

**BEFORE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc.)	
for Authority to Issue Long-Term Debt,)	Case No. 16-0572-GA-AIS
to Issue and Sell Common and/or)	
Preferred Stock, Receive Equity Infusions,)	
and Enter into Interest Rate Risk Management)	
Transactions pursuant to the previously)	
approved Financial Services Agreement.)	

APPLICATION

Pursuant to Sections 4905.40 and 4905.41, Ohio Revised Code, Vectren Energy Delivery of Ohio, Inc. (“VEDO” and “Applicant”) respectfully requests the authorization of the Public Utilities Commission of Ohio (“Commission”) to issue long-term debt, to issue and sell common and/or preferred stock, to receive equity infusions, and to enter into interest rate risk management transactions as set forth below:

1. **Applicant’s Organization.** VEDO is an Ohio corporation and a wholly-owned subsidiary of Vectren Utility Holdings, Inc. (“VUHI”), which is a wholly-owned subsidiary of Vectren Corporation. Applicant is subject to the provisions of Sections 4905.40 and 4905.41, Ohio Revised Code.

2. **Proposed Financing Program.** Applicant proposes to carry out, from time to time, during the period ending June 30, 2017, a financing program consisting of one or more or a combination of the following:

a. **New Long-Term Debt.** Applicant requests that it be granted the authority to issue and sell not to exceed \$70 million in aggregate principal amount of long-term debt. The new long-term debt issued pursuant to the financing program (i) will have maturities not to exceed forty (40) years; (ii) will bear interest at a fixed or variable rate at an annual rate not to exceed 7.0%; (iii) will be issued and sold for cash at not less than 95% of the face amount thereof plus accrued interest, if any, to the date of delivery thereof; and (iv) will have such other terms and characteristics as shall be fixed and determined by the Board of Directors of Applicant. Applicant may issue some or all of the long-term debt to VUHI pursuant to the debt pooling arrangement described below. Debt issued to non-affiliated parties will consist in whole or in some combination of unsecured promissory notes, debentures, medium-term notes, mortgage bonds, or other instruments evidencing debt of Applicant and may be issued and sold by way of public offerings or private placements.

b. **Common and Preferred Stock.** Applicant requests that it be granted authority to issue and sell additional common stock or preferred stock (including tax-deductible preferred stock or similar hybrid securities), to receive equity infusions from VUHI through its parent company Vectren Corporation, or a combination thereof, for cash, for an aggregate sale price not to exceed \$75 million. Applicant will sell any preferred stock, for cash (i) by way of public offerings or private placements to non-affiliated parties or (ii) to VUHI in the event VUHI sells its own preferred stock, some or all of

the proceeds of which will be allocated to Applicant. In the event of such a preferred stock sale by VUHI, Applicant will sell preferred stock to VUHI with terms that match those applicable to the VUHI preferred stock for an amount equal to the proceeds of the VUHI preferred stock sale allocated to Applicant. Any preferred stock will be sold at a price of not less than the par value per share plus accrued dividends, if any, from the date of issuance to the date of delivery. The preferred stock will bear dividends at an annual rate not to exceed 7.0%. Before issuing any preferred stock pursuant to this authority, Applicant's Board of Directors will, by resolution, in accordance with Applicant's Articles of Incorporation, as amended (the "Articles"), fix and determine the relative rights, preferences, qualifications, limitations and restrictions of each series of preferred stock, including the maximum number of shares, the annual dividend per share, provisions for a variable or adjustable rate, redemption and sinking fund provisions, preferences as to dividends and other distributions, including rights upon dissolution, and other terms and characteristics as may be determined and approved by the Board of Directors.

c. Interest Rate Risk Management Transactions. Applicant requests Commission approval and authority to enter into one or more interest rate risk management transactions, including financing instruments such as forward starting interest rate swaps, treasury locks, derivative products, interest rate caps, floors and collars. The purpose of these types of transactions is to better manage interest rate risks associated with any of

the debt issued pursuant to this authorization or previous orders of the Commission by, in effect (i) synthetically converting variable rate debt to fixed rate debt, (ii) synthetically converting fixed rate debt to variable rate debt, (iii) limiting the impact of changes in interest rates resulting from variable rate debt and (iv) providing the ability to enter into interest rate risk management transactions in future periods for planned issuances of debt securities. Applicant proposes that the costs involved in any of these transactions be included in determining its overall cost of capital in future rate proceedings, consistent with past practices.

