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December 20, 2011

The Hon. David L. Armstrong, Chairman
Kentucky State Board on Electric Generation and Transmission Siting
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RE: Annual Report of Vectren Energy Delivery of Indiana, Inc.,
Case No. 2010-00223

Dear Chairman Armstrong:

In partial fulfillment of the obligations of Southern Indiana Gas & Electric Co. d/b/a Vectren Energy Delivery of Indiana, Inc. (hereafter, Vectren) as established in the Order issued by the Kentucky State Board on Electric Generation and Transmission Siting in Case No. 2010-00223, Vectren respectfully submits this letter as its annual report on design and construction of its 345 kV transmission line project. This report includes an overview of the project, public comments and responses, and specific mitigation conditions as required.

Overview

Vectren's 345kV transmission line project is proceeding on schedule for a projected in service date of 2012. Detailed design, easement acquisition and permitting activities are underway. Vectren experienced no deviation from the proposed construction plans during the reporting period.

Public Comments and Responses

Vectren is currently in the process of obtaining easements for the project. Approximately one-third of easements are established, approximately one-third of easements are in active discussions with land owners, and approximately 1/3 of easements require legal proceedings. Other than routine communications between easement acquisition negotiators and