



Vectren Corporation
P.O. Box 209
Evansville, Indiana 47702-0209

May 11, 2018

Ms. Mary M. Becerra
Secretary to the Commission
Indiana Utility Regulatory Commission
PNC Center
101 W. Washington Street – Suite 1500 East
Indianapolis, IN 46204

RE: Thirty Day Filing for Vectren South-Gas Pursuant to Cause No. 45032 – REVISED 50172

Dear Ms. Becerra:

This revised filing is being made on behalf of Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (“Vectren South-Gas” or “the Company”) under the Commission’s Thirty-Day Administrative Filing Procedures and Guidelines (“Guidelines”), in accordance with the Indiana Utility Regulatory Commission’s (the “Commission”) February 16, 2018 Order in Cause No. 45032 (“Tax Reform Order”), to request approval of the following modifications to the Vectren South Tariff for Gas Service to adjust base rates for the reduction in the Federal Income Tax Rate:

1. Rate 110 – Residential Sales Service (Sheet No. 10, Page 1)
2. Rate 120 – General Sales Service (Sheet No. 12, Page 1)
3. Rate 125 – School/Government Transportation Service (Sheet No. 13, Page 1)
4. Rate 145 – General Transportation Service (Sheet No. 15, Page 1)
5. Rate 160 – Large Volume Transportation Service (Sheet No. 17, Page 1)
6. Rate 170 – Contract Transportation Service (Sheet No. 18, Page 1)

Vectren South-Gas has summarized its proposal with the Attachment to this request. In addition, Vectren South-Gas has included support for its calculations as exhibits, summarized as follows:

- Attachment 1 – summary of Vectren’s proposal related to Vectren South-Gas, Vectren South-Electric, and Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana (Vectren North).
- Exhibit A – proposed adjusted base rates and charges, reflecting the reduction in the federal income tax rate.
- Exhibit B – calculation of the required reduction to revenue as a result of the reduction in the federal income tax rate. Information per Cause No. 43112, Vectren South Gas’s most recent gas base rate case.
- Exhibit C – calculation of the required rate reduction as a result of the change in the federal income tax rate. Information per Cause No. 43112.
- Exhibit D – Redline of current Vectren South-Gas Tariff.
- Exhibit E – Clean version of proposed Vectren South-Gas Tariff.

This filing is an allowable request under the Guidelines because it is a filing required to be submitted by the Commission in the Tax Reform Order. See 170 IAC 1-6-3(8).

Vectren South-Gas affirms that a notice regarding the filing in the form attached hereto was published on March 29, 2018 in the *Evansville Courier & Press*, a newspaper of general circulation in Vanderburgh County, where the largest number of Vectren South Gas's customers is located. Vectren South-Gas also affirms that the notice has been posted on its website. Vectren South-Gas 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, whose contact information is as follows:

J. Cas Swiz
Director, Rates & Regulatory Analysis
One Vectren Square
Evansville, IN 47708
Tel: 812-491-4033
Email: jcswiz@vectren.com

The proposed tariff sheets will reflect an effective date consistent with the Commission's approval thereof.

Upon approval of the enclosed tariff sheets, please return one (1) file marked and approved copy of the tariff sheets to me for our files.

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

Sincerely,



J. Cas Swiz

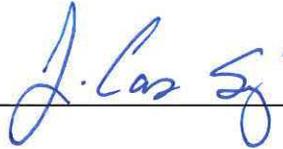
Enclosures

CC:

William Fine, Office of Utility Consumer Counselor
Todd Richardson, Lewis & Kappes, P.C.
Robert Heidorn
Jason Stephenson
Scott Albertson

VERIFICATION

I, J. Cas Swiz, Director, Rates & Regulatory Analysis for Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren South-Gas), affirm under penalties of perjury that, in addition to the attached schedules, the foregoing representations concerning the notice attached hereto are true and correct to the best of my knowledge, information, and belief. The attached notice was published in a newspaper of general circulation encompassing the highest number of the utility's customers affected by the enclosed filing. The attached notice was also published on the Vectren.com website.



J. Cas Swiz

Date: 5/11/18

Vectren Utilities' Thirty Day Filing To Reflect Rate Modifications Due To The Tax Act

Respondents Southern Indiana Gas and Electric, Inc. d/b/a Vectren Energy Delivery of Indiana ("Vectren South"), consisting of separate gas and electric utilities, and Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana ("Vectren North") (the three utilities together, the "Vectren Utilities"), in response to the February 16, 2018 order in Cause No. 45032 initiated by the Indiana Utility Regulatory Commission (the "Commission") to investigate the impacts on existing utility rates from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), hereby state as follows:

Introduction

The Commission has initiated this investigation for the purpose of determining customer rate impacts arising from the Tax Act and to establish an expedient process to reflect such impacts in customer rates. At the same time, the Commission has acknowledged the potential differences between specific utility rates and circumstances, as well as the presence of more complicated tax issues, some of which may require use of a subdocket proceeding with evidence, or use of a second phase proceeding to allow submission of evidence and additional time to fully consider such issues.