3. **Purposes of the Financing Program.** Applicant proposes to apply the proceeds from the financing program, after payment of expenses incurred in connection therewith, for the reimbursement of its treasury for money actually expended for (i) the acquisition of property, material, or working capital; (ii) the construction, completion, extension, or improvement of facilities, plant, or distribution system; (iii) the improvement of service; and (iv) the discharge or lawful refunding of its obligations. Applicant has kept its accounts and vouchers of such expenditures in such a manner as to enable the Commission to ascertain the amount of money so expended and the purpose for which such expenditures were made. Thereafter, Applicant shall use such net proceeds of the financing program to repay and refund outstanding long-term debt, to repay short-term borrowings and to finance construction programs.

During the period of the financing program, none of Applicant's currently outstanding long-term debt will become due and payable. Although not currently anticipated, but depending upon market conditions in existence during the period of time that the financing authority requested herein remains in effect, it may be advantageous for Applicant to redeem in whole or in part outstanding debt prior to the maturity date thereof. The desirability of any such transaction will depend on several factors, including the current interest rate environment, the market value of the securities and the premium Applicant would have to pay to redeem any such securities.

Applicant is engaged in the construction and acquisition of improvements, replacements and extensions to its gas utility plant, property, equipment and facilities required in their gas utility operations. Applicant estimates that for the calendar year ending December 31, 2016, and the six-month period ending June 30, 2017, capital expenditures totaling approximately \$89 million and \$49 million, respectively, will be required for these purposes. Applicant initially will make short-term borrowings for such purposes, which are expected to be repaid and permanently funded from the proceeds of Applicant's long-term debt and/or equity issuances/infusions..

4. **Vectren Utility Holdings, Inc.** Applicant is an affiliate of two other operating utilities, Southern Indiana Gas and Electric Company ("SIGECO"), which provides natural gas and electric utility service in the southwestern portion of Indiana and Indiana Gas Company, Inc. ("IGC"), which provides

natural gas utility service in central and southern Indiana. Applicant, SIGECO and IGC are wholly-owned subsidiaries of VUHI, which in turn is a wholly-owned subsidiary of Vectren Corporation. Pursuant to authority granted by the Commission in its Order in Case No. 03-688-GA-AIS dated April 1, 2003, and an Entry dated April 17, 2003 and a Financial Services Agreement between and among VUHI, Applicant, SIGECO and IGC, and subsequently acknowledged by the Commission in its Orders in Case No. 05-1142-GA-AIS dated October 19, 2005, and in Case No. 07-1010-GA-AIS dated October 17, 2007, and an Entry dated October 31, 2007, and in Case No. 09-655-GA-AIS dated September 15, 2009 and two supplemental Orders dated December 21, 2010 and December 14, 2011, and in its Orders in Case No. 12-2450-GA-AIS dated November 7, 2012, and in Case No. 14-0110-GA-AIS dated March 12, 2014, and in Case No. 15-0117-GA-AIS dated March 11, 2015, SIGECO, IGC, and Applicant (“Participants”) issue new debt through VUHI under an arrangement in which Applicant’s debt requirements are pooled with those of SIGECO and IGC, thereby creating larger debt issues at more attractive interest rates and lower transaction costs than would otherwise be available. Applicant proposes to issue some or all of the new debt for which authority is sought herein pursuant to this debt pooling arrangement.

Pursuant to the Financial Services Agreement, VUHI satisfies the Participants’ combined long-term debt requirements by selling its own long-term debt securities in the public or private markets and reloaning some or

all of the proceeds thereof to the Participants on the same terms as apply to the corresponding debt issue of VUHI. To maximize the benefits of the pooling arrangement, the Participants provide on-going joint and several guarantees of VUHI's debt to make VUHI's debt issues attractive to investors and to achieve lower debt costs.

The Financial Services Agreement also sets forth the method by which the costs incurred by VUHI in connection with its long-term borrowings, short-term borrowings and cash management services are allocated to each of the Participants and provides for on-going guarantees of the long-term and short-term debt issued by VUHI. Applicant's participation in this Agreement was most recently acknowledged by the Commission in its Order in Case No. 15-0117-GA-AIS, dated March 11, 2015, in which authority was granted for Applicant's on-going participation in the debt pooling arrangement, as set forth in the Financial Services Agreement, including providing on-going guarantees of the outstanding debt of VUHI and on-going participation in multi-year credit facilities that may include provisions related to term-out options.

