

February 29, 2016

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

RE: Southern Indiana Gas and Electric Company (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 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 proposed 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 J. Cas Swiz by using the following contact information:

J. Cas Swiz
Director, Rates and Regulatory Analysis
One Vectren Square
211 N.W. Riverside Drive
Evansville, IN 47708
Tel.: 812.491.4759
Fax: 812.491.4138
Email: jcswiz@vectren.com

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley Selinger", is written over a solid horizontal line.

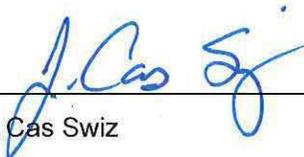
Wesley Selinger
Senior Regulatory Policy Analyst

Enclosures

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

VERIFICATION

The undersigned, J. Cas Swiz, 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.



J. Cas Swiz

RATE CSP
COGENERATION AND SMALL POWER PRODUCTION

(Continued)

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_p = 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_p = 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⁽¹⁾

Annual On-Peak	=	\$0.03318/kWh
Annual Off-Peak	=	\$0.02553/kWh

CAPACITY PAYMENT TO A QUALIFYING FACILITY

\$4.67 per kW Per Month

⁽¹⁾ On-Peak hours = 6:00 A.M.– 10:00 P.M. weekdays
Off-Peak hours = All other hours, including weekends and designated holidays

I.U.R.C. No. E-13

RATE CSP
COGENERATION AND SMALL POWER PRODUCTION

(Continued)

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

T_p = 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⁽¹⁾

Annual On-Peak	=	\$0.045163318/kWh
Annual Off-Peak	=	\$0.030642553/kWh

CAPACITY PAYMENT TO A QUALIFYING FACILITY

\$4.7467 per kW Per Month

⁽¹⁾ On-Peak hours = 6:00 A.M.– 10:00 P.M. weekdays
Off-Peak hours = All other hours, including weekends and designated holidays

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATION OF PRESENT VALUE OF CARRYING CHARGES YEAR 2016

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	=	7.92%
d	=	Sinking fund depreciation rate [(r) / ((1 + r)^n - 1)]	=	0.90%
n	=	Service life (years)	=	30
I	=	Insurance cost rate (\$949,574 ÷ \$2,624,727,566)	=	0.04%
P	=	Property tax rate (\$8,251,180 ÷ \$2,624,727,566)	=	0.31%
D	=	Book depreciation rate (30 year life - per EPRI "TAG")	=	3.33%
t	=	Income tax rate (composite) (35% Federal, 6.375% State)	=	39.1438%
b	=	Debt interest cost rate	=	4.85%
L	=	Debt capital structure ratio	=	44.62%

Carrying Charge

T	=	2.57%
cc	=	11.74% (r + d + I + P + T)

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATION OF COGENERATION RATE
FOR PURCHASE OF CAPACITY
YEAR 2016

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 = $\frac{(cc)(1+r)^n - 1}{(r)(1+r)^n} = (cc) * 11.6997 = 1.3735$
- cc = 11.74% (See Carrying Charge calculation)
- V = \$852/ kW (See Burns & McDonnell Technical Assessment –Prototypes – Alternative Technology Options, (including gas pipeline work and excl. AFUDC) inflated to 2019.
- ip = 6.9% (Growth Rate in Handy Whitman Cost Index for Gas Turbogenerators)
- io = 3.0% (Growth Rate in Producer Price Index for Finished Goods)
- r = 7.92% (See Cost of New Capital)
- O = \$12.39 / kW (Estimated Operating Cost for 2019)
- L = 4.13% (2014 FERC Form 1 data)
(269,316 ÷ 6,523,285)
- t = 1
- n = 30 years (EPRI - TAG 1993)

Yi = 2019 (In service date of turbine)
Yc = 2016 (Current Year)

Rate:

C = Unadjusted Capacity Payment = **\$4.80** per kW per month for year 2019

Ca = Adjusted Capacity Payment = **\$4.67** per kW per month for year 2016

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

**ESTIMATED CAPACITY CAPITAL COST
YEAR 2016**

Basis of Cost

Based on SIGECO generic 213 MW simple cycle turbine.