As a first step, the Commission has required all Respondents to file tariffs reflecting the impact of the Tax Act on base rates as a result of the reduction in the federal income tax rate from 35% to 21%. Such tariffs are to be presented, at least initially, in a Thirty-Day Administrative filing submitted on March 25 (or the next business day being the 26th).¹

The Vectren Utilities' Filing

The Vectren Utilities have reviewed the impacts of the Tax Act on both base rates and on excess accumulated deferred income taxes ("Excess Deferred Taxes") and are prepared to resolve all tax issues within these proceedings. The Vectren Utilities' Thirty Day filing, made separately for each individual utility, proposes rate changes to accomplish the flow back of tax benefits to customers in a reasonable manner that can commence in the near term. In addition, the Vectren Utilities propose a subdocket proceeding to establish a reasonable method for providing the benefits related to Excess Deferred Taxes over an appropriate period.

Beginning January 1, 2018, the Vectren Utilities have accrued the impact of the Tax Act on base rates. The flow back of this accrued amount will be addressed within the subdocket proceeding.

A. Base Rate Reduction.

The Vectren Utilities have followed the principle that all customers should benefit from the reduction of the federal tax rate as provided for in the Tax Act. Consistent with the Cost of Service study completed and approved for Vectren South-Electric within its last base rate case, the reduction in federal income tax expense has been allocated to each individual Rate Schedule using the percentage of taxable income within the Cost of Service Study. Schedules supporting this calculation are included within the thirty-day filing.

¹ Utility Rates are set based on evidence and after opportunity for a hearing. To assure due process, consistency and fairness, this ratemaking requirement should apply in all rate change contexts. However, in this limited circumstance given the universal tax decrease and shared interest in providing benefits to customers, the Vectren Utilities are amenable to proceeding using the expedited framework provided by the Commission, as further discussed herein.

In Vectren North's last base rate case proceeding, Cause No. 43298, a Stipulation and Settlement Agreement entered into by Vectren North and other intervening parties specifically required that the agreed upon increase in non-tracker revenue be allocated on an "across-the-board basis."² As such, Vectren North does not have an approved Cost of Service Study that can be used to determine the taxable income allocation. The schedules presented for Vectren North reflect an across-the-board allocation of the reduction in federal income tax expense, to be consistent with the Order in Cause No. 43298.

In Vectren South-Gas's last base rate case proceeding, Cause No. 43112, a Stipulation and Settlement Agreement entered into by Vectren South-Gas and other intervening parties specifically required that the agreed upon increase in non-tracker revenue be allocated on an "approximate across-the-board, gross margin basis."³ As such, Vectren South-Gas does not have an approved Cost of Service Study that can be used to determine the taxable income allocation. The schedules presented for Vectren South-Gas reflect an across-the-board allocation of the reduction in federal income tax expense, to be consistent with the Order in Cause No. 43112.

Each of the Vectren Utilities, at the time of the last base rate case, served one or more large customers per the terms of Commission approved special contracts. Within each respective Cost of Service Study, these customers were excluded from the allocation of costs, with the total special contract revenues credited against the overall cost of service-defined revenue requirement for each rate schedule. This treatment was also utilized in Vectren North and Vectren South-Gas's approved Stipulation and Settlement Agreement. As a result of the special contract arrangement and treatment within the Cost of Service Study, these customers would not receive a change in their respective contract rates; however, as part of the negotiated contract rate, it is understood that these customers paid a respective share of the Vectren Utilities' federal income tax expense.

The Vectren Utilities propose that the reductions in the rates and charges as a result of the Tax Act should also apply to these special contract customers. As such, the allocated reductions assigned to each Rate Schedule are offset by the amount of the Tax Act reductions attributed to the special contract customers, allocated based on the rate case margin (revenue less gas or fuel costs) from the last base rate case. The Vectren Utilities have calculated these special contract reductions by maintaining the currently approved contract discount off of the applicable tariff rate. In this manner all customers benefit from the Tax Act; absent such an equitable approach the contract customers would essentially lose some or all of the benefit of their negotiated rate reduction. There is no reasonable basis to exclude them from this refund.

Finally, each of the Vectren Utilities has rates and charges designed in various ways to recover the cost of service from each Rate Schedule. Income Taxes are not specifically identified as a component assigned to any particular charge. The Vectren Utilities have designed the reductions to the rates and charges as a result of the Tax Act to mirror how current base rates recover the revenue requirement. For example, a Rate Schedule that would have 25% of its revenue requirement recovered in an energy or throughput charge and 75% recovered in a demand charge would have its allocated share of the Tax Act reductions reflected in rates in this same 25% / 75% ratio.

² Order in Cause No. 43298 (February 13, 2008), page 9, Paragraph A.

³ Order in Cause No. 43112 (August 1, 2007), page 16, Paragraph A.