The Financial Services Agreement was originally executed on January 5, 2001 and amended on January 22, 2003. It was restated effective December 31, 2011, consistent with the Commission's approval provided in its Order in Case No. 10-3120-GA-AIS dated March 16, 2011, related to the transfer of IGC's share of the jointly-owned assets to VEDO. In the event

that a material change is made to the Financial Services Agreement, Applicant will file a copy of the amended Agreement with the Commission.

5. **Amortization of Issuance Costs.** Applicant requests authority from the Commission to amortize issuance and hedging costs associated with new or existing long-term debt and preferred stock issued pursuant to the authority granted herein over the life of the new issue or the remaining life of the outstanding debt issue. Applicant also requests authority to treat all costs associated with the early redemption and any unamortized issuance expense of prematurely retired issues of any outstanding debt, as described in Paragraph 3 above, as an issuance expense to be amortized over the life of the refinancing issue, or if not refinanced with long-term debt, over the original life of the debt being redeemed.
6. **Rate Effect.** The effect on revenue requirements for Applicant resulting from the issuance of \$70 million in long-term debt and \$75 million in common stock, preferred stock and equity infusions will be reflected in the determination of the required amount of revenue in a rate proceeding where all the factors affecting rates are taken into account according to law.
7. **Issuance Detail Reporting.** Applicant will report to the Commission, as soon as reasonably practicable, the issuance of the long-term debt and common, preferred stock and equity infusions referred to in Paragraph 2, setting forth the proceeds received from such issuances and the associated interest rates in reasonable detail.

8. **Applicant's Financial Reporting.** Pursuant to Section 4905.41, Ohio Revised Code, Applicant submits the following as part of this Application:

- a. Schedules of long-term debt, as of December 31, 2015, are attached hereto as *Exhibit A*.
- b. Balance sheets as of December 31, 2015, and, 2014 are attached hereto as *Exhibit B*.
- c. Income statements for the twelve months ended December 31, 2015 and 2014, are attached hereto as *Exhibit C*.
- d. Financial Services Agreement effective December 31, 2011 is attached hereto as *Exhibit D*.

9. **Application.** Applicant's existing financing authority expires March 31, 2016. As a result, applicant requests that the Commission approve this Application by March 31, 2016, or as soon as practicable thereafter, so as to maximize the opportunities for flexibility for the issuance of the long-term debt, common stock, preferred stock and/or equity infusions for which authority is sought herein.

WHEREFORE, Applicant respectfully requests that the Commission order that:

- (a) The Applicant be authorized to issue from time to time during the period ending June 30, 2017, up to \$70 million in aggregate principal amount of

long-term debt in the form of promissory notes, debentures, medium-term notes, first mortgage bonds and other evidences of indebtedness as described in this Application and in Applicant's evidence to be submitted herein;

- (b) The Applicant be authorized to engage in interest rate risk management transactions, as described in this Application;
- (c) The Applicant be authorized to sell additional common stock, preferred stock or similar hybrid securities, to receive equity infusions from VUHI through its parent company Vectren Corporation, or a combination thereof for an aggregate sale price not to exceed \$75 million, as described in this Application;
- (d) The Applicant be authorized to use the cash proceeds arising from the issuance and sale of such long-term debt, common stock, preferred stock and equity infusions for the purposes set forth in this Application;
- (e) The Applicant be authorized to amortize the issuance and hedging costs associated with new or existing long-term debt, and preferred stock issued, pursuant to the authority granted herein over the life of the new or existing debt issue and to treat the costs associated with the early redemption and any unamortized issuance expense of prematurely retired issues of outstanding long-term debt, including any premium, as an issuance expense

to be amortized over the life of the refinancing issue, or if not refinanced with long-term debt, over the original life of the debt being redeemed.

Respectfully submitted this 15th day of March, 2016.

VECTREN ENERGY DELIVERY OF OHIO, INC.

