Received: February 28, 2018
IURC 30-Day Filing No.: 50124
Indiana Utility Regulatory Commission

VECTREN
Live Smart

Vectren Corporation
One Vectren Square
Evansville, IN 47708

February 28, 2018

Mary M. Becerra
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. Becerra:

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.

The Company affirms a legal notice regarding this filing in the form attached hereto has been published in 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. The legal notice was published in the February 27, 2018 edition of the *Evansville Courier & Press* but the verified proof was not received by the February 28, 2018 CSP filing date. 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.: 812.491.4033
Fax: 812.491.4138
Email: jcswiz@vectren.com

Sincerely,

Matt McDowell
Senior Regulatory Analyst

Enclosures
cc: William Fine
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

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:

$$F = \frac{Ep}{(K)\,(Tp)}$$

Where:

F = Capacity payment adjustment factor

Ep = 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.

Tp = 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	=	$0.03395/kWh
Annual Off-Peak	=	$0.02559/kWh

CAPACITY PAYMENT TO A QUALIFYING FACILITY

$3.88 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

RATE CSP
COGENERATION AND SMALL POWER PRODUCTION
(Continued)

Capacity Component

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

Tp = 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	=	$0.0~~3321~~3395/kWh
Annual Off-Peak	=	$0.0~~2328~~2559/kWh

CAPACITY PAYMENT TO A QUALIFYING FACILITY

$~~4~~3.~~09~~88 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 2018

<u>Formulas</u>:

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

<u>Inputs:</u>

r	=	Cost of Capital	=	7.96%
d	=	Sinking fund depreciation rate [(r) / ((1 + r)^n - 1)]	=	0.89%
n	=	Service life (years)	=	30
I	=	Insurance cost rate ($945,688 ÷ $2,826,000,404)	=	0.03%
P	=	Property tax rate ($8,161,539 ÷ $2,826,000,404)	=	0.29%
D	=	Book depreciation rate (30 year life - per EPRI "TAG")	=	3.33%
t	=	Income tax rate (composite) (21% Federal, 5.875% State)	=	25.6413%
b	=	Debt interest cost rate	=	4.81%
L	=	Debt capital structure ratio	=	43.56%

<u>Carrying Charge</u>

T	=	1.40%	
cc	=	**10.57%**	(r + d + l + P + T)

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATION OF COGENERATION RATE
FOR PURCHASE OF CAPACITY
YEAR 2018

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) * 11.6365 = 1.2300

cc = 10.57% (See Carrying Charge calculation)

V = $732/ kW (See Burns & McDonnell Technical Assessment –Prototypes – Alternative Technology Options, (including gas pipeline work and excl. AFUDC) inflated to 2021.

ip = 6.7% (Growth Rate in Handy Whitman Cost Index for Gas Turbogenerators)

io = 2.0% (Growth Rate in Producer Price Index for Finished Goods)

r = 7.96% (See Cost of New Capital)

O = $12.29 / kW (Estimated Operating Cost for 2021)

L = 4.85% (2016 FERC Form 1 data)
(286,440 ÷ 5,910,227)

t = 1

n = 30 years (EPRI - TAG 1993)

Yi	=	2021 (In service date of turbine)
Yc	=	2018 (Current Year)

Rate:

C = Unadjusted Capacity Payment = **$4.01** per kW per month for year 2021

Ca = Adjusted Capacity Payment = **$3.88** per kW per month for year 2018

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

ESTIMATED CAPACITY CAPITAL COST
YEAR 2018

Basis of Cost

Based on SIGECO generic 220 MW simple cycle turbine.

Capacity Cost

Cost per kW (2021 $)	=$732/kW

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATIONS OF COGENERATION RATE
FOR PURCHASE OF ENERGY
YEAR 2018

Basis of Calculation:

The system's energy cost was derived utilizing a simple average of two separate LMP forecasts provided by the 2016 IRP Model.

Energy Rate:

Values from dispatch model:

Annual On-Peak avoided cost [1]	=	$0.03312 /kWh
Annual Off-Peak avoided cost	=	$0.02497 /kWh

Adjustment for losses [2]

$$\frac{1}{(1 - (0.048465/2))} = 1.02483$$

Adjusted Energy Rates

Annual On-Peak avoided cost	=	$0.03395 /kWh
Annual Off-Peak avoided cost	=	$0.02559 /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 2016 FERC Form 1, page 401a.

