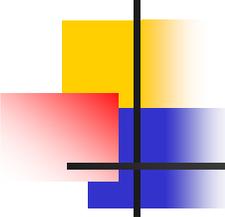




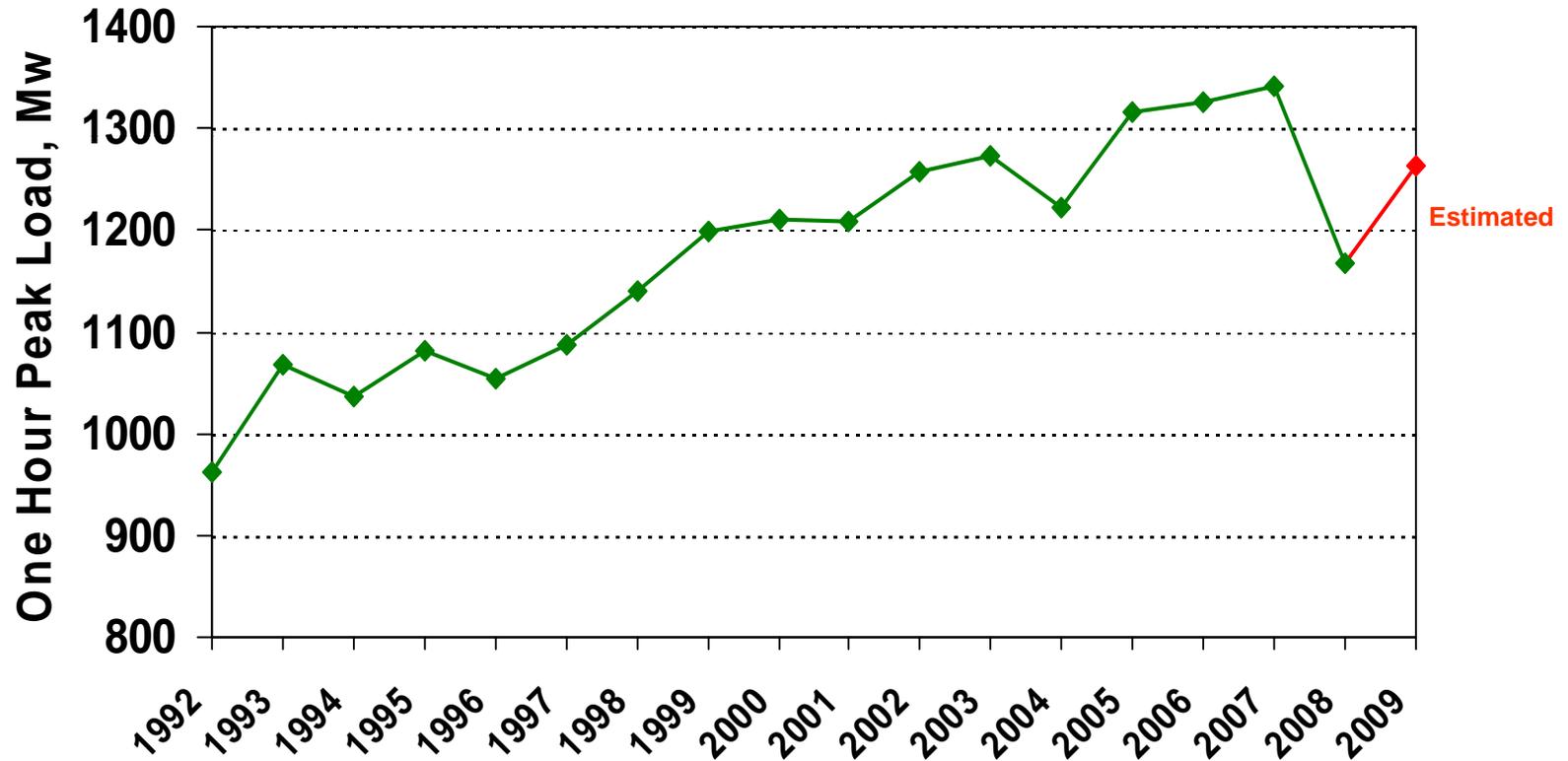
Summer 2009 Outlook



Summer 2009 Outlook

- Demand Forecast
- Supply Resources
- Demand Side Management
- Contingencies
- Operational Performance
- Asset Management
- MISO
- Conclusion

