario      ref2011                                      Reference case  
Datekey      d120810c  
Release Date                      December 2010

## 20. Macroeconomic Indicators

(billion 2005 chain-weighted dollars, unless otherwise noted)

Indicators	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2035
<b>Real Gross Domestic Product</b>	13229	12881	13221	13506	14045	14596	14918	15338	15754	16171	16582	2.7%
<b>Components of Real Gross Domestic Product</b>												
Real Consumption	9265	9154	9299	9506	9733	9994	10184	10444	10707	10950	11182	2.4%
Real Investment	1957	1516	1763	1845	2203	2511	2494	2590	2675	2742	2821	4.6%
Real Government Spending	2503	2543	2560	2557	2532	2534	2545	2555	2570	2592	2617	0.7%
Real Exports	1648	1491	1666	1792	1934	2104	2281	2437	2609	2796	2985	6.3%
Real Imports	2152	1854	2082	2201	2330	2490	2530	2622	2730	2823	2923	4.6%
<b>Energy Intensity</b> (thousand Btu per 2005 dollar of GDP)												
Delivered Energy	5.49	5.33	5.33	5.29	5.18	5.08	4.99	4.90	4.80	4.69	4.60	-1.9%
Total Energy	7.57	7.36	7.39	7.26	7.08	6.91	6.78	6.65	6.51	6.37	6.24	-1.9%
<b>Price Indices (Inflated at 1.018)</b>				1.14064	1.15348	1.17283	1.19448	1.21861	1.24323	1.26896	1.29577	
<b>Price Indices</b>												
GDP Chain-type Price Index (2005=1.00)	1.086	1.096	1.106	1.120	1.133	1.152	1.173	1.197	1.221	1.247	1.273	1.8%
<b>Consumer Price Index (1982-84=1.00)</b>												
All-urban	2.15	2.15	2.18	2.21	2.25	2.29	2.34	2.39	2.45	2.51	2.57	2.1%
Energy Commodities and Services	2.36	1.93	2.09	2.17	2.19	2.28	2.36	2.44	2.52	2.60	2.69	2.9%
<b>Wholesale Price Index (1982=1.00)</b>												
All Commodities	1.90	1.73	1.83	1.86	1.88	1.93	1.97	2.00	2.04	2.08	2.12	1.8%
Fuel and Power	2.14	1.59	1.84	1.89	1.88	1.94	2.00	2.06	2.12	2.20	2.27	3.3%
Metals and Metal Products	2.13	1.87	2.04	2.04	2.13	2.31	2.40	2.48	2.53	2.57	2.61	1.7%
Industrial Commodities excluding Energy	1.81	1.76	1.83	1.85	1.88	1.94	1.97	2.00	2.03	2.06	2.09	1.2%
<b>Interest Rates (percent, nominal)</b>												
Federal Funds Rate	1.93	0.16	0.15	0.14	2.39	4.24	4.71	5.18	5.11	5.09	5.07	--
10-Year Treasury Note	3.67	3.26	3.11	2.51	3.94	4.88	5.26	5.77	5.83	5.91	5.93	--
AA Utility Bond Rate	6.19	5.75	5.12	4.61	5.52	6.37	7.00	7.43	7.51	7.61	7.66	--
<b>Value of Shipments (billion 2005 dollars)</b>												
Service Sectors	20737	19555	20259	21019	21563	22313	22650	23157	23666	24163	24645	2.2%
Total Industrial	6720	6017	6244	6562	6907	7307	7378	7478	7568	7657	7751	1.7%
Agriculture, Mining, and Construction	2039	1821	1793	1845	1991	2114	2164	2200	2235	2259	2277	1.3%
Manufacturing	4680	4197	4451	4716	4916	5193	5215	5278	5333	5398	5474	1.9%
Energy Intensive	1635	1551	1638	1691	1715	1773	1768	1791	1809	1828	1842	1.0%
Non-energy Intensive	3046	2646	2814	3026	3201	3421	3447	3486	3524	3570	3631	2.3%
Total	27456	25573	26503	27580	28470	29620	30029	30635	31234	31819	32396	2.1%
<b>Population and Employment (millions)</b>												
Population, with Armed Forces Overseas	305.2	307.8	310.8	313.8	316.9	319.9	323.0	326.2	329.3	332.5	335.6	0.9%
Population, aged 16 and over	239.4	241.8	244.3	246.8	249.3	251.7	254.1	256.5	259.0	261.6	264.2	1.0%
Population, over age 65	38.9	39.7	40.4	41.4	42.8	44.2	45.6	47.1	48.5	50.0	51.6	2.6%
Employment, Nonfarm	136.7	130.9	130.7	133.3	134.6	138.7	140.7	142.3	143.7	145.1	146.4	1.0%
Employment, Manufacturing	13.4	11.9	11.8	12.3	14.4	15.5	16.4	17.4	17.5	17.4	17.3	0.4%
<b>Key Labor Indicators</b>												
Labor Force (millions)	154.3	154.2	154.0	155.1	156.1	157.9	159.5	160.7	161.9	163.2	164.3	0.7%
Nonfarm Labor Productivity (2005=1.00)	1.04	1.07	1.11	1.12	1.13	1.14	1.16	1.18	1.20	1.23	1.25	2.0%
Unemployment Rate (percent)	5.82	9.28	9.70	9.65	8.79	7.51	7.19	6.86	6.50	6.18	5.92	--
<b>Key Indicators for Energy Demand</b>												
Real Disposable Personal Income	10043	10100	10224	10354	10544	10802	11159	11535	11916	12252	12538	2.5%
Housing Starts (millions)	0.98	0.60	0.65	0.85	1.72	1.85	1.78	1.84	1.90	1.91	1.91	4.2%
Commercial Floorspace (billion square feet)	78.8	80.2	81.2	82.0	82.7	83.5	84.4	85.5	86.6	87.8	89.1	1.2%
Unit Sales of Light-Duty Vehicles (millions)	13.19	10.40	11.38	12.77	15.44	16.90	16.70	17.02	17.07	16.67	16.43	2.7%

