

**BEFORE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Indiana Gas Company, Inc. and)	
Vectren Energy Delivery of Ohio, Inc.)	
for Authority to Issue Long-Term Debt,)	Case No. 09-655-GA-AIS
to Issue and Sell Common and/or)	
Preferred Stock, and Enter into Interest)	
Rate Risk Management Transactions)	
pursuant to the previously approved)	
Financial Services Agreement.)	

SECOND SUPPLEMENTAL APPLICATION

Pursuant to Sections 4905.40 and 4905.41, Ohio Revised Code, Indiana Gas Company, Inc. and Vectren Energy Delivery of Ohio, Inc. ("IGC" and "VEDO," respectively and "Applicants," collectively) respectfully request the authorization of the Public Utilities Commission of Ohio ("Commission") to modify and extend the December 31, 2011 expiration of their authority to March 31, 2012 to issue long-term debt, to issue and sell common and/or preferred stock, and to enter into interest rate risk management transactions as approved in the Commission's December 21, 2010 Supplemental Order in the above proceeding.

The Commission's December 21, 2010 Supplemental Order provided authority for the Applicants, Indiana Gas Company, Inc. and Vectren Entergy Delivery of Ohio, Inc., through December 31, 2011, to: (a) issue and sell the long-term debt in an aggregate principal amount not to exceed \$180 million, (b) issue and sell additional common or preferred stock or a combination thereof with an aggregate sale price not to

exceed \$103.5 million, and (c) enter into interest rate risk management transactions, pursuant to the terms and conditions as set forth in the Application and Exhibits that were filed with the Commission on July 29, 2009.

The Applicants have \$180 million long-term debt and \$103.5 million common or preferred stock financing authority available, which will expire December 31, 2011. To meet their near-term financing needs, the Applicants respectfully request that the remaining financing authorization be extended by an additional 3 months until March 31, 2012 and that the long-term debt authority be increased from \$180 million to \$200 million, but with all other terms and parameters of the previous financing authority to remain unchanged.

The increased long-term debt authority is requested in order to allow VUHI to immediately reloan to the Applicants the entire proceeds of \$100 million of new Vectren Utility Holdings, Inc. ("VUHI") long-term debt that was priced at an interest rate of 5% on October 21, 2011 and for which the Note Purchase Agreement with investors was executed on November 15, 2011. The proceeds from this financing will be received February 1, 2012. This new VUHI debt replaces \$96.2 million of existing 5.95% VUHI long-term debt previously reloaned to the Applicants that was called at par on November 21, 2011. This refinancing opportunity was not contemplated in the current financing authority but became available as a result of significant reductions in long-term interest rates in the fall of 2011.

VUHI also has \$250 million of 6.625% long-term debt that matures December 1, 2011, of which \$162.5 million is reloaned to the Applicants, with the balance reloaned to

Southern Indiana Gas and Electric Company. This VUHI debt will be partially replaced by 3 tranches of new VUHI long-term debt totaling \$150 million with proceeds received on November 30, 2011, with the balance to be refinanced with short-term debt.

As a result of these two VUHI refinancings, the Applicant's existing \$180 million of long-term debt financing authority will not allow for the complete refinancing of the maturing or called VUHI debt previously reloaned to the Applicants until additional long-term debt financing authority is provided by the Commission. As a result, the Applicants respectfully request an increase to \$200 million in their long-term debt financing authority, in addition to extending the remaining financing authorization until March 31, 2012.

Respectfully submitted this 30th day of November, 2011.

**INDIANA GAS COMPANY, INC. and
VECTREN ENERGY DELIVERY OF OHIO, INC.**

By: Robert L. Goocher
Robert L. Goocher
Vice President and Treasurer

By: Robert E. Heidorn
Robert E. Heidorn
Vice President, General Counsel and
Assistant Secretary

Counsel:

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STATE OF INDIANA)
COUNTY OF VANDERBURGH) ss:

Personally appeared before me, Robert L. Goocher and Robert E. Heidorn, who being first duly sworn, say that they are the Vice President and Treasurer and Vice President, General Counsel, and Assistant Secretary of Indiana Gas Company, Inc. and Vectren Energy Delivery of Ohio, Inc., respectively, 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 30th day of November, 2011.

Mary Payne
Notary Public

(SEAL)

Official Seal
Mary Payne
Notary Public – State of Indiana
My Commission Expires July 1 2015

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in

Case No(s). 09-0655-GA-AIS

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Second Supplemental Application in In the Matter of the Application of Indiana Gas Company, Inc. and Vectren Energy Delivery of Ohio, Inc. for Authority to Issue Long-Term Debt, to Issue and Sell Common and/or Preferred Stock, and Enter into Interest Rate Risk Management Transactions pursuant to the Previously Approved Financial Services Agreement electronically filed by Ms. Vicki L. Leach-Payne on behalf of Hummel, Gretchen J. Ms.