Capacity Cost

Cost per kW (2019 \$)

=\$852/kW

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATIONS OF COGENERATION RATE FOR PURCHASE OF ENERGY YEAR 2016

Basis of Calculation:

The system's energy cost was derived utilizing a simple average of two separate LMP forecasts provided by Ventyx Advisor Services.

Energy Rate:

Values from dispatch model:

Annual On-Peak avoided cost ⁽¹⁾ = \$0.03249 /kWh
Annual Off-Peak avoided cost = \$0.02500 /kWh

Adjustment for losses ⁽²⁾

$$\frac{1}{(1 - (0.041285/2))} = 1.02108$$

Adjusted Energy Rates

Annual On-Peak avoided cost = \$0.03318 /kWh
Annual Off-Peak avoided cost = \$0.02553 /kWh

Notes:

- ⁽¹⁾ On-Peak hours = 6 am – 10 pm, weekdays
Off-Peak hours = All other hours, including weekends and designated holidays
⁽²⁾ Energy losses from 2014 FERC Form 1, page 401a.

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

**CALCULATION OF COST OF NEW CAPITAL
YEAR 2016**

<u>Item</u>	<u>Capital Structure</u> ⁽¹⁾	<u>Cost Rate</u> ⁽¹⁾	<u>Composite Rate</u>
Debt	44.62%	4.85%	2.16%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	<u>55.38%</u>	10.40%	<u>5.76%</u>
	100.00%		7.92%

Notes: ⁽¹⁾ Capital structure and cost rates as of December 31, 2015. Common equity cost rate from Order in Cause No. 43839, page 32.

Southern Indiana Gas & Electric Company

Weighted Cost of Capital Year 2016

Item	Capital Structure	Cost Rate	Composite Cost	
Debt	44.62%	4.85%	2.16%	Balance 12-31-15
Preferred Stock	0.00%	0.00%	0.00%	Balance 12-31-15
Common Equity	<u>55.38%</u>	10.40%	<u>5.76%</u>	Rate Per Order in Cause No. 43839
	100.00%		7.92%	

Inputs:

r	=	Cost of capital	7.92%
d	=	Sinking fund depreciation rate [[r] / ((1+r)^n - 1)]	0.90%
n	=	Service life (years)	30
l	=	Insurance cost rate (\$949574/\$2624727566)	0.04% 2014 FERC 1 page 323, line 185 / page 200, line 13
P	=	Property tax rate (\$8251180/\$2624727566)	0.31% 2014 FERC 1 page 263, line 9 / page 200, line 13
D	=	Book depreciation rate (30 year life - per EPRI "TAG")	3.33%
t	=	Income tax rate (composite)	39.1438%
b	=	Debt interest cost rate	4.85%
L	=	Debt capital structure ratio	44.62%

Carrying Charge

T	=	2.57%	
cc	=	11.74%	(r + d + l + P + T)

Southern Indiana Gas & Electric Company

Calculation of Cogeneration Rate For Purchase of Capacity Year 2016

C	= Unadjusted monthly capacity payment per-kilowatt of contracted capacity year of completion of unit.	4.80	Unadjusted Capacity Rate
Ca	= $C * ((1 + Ip)/(1 + r))^{(Yi - Yc)}$	4.67	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)* 11.6997	= 1.3735
cc		11.74%	
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.	852	2014 inflated to 2019 level
n	= Expected life of the avoidable or deferrable unit.	30	
ip	= Annual escalation rate associated with the avoidable or deferrable unit.	6.9%	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.	3.0%	From Producer Price Index
r	= Purchasing utility's after tax cost of capital.	7.92%	
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	12.39	2014 IRP inflated to 2019 level
L	= Line losses, expressed as a percentage, for the previous year. $(269316/6523285)$	4.13%	2014 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	2019	
Yc	= Current Year	2016	