GDP = Gross domestic product.  
Btu = British thermal unit.

-- = Not applicable.

Sources: 2008 and 2009: IHS Global Insight, Global Insight Industry and Employment models, September 2010. Projections: Energy Information Administration, AEO2011 National Energy Modeling System run ref2011.d120810c.

Bureau of Labor Statistics

**Producer Price Index-Commodities**  
**Original Data Value**

**Series Id:** WPUSOP3000  
**Not Seasonally Adjusted**  
**Group:** Stage of processing  
**Item:** Finished goods  
**Base Date:** 198200  
**Years:** 2000 to 2010

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2000	134.7	136.0	136.8	136.7	137.3	138.6	138.6	138.2	139.4	140.1	140.0	139.7	138.0
2001	141.2	141.4	140.9	141.8	142.7	142.2	140.5	140.9	141.6	139.7	138.3	137.4	140.7
2002	137.4	137.7	138.7	138.8	138.6	139.0	138.8	138.8	139.1	140.7	139.7	139.0	138.9
2003	140.8	142.3	144.2	142.1	142.0	143.0	143.0	143.7	144.0	145.5	144.5	144.5	143.3
2004	145.4	145.3	146.3	147.3	148.9	148.7	148.5	148.5	148.7	152.0	151.7	150.6	148.5
2005	151.4	152.1	153.6	154.4	154.3	154.2	155.5	156.3	158.9	160.9	158.3	158.7	155.7
2006	159.9	158.0	159.1	160.7	161.2	161.8	161.7	162.3	160.3	158.9	159.8	160.5	160.4
2007	160.1	161.8	164.1	165.9	167.5	167.2	168.5	166.1	167.4	168.6	171.4	170.4	166.6
2008	172.0	172.3	175.1	176.5	179.8	182.4	185.1	182.2	182.2	177.4	172.0	168.8	177.1
2009	170.4	169.9	169.1	170.3	171.1	174.3	172.4	174.2	173.2	173.8	175.7	176.0	172.5
2010	178.0	177.0	179.1	179.5	179.8	179.0	179.5	179.9	180.0	181.2	181.9	183.0	179.9

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
 FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	2,118,135,439	1,869,339,637
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	268,561,172	239,384,090
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	2,386,696,611	2,108,723,727
9	Leased to Others		
10	Held for Future Use	1,748,076	1,748,076
11	Construction Work in Progress	106,322,004	100,540,187
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	2,494,766,691	2,211,011,990
14	Accum Prov for Depr, Amort, & Depl	1,026,739,880	910,898,358
15	Net Utility Plant (13 less 14)	1,468,026,811	1,300,113,632
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,026,739,880	910,898,358
19	Amort & Depl of Producing Nat Gas Land/Land Right		
	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	1,026,739,880	910,898,358
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,026,739,880	910,898,358

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).  
 Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot-note. Designate debit adjustments in parentheses.  
 Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending remittance of such taxes to the taxing authority.  
 Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.  
 For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
77,018		6,814,926				2
						3
103,379					262,150	4
2,673,727		876,777				5
						6
-2,172					13,508	7
9,261,615		7,019,298				8
						9
12,113,567		14,711,001			275,658	10
						11
						12
			175			13
4,002		13,200				14
						15
4,002		13,375				16
						17
						18
44					696	19
	-13,607,355	-19,077,296				20
		-291,012				21
44	-13,607,355	-19,368,308			696	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
12,117,613	-13,607,355	-4,643,932			276,354	41

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

the amount for previous year is not derived from previously reported figures, explain in footnote.

line no.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	97,095	136,096
169	(909) Informational and Instructional Expenses	309,562	37,915
170	(910) Miscellaneous Customer Service and Informational Expenses	468,343	473,692
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	875,000	647,703
	<b>7. SALES EXPENSES</b>		
	Operation		
174	(911) Supervision	20,333	23,294
175	(912) Demonstrating and Selling Expenses	1,337,654	1,270,082
176	(913) Advertising Expenses		692
177	(916) Miscellaneous Sales Expenses	6,211	11,396
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	1,364,198	1,305,464
	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
	Operation		
181	(920) Administrative and General Salaries	11,162,340	8,996,212
182	(921) Office Supplies and Expenses	5,580,146	6,067,401
183	(Less) (922) Administrative Expenses Transferred-Credit	1,716,670	1,441,752
184	(923) Outside Services Employed	15,760,907	13,616,540
185	(924) Property Insurance	1,097,217	1,166,125
186	(925) Injuries and Damages	1,713,588	1,582,766
187	(926) Employee Pensions and Benefits	1,059,284	29,771
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	1,012,145	1,010,668
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
	(930.2) Miscellaneous General Expenses	2,068,734	1,239,906
	(931) Rents	33,379	19,546
194	TOTAL Operation (Enter Total of lines 181 thru 193)	37,771,070	32,287,183
	<b>Maintenance</b>		
196	(935) Maintenance of General Plant	462,266	434,787
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	38,233,336	32,721,970
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	329,683,435	324,918,687

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	5,039,673
3	Steam	4,618,892	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	603,639
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,614
7	Other	38,663	27	Total Energy Losses	262,893
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	5,919,819
9	Net Generation (Enter Total of lines 3 through 8)	4,657,555			
10	Purchases	1,158,713			
11	Power Exchanges:				
12	Received	2,240,982			
13	Delivered	2,137,431			
14	Net Exchanges (Line 12 minus line 13)	103,551			
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
	Transmission By Others Losses				
	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	5,919,819			

*Line 27 + Line 28  
 4,4470*

**LEGAL NOTICE**

Notice is hereby given that on or about March 1, 2011, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. will file a request with the Indiana Utility Regulatory Commission for approval to update its Rate CSP - Cogeneration and Small Power Production; to establish prices for the purchase of energy and capacity from owners of a qualifying facility, as defined by the Commission. The capacity component of Rate CSP will also impact the capacity charge for firm backup power under Rate BAMP (Backup, Auxiliary and Maintenance Power Services), as well as capacity credits to be paid to customers under Rider IC (Interruptible Contract Rider), Rider IO (Interruptible Option Rider), and Riders IP and IP-2 (Interruptible Power Service Riders), as applicable.

Vectren South anticipates approval of the filing by June 1, 2011, 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:

Brenda A. Howe  
Secretary to the Commission  
Indiana Utility Regulatory Commission  
PNC City Center  
101 W. Washington Street,  
Suite 1500 East  
Indianapolis, Indiana 46204

A. David Stippler  
Indiana Utility Consumer Counselor  
Indiana Office of Utility Consumer  
Counselor, PNC City Center  
15 W. Washington St.,  
Suite 1500 South  
Indianapolis, Indiana 46204

Jerrold L. Ulrev  
Vice President, Regulatory  
Affairs and Fuels  
VECTREN UTILITY HOLDINGS, INC.  
(Courier & Press Feb. 19, 2011)

**PROOF OF PUBLICATION OF LEGAL ADVERTISEMENT**

Account No. **XV22**

**STATE OF INDIANA  
VANDERBURGH COUNTY**

**Julie Lewis** who being sworn, says she is **Accounting Clerk**  
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:  
February 19, 2011

Signed *Julie Lewis* Date: 2/23/11

Approval to Update Rate  
RE: **CSP**

Subscribed and sworn to before me this date: Date: 2/24/11

**Vectren Corporation**

*Monica R Schriber* Notary Public  
Notary is Resident of **Vanderburgh County**

AD: **5548832**

My Commission expires: **February 26, 2016**

100 Lines @ 7.49 1 Time(s) = \$ 749.00 Paid  
\$0.00