By: 

M. Naveed Mughal
Vice President and Treasurer

By: 

P. Jason Stephenson
Vice President, General Counsel

Counsel:

Matthew Pritchard and Frank Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, Ohio 43215
614-719-2855
mpritichard@mwncmh.com
fdarr@mwncmh.com

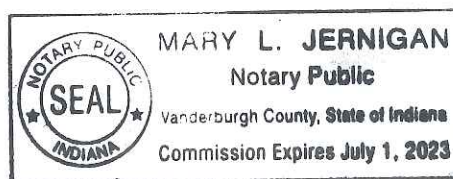
STATE OF INDIANA)
COUNTY OF VANDERBURGH) ss:

Personally appeared before me, M. Naveed Mughal and P. Jason Stephenson, who being first duly sworn, say that they are the Vice President and Treasurer and Vice President, General Counsel of Vectren Energy Delivery of Ohio, Inc., that they did sign the foregoing Application, and that the statements contained therein are true as they verily believe.

Sworn to and subscribed before me this 15th day of March, 2016.


Notary Public

(SEAL)



Vectren Energy Delivery of Ohio, Inc.
Schedule of Long-Term Debt Outstanding
December 31, 2015

<u>Long-Term Notes</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>
3.72% Series VUHI Notes	12/05/23	24,846,682
5.02% Series VUHI Notes	11/30/26	59,582,075
3.20% Series VUHI Notes	06/05/28	8,952,105
5.99% Series VUHI Notes	11/30/41	34,732,075
5.00% Series VUHI Notes	02/03/42	99,531,344
4.25% Series VUHI Notes	06/05/43	15,914,853
		<u><u>\$243,559,133</u></u>

Effective Weighted Average Cost = 5.11%

VECTREN ENERGY DELIVERY OF OHIO, INC.
BALANCE SHEET
December 31, 2015

	At December 31,	At December 31,
<u>ASSETS</u>	2015	2014
Utility Plant		
Original cost	\$ 899,469	\$ 800,322
Less: accumulated depreciation & amortization	222,654	209,554
Net utility plant	676,815	590,768
Current Assets		
Cash & cash equivalents	1,331	2,394
Accounts receivable, less reserves	12,355	16,888
Receivables due from other Vectren companies	1	174
Accrued unbilled revenues	21,561	30,131
Inventories	1,293	1,334
Prepayments & other current assets	4,841	13,520
Total current assets	41,382	64,441
Other investments	2,899	3,093
Nonutility plant, Net	76	201
Goodwill, Net	199,457	199,457
Regulatory assets	41,722	25,003
Other assets	9,615	7,120
TOTAL ASSETS	\$ 971,966	\$ 890,083
<u>LIABILITIES & SHAREHOLDER'S EQUITY</u>		
Common Shareholder's Equity		
Common stock (no par value)	\$ 240,252	\$ 234,090
Retained earnings	(843)	(15,551)
Total common shareholder's equity	239,409	218,539
Long-term debt payable to Utility Holdings	243,559	243,559
Total long-term debt, net	243,559	243,559
Current Liabilities		
Accounts payable	54,312	64,676
Payables to other Vectren companies	12,933	11,168
Refundable natural gas costs	-	-
Accrued liabilities	24,394	20,688
Current Deferred Income Taxes	-	-
Short-term borrowings payable to Utility Holdings	62,988	33,838
Current maturities of long-term debt	-	-
Long-term debt subject to tender	-	-
Total current liabilities	154,627	130,370
Deferred Income Taxes & Other Liabilities		
Deferred income taxes	193,009	165,519
Regulatory liabilities	123,661	115,002
Deferred credits & other liabilities	17,701	17,094
Total deferred credits & other liabilities	334,371	297,615
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 971,966	\$ 890,083

VECTREN ENERGY DELIVERY OF OHIO, INC.
STATEMENTS OF INCOME
December 31, 2015

	Twelve Months Ended December 31,	
	2015	2014
OPERATING REVENUES	\$ 154,096	\$ 153,110
COST OF GAS	7,998	13,536
GAS OPERATING MARGIN	146,098	139,574
OPERATING EXPENSES:		
Other operating	72,936	68,956
Depreciation and amortization	22,840	21,581
Taxes other than income taxes	20,063	20,739
Total operating expenses	115,839	111,276
OPERATING INCOME	30,259	28,298
Other income / (expense) - net	9,539	6,536
Interest Expense	12,763	12,399
INCOME BEFORE INCOME TAXES	27,035	22,435
Income taxes	9,626	7,852
NET INCOME (LOSS)	\$ 17,409	\$ 14,583

- ## FINANCIAL SERVICES AGREEMENT

services, including short-term or long-term borrowings, VUHI will not provide such services to any entities other than the Utilities.

2. Costs. The Utilities agree to pay to VUHI their allocable share of the costs incurred by VUHI in providing the services described in Paragraph 1, including but not limited to bank service charges and related debt facility fees. Common transaction costs incurred by VUHI in connection with its short-term borrowings, letters of credit and similar borrowing arrangements will be allocated among the Utilities during each calendar year based on VUHI's standard allocation methodology used to allocate other comparable common costs to the Utilities. Transaction costs incurred by VUHI in connection with each long-term borrowing by VUHI will be allocated among the Utilities in proportion to the principal amount of the borrowing that is loaned by VUHI to each Utility. Principal and interest on VUHI's short-term and long-term borrowings shall be allocated to the Utilities separately pursuant to the promissory notes executed pursuant to Paragraph 6.

3. Reporting. Reporting for the VUHI borrowings and repayments will be maintained monthly and will be representative of the services provided by VUHI and amounts payable to VUHI, after giving effect to all of the provisions of this Agreement. The Utilities' settlement of principal and interest will also be reflected on these reports.

4. Inspection. Upon reasonable notice, VUHI will make available to each Utility for its inspection VUHI's books, records, accounts and any other documents which describe or support the costs allocated to the Utility under this Agreement.

5. Obligations Not Joint. Except as provided in Paragraph 7, the obligations of the Utilities to VUHI shall be several and not joint, and a Utility will not be responsible to any other Utility or to VUHI for any payment in excess of payments due by the Utility to VUHI under this Agreement or a promissory note executed pursuant to Paragraph 6.

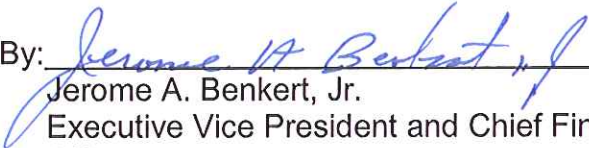
6. Notes. The Utilities' borrowings under this Agreement will be evidenced by promissory notes substantially in the form of *Exhibit B* and *Exhibit C* to this Agreement. Loans by the Utilities of excess cash balances to VUHI pursuant to the cash management program described in *Exhibit A* may be evidenced by promissory notes substantially in the form of *Exhibit D* to this Agreement.

7. Guarantees. In order to maximize the benefits of the consolidated financial services arrangement described herein, the Utilities may on a several or joint and several basis agree to guarantee payment of the debt of VUHI incurred in connection with the arrangement. In no event shall the assets of the Utilities be pledged or mortgaged as security in connection with any such guarantee.

8. Non-Exclusivity. Nothing in this new Agreement prohibits or restricts a Utility from borrowing from third parties, or obtaining services described in this Agreement from third parties, whenever and on whatever terms the Utility deem appropriate.

IN WITNESS WHEREOF, the Utilities, Financing Subsidiaries, and VUHI have each caused this Agreement to be signed on its behalf by its duly authorized officers.


INDIANA GAS COMPANY, INC.

By: 
Jerome A. Benkert, Jr.
Executive Vice President and Chief Financial Officer

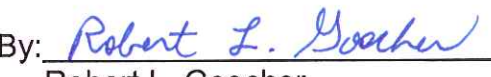
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY

By: 
M. Susan Hardwick
Vice President, Controller, and Asst. Treasurer

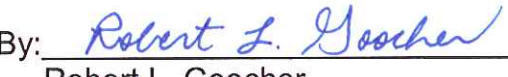
VECTREN ENERGY DELIVERY OF OHIO, INC.

By: 
Ronald E. Christian
Executive Vice President and Secretary

VECTREN UTILITY HOLDINGS, INC.

By: 
Robert L. Goocher
Vice President and Treasurer

FINCO-I, INC.

By: 
Robert L. Goocher
Vice President and Treasurer

FINCO-V, INC.