	Escalated Capital Cost
Capability, MW (nominal)	212.8

Fixed O&M, \$/kW-yr 7.42
 \$/yr 1,578,976

Variable O&M, \$/MWh \$ 3.91

MW (Technical Assessment)	212.8
hours in a year	8784
Capacity Factor (Assumption)	0.08
MWH (MW*Yearly Hours* CF)	149,538.82
Maintenance Cost per Start (TA)	\$ 15,000.00
Starts (Assumption)	30
(Maintenance Cost per start*Starts)	\$ 450,000.00
\$/MWH	\$ 3.01
\$/MWH (Tech. Assessment Variable O&M)	\$ 0.90
Total Variable O&M (\$/MWH)	\$ 3.91

Total O&M, \$/kW	11.33
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Capital Cost Estimate (2014 \$)

\$/kW	779
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[1] Source: Generation Technology Assessment SCGT F- Class (October 2013)

Total O & M \$/kW 2015 \$ 11.53
 2016 \$ 11.74
 2017 \$ 11.95
 2018 \$ 12.17
 2019 \$ 12.39 =O

capital cost estimate 2015 793
 2016 807
 2017 822
 2018 837
 2019 852 =V

<p>1.018 Inflation Factor of 1.018 per EIA Annual Energy Outlook 2015 Early Release, Table A20</p>

**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)
2003	1	437		1	6.07993
2004	2	428	(0.02059)	2	6.05912
2005	3	420	(0.01869)	3	6.04025
2006	4	435	0.03571	4	6.07535
2007	5	511	0.17471	5	6.23637
2008	6	581	0.13699	6	6.36475
2009	7	619	0.06540	7	6.42811
2010	8	680	0.09855	8	6.52209
2011	9	683	0.00441	9	6.52649
2012	10	757	0.10835	10	6.62936
2013	11	797	0.05284	11	6.68085
2014	12	810	0.01631	12	6.69703
2015	13	847	0.04568	13	6.74170

Log-Linear Growth

0.06661

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

0.06888
6.9%

**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)
2003	1	138.9		1	4.93375
2004	2	143.3	0.03168	2	4.96494
2005	3	155.7	0.08653	3	5.04793
2006	4	160.4	0.03019	4	5.07767
2007	5	166.6	0.03865	5	5.11560
2008	6	177.2	0.06363	6	5.17728
2009	7	172.5	(0.02652)	7	5.15040
2010	8	179.8	0.04232	8	5.19185
2011	9	190.5	0.05951	9	5.24965
2012	10	194.2	0.01942	10	5.26889
2013	11	196.6	0.01236	11	5.28117
2014	12	200.4	0.01933	12	5.30032
2015	13	193.8	(0.03293)	13	5.26683

Log-Linear Growth

0.03003

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

0.03049
3.0%

Based on Ventyx Advisor Services Forecast Data

		Data	
month		Average of onpk	Average of offpk
	Mar-16	30.015	24.925
	Apr-16	29.005	23.695
	May-16	29.955	24.095
	Jun-16	33.805	24.890
	Jul-16	49.850	25.700
	Aug-16	33.635	25.180
	Sep-16	29.325	23.880
	Oct-16	29.325	24.100
	Nov-16	29.965	24.950
	Dec-16	30.935	25.870
	Jan-17	32.280	26.420
	Feb-17	31.810	26.325
12 month average		32.49	25.00

ferc 1 line losses 4.13%
 Adjusted for losses 1.02108

	On peak	Off-Peak
	\$/MWh	\$/MWh
Adjusted Energy Rates	33.17702	25.52955

\$ per kWh	\$	0.03318	\$	0.02553
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**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)	2,489,634,405	2,185,110,466
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	472,682,252	408,247,482
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	2,962,316,657	2,593,357,948
9	Leased to Others		
10	Held for Future Use	1,576,455	1,576,455
11	Construction Work in Progress	35,240,886	29,793,163
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	2,999,133,998	2,624,727,566
14	Accum Prov for Depr, Amort, & Depl	1,339,707,990	1,191,147,862
15	Net Utility Plant (13 less 14)	1,659,426,008	1,433,579,704
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,339,707,990	1,191,147,862
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	1,339,707,990	1,191,147,862
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)	1,339,707,990	1,191,147,862

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. 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.