SOUTHERN INDIANA GAS & ELECTRIC COMPANY

CALCULATION OF COST OF NEW CAPITAL
YEAR 2018

Item	Capital Structure [1]	Cost Rate [1]	Composite Rate
Debt	43.56%	4.81%	2.09%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	56.44%	10.40%	5.87%
	100.00%		7.96%

Notes: [1] Capital structure and cost rates as of December 31, 2017. Common equity cost rate from Order in Cause No. 43839, page 32.

Southern Indiana Gas & Electric Company

Weighted
Cost of Capital
Year 2018

Item	Capital Structure	Cost Rate	Composite Cost	
Debt	43.56%	4.81%	2.09%	Balance 12-31-17
Preferred Stock	0.00%	0.00%	0.00%	Balance 12-31-17
Common Equity	56.44%	10.40%	5.87%	Rate Per Order in Cause No. 43839
	100.00%		7.96%	

Inputs:

r	=	Cost of capital	7.96%	
d	=	Sinking fund depreciation rate [(r) / ((1+r)^n - 1)]	0.89%	
n	=	Service life (years)	30	
I	=	Insurance cost rate ($945688/$2826000404)	0.03%	2016 FERC 1 page 323, line 185 / page 200, line 13
P	=	Property tax rate ($8161539/$2826000404)	0.29%	2016 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)	25.6413%	
b	=	Debt interest cost rate	4.81%	
L	=	Debt capital structure ratio	43.56%	

Carrying Charge

T	=	1.40%	
cc	**=**	**10.57%**	(r + d + I + P + T)

Southern Indiana Gas & Electric Company

Calculation of Cogeneration Rate
For Purchase of Capacity
Year 2018

C	=	Unadjusted monthly capacity payment per-kilowatt of contracted capacity year of completion of unit.	4.01	Unadjusted Capacity Rate	
Ca	=	$C * (((1 + Ip)/(1 + r))^{\wedge(Yi-Yc)})$	$\boxed{\textbf{3.88}}$	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)*	11.6365 =	1.2300
cc			10.57%		
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.	732	2016 IRP inflated to 2021 level	
n	=	Expected life of the avoidable or deferrable unit.	30		
i_p	=	Annual escalation rate associated with the avoidable or deferrable unit.	6.7%	From Handy Whitman	
i_o	=	Annual escalation rate associated with the operation and maintenance expenses, less fuel and fuel-related expenses, of the avoidable or deferrable unit.	2.0%	From Producer Price Index	
r	=	Purchasing utility's after tax cost of capital.	7.96%		
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	12.29	2016 IRP inflated to 2021 level	
L	=	Line losses, expressed as a percentage, for the previous year. (286440/5910227)	4.85%	2016 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	2021		
Yc	=	Current Year	2018		

	Escalated Capital Cost
Capability, MW (nominal)	**219.8**

Fixed O&M, $/kW-yr		7.19
$/yr		1,581,083
Variable O&M, $/MWh	$	3.88

MW (Technical Assessment)		219.8
hours in a year		8760
Capacity Factor (Assumption)		0.08
MWH (MW*Yearly Hours* CF)		154,035.84
Maintenance Cost per Start (TA)	$	15,240.00
Starts (Assumption)		30
(Maintenance Cost per start*Starts)	$	457,200.00
$/MWH	$	2.97
$/MWH (Tech. Assessment Variable O&M)	$	0.91
Total Variable O&M ($/MWH)	$	3.88

Total O&M, $/kW	**11.08**

Capital Cost Estimate (2016 $)

$/kW	**660**

[1] Source: Generation Technology Assessment SCGT F- Class (September 2015)

1.020952
Inflation Factor of 1.020952 per EIA
Annual Energy Outlook 2017 Early Release, Table A20

Total O & M $/kW	**2017**	$	11.31	
	2018	$	11.55	
	2019	$	11.79	
	2020	$	12.04	
	2021	$	12.29	**=O**

capital cost estimate	**2017**	674	
	2018	688	
	2019	702	
	2020	717	
	2021	732	**=V**

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)
2005	1	420		1	6.04025
2006	2	435	0.03571	2	6.07535
2007	3	511	0.17471	3	6.23637
2008	4	581	0.13699	4	6.36475
2009	5	619	0.06540	5	6.42811
2010	6	680	0.09855	6	6.52209
2011	7	683	0.00441	7	6.52649
2012	8	757	0.10835	8	6.62936
2013	9	797	0.05284	9	6.68085
2014	10	810	0.01631	10	6.69703
2015	11	847	0.04568	11	6.74170
2016	12	871	0.02834	12	6.76964
2017	13	912	0.04707	13	6.81564