The Vectren Utilities note that these assumptions and impacts reflect changes to revenue requirements approved in each of the respective rate cases, some as far back as August 2007. Many factors have changed in the operation of the Vectren Utilities since these rates were approved. The approach utilized to reflect the reductions to currently approved rates is based upon the information in place at the time of the original Orders, and Vectren expects that adjustments to these assumptions will be necessary within each utility's next base rate case proceeding.

B. Other Non-Base Rate Mechanisms.

In addition to the base rates and charges, each of the Vectren Utilities has currently approved adjustment mechanisms which are also impacted by the Tax Act. As an example, for Vectren South-Gas and Vectren North, the currently approved Compliance and System Improvement Adjustment ("CSIA") includes a pre-tax rate of return which is based on a 35% federal income tax rate. The Vectren Utilities propose to address these changes in each individual mechanism filing, ensuring that any future projected recoverable costs impacted by the Tax Act are adjusted and any variances attributed to the Tax Act effective January 1, 2018 be included for reconciliation in each individual mechanism. For those that are not affected, the Vectren Utilities commit to state definitively in the next mechanism filing that it has evaluated the impacts of the Tax Act on the mechanism and determined that no adjustments are required.

Conclusion

The Vectren Utilities have proposed reasonable approaches to the flow through of Tax Act benefits to customers, using an expedited approach. The Vectren Utilities have worked with the various parties to address issues regarding the treatment of Excess Deferred Taxes and the accrued liability starting January 1, 2018, and will address this proposal as part of its subdocket proceeding.

LEGAL NOTICE

Notice is hereby given that on March 26, 2018, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (“Vectren South-Gas”) will file, in accordance with the Indiana Utility Regulatory Commission’s (the “Commission”) February 16, 2018 Order in Cause No. 45032, a request for approval to modify Vectren South-Gas Tariff for Gas Service to (1) adjust base rates for the reduction in the Federal Income Tax Rate, and (2) include in applicable Adjustments Appendix L – Excess Deferred Tax Adjustment (“EDTA”). Customers served under the following Rate Schedules will be subject to adjustments to approved rates: Rate 110 – Residential Sales Service, Rate 120 – General Sales Service, Rate 125 – School/Government Transportation Service, Rate 145 – General Transportation Service, Rate 160 – Large Volume Transportation Service, and Rate 170 – Contract Transportation Service.

Vectren South-Gas anticipates approval of the filing in May 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
101 W. Washington Street, Suite 1500 East
Indianapolis, Indiana 46204

William Fine
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 and Gas Supply
VECTREN UTILITY HOLDINGS, INC.

PUBLISHER'S CLAIM + TEARSHEET + INVOICE

Newspaper: Evansville Courier & Press
Address: P.O. Box 268
City, State, ZIP: Evansville, IN 47702-0268
County: Vanderburgh
Customer: Regulatory Affairs

Order/invoice number: Tax Act Changes Vectren South Gas
Publication date(s): 3/29/2018
Total amount of claim: \$135.10
Admin Fee: \$13.51
Total Charge: \$148.61

PREPAID

LEGAL NOTICE
Notice is hereby given that on March 26, 2018, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South-Gas") will file, in accordance with the Indiana Utility Regulatory Commission's (the "Commission") February 16, 2018 Order in Cause No. 45032, a request for approval to modify Vectren South-Gas Tariff for Gas Service to (1) adjust base rates for the reduction in the Federal Income Tax rate, and (2) include in applicable Adjustments Appendix L - Excess Deferred Tax Adjustment ("EDTA"). Customers served under the following Rate Schedules will be subject to adjustments to approved rates: Rate 110 - Residential Sales Service, Rate 120 - General Sales Service, Rate 125 - School/Government Transportation Service, Rate 145 - General Transportation Service, Rate 160 - Large Volume Transportation Service, and Rate 170 - Contract Transportation Service.

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Counselor
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115 W. Washington St., Suite
1500 South
Indianapolis, Indiana 46204
Scott E. Albertson
Vice President, Regulatory
Affairs and Gas Supply
VECTREN UTILITY HOLDINGS,
INC.
Pub: March 29, 2018 hspaxip



The image shows a newspaper page with a large advertisement at the top for 'CP Local, fed.com'. Below the ad are several columns of text, including a 'Legal Notice' section and various news articles. The text is dense and difficult to read in detail, but the layout is typical of a newspaper page.

I hereby certify publication of this notice on the above date(s)

Stephen A. Key
Signature

Executive director and general counsel,
Hoosier State Press Association
Title

3/29/2018
Date

**Vectren South-Gas
Federal Tax Reform Adjustments
Cause No. 45032**

Exhibit A – Vectren South-Gas Base Rate Changes (2 pages)

Exhibit B – Vectren South-Gas Revenue Requirement from Cause No. 43112 (2 pages)

Exhibit C – Vectren South-Gas Base Rate Cost Allocations from Cause No. 43112 (2 pages)

Exhibit D – Vectren South-Gas Tariff – Redline (6 pages)

Exhibit E – Vectren South-Gas Tariff – Clean (6 pages)