9. 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
-150,586		7,825,394			1,546,930	2
						3
42					193,452	4
	-494,400	12,977,854			61,084	5
-8,696					-558,996	6
						7
3,865					16,883	8
9,968,804		8,251,180			1,150,824	9
						10
9,813,429	-494,400	29,054,428			2,410,177	11
						12
						13
-9,820		32,448				14
442,384		549,995				15
						16
432,564		582,443				17
						18
						19
287					45,696	20
	-22,834,418	39,978,880			-5,321,680	21
		-292,457			-36,146	22
-43,932		-16,983			-2,099	23
-43,645	-22,834,418	39,669,440			-5,314,229	24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
10,202,348	-23,328,818	69,306,311			-2,904,052	41

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If 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)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	80,714	99,089
169	(909) Informational and Instructional Expenses	38,304	49,763
170	(910) Miscellaneous Customer Service and Informational Expenses	472,950	470,574
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	591,968	619,426
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	11,851	11,574
175	(912) Demonstrating and Selling Expenses	12,210,395	13,239,892
176	(913) Advertising Expenses	17	
177	(916) Miscellaneous Sales Expenses	5,113	7,381
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	12,227,376	13,258,847
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	15,933,065	15,755,388
182	(921) Office Supplies and Expenses	5,086,009	5,895,056
183	(Less) (922) Administrative Expenses Transferred-Credit	1,769,532	1,933,440
184	(923) Outside Services Employed	12,443,765	13,024,999
185	(924) Property Insurance	949,574	896,264
186	(925) Injuries and Damages	1,512,346	1,476,407
187	(926) Employee Pensions and Benefits	16,981	11,424
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	1,245,526	1,097,484
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	4,206,235	2,858,736
193	(931) Rents	45,875	14,896
194	TOTAL Operation (Enter Total of lines 181 thru 193)	39,669,844	39,097,214
195	Maintenance		
196	(935) Maintenance of General Plant	206,183	638,247
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	39,876,027	39,735,461
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	369,793,391	366,519,129

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)	5,589,459
3	Steam	5,506,650	23	Requirements Sales for Resale (See instruction 4, page 311.)	63,208
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	587,917
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,385
7	Other	39,766	27	Total Energy Losses	269,316
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	6,523,285
9	Net Generation (Enter Total of lines 3 through 8)	5,546,416			
10	Purchases	862,004			
11	Power Exchanges:				
12	Received	5,140,764			
13	Delivered	5,025,899			
14	Net Exchanges (Line 12 minus line 13)	114,865			
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)	6,523,285			