Log-Linear Growth	0.06459
Compound Growth Rate (Exponential of Log-Linear Growth)	0.06672
Stated as percentage	6.7%

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)
2005	1	155.7		1	5.04793
2006	2	160.4	0.02987	2	5.07736
2007	3	166.6	0.03887	3	5.11550
2008	4	177.1	0.06313	4	5.17671
2009	5	172.5	(0.02579)	5	5.15059
2010	6	179.8	0.04197	6	5.19171
2011	7	190.7	0.06077	7	5.25070
2012	8	194.3	0.01892	8	5.26945
2013	9	196.7	0.01222	9	5.28159
2014	10	200.4	0.01911	10	5.30052
2015	11	193.9	(0.03280)	11	5.26717
2016	12	191.9	(0.01014)	12	5.25697
2017	13	198.0	0.03179	13	5.28827

Log-Linear Growth	0.02010
Compound Growth Rate (Exponential of Log-Linear Growth)	0.02030
Stated as percentage	2.0%

IRP Model Inputs updated on 01/31/2018 **2018 CSP**

All values shown in 2017 dollars

	Data	
month	Average of onpk	Average of offpk
Mar-18	$ 30.23	$ 25.33
Apr-18	$ 30.12	$ 24.08
May-18	$ 32.04	$ 23.20
Jun-18	$ 32.76	$ 24.15
Jul-18	$ 37.30	$ 24.36
Aug-18	$ 37.08	$ 24.87
Sep-18	$ 31.48	$ 24.60
Oct-18	$ 30.63	$ 24.25
Nov-18	$ 31.20	$ 25.09
Dec-18	$ 35.13	$ 26.91
Jan-19	$ 34.91	$ 26.40
Feb-19	$ 34.62	$ 26.37
12 month average	$ 33.12	$ 24.97

ferc 1 line losses	4.85%
Adjusted for losses	1.02483

	On peak $/MWh	Off-Peak $/MWh
Adjusted Energy Rates	**33.94528**	**25.58766**
$ per kWh	**$ 0.03395**	**$ 0.02559**

Source: Ryan Wilhelmus

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)	2,646,367,174	2,302,465,767
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	594,621,687	495,258,091
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	3,240,988,861	2,797,723,858
9	Leased to Others		
10	Held for Future Use	1,391,263	1,391,263
11	Construction Work in Progress	32,165,939	26,885,283
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	3,274,546,063	2,826,000,404
14	Accum Prov for Depr, Amort, & Depl	1,482,972,597	1,318,161,282
15	Net Utility Plant (13 less 14)	1,791,573,466	1,507,839,122
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,482,972,597	1,318,161,282
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)	1,482,972,597	1,318,161,282
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)	1,482,972,597	1,318,161,282

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Southern Indiana Gas and Electric Company	(1) ☐ An Original (2) ☒ A Resubmission	05/30/2017	End of 2016/Q4

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 (I) 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
185,599		7,920,353			1,198,434	2
						3
174,903					493,136	4
404,555		7,820,036			-117,479	5
					941	6
						7
1,172					-1,771	8
9,813,067		8,161,539			1,459,788	9
						10
10,579,296		23,901,928			3,033,049	11
						12
						13
4,501		20,735			-1,261	14
805,551		561,858				15
						16
810,052		582,593			-1,261	17
						18
						19
-4,545					3,498	20
		29,804,262			-4,812,404	21
		178,752			36	22
-1		201			35	23
-4,546		29,983,215			-4,808,835	24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
11,384,802		54,467,736			-1,777,047	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	120,333	107,553
169	(909) Informational and Instructional Expenses	16,942	15,073
170	(910) Miscellaneous Customer Service and Informational Expenses	479,651	200,123
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	616,926	322,749
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	12,543	12,685
175	(912) Demonstrating and Selling Expenses	10,417,949	8,277,068
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses	13,546	3,913
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	10,444,038	8,293,666
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	15,258,317	13,774,963
182	(921) Office Supplies and Expenses	4,944,879	4,967,264
183	(Less) (922) Administrative Expenses Transferred-Credit	2,340,800	2,396,160
184	(923) Outside Services Employed	13,125,733	12,966,825
185	(924) Property Insurance	945,688	916,599
186	(925) Injuries and Damages	1,307,519	1,431,286
187	(926) Employee Pensions and Benefits	24,545	12,950
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	1,021,493	1,102,376
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	4,225,027	3,700,629
193	(931) Rents	37,064	28,089
194	TOTAL Operation (Enter Total of lines 181 thru 193)	38,549,465	36,504,821
195	Maintenance		
196	(935) Maintenance of General Plant	289,064	231,473
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	38,838,529	36,736,294
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	345,398,428	342,919,667

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Southern Indiana Gas and Electric Company	(1) [ ] An Original (2) [X] A Resubmission	05/30/2017	End of 2016/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)	5,474,206
3	Steam	4,090,807			
4	Nuclear		23	Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional				
6	Hydro-Pumped Storage		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	136,053
7	Other	47,048			
8	Less Energy for Pumping		25	Energy Furnished Without Charge	
9	Net Generation (Enter Total of lines 3 through 8)	4,137,855	26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,528
10	Purchases	1,672,511	27	Total Energy Losses	286,440
11	Power Exchanges:		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	5,910,227
12	Received	5,338,360			
13	Delivered	5,238,499			
14	Net Exchanges (Line 12 minus line 13)	99,861			
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)	5,910,227			

PPI Commodity Data
Original Data Value

Series Id: WPUFD49207
Not Seasonally Adjusted
Series Title: PPI Commodity data for Final demand-Finished
Group: Final demand
Item: Finished goods
Base Date: 198200
Years: 2007 to 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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	176.9	179.1	179.5	179.9	179.0	179.5	180.0	180.0	181.2	181.6	182.6	179.8
2011	184.5	186.7	189.3	191.6	192.7	191.6	192.4	191.8	192.8	191.9	191.9	191.2	190.7
2012	192.1	193.0	194.5	195.0	193.8	192.9	193.3	195.5	196.9	196.4	194.5	193.8	194.3
2013	194.9	196.4	196.7	196.0	196.9	197.3	197.3	197.9	197.3	196.9	196.1	196.5	196.7
2014	198.1	198.9	200.3	202.1	201.8	202.9	203.0	202.5	201.7	200.4	198.2	195.4	200.4
2015	192.2	192.6	193.6	193.1	196.0	197.7	197.4	196.3	193.4	192.4	191.6	190.1	193.9
2016	189.9	188.8	189.2	190.3	191.7	193.8	193.5	192.6	193.2	193.7	192.4	193.7	191.9
2017	195.4	196.0	196.3	198.0	197.0	197.8	197.6	198.4	199.6	199.3	200.6	200.1	198.0