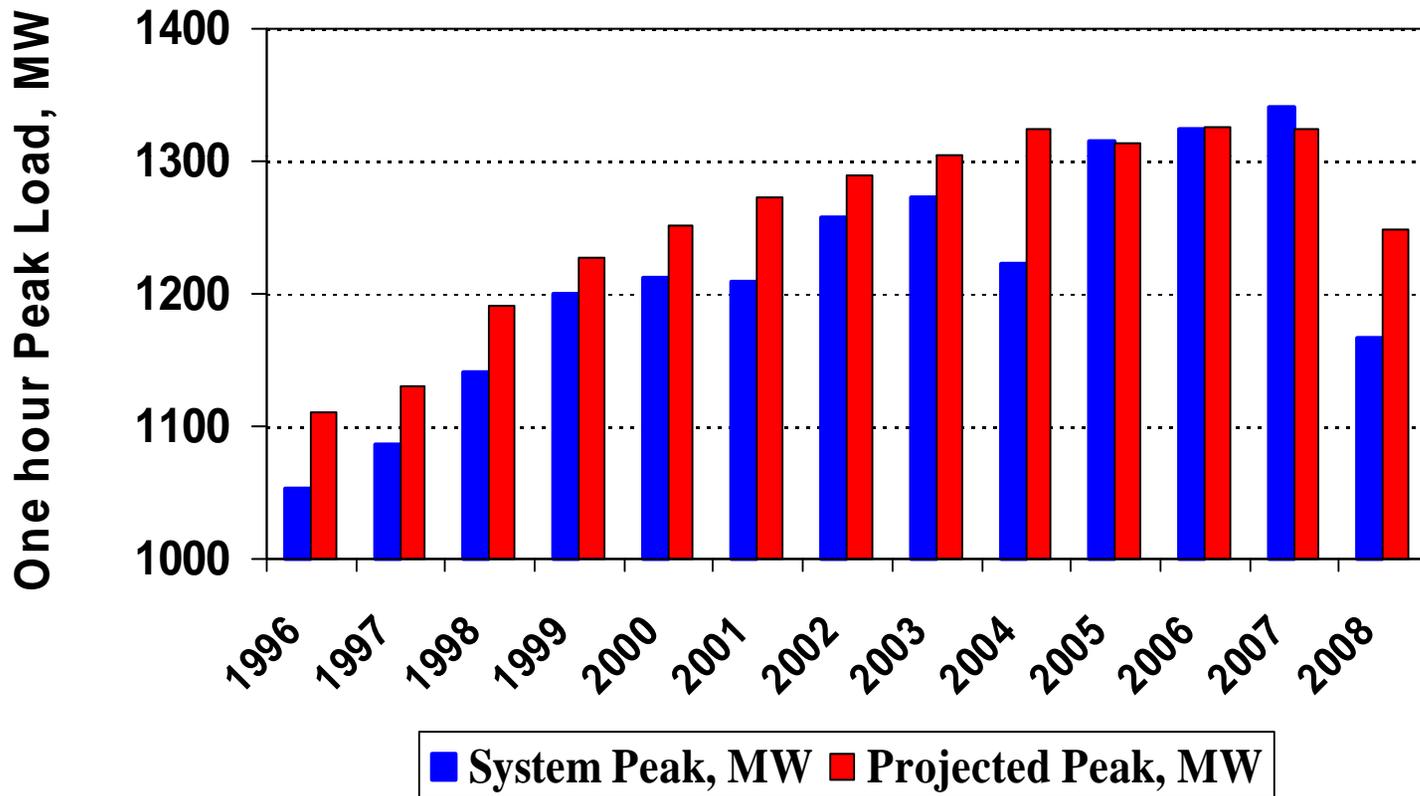
Summer Peak Load Demand Forecast



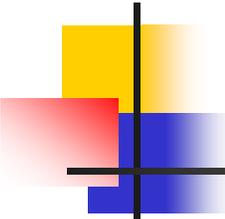
Note: 2008 Peak drop due to loss of Municipal load.

Summer Peak Load

Peak Forecast vs Actual Peak

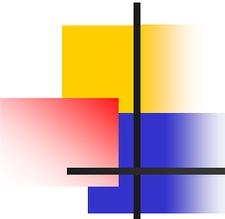


Note: 2008 Peak temperature 6° below planning temperature.



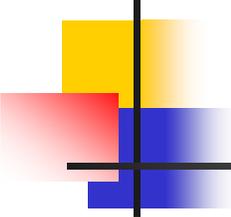
Vectren System Capacity Summer Supply Resources

- Coal Generation	1000 MW
- Combustion Turbine	295 MW
- OVEC (Ohio Valley Electric Corporation)	30 MW
-Purchased Peaking Capacity	100 MW
<u>-Renewable Capacity (wind, landfill methane)</u>	<u>9 MW</u>
Supply Side Resources	1434 MW
- Interruptible Customers	38 MW
- Direct Load Control, normal	<u>25 MW</u>
TOTAL	1497 MW



Vectren System Capacity Meet Summer Projected Peak

- System Capability	1434 MW
- Interruptible	38 MW
- DLC (normal)	<u>25 MW</u>
- Total Capability	1497 MW
2009 PROJECTED PEAK	1199 MW
-firm wholesale	<u>64 MW</u>
	1263 MW
Reserve Margin (18.5%)	234 MW
Capacity Margin (13.5%)	171 MW

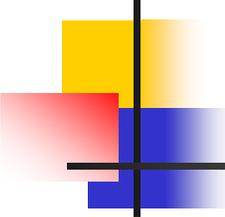


Demand Side Management Meet Summer Projected Peak

- Continuation of Direct Load Control Program
 - 25-50 MW (based on cycling strategy)
 - 39,200 Residential Switches (25% of customers)
 - 2,500 Business Switches (4% of customers)
 - Marketing Efforts
 - Web Site (www.vectren.com)
 - Future - new DSM thru collaborative

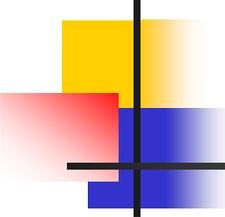
- Net Metering Tariff Available

Note: Based on current approvals – case pending with Commission will impact future DSM.



Contingencies Meet Summer Projected Peak

- Follow MISO Direction
- MISO Automatic Reserve Sharing As Needed
- Contractual Capacity Reserves 25 – 150 MW
- Internal Use Reduction Plans 10 MW
- Conservation Request 30 MW
- Emergency Load Reduction Plan Last Resort



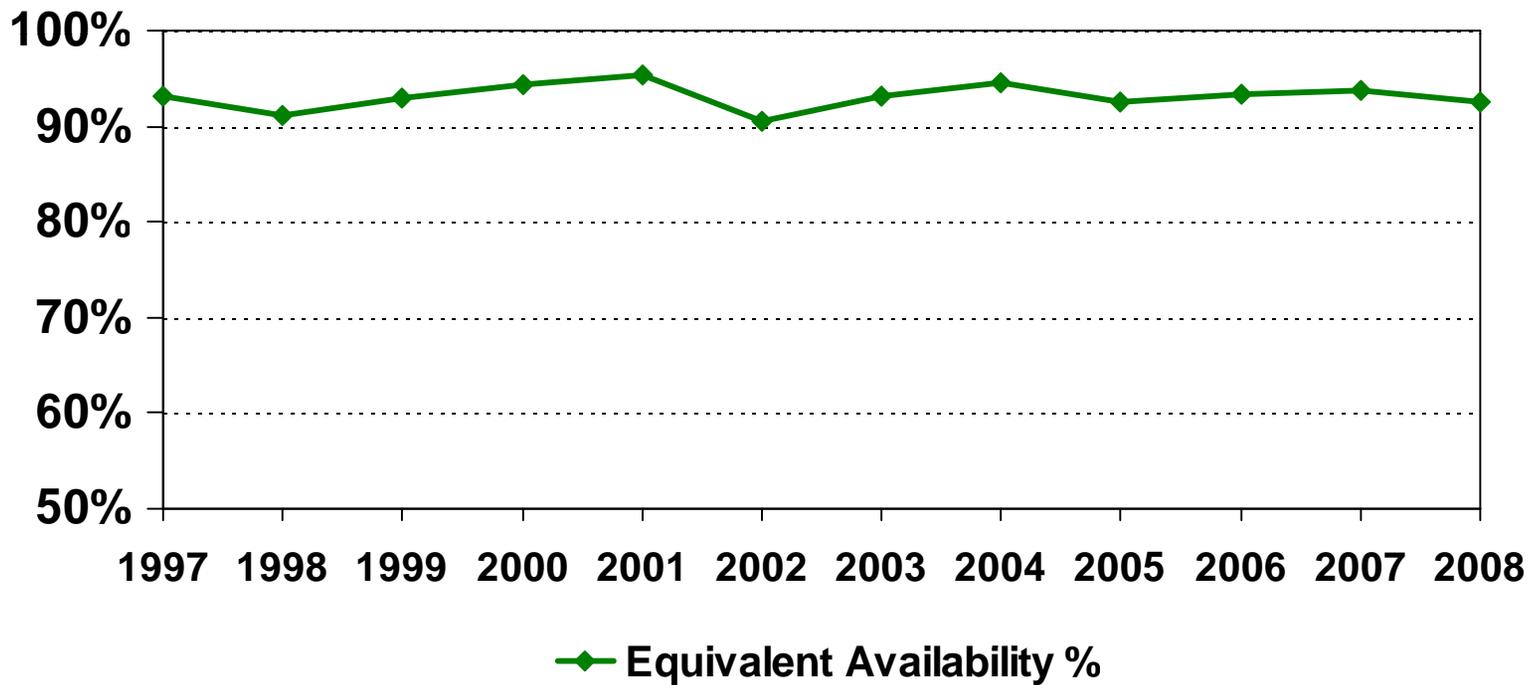
Contingencies

Meet Summer Projected Peak - Conservation

- News Release
- Media Spots
- Key Account Managers Request Major Customer Load Reduction
- Contact Center – Request Usage Reduction

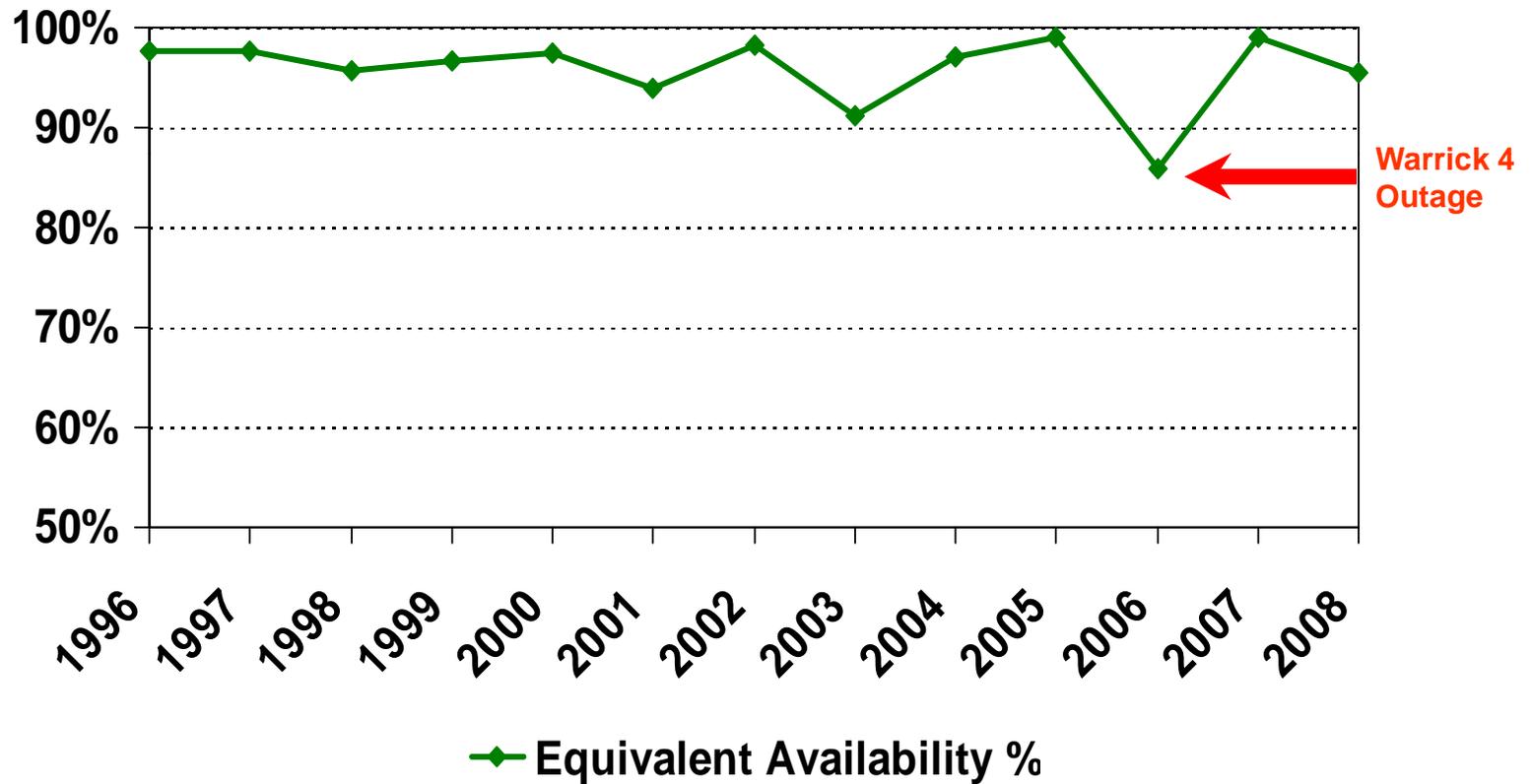
Operational Performance

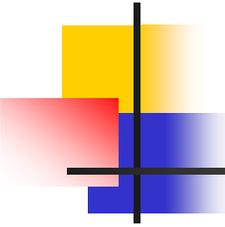
June through September Equivalent Availability



Operational Performance

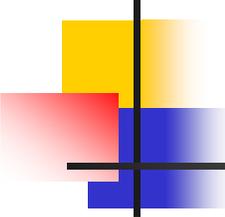
Summer Peak Hour Equivalent Availability





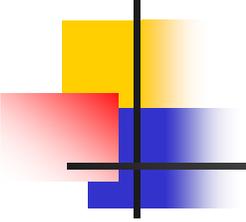
Asset Management Generation

- Scheduled Outages
 - Scheduled outages to ensure the reliability of the generating fleet. Will be complete within 10 days.
- Capital Improvements
 - Continue to identify/evaluate asset risks for replacement or improvements.
- 2008 System Equivalent Availability – 88.8%



Asset Management Transmission & Distribution

- Capital Improvements
 - Continued implementation of needed system improvements and upgrading of existing facilities.
 - Continued transmission and distribution pole inspection/replacement program.
 - Development of 345kv transmission intertie.
- Enhance Reliability/Improve Transfer Capability
 - Multiple distribution substation upgrades.
 - Expanded Line Clearance Program.
 - Overhead Reliability Program