Vectren South-Gas
Federal Tax Reform Rate Adjustments
Base Rates

Total Revenue Reduction
Base Rates

\$ (1,839,298) Exhibit B, Line 1

Line No.	Rate Schedule	Current Base Rates	Adjustment	Proposed Base Rates	Proof	
					Rate Case Billing Determinants	Impact of Credit
1	Residential Sales Service - Rate 110					
2	Customer Facilities Charge	\$ 11.00	\$ -	\$ 11.00		
3	Distribution Charge - First 50 Therms	Note 1 \$ 0.1800	\$ (0.0180)	\$ 0.1620	38,794,245	\$ (699,115)
4	Distribution Charge - Over 50 Therms	Note 1 \$ 0.1447	\$ (0.0145)	\$ 0.1302	36,141,699	\$ (523,584)
						\$ (1,222,699)
5	General Sales Service - Rate 120					
6	Customer Facilities Charge - Group 1	\$ 22.00	\$ -	\$ 22.00		
7	Customer Facilities Charge - Group 2	\$ 44.00	\$ -	\$ 44.00		
8	Customer Facilities Charge - Group 3	\$ 88.00	\$ -	\$ 88.00		
9	Distribution Charge - First 500 Therms	Note 1 \$ 0.1164	\$ (0.0104)	\$ 0.1060	12,978,113	\$ (134,885)
10	Distribution Charge - Over 500 Therms	Note 1 \$ 0.0855	\$ (0.0076)	\$ 0.0779	27,614,096	\$ (210,813)
						\$ (345,698)
11	School/Government Transportation Service - Rate 125					
12	Customer Facilities Charge - Group 1	\$ 22.00	\$ -	\$ 22.00		
13	Customer Facilities Charge - Group 2	\$ 44.00	\$ -	\$ 44.00		
14	Customer Facilities Charge - Group 3	\$ 88.00	\$ -	\$ 88.00		
15	Distribution Charge - First 500 Therms	Note 1 \$ 0.1164	\$ (0.0104)	\$ 0.1060		\$ -
16	Distribution Charge - Over 500 Therms	Note 1 \$ 0.0855	\$ (0.0076)	\$ 0.0779		\$ -
						\$ -
17	General Transportation Service - Rate 145					
18	Customer Facilities Charge - Group 1	\$ 22.00	\$ -	\$ 22.00		
19	Customer Facilities Charge - Group 2	\$ 44.00	\$ -	\$ 44.00		
20	Customer Facilities Charge - Group 3	\$ 88.00	\$ -	\$ 88.00		
21	Distribution Charge - First 500 Therms	Note 1 \$ 0.1164	\$ (0.0104)	\$ 0.1060	186,468	\$ (1,938)
22	Distribution Charge - Over 500 Therms	Note 1 \$ 0.0855	\$ (0.0076)	\$ 0.0779	6,684,357	\$ (51,030)
						\$ (52,968)
23	Large Volume Transportation Service - Rate 160					
24	Customer Facilities Charge	\$ 400.00	\$ -	\$ 400.00		
25	Distribution Charge - First 50,000 therms	Note 1 \$ 0.0645	\$ (0.0033)	\$ 0.0612	17,968,180	\$ (58,978)
26	Distribution Charge - Next 200,000 therms	Note 1 \$ 0.0553	\$ (0.0028)	\$ 0.0525	23,188,010	\$ (65,255)
27	Distribution Charge - Over 250,000 therms	Note 1 \$ 0.0467	\$ (0.0024)	\$ 0.0443	9,177,440	\$ (21,810)
						\$ (146,044)
28	Contract Transportation Service - Rate 170					
29	Customer Facilities Charge	\$ 700.00	\$ -	\$ 700.00		
30	Distribution Charge - First 1,750,000 therms	Note 1 \$ 0.0162	\$ (0.0008)	\$ 0.0154	53,916,590	\$ (42,770)
31	Distribution Charge - Next 1,750,000 therms	Note 1 \$ 0.0085	\$ (0.0004)	\$ 0.0081	24,602,890	\$ (10,240)
32	Distribution Charge - Over 3,500,000 therms	Note 1 \$ 0.0037	\$ (0.0002)	\$ 0.0035	555,654	\$ (101)
						\$ (53,111)