20. Macroeconomic Indicators

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

Indicators	2015	2016	2017	2018	2019	2020	2021	2022	2023	2016-2050
Real Gross Domestic Product	**16,397**	**16,652**	**17,114**	**17,499**	**17,817**	**18,236**	**18,734**	**19,221**	**19,650**	**2.1%**
Components of Real Gross Domestic Product										
Real Consumption	11,215	11,522	11,837	12,124	12,391	12,673	13,019	13,380	13,707	2.2%
Real Investment	2,869	2,816	2,986	3,164	3,221	3,343	3,488	3,610	3,693	2.6%
Real Government Spending	2,884	2,919	2,945	2,949	2,950	2,953	2,957	2,974	2,995	0.9%
Real Exports	2,121	2,114	2,204	2,268	2,351	2,489	2,657	2,809	2,946	3.9%
Real Imports	2,661	2,692	2,831	2,983	3,075	3,197	3,362	3,527	3,665	3.7%
Energy Intensity										
(thousand Btu per 2009 dollar of GDP)										
Delivered Energy	4.36	4.30	4.23	4.20	4.16	4.07	3.97	3.89	3.81	-1.7%
Total Energy	5.91	5.79	5.69	5.63	5.58	5.47	5.34	5.22	5.12	-1.8%
Price Indices (inflated at 1.020952%)		1.13896	1.16353	1.18644	1.21144	1.23837	1.26531	1.29374	1.32187	
GDP Chain-type Price Index (2009=1.000)	1.100	1.116	1.140	1.162	1.187	1.213	1.239	1.267	1.295	2.095%
Consumer Price Index (1982-84=1.00)										
All-urban	2.37	2.40	2.46	2.51	2.58	2.65	2.71	2.79	2.86	2.4%
Energy Commodities and Services	2.03	1.87	2.00	2.06	2.21	2.33	2.44	2.57	2.66	3.2%
Wholesale Price Index (1982=1.00)										
All Commodities	1.90	1.85	1.91	1.96	2.02	2.08	2.13	2.18	2.22	1.9%
Fuel and Power	1.60	1.44	1.58	1.69	1.84	1.97	2.04	2.13	2.20	3.5%
Metals and Metal Products	2.00	1.93	2.00	2.07	2.10	2.15	2.19	2.22	2.24	0.9%
Industrial Commodities excluding Energy	1.94	1.93	1.97	2.00	2.04	2.08	2.12	2.16	2.20	1.4%
Interest Rates (percent, nominal)										
Federal Funds Rate	0.13	0.42	0.98	1.76	2.59	2.95	3.04	3.09	3.08	- -
10-Year Treasury Note	2.14	1.73	2.28	2.88	3.48	3.75	3.81	3.83	3.81	- -
AA Utility Bond Rate	3.99	3.65	4.42	5.12	5.43	5.71	5.75	5.78	5.78	- -
Value of Shipments (billion 2009 dollars)										
Non-Industrial and Service Sectors	23,925	24,364	25,104	25,693	26,186	26,695	27,321	28,083	28,764	2.0%
Total Industrial	7,374	7,453	7,880	8,058	8,187	8,345	8,541	8,726	8,896	1.8%
Agriculture, Mining, and Construction	2,049	2,079	2,208	2,288	2,328	2,359	2,401	2,446	2,488	1.5%
Manufacturing	5,325	5,374	5,672	5,770	5,859	5,986	6,140	6,280	6,408	2.0%
Energy-Intensive	1,867	1,898	2,002	2,036	2,068	2,094	2,128	2,163	2,193	1.2%
Non-Energy-Intensive	3,458	3,476	3,670	3,733	3,791	3,892	4,012	4,117	4,215	2.3%
Total Shipments	**31,298**	**31,817**	**32,984**	**33,750**	**34,373**	**35,041**	**35,862**	**36,808**	**37,660**	**2.0%**
Population and Employment (millions)										
Population, with Armed Forces Overseas	322.0	324.5	327.1	329.8	332.4	335.0	337.6	340.2	342.8	0.6%
Population, aged 16 and over	256.7	259.3	261.9	264.3	266.8	269.3	271.7	274.1	276.6	0.7%
Population, aged 65 and over	48.0	49.6	51.3	53.0	54.8	56.7	58.5	60.5	62.4	1.7%
Employment, Nonfarm	141.6	144.3	146.3	147.6	148.5	149.7	151.3	153.5	155.3	0.7%
Employment, Manufacturing	12.1	12.1	12.7	13.0	13.2	13.3	13.4	13.5	13.6	0.0%
Key Labor Indicators										
Labor Force (millions)	157.1	159.2	161.2	163.1	164.7	166.0	167.0	168.1	169.3	0.6%
Nonfarm Labor Productivity (2009=1.00)	1.06	1.06	1.08	1.09	1.11	1.13	1.15	1.17	1.18	1.7%
Unemployment Rate (percent)	5.28	4.88	4.69	4.68	4.87	4.98	4.97	4.77	4.63	- -
Key Indicators for Energy Demand										
Real Disposable Personal Income	12,343	12,663	13,020	13,414	13,752	14,112	14,514	14,917	15,295	2.2%
Housing Starts (millions)	1.18	1.26	1.48	1.63	1.67	1.72	1.77	1.82	1.85	1.0%
Commercial Floorspace (billion square feet)	88.9	89.7	90.7	91.7	92.8	93.9	95.0	96.1	97.2	1.0%
Unit Sales of Light-Duty Vehicles (millions)	17.39	17.47	18.00	17.87	17.25	17.21	17.49	17.34	17.20	0.4%

GDP = Gross domestic product.

Btu = British thermal unit.

- - = Not applicable.

Sources: 2015 and 2016: IHS Markit, Macroeconomic, Industry, and Employment models, August 2016.

Projections: U.S. Energy Information Administration, AEO2017 National Energy Modeling System run ref2017.d120816a.

LEGAL NOTICE

Notice is hereby given that on or about February 28, 2018, 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 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 Rider IP-2 (Interruptible Power Service Rider), as applicable.

Vectren South anticipates approval of the filing by June 1, 2018, 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 to the Commission
Indiana Utility Regulatory Commission
PNC Center
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William Fine
Indiana Utility Consumer Counselor
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PNC Center
115 W. Washington St., Suite 1500 South
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Scott E. Albertson
Vice President, Regulatory Affairs & Gas Supply
VECTREN UTILITY HOLDINGS, INC.

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EC-1938281