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Indiana Utility Regulatory

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Via E-Mail and U.S. Mail

Dr. Bradley K. Borum
Director of Research, Policy & Planning
Indiana Utility Regulatory Commission
PNC Center
101 W. Washington Street, Suite 1500E
Indianapolis, Indiana 46204-3407
bborum@urc.in.gov

Dear Dr. Borum:

Pursuant to proposed Rule 170 IAC 4-7-2 Section 2.(a), Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren"), must submit to the Commission an IRP on November 1, 2016. The proposed rule also states that upon request, a utility may be granted an extension of its submission date by the director for good cause shown. For the reasons stated below, Vectren South requests an extension to submit its IRP by November 23, 2016.

Alcoa Power Generating, Inc. ("Alcoa") operates a large industrial facility located within Vectren's electric service territory. The industrial facility is owned by an Alcoa subsidiary, while a separate Alcoa subsidiary (APGI) owns and operates three (3) generating units, Warrick Units 1-3, each with a capacity rating of 150MW, that provide all the energy needs of the industrial facility. In addition, APGI and Vectren South jointly own an electric generating unit, Warrick Unit 4, with a capacity rating of 300 MW. Warrick Unit 4 which supplies approximately 15% of Vectren's base load generation. APGI is a contributor of electric generation to the grid within Vectren's load balancing authority through the Midcontinent Independent System Operator, Inc. ("MISO").

Alcoa has recently announced plans to shut-down part of the industrial facility (the smelter operation) in Warrick County by the end of the first quarter of 2016, although operation of its rolling mill in Warrick County is expected to continue. Alcoa plans to reorganize and split into two separate publicly traded companies on October 1, 2016. APGI and the smelter will be transferred to different companies. Vectren anticipates that Alcoa may make additional announcements on or around the October 1, 2016 separation that could significantly impact Vectren's resource planning. Vectren does not yet know how Alcoa will operate its generating resources, the potential need for

energy at the smelter or Alcoa's intentions with respect to its ownership interest in Warrick Unit 4. This level of uncertainty presents significant challenges in planning future resource needs in Vectren's service territory.

For these reasons, Vectren is requesting a three week extension in filing its 2016 IRP. This time will allow Vectren an opportunity to better reflect Alcoa's developing plans through the October 1st separation in its IRP. Vectren anticipates that the benefits to be gained from this extension will far outweigh any inconvenience that may result from it, as Vectren's ultimate goal is to present the most realistic plan for meeting its resource needs. Alcoa's future in Warrick County is a significant part of that equation. Vectren is requesting this extension well in advance of the IRP due date in order to provide stakeholders sufficient notice of the change. If Vectren's request is granted, then an announcement will be made at the first stakeholder meeting to be held in April 2016.

Sincerely,

A handwritten signature in black ink that reads "P. Jason Stephenson". The signature is written in a cursive style with a long horizontal line extending to the right.

P. Jason Stephenson