Note 1: See Page 2 for details of individual rate reduction calculations

**Vectren South-Gas
Federal Tax Reform Rate Adjustments
Base Rates**

	Throughput (Therms)	Existing Rates	Amounts	Percents	Reduction	Rate Reduction
32 Residential Sales Service - Rate 110						
33 Distribution Charge - First 50 Therms	38,794,245	\$ 0.1800	\$ 6,982,964	57%	\$ (699,115)	\$ (0.0180)
34 Distribution Charge - Over 50 Therms	36,141,699	\$ 0.1447	\$ 5,229,704	43%	\$ (523,584)	\$ (0.0145)
35					\$ (1,222,699)	
36 General Service - Rate 120/125/145						
37 Distribution Charge - First 500 Therms	13,164,581	\$ 0.1164	\$ 1,532,357	34%	\$ (136,823)	\$ (0.0104)
38 Distribution Charge - Over 500 Therms	34,298,453	\$ 0.0855	\$ 2,932,518	66%	\$ (261,843)	\$ (0.0076)
39					\$ (398,666)	
40 Large Volume Transportation Service - Rate 160						
41 Distribution Charge - First 50,000 therms	17,968,180	\$ 0.0645	\$ 1,158,948	40%	\$ (58,978)	\$ (0.0033)
42 Distribution Charge - Next 200,000 therms	23,188,010	\$ 0.0553	\$ 1,282,297	45%	\$ (65,255)	\$ (0.0028)
43 Distribution Charge - Over 250,000 therms	9,177,440	\$ 0.0467	\$ 428,586	15%	\$ (21,810)	\$ (0.0024)
44					\$ (146,044)	
45 Contract Transportation Service - Rate 170						
46 Distribution Charge - First 1,750,000 therms	53,916,590	\$ 0.0162	\$ 873,449	81%	\$ (42,770)	\$ (0.0008)
47 Distribution Charge - Next 1,750,000 therms	24,602,890	\$ 0.0085	\$ 209,125	19%	\$ (10,240)	\$ (0.0004)
48 Distribution Charge - Over 3,500,000 therms	555,654	\$ 0.0037	\$ 2,056	0%	\$ (101)	\$ (0.0002)
49					\$ (53,111)	

**Vectren South-Gas
Cause No. 43112
Federal Tax Reform - Base Rate Adjustment**

	Cause No. 43112		Adjusted		Tax Rate	Rate Case
	Rate Case		Rate Case		Adjustments	Revised
	Original	Proposed Rates				
1 Revenue	\$ 159,778,701	\$ 159,778,701	\$ (1,839,298)	\$	\$ 157,939,403	1
2 Cost of Sales	\$ 117,558,782	\$ 117,558,782	\$	\$	\$ 117,558,782	2
3 Total O&M Expense	\$ 20,543,979	\$ 20,543,979	\$ (13,979)	\$	\$ 20,530,000	3
4 Depreciation and Amortization	\$ 5,544,105	\$ 5,544,105	\$	\$	\$ 5,544,105	4
5 Revenue Taxes	\$ 2,222,792	\$ 2,222,792	\$ (25,750)	\$	\$ 2,197,042	5
6 Property Taxes	\$ 902,736	\$ 902,736	\$	\$	\$ 902,736	6
7 Interest Expense	\$ 2,932,220	\$ 2,932,220	\$	\$	\$ 2,932,220	7
8 Total Income Taxes	\$ 4,246,147	\$ 2,947,058	\$ (500,480)	\$	\$ 2,446,578	8
9 Net Income - Booked	\$ 5,827,940	\$ 7,127,029	\$ (1,299,089)	\$	\$ 5,827,940	9
10 Net Operating Income	\$ 8,760,160	\$ 10,059,249	\$ (1,299,089)	\$	\$ 8,760,160	10
11 NOI Excess above Authorized		\$ (1,299,089)				11
12 Revenue Conversion Factor	58.11%	70.63%				12
13 Required Reduction to Revenue		\$ (1,839,298)				13
14 State Tax Calculation:						14
15 Revenue	\$ 159,778,701	\$ 159,778,701	\$	\$	\$ 157,939,403	15
16 Cost of Sales	\$ 117,558,782	\$ 117,558,782	\$	\$	\$ 117,558,782	16
17 Total O&M Expense	\$ 20,543,979	\$ 20,543,979	\$	\$	\$ 20,530,000	17
18 Depreciation and Amortization	\$ 5,544,105	\$ 5,544,105	\$	\$	\$ 5,544,105	18
19 Property Taxes	\$ 902,736	\$ 902,736	\$	\$	\$ 902,736	19
20 Interest Expense	\$ 2,932,220	\$ 2,932,220	\$	\$	\$ 2,932,220	20
21 Pre-Deductions	\$ 12,296,879	\$ 12,296,879	\$	\$	\$ 10,471,560	21
22 Permanent Differences	\$ 273,615	\$ 273,615	\$	\$	\$ 273,615	22
23 State Taxable Income	\$ 12,570,494	\$ 12,570,494	\$	\$	\$ 10,745,175	23
24 State Tax Rate	8.50%	8.50%			8.50%	24
25 Calculated State Taxes	\$ 1,068,492	\$ 1,068,492	\$	\$	\$ 913,340	25
26 Permanent Credit	\$ -	\$ -	\$	\$	\$ -	26
27 State Taxes in Base Rates	\$ 1,068,492	\$ 1,068,492	\$	\$	\$ 913,340	27
28 State Taxable Income	\$ 12,570,494	\$ 12,570,494	\$	\$	\$ 10,745,175	28
29 Calculation Exclusion	\$ -	\$ -	\$	\$	\$ -	29
30 Kentucky Taxable Income	\$ 12,570,494	\$ 12,570,494	\$	\$	\$ 10,745,175	30
31 Kentucky State Tax Rate	0.000000%	0.000000%			0.000000%	31
32 Kentucky State Tax	\$ -	\$ -	\$	\$	\$ -	32
33 Federal Income Tax Calculation:						33
34 Revenue	\$ 159,778,701	\$ 159,778,701	\$	\$	\$ 157,939,403	34
35 Cost of Sales	\$ 117,558,782	\$ 117,558,782	\$	\$	\$ 117,558,782	35
36 Total O&M Expense	\$ 20,543,979	\$ 20,543,979	\$	\$	\$ 20,530,000	36
37 Depreciation and Amortization	\$ 5,544,105	\$ 5,544,105	\$	\$	\$ 5,544,105	37
38 Property Taxes	\$ 902,736	\$ 902,736	\$	\$	\$ 902,736	38
39 Interest Expense	\$ 2,932,220	\$ 2,932,220	\$	\$	\$ 2,932,220	39
40 Revenue Taxes	\$ 2,222,792	\$ 2,222,792	\$	\$	\$ 2,197,042	40
41 State Income Taxes	\$ 1,068,492	\$ 1,068,492	\$	\$	\$ 913,340	41
42 Pre-Deductions	\$ 9,005,595	\$ 9,005,595	\$	\$	\$ 7,361,178	42
43 Permanent Differences	\$ 273,615	\$ 273,615	\$	\$	\$ 273,615	43
44 Federal Taxable Income	\$ 9,279,210	\$ 9,279,210	\$	\$	\$ 7,634,793	44
45 Federal Tax Rate	35.00%	21.00%			21.00%	45
46 Calculated Federal Taxes	\$ 3,247,724	\$ 1,948,634	\$	\$	\$ 1,603,307	46
47 Permanent Credit	\$ (70,068)	\$ (70,068)	\$	\$	\$ (70,068)	47
48 Federal Taxes in Base Rates	\$ 3,177,656	\$ 1,878,566	\$	\$	\$ 1,533,239	48
49 Total Income Taxes	\$ 4,246,147	\$ 2,947,058	\$	\$	\$ 2,446,578	49
50 Per Rate Case	\$ 4,246,147					50
51 Difference	\$ 0					51