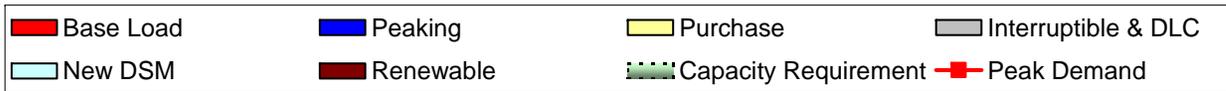


M I S O

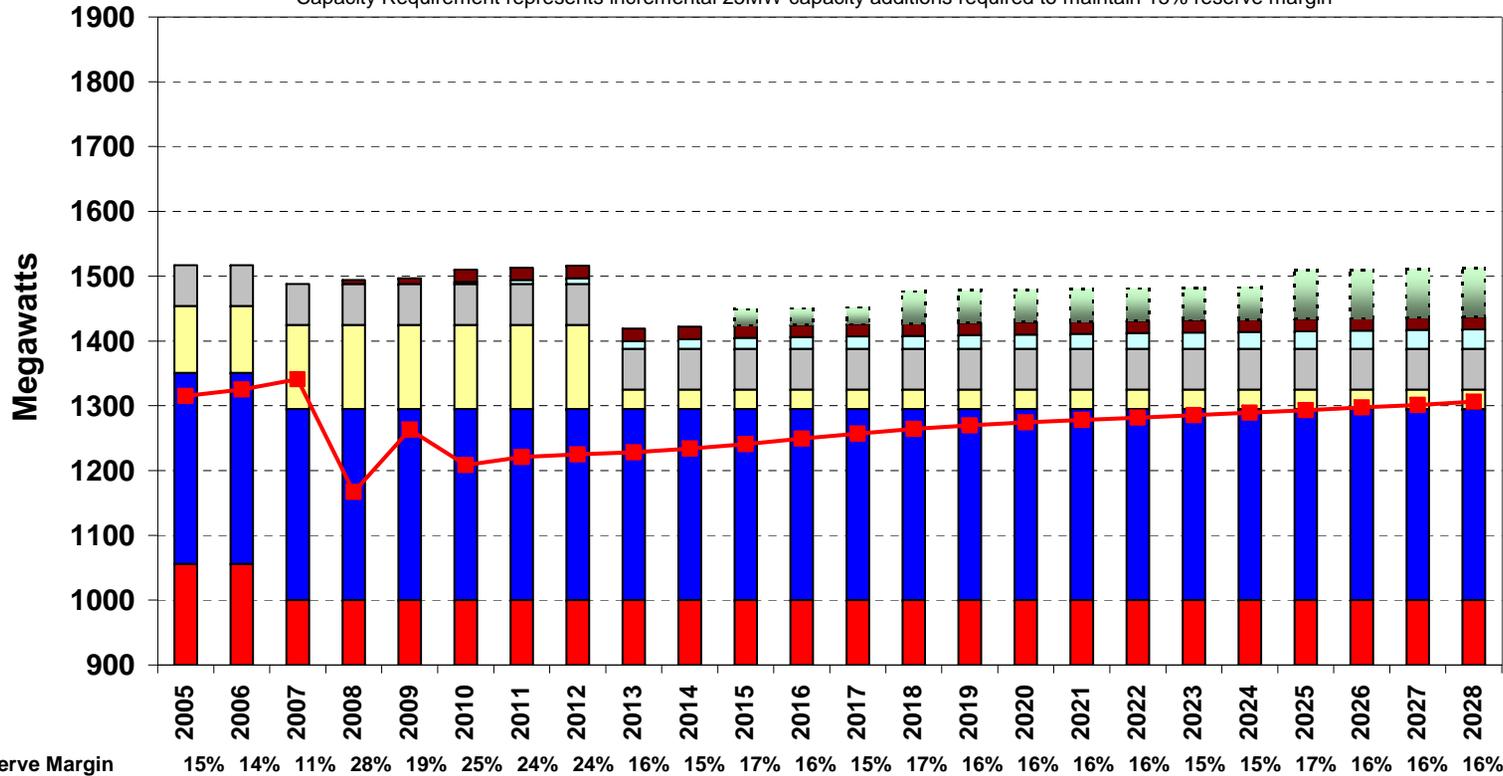
- Transmission Reliability
 - Reliability Coordination
 - Regional Transmission System Planning
- Energy Market
 - Module E Support
 - Monthly Voluntary Capacity Auction
- Ancillary Services Market Operational

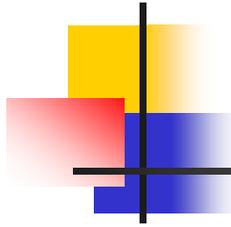
FUTURE DEMAND

Meet the Demand



Capacity Requirement represents incremental 25MW capacity additions required to maintain 15% reserve margin





CONCLUSION

Based on normal equipment availability we are confident that the Vectren System, plus contractual sources in Indiana, and MISO coordinated resources will be able to meet the needs of Southwestern Indiana customers in the Summer of 2009.