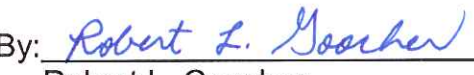
By: 
Robert L. Goocher
Vice President and Treasurer

EXHIBIT A

DESCRIPTION OF FINANCIAL SERVICES

Set forth below is a list of the type services which VUHI agrees to provide to the Utilities upon their request pursuant to the Agreement.

1. Short-Term Loans. VUHI will provide short-term loans, letters of credit and other similar short-term borrowing arrangements to the Utilities. Short-term loans will be provided pursuant to the terms set forth in promissory notes to be issued by the Utilities to VUHI, each substantially in the form attached as *Exhibit B*.

2. Long-Term Borrowings. VUHI will provide loans, other than short-term loans, to the Utilities pursuant to the terms set forth in promissory notes to be issued by the Utilities to VUHI, each substantially in the form attached as *Exhibit C*.

3. Cash Management. VUHI will provide cash management services to the Utilities to maximize use of the Utilities' cash resources. Upon execution of the Agreement, each Utility's excess or deficient cash balance will generally be swept to and consolidated at VUHI each day with the cash resources of the other Utilities, unless it is determined to be more cost effective to maintain compensating balances in the individual utility accounts. Excess cash balances of a Utility swept to VUHI will be used first to reduce any short-term borrowings of the Utility to VUHI. Any amount remaining will be invested with VUHI. If excess funds of a Utility are invested with VUHI, the Utility will earn a rate of interest each day equal to VUHI's weighted average short-term borrowing cost for that day or, if VUHI is a net investor, the investment income earned on those funds by VUHI. If VUHI has neither short-term investments nor short-term borrowings outstanding, the previous day's rate of interest when short-term borrowings or investments were outstanding will be charged or earned by the Utility. Upon the request of a Utility, VUHI shall execute one or more promissory notes in favor of the Utility, each substantially in the form attached as *Exhibit D* to the Agreement, as evidence of such investment.

4. VUHI Assets Supporting Utilities. VUHI may also from time to time finance the acquisition of assets acquired by VUHI in order to provide shared services requested by the Utilities, such as information technology.

EXHIBIT B

PROMISSORY NOTE
FOR SHORT-TERM LOANS

\$ _____, 20__

FOR VALUE RECEIVED, _____, an _____ corporation ("Borrower") hereby promises to pay to [VECTREN UTILITY HOLDINGS, INC., an Indiana corporation]; FINCO-I, Inc., an Indiana corporation]; or [FINCO-V, Inc., an Ohio corporation] ("Lender"), upon demand, in same day funds at its principal offices in Evansville, Indiana, or at such other place Lender may from time to time designate, the principal sum of _____ Dollars (\$ _____) (the "Maximum Principal Sum"), or such lesser amount as shall equal the aggregate unpaid principal amount of the loans made by Lender to Borrower (other than loans evidenced by a promissory note under which the principal amount is due and payable in or more scheduled installments more than one year after the date of its issue), together with interest thereon from the date hereof until paid in full, all without relief from valuation or appraisal laws. Interest shall be charged on the unpaid outstanding balance of this Note at a rate per annum equal to Lender's weighted average daily cost of short-term funds, such rate to change as Lender's weighted average daily cost of short-term funds changes. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowings hereunder shall be deemed conclusive.

Presentment, notice of dishonor and demand, protest and diligence and collection and bringing suit are hereby severally waived by Borrower and each endorser hereby consents that the time for payment of this Note or any installment hereunder may be extended from time to time without notice by Lender. No waiver of any default or failure or delay to exercise any right or remedy by Lender shall operate as a waiver of any other default or of the same default in the future or as a waiver of any right or remedy with respect to the same or any other occurrence. No single or partial exercise by Lender of any right or remedy shall preclude other or further exercises thereof or of any other right or remedy.

This Note inures to the benefit of Lender and binds Borrower and Lender's and Borrower's respective successors and assigns, and the terms "Lender" and "Borrower" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

This Note shall be construed according to, and governed by, the laws of the State of Indiana.

This Note is one of the promissory notes referred to in the Financial Services Agreement, dated December 31, 2011, by and between Lender, Borrower and certain

other public utility subsidiaries of Lender to which reference is made for a statement of additional rights and obligations of the parties hereto.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed as of the day and the year first hereinabove written.