Line Item	CONSTRUCTION AND EQUIPMENT	OST INDEX NUMBER		COST INDEX NUMBERS																																
				2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017				
		Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	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	411	410	418	434	453	460	481	495	518	529	561	580	585	564	579	587	599	616	622	628	650	641	648	657	668										
2	Total Plant-All Steam & Nuclear Gen.	409	409	417	433	452	459	480	494	517	527	559	578	583	561	577	585	597	614	620	626	648	639	646	655	666										
3	Total Plant-All Steam & Hydro Gen.	409	409	417	433	452	459	479	493	516	527	559	578	583	561	577	585	597	613	620	625	647	639	645	654	666										
4																																				
5	Steam Production Plant																																			
6	Total Steam Production Plant	438	436	446	456	477	481	495	503	520	531.2	547	576	570	554	566	577	586	602	614	616	647	624	628	640	650										
7	Structures & Improvements-Indoor	389	386	398	413	435	438	451	458	474	482	501	530	532	518	528	535	547	561	574	578	596	587	597	608	617										
8	Structures & Improvements-Semi-Outdoor	369	369	396	404	418	425	438	445	457	482.6	501	513	514	490	495	498	509	512	523	527	535	534	544	545	555										
9	Boiler Plant Equipment-Coal Fired	458	454	459	475	495	499	514	521	534	543.5	557	585	591	577	589	597	607	625	636	639	669	645	647	662	670										
10	Boiler Plant Piping Installed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
11	Boiler Plant Equipment-Gas Fired	373	370	381	394	439	443	460	465	477	475	491	530	545	529	538	550	564	578	597	601	612	603	611	617	619										
12	Turbogenerator Units	433	434	438	441	464	461	471	483	499	501	513	559	514	489	502	525	525	547	551	547	596	551	550	562	570										
13	Accessory Electrical Equipment	505	504	513	522	562	572	596	616	661	681.8	719	744	774	793	812	828	855	883	917	938	971	973	987	1010	1042										
14	Misc. Power Plant Equipment	457	453	465	479	511	513	531	538	540	544.1	555	593	595	587	597	603	620	632	652	660	675	670	669	683	686										
15																																				
16	Nuclear Production Plant																																			
17	Total Nuclear Production Plant	404	405	410	422	447	449	462	471	486	488.8	502	530	521	510	521	532	539	557	565	568	606	575	580	590	597										
18	Structures & Improvements	370	367	378	388	406	410	420	427	438	433	447	462	462	455	461	466	471	478	487	493	509	499	508	512	520										
19	Reactor Plant Equipment	391	393	396	413	439	441	455	463	476	480	489	518	512	502	513	521	530	549	554	556	603	562	566	576	579										
20																																				
21	Hydro Production Plant																																			
22	Total Hydraulic Production Plant	367	368	382	384	397	400	410	417	432	441.8	454	471	469	461	467	475	483	488	498	500	518	507	513	518	527										
23	Structures & Improvements	389	386	398	413	435	438	451	458	474	482	501	530	532	518	528	535	547	561	574	578	596	587	597	608	617										
24	Reservoirs, Dams & Waterways	348	348	364	370	384	388	399	404	417	428.1	439	446	447	441	445	449	462	464	476	481	487	488	495	500	511										
25	Water Wheels, Turbines & Generators	396	402	410	393	399	397	406	416	436	443.6	455	493	481	469	478	496	491	499	501	494	542	498	499	499	504										
26																																				
27	Other Production Plant																																			
28	Total Other Production Plant	436	439	430	437	428	435	445	456	516	528.6	582	603	620	655	675	688	681	702	751	768	790	786	803	819	840										
29	Fuel Holders, Producers & Accessories	397	397	402	427	454	460	469	478	494	496.9	512	548	554	537	541	540	554	563	582	587	596	590	606	615	621										
30	Gas Turbogenerators	437	439	428	434	420	427	435	447	511	523.5	581	602	619	659	680	693	683	704	757	775	797	792	810	827	847										
31																																				
32	Transmission Plant																																			
33	Total Transmission Plant	418	417	427	454	471	485	512	528	553	568.3	603	631	640	591	617	619	631	650	646	653	667	666	673	680	690										
34	Station Equipment	428	424	427	466	483	495	517	533	567	583.4	604	627	640	641	658	665	682	699	709	718	736	728	735	746	759										
35	Towers & Fixtures	389	390	417	424	436	439	454	457	468	494.5	513	515	523	500	506	506	524	525	541	543	558	549	560	562	572										
36	Poles & Fixtures	442	444	453	457	476	493	502	515	526	528.6	561	570	583	587	596	574	581	584	588	591	595	598	591	593	599										
37	Overhead Conductors & Devices	447	448	455	487	511	542	605	643	678	694.6	753	828	831	580	669	677	662	725	650	658	673	690	691	698	705										
38	Underground Conduit	377	376	388	404	436	436	454	458	477	472.4	494	527	536	519	520	526	540	544	566	568	569	567	591	588	596										
39	Underground Conductors & Devices	467	469	473	523	529	547	590	594	605	609.9	790	828	829	840	836	828	893	897	906	937	948	970	997	1008	1019										
40																																				
41	Distribution Plant																																			
42	Total Distribution Plant	367	369	373	391	408	417	446	466	499	507	563	562	581	567	583	591	606	621	627	637	649	659	670	676	690										
43	Station Equipment	387	386	391	441	457	464	492	503	537	554.5	573	595	606	608	629	637	653	662	669	677	679	683	693	696	703										
44	Poles, Towers & Fixtures	419	423	425	434	453	457	470	480	496	496.7	511	525	537	538	547	545																			