**Vectren South-Gas
Cause No. 43112
Federal Tax Reform - Base Rate Adjustment**

1	Revenue Conversion Factor:				1
2	One	1.000000	1.000000	1.000000	2
3	Less: IURC Fee	0.001100	0.001100	0.001100	3
4	Less: IURT	0.014000	0.014000	0.014000	4
5	Less: Bad Debt	0.006500	0.006500	0.006500	5
6	One Less IURC Fee and IURT	<u>0.978400</u>	<u>0.978400</u>	<u>0.978400</u>	6
7	One	1.000000	1.000000	1.000000	7
8	Less: IURC Fee	0.001100	0.001100	0.001100	8
9	Less: Bad Debt	<u>0.006500</u>	<u>0.006500</u>	<u>0.006500</u>	9
10	Taxable Adjusted IURT	0.992400	0.992400	0.992400	10
11	State Income Tax Rate	<u>0.085000</u>	<u>0.085000</u>	<u>0.085000</u>	11
12	Adjusted Gross Income Tax	0.084354	0.084354	0.084354	12
13	Adjusted Gross Income Tax	<u>0.894046</u>	<u>0.894046</u>	<u>0.894046</u>	13
14	One	1.000000	1.000000	1.000000	14
15	Less: Federal Income Tax Rate	0.350000	0.210000	0.210000	15
16	One Less Federal Income Tax Rate	<u>0.650000</u>	<u>0.790000</u>	<u>0.790000</u>	16
17	Effective Incremental Revenue/NOI Conversion Factor	<u><u>58.11%</u></u>	<u><u>70.63%</u></u>	<u><u>70.63%</u></u>	17

