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NEWS RELEASE

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Siting Board Approves Vectren Electric Transmission Line in Henderson and Webster Counties

Route change addressed local concerns

FRANKFORT, Ky. (Dec. 21, 2010) – The Kentucky State Board on Electric Generation and Transmission Siting has granted Vectren Corp. a certificate to construct a high-voltage electric transmission line in the Henderson area.

In an order issued today, the Siting Board approved Vectren's revised proposal for the 15-mile line, which will extend mostly through Henderson County, with a small portion in Webster County.

The line is to connect Vectren's A.B. Brown power plant in Posey County, Ind., to a Big Rivers Electric Corp. substation at its Reid power plant near Sebree. It is one end of a 70-mile line that also will extend from the Brown plant to Duke Energy Indiana's Gibson power plant northwest of Evansville, Ind.

The line is intended to improve reliability of the regional transmission grid and has been approved by the Midwest Independent System Operator, the regional transmission organization of which Vectren and Big Rivers are members. Vectren says the new line will provide a more reliable source of power to aluminum smelters in the Sebree area.

Vectren, of Evansville, Ind., filed an amended application for a construction certificate with the Siting Board on Oct. 14, 2010.

The revised route moved the proposed line away from the Henderson waterfront, a historic cemetery and the city's wastewater treatment plant. Vectren reached an agreement on the final route with the City of Henderson, Henderson Municipal Power and Light, and Henderson Water Utility.

In granting the certificate, the Siting Board determined that the line would have minimal visual impact and would not adversely affect Kentucky's existing electric transmission grid. The Siting Board retained an independent consultant to analyze Vectren's proposal.

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Today's order, Vectren's application and related documents are available on the Siting Board website:

http://psc.ky.gov/efs/efs_search.aspx?case=2010-00223

The case number for the Vectren application is 2010-00223.

The Siting Board is an agency within the Energy and Environment Cabinet. Under a law passed in 2002 by the Kentucky General Assembly, the Siting Board is charged with reviewing applications for high-voltage transmission lines that are not regulated by the Kentucky Public Service Commission (PSC).

Applicants to the Siting Board are not required to meet the criteria set by the PSC for new facilities built by regulated utilities, and thus do not need to prove that the proposed facility is necessary to meet demand for electricity.

The Siting Board considers issues such as visual impact and effects of the proposed facility on Kentucky's electric grid. It does not consider environmental matters under the jurisdiction of other state or federal agencies.

The Siting Board conducted a local public meeting in Henderson on Vectren's original proposal on Sept. 2, 2010. There was no request for a local public meeting or evidentiary hearing on the revised proposal, and none was held.

By law, the Siting Board consists of the three members of the PSC, the secretary of the Kentucky Energy and Environmental Cabinet or his designee, the secretary of the Kentucky Cabinet for Economic Development or his designee and two local members. The local members serve on the Siting Board only for the specific case for which they were appointed. The chairman of the PSC serves as chairman of the Siting Board.

In addition the PSC commissioners, the Siting Board members for the Vectren case are Robert Amato, designated by Kentucky Energy and Environmental Cabinet Secretary Len Peters; George Burgess, designated by Kentucky Economic Development Cabinet Secretary Larry Hayes; and two members named by Governor Steve Beshear: Webster County Judge/Executive Jim Townsend and Tommy Chandler, a resident of Webster County.

The PSC's 100 employees provide staff and administrative support to the Siting Board.