Producer Price Index-Commodities
Original Data Value

Series Id: WPUSOP3000
Not Seasonally Adjusted
Group: Stage of processing
Item: Finished goods
Base Date: 198200
Years: 2003 to 2015

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	177.2
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	181.6	182.6	179.8
2011	184.4	186.6	189.1	191.4	192.5	191.4	192.2	191.7	192.6	191.8	191.7	191.1	190.5
2012	192.0	192.9	194.4	194.9	193.7	192.8	193.2	195.4	196.7	196.3	194.5	193.7	194.2
2013	194.8	196.3	196.6	195.9	196.8	197.2	197.2	197.9	197.3	196.9	196.0	196.5	196.6
2014	198.0	198.8	200.3	202.0	201.8	202.8	202.9	202.4	201.7	200.3	198.2	195.4	200.4
2015	192.1	192.5	193.5	193.0	195.9	197.6	197.3	196.2	193.3	192.1	191.9	190.1	193.8

Report Annual Energy Outlook 2015
 Scenario ref2015 Reference case
 Datekey d021915a
 Release Date April 2015

20. Macroeconomic Indicators

(billion 2009 chain-weighted dollars, unless otherwise noted)

Indicators	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2040
Real Gross Domestic Product	15369	15710	16055	16553	16970	17369	17835	18296	18801	19259	19721	2.4%
Components of Real Gross Domestic Product												
Real Consumption	10450	10700	10941	11270	11611	11919	12217	12520	12832	13133	13432	2.4%
Real Investment	2436	2556	2688	2851	3017	3127	3290	3399	3531	3620	3704	3.0%
Real Government Spending	2954	2894	2889	2894	2908	2927	2940	2959	2985	3005	3026	0.9%
Real Exports	1960	2020	2085	2174	2250	2340	2484	2644	2813	2989	3179	4.9%
Real Imports	2413	2440	2523	2611	2790	2918	3070	3201	3334	3460	3591	4.0%
Energy Intensity												
(thousand Btu per 2009 dollar of GDP)												
Delivered Energy	4.47	4.53	4.50	4.33	4.27	4.19	4.11	4.02	3.93	3.84	3.75	-2.1%
Total Energy	6.14	6.18	6.14	5.91	5.82	5.70	5.59	5.49	5.36	5.24	5.13	-2.0%
Price Indices												
GDP Chain-type Price Index (2009=1.000)	1.052	1.067	1.084	1.105	1.126	1.146	1.168	1.190	1.211	1.231	1.252	1.8%
Consumer Price Index (1982-84=1.00)												
All-urban	2.30	2.33	2.37	2.37	2.43	2.48	2.53	2.58	2.63	2.68	2.73	2.0%
Energy Commodities and Services	2.46	2.44	2.44	2.05	2.25	2.33	2.39	2.46	2.55	2.65	2.73	2.6%
Wholesale Price Index (1982=1.00)												
All Commodities	2.02	2.03	2.06	2.01	2.07	2.11	2.15	2.20	2.25	2.30	2.34	1.9%
Fuel and Power	2.12	2.12	2.10	1.76	1.92	1.99	2.06	2.16	2.26	2.36	2.43	2.9%
Metals and Metal Products	2.20	2.14	2.16	2.21	2.25	2.28	2.34	2.39	2.43	2.47	2.51	1.8%
Industrial Commodities excluding Energy	1.94	1.96	1.98	2.02	2.06	2.10	2.14	2.18	2.22	2.26	2.29	1.7%
Interest Rates (percent, nominal)												
Federal Funds Rate	0.14	0.11	0.09	0.16	1.76	3.35	3.41	3.39	3.40	3.44	3.40	--
10-Year Treasury Note	1.80	2.35	2.57	2.86	3.75	4.21	4.11	4.12	4.12	4.17	4.11	--
AA Utility Bond Rate	3.83	4.24	4.20	4.30	5.78	6.54	6.21	6.17	6.15	6.21	6.13	--
Value of Shipments (billion 2009 dollars)												
Non-Industrial and Service Sectors	23989	24398	24943	25646	26202	26679	27190	27795	28468	29117	29768	1.9%
Total Industrial	6822	7004	7233	7598	7785	7965	8151	8307	8467	8585	8722	1.8%
Agriculture, Mining, and Construction	1813	1858	1905	2020	2106	2197	2260	2303	2344	2359	2373	1.4%
Manufacturing	5009	5146	5328	5577	5679	5768	5891	6004	6123	6226	6350	2.0%
Energy-Intensive	1675	1685	1716	1760	1791	1833	1877	1915	1946	1973	2003	1.2%
Non-Energy-Intensive	3334	3461	3612	3817	3888	3936	4014	4090	4177	4253	4347	2.3%
Total Shipments	30810	31402	32176	33244	33986	34644	35342	36101	36935	37702	38490	1.9%
Population and Employment (millions)												
Population, with Armed Forces Overseas	314.5	316.7	319.0	321.5	324.0	326.5	329.0	331.5	334.0	336.5	339.1	0.7%
Population, aged 16 and over	249.2	251.5	253.7	255.9	258.2	260.4	262.5	264.6	266.8	268.9	271.0	0.7%
Population, aged 65 and over	43.4	44.9	46.4	48.0	49.5	51.1	52.7	54.5	56.3	58.1	59.9	2.2%
Employment, Nonfarm	133.9	136.2	138.6	141.6	143.8	145.3	146.2	147.3	148.7	149.7	150.6	0.8%
Employment, Manufacturing	11.8	11.9	12.0	12.0	12.1	12.1	11.9	11.9	11.8	11.7	11.6	-0.7%
Key Labor Indicators												
Labor Force (millions)	155.0	155.4	155.9	157.6	159.7	161.7	163.3	164.7	165.6	166.5	167.5	0.6%
Nonfarm Labor Productivity (2009=1.00)	1.05	1.05	1.06	1.08	1.10	1.12	1.15	1.17	1.20	1.22	1.25	2.0%
Unemployment Rate (percent)	8.08	7.35	6.19	5.70	5.51	5.42	5.51	5.52	5.40	5.32	5.31	--
Key Indicators for Energy Demand												
Real Disposable Personal Income	11676	11651	11970	12361	12707	13198	13603	14008	14411	14742	15095	2.5%
Housing Starts (millions)	0.84	0.99	1.06	1.30	1.41	1.55	1.63	1.67	1.69	1.64	1.64	1.8%
Commercial Floorspace (billion square feet)	82.3	82.8	83.4	84.1	84.9	85.9	86.9	88.0	89.0	90.1	91.2	1.0%
Unit Sales of Light-Duty Vehicles (millions)	14.43	15.52	16.37	17.01	17.16	17.10	17.09	16.95	17.02	16.87	16.80	0.6%