[Name of Borrower]

By: _____

Title: _____

EXHIBIT C

PROMISSORY NOTE
FOR LONG-TERM LOANS

\$ _____, 20__

FOR VALUE RECEIVED, _____, an _____ corporation ("Borrower") hereby promises to pay to [VECTREN UTILITY HOLDINGS, INC., an Indiana corporation]; [FINCO-I, Inc., an Indiana corporation]; or [FINCO-V, Inc., an Ohio corporation] ("Lender"), in same day funds at its principal offices in Evansville, Indiana, or at such other place Lender may from time to time designate, the principal sum of _____ Dollars (\$ _____), together with interest thereon from the date hereof until paid in full, all without relief from valuation or appraisal laws. Interest shall be charged on the unpaid outstanding balance of this Note at a rate per annum equal to the rate paid and to be paid by Lender with respect to the borrowings it made in order to provide funds to Borrower hereunder. Interest on borrowings shall be due and payable in immediately available funds on the same business day on which Lender must pay interest on the borrowings it made in order to provide funds to the Borrower hereunder. The principal hereof shall be due and payable hereunder at such times and in such amounts and in such installments hereunder as Lender must pay with respect to the borrowings it made in order to provide funds to Borrower hereunder. Lender has provided Borrower with a copy of the documentation evidencing the borrowings made by Lender in order to provide funds to Borrower hereunder. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowings hereunder shall be deemed conclusive.

The terms and conditions of the borrowings made by Lender in order to provide funds to Borrower hereunder, such documentation of which is attached hereto as *Appendix A*, are hereby incorporated by reference and made a part hereof; *provided, however*, that the principal sum under this Note shall be in such amount as set forth in this Note. In the event of any conflict or inconsistency between the terms of this Note and the terms of the borrowings made by Lender in order to provide funds to Borrower hereunder, the terms of this Note shall govern.

Presentment, notice of dishonor and demand, protest and diligence and collection and bringing suit are hereby severally waived by Borrower and each endorser hereby consents that the time for payment of this Note or any installment hereunder may be extended from time to time without notice by Lender. No waiver of any default or failure or delay to exercise any right or remedy by Lender shall operate as a waiver of any other default or of the same default in the future or as a waiver of any right or remedy with respect to the same or any other occurrence. No single or partial exercise by Lender of any right or remedy shall preclude other or further exercises thereof or of any other right or remedy.

This Note inures to the benefit of Lender and binds Borrower and Lender's and Borrower's respective successors and assigns, and the terms "Lender" and "Borrower" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

This Note shall be construed according to, and governed by, the laws of the State of Indiana.

This Note is one of the promissory notes referred to in the Financial Services Agreement, dated December 31, 2011, between Lender, Borrower and certain other public utility subsidiaries of Lenders to which reference is made for a statement of additional rights and obligations of the parties hereto.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed as of the day and the year first hereinabove written.

[Name of Borrower]

By: _____

Title: _____

Case No. 16-_____
 Defendants: [redacted]
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\$ _____, 20__

Presentment, notice of dishonor and demand, protest and diligence and collection and bringing suit are hereby severally waived by Borrower and each endorser hereby consents that the time for payment of this Note or any installment hereunder may be extended from time to time without notice by Lender. No waiver of any default or failure or delay to exercise any right or remedy by Lender shall operate as a waiver of any other default or of the same default in the future or as a waiver of any right or remedy with respect to the same or any other occurrence. No single or partial exercise by Lender of any right or remedy shall preclude other or further exercises thereof or of any other right or remedy.

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This Note shall be construed according to, and governed by, the laws of the State of Indiana.

This Note is one of the promissory notes referred to in the Financial Services Agreement, dated December 31, 2011, by and between Lender, Borrower and certain other public utility subsidiaries of Lender to which reference is made for a statement of additional rights and obligations of the parties hereto.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed as of the day and the year first hereinabove written.

VECTREN UTILITY HOLDINGS, INC.

By: _____

Title: _____

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

3/16/2016 11:12:40 AM

in

Case No(s). 16-0572-GA-AIS

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for Authority to Issue Long-Term Debt, to Issue and Sell Common and/or Preferred Stock, Receive Equity Infusions, and Enter into Interest Rate Risk Management Transactions electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.