

**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, to)	
Issue and Sell Common and / or Preferred)	Case No. 15-117-GA-AIS
Stock, and Enter into Interest Rate Risk)	
Management Transactions Pursuant to the)	
Previously Approved Financial Services)	
Agreement.)	

**FIFTH REPORT OF APPLICANT VECTREN
ENERGY DELIVERY OF OHIO, INC. ON
EXERCISE OF FINANCING AUTHORITY**

Pursuant to the Commission’s Order (“Order”) in this proceeding dated March 11, 2015, Applicant Vectren Energy Delivery of Ohio, Inc. (“Applicant” or “VEDO”) submits this fifth report on the exercise of its financing authority granted by the Order.

1. The Order granted authority to the Applicant to carry out a financing program during the period from the date of the Order through March 31, 2016. The Order provided that the Applicant shall file a report with the Commission on each occasion when it exercises the authority granted therein. Applicant hereby files the fifth report under the Order.
2. In December, 2015, Vectren Utility Holdings, Inc. (“VUHI”) issued \$25 million of its 3.90% Senior Notes due December 15, 2035 (“3.90% Senior Notes”), \$135 million of its 4.36% Senior Notes due December 15, 2045 (“4.36% Senior Notes”) and \$40 million of its 4.51% Senior Notes due December 15, 2055 (“4.51% Senior Notes”). The Senior Notes are jointly and severally guaranteed


by Applicant, Southern Indiana Gas and Electric Company and Indiana Gas Company, Inc.

In accordance with the debt pooling arrangement described in the Order, on January 1, 2016, VUHI loaned to VEDO \$62.5 million of the proceeds of the 4.36% Senior Notes and \$7.5 million of the proceeds of the 4.51% Senior Notes on the same terms (including maturity and interest rates) as those obtained by VUHI. Net proceeds to VEDO approximated \$62.2 million of VUHI's 4.36% Senior Notes and \$7.5 million of VUHI's 4.51% Senior Notes, totaling approximately \$69.6 million. A copy of the Promissory Notes are attached as Exhibits A and B. The terms of the Senior Notes are set forth in Exhibit C. The effective interest rates on the VUHI Senior Notes, including the amortization of transaction costs are 4.40% on the 4.36% Senior Notes and 4.55% on the 4.51% Senior Notes. The computation is detailed in the attached Exhibit D.

3. Following the \$1.5 million December 2015, the \$1.6 million September 2015 and the \$1.4 million June 2015 common equity transactions and VUHI's January 2016 loans to VEDO totaling \$70 million of its long-term debt, VEDO retains approximately \$50.5 million of common and/or preferred stock financing authority and has exhausted all of its long-term debt financing authority under the Order, which remains in effect through March 31, 2016.

Dated this 29th day of February, 2016.

VECTREN ENERGY DELIVERY OF OHIO, INC.

By: 
M. Naveed Mughal
Vice President and Treasurer

By: 
P. Jason Stephenson
Vice President – General Counsel

Counsel:

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PROMISSORY NOTE
FOR LONG-TERM LOANS

\$62,500,000

January 1, 2016

FOR VALUE RECEIVED, Vectren Energy Delivery of Ohio, Inc., an Ohio corporation ("Borrower") hereby promises to pay to VECTREN UTILITY HOLDINGS, INC., an Indiana 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 Sixty-Two Million Five Hundred Thousand Dollars (\$62,500,000.00), 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. Borrower's share of the Lender borrowings represents approximately 46.3% of the underlying 4.36% VUHI Senior Notes due December 15, 2045 and net proceeds approximate \$62.2 million. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowing 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, 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 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 date and the year first hereinabove written.

VECTREN ENERGY DELIVERY OF OHIO, INC.

By: 
M. Naveed Mughal
Vice President & Treasurer

PROMISSORY NOTE
FOR LONG-TERM LOANS

\$7,500,000

January 1, 2016

FOR VALUE RECEIVED, Vectren Energy Delivery of Ohio, Inc., an Ohio corporation ("Borrower") hereby promises to pay to VECTREN UTILITY HOLDINGS, INC., an Indiana 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 Seven Million Five Hundred Thousand Dollars (\$7,500,000.00), 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. Borrower's share of the Lender borrowings represents approximately 18.8% of the underlying 4.51% VUHI Senior Notes due December 15, 2055 and net proceeds approximate \$7.5 million. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowing 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, 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 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 date and the year first hereinabove written.

VECTREN ENERGY DELIVERY OF OHIO, INC.

By:



M. Naveed Mughal
Vice President & Treasurer

EXHIBIT C

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Summary Terms – Vectren Utility Holdings, Inc. \$25,000,000 3.90% Senior Notes due 2035 Issued December 2015

Par Amount:	\$25,000,000
Denomination:	Private Placement Notes
Security Type:	Senior Notes
Coupon:	3.90%
Credit Ratings:	A-/A2
Final Maturity:	December 15, 2035
Interest Payment Dates:	Payable in arrears semiannually on June 15 and December 15
First Interest Payment:	June 15, 2016
Redemption:	VUHI may, at its option, upon notice, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.
Guarantees:	Notes are fully and unconditionally guaranteed, jointly and severally, by Indiana Gas Company, Inc., Southern Indiana Gas and Electric Company and Vectren Energy Delivery of Ohio, Inc.
Lead Placement Agents:	J.P. Morgan Securities LLC Mitsubishi UFJ Securities (USA), Inc. U.S. Bancorp Investments, Inc. Wells Fargo Securities, LLC

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**Summary Terms – Vectren Utility Holdings, Inc.
\$135,000,000 4.36% Senior Notes due 2045
Issued December 2015**

Par Amount:	\$135,000,000
Denomination:	Private Placement Notes
Security Type:	Senior Notes
Coupon:	4.36%
Credit Ratings:	A-/A2
Final Maturity:	December 15, 2045
Interest Payment Dates:	Payable in arrears semiannually on June 15 and December 15
First Interest Payment:	June 15, 2016
Redemption:	VUHI may, at its option, upon notice, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.
Guarantees:	Notes are fully and unconditionally guaranteed, jointly and severally, by Indiana Gas Company, Inc., Southern Indiana Gas and Electric Company and Vectren Energy Delivery of Ohio, Inc.
Lead Placement Agents:	J.P. Morgan Securities LLC Mitsubishi UFJ Securities (USA), Inc. U.S. Bancorp Investments, Inc. Wells Fargo Securities, LLC

EXHIBIT C

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**Summary Terms – Vectren Utility Holdings, Inc.
\$40,000,000 4.51% Senior Notes due 2055
Issued December 2015**

Par Amount:	\$40,000,000
Denomination:	Private Placement Notes
Security Type:	Senior Notes
Coupon:	4.51%
Credit Ratings:	A-/A2
Final Maturity:	December 15, 2055
Interest Payment Dates:	Payable in arrears semiannually on June 15 and December 15
First Interest Payment:	June 15, 2016
Redemption:	VUHI may, at its option, upon notice, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount.
Guarantees:	Notes are fully and unconditionally guaranteed, jointly and severally, by Indiana Gas Company, Inc., Southern Indiana Gas and Electric Company and Vectren Energy Delivery of Ohio, Inc.
Lead Placement Agents:	J.P. Morgan Securities LLC Mitsubishi UFJ Securities (USA), Inc. U.S. Bancorp Investments, Inc. Wells Fargo Securities, LLC