GDP = Gross domestic product.

Btu = British thermal unit.

-- = Not applicable.

Sources: 2012 and 2013: IHS Economics, Industry and Employment models, November 2014.

Projections: U.S. Energy Information Administration, AEO2015 National Energy Modeling System run ref2015.d021915a.

Affidavit

PROOF OF PUBLICATION OF LEGAL ADVERTISEMENT

Account Number: EXV22 / 108836

**STATE OF INDIANA
 VANDERBURGH COUNTY**

I Marilyn Stuckey 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: 948062
 EC-Evansville Courier & Press 02/19/16 Fri

RE: given
 VECTR
 AD: 94

LEGAL NOTICE
 Notice is hereby given that on or about February 29, 2016, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South") 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 back-up 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 Rider IP-2 (Interruptible Power Service Rider), as applicable.

Vectren South anticipates approval of the filing by June 1, 2016, 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 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 Center
 115 W. Washington St., Suite 1500 South
 Indianapolis, Indiana 46204

Scott E. Albertson
 Vice President, Regulatory Affairs & Gas Supply
 VECTREN UTILITY HOLDINGS, INC.
 (Courier & Press February 19, 2017)hspaxlp

Marilyn Stuckey 1-19-16
 Signed Date

Subscribed and sworn to before me this date:

2-19-16
 Date

Mary M. Stephansen Notary Public

Notary is Resident of **Vanderburgh County**

My Commission expires: 10-11-2020