**Vectren South-Gas
Cause No. 43112
Federal Tax Reform - Base Rate Adjustment**

Revenue Reduction - Tax Reform	\$								
		(1,839,298)	[A]						
1	Total Margin	\$ 38,339,064	\$ 25,749,316	\$ 8,395,674	\$ 3,075,595	\$ 1,118,479			
2		100.0000%	67.1621%	21.8985%	8.0221%	2.9173%			
3	Fixed Cost Recovery - Throughput		100.0000%	100.0000%	100.0000%	100.0000%			
4	Total Throughput (Therms)	251,807,742	74,935,944	47,463,034	50,333,630	79,075,134			
5	**Allocate Tax Reform Credit**								
6	Total Margin	\$ 38,339,064							
7	Tax Reform Credit	\$ (1,839,298)							
8	Tax Reduction Percentage	-4.80%							
9	Tax Reform Credit Allocation	\$ (1,839,298)	(1,235,311)	(402,778)	(147,550)	(53,658)			
10	Tax Reform Credit - Throughput	\$ (1,839,298)	(1,235,311)	(402,778)	(147,550)	(53,658)			
11	Tax Reform Credit - Throughput	\$	(0.01648)	(0.00849)	(0.00293)	(0.00068)			
12	**Allocate Special Contract Impact**								
13	Special Contract Change								
14	Special Contract Change	\$ 18,778							
15	Total Tax Reform - Special Contract	\$ 18,778							
16	Total Margin Allocation		67.1621%	21.8985%	8.0221%	2.9173%			
17	Special Contract Change	\$ 18,778	12,612	4,112	1,506	548			
18	Special Contract Change - Throughput	\$ 18,778	12,612	4,112	1,506	548			
19	Special Contract Change - Throughput	\$	0.00017	0.00009	0.00003	0.00001			
20	Net Rate Charge - Energy Charge	[Line 11 + Line 19]	\$ (0.01632)	\$ (0.00840)	\$ (0.00290)	\$ (0.00067)			
21	Proof								
22	Throughput Charge	\$ (1,820,520)	\$ (1,222,699)	\$ (398,666)	\$ (146,044)	\$ (53,111)			
23	Special Contract	\$ (18,778)							
24	Total	\$ (1,839,298)							
24	Variance	\$ -							

Note 1 - Rates calculated represent the average rate for each rate schedule. For those that have multiple step rates, specific credits are determined by rate schedule in Exhibit A.

**Vectren South-Gas
Cost of Service Study Workpapers
Cause No. 43112**

Workpapers to Exhibit C

	<u>TOTAL</u>	<u>Rate 110</u>	<u>Rate 120/125/145</u>	<u>Rate 160</u>	<u>Rate 170</u>
[1] Throughput (Therms)	251,807,742	74,935,944	47,463,034	50,333,630	79,075,134
[2] Margin	\$ 38,339,064	\$ 25,749,316	\$ 8,395,674	\$ 3,075,595	\$ 1,118,479
[3] Miscellaneous Revenues	\$ 2,073,934				
[4] Rounding	\$ (12)				
[5] Total Margin without Gas Cost IURT	\$ 40,412,986				
[6] Gas Cost Related IURT	\$ 1,806,588				
[7] Rounding	\$ 345				
[8] Total Margin without Gas Costs	\$ 42,219,919				

Source: IURC Cause No. 43112 - Tariff Sheet Compliance Filing - 7/19/2010

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C No. G-11

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RATE 110 **RESIDENTIAL SALES SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable only to Residential Customers.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service. Transportation Service is not provided under this Rate Schedule. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$11.00

Distribution Charge:

First 50 therms @ \$0.1620 per therm

Over 50 therms @ \$0.1302 per therm

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Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

TERMS AND CONDITIONS

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 120 **GENERAL SALES SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage is less than 500,000 therms and whose Maximum Daily Usage is less than 15,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service. Transportation Service is not provided under this Rate Schedule. Gas Service provided under this Rate Schedule shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATE AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

Group 1: \$22.00
Group 2: \$44.00
Group 3: \$88.00

Distribution Charge:

First 500 Therms @ \$0.~~1060~~ per therm
Over 500 therms @ \$0.~~0779~~ per therm

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Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Effective:

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 125 **SCHOOL/GOVERNMENT TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer

- 1) whose Annual Usage is less than 50,000 therms and
- 2) for which payment of rates and charges to Company is the responsibility of an Educational Institution or Government Entity, which elects service hereunder.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge –

- Group 1: \$22.00
- Group 2: \$44.00
- Group 3: \$88.00

Distribution Charge -

- First 500 therms @ \$0.~~1060~~ per therm
- Over 500 therms @ \$0.~~0779~~ per therm

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Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Related Charges –

Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Effective: _____

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 145 GENERAL TRANSPORTATION SERVICE

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer that:

1. has an Annual Usage of greater than or equal to 50,000 therms and less than 500,000 therms,
2. has a Maximum Daily Usage of less than 15,000 therms,
3. complies with the Measurement Requirement section of this Rate Schedule, and
4. enters into a written contract with Company to receive Gas Service under this Rate Schedule.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge:

- Group 1: \$22.00
- Group 2: \$44.00
- Group 3: \$88.00

Distribution Charge:

Applicable to all therms delivered to Customer during the billing month.

- First 500 therms @ \$0.~~1060~~ per therm
- Over 500 therms @ \$0.0~~779~~ per therm

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Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Riders:

The following Riders shall be available to qualified Customers:

- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider

Related Charges: Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges –

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Effective:

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 160 **LARGE VOLUME TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be in the Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage is equal to or greater than 500,000 therms and less than 10,000,000 therms or whose Maximum Daily Usage is equal to or greater than 15,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Interim Supply Service, as described below, may also be provided under this Rate Schedule, at Company's sole discretion. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$400.00

Distribution Charge:

First 50,000 therms @ \$0.06~~12~~ per therm

Next 200,000 therms @ \$0.05~~25~~ per therm

Over 250,000 therms @ \$0.04~~43~~ per therm

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Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Riders:

The following Riders shall be available to qualified Customers:

- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Related Charges: Customer shall reimburse Company for all charges incurred in connection with interstate pipeline transportation of Customer-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Effective: ▾

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 170 **CONTRACT TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be in the Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage equals or exceeds 10,000,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:
\$700.00

Distribution Charge:

First 1,750,000 therms @ \$0.01~~54~~ per therm
Next 1,750,000 therms @ \$0.00~~81~~ per therm
Over 3,500,000 therms @ \$0.00~~35~~ per therm

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Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Related Charges:

Customer shall reimburse Company for all charges incurred in connection with interstate pipeline transportation of Customer-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

CONTRACT

Customer shall enter into a written contract, which specifies the hourly and daily maximum gas requirements of Customer, and any other terms reasonably required by Company. The contract shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter, subject to cancellation by either party after written notice submitted not less than ninety days prior to the end of the initial term or any succeeding annual term. However, in no event shall the contract expire during the Winter Season, unless such mid-winter termination date is mutually agreed upon.

Effective: ▼

Deleted: September 9, 2014

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C No. G-11

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RATE 110 **RESIDENTIAL SALES SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable only to Residential Customers.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service. Transportation Service is not provided under this Rate Schedule. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$11.00

Distribution Charge:

First 50 therms @ \$0.1620 per therm
Over 50 therms @ \$0.1302 per therm

Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

TERMS AND CONDITIONS

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

Effective:

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 120 **GENERAL SALES SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage is less than 500,000 therms and whose Maximum Daily Usage is less than 15,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service. Transportation Service is not provided under this Rate Schedule. Gas Service provided under this Rate Schedule shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATE AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

Group 1: \$22.00

Group 2: \$44.00

Group 3: \$88.00

Distribution Charge:

First 500 Therms @ \$0.1060 per therm

Over 500 therms @ \$0.0779 per therm

Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Effective:

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 125

SCHOOL/GOVERNMENT TRANSPORTATION SERVICE

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer

- 1) whose Annual Usage is less than 50,000 therms and
- 2) for which payment of rates and charges to Company is the responsibility of an Educational Institution or Government Entity, which elects service hereunder.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge –

- Group 1: \$22.00
- Group 2: \$44.00
- Group 3: \$88.00

Distribution Charge -

- First 500 therms @ \$0.1060 per therm
- Over 500 therms @ \$0.0779 per therm

Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider
- Appendix K – Compliance and System Improvement Adjustment

Related Charges –

Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Effective:

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

Sheet No. 15
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RATE 145 **GENERAL TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer that:

1. has an Annual Usage of greater than or equal to 50,000 therms and less than 500,000 therms,
2. has a Maximum Daily Usage of less than 15,000 therms,
3. complies with the Measurement Requirement section of this Rate Schedule, and
4. enters into a written contract with Company to receive Gas Service under this Rate Schedule.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge:

- Group 1: \$22.00
- Group 2: \$44.00
- Group 3: \$88.00

Distribution Charge:

- Applicable to all therms delivered to Customer during the billing month.
- First 500 therms @ \$0.1060 per therm
- Over 500 therms @ \$0.0779 per therm

Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Riders:

The following Riders shall be available to qualified Customers:

- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider

Related Charges: Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges –

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Effective:

RATE 160 **LARGE VOLUME TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout the Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be in the Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage is equal to or greater than 500,000 therms and less than 10,000,000 therms or whose Maximum Daily Usage is equal to or greater than 15,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Interim Supply Service, as described below, may also be provided under this Rate Schedule, at Company's sole discretion. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$400.00

Distribution Charge:

First 50,000 therms @ \$0.0612 per therm

Next 200,000 therms @ \$0.0525 per therm

Over 250,000 therms @ \$0.0443 per therm

Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Riders:

The following Riders shall be available to qualified Customers:

- Rider ED – Economic Development Rider
- Rider AD – Area Development Rider

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Related Charges: Customer shall reimburse Company for all charges incurred in connection with interstate pipeline transportation of Customer-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Effective:

Southern Indiana Gas and Electric Company D/B/A
Vectren Energy Delivery of Indiana, Inc. (Vectren South)
Tariff for Gas Service
I.U.R.C. No. G-11

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RATE 170

CONTRACT TRANSPORTATION SERVICE

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be in the Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage equals or exceeds 10,000,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$700.00

Distribution Charge:

First 1,750,000 therms @ \$0.0154 per therm

Next 1,750,000 therms @ \$0.0081 per therm

Over 3,500,000 therms @ \$0.0035 per therm

Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix K – Compliance and System Improvement Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Related Charges:

Customer shall reimburse Company for all charges incurred in connection with interstate pipeline transportation of Customer-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

CONTRACT

Customer shall enter into a written contract, which specifies the hourly and daily maximum gas requirements of Customer, and any other terms reasonably required by Company. The contract shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter, subject to cancellation by either party after written notice submitted not less than ninety days prior to the end of the initial term or any succeeding annual term. However, in no event shall the contract expire during the Winter Season, unless such mid-winter termination date is mutually agreed upon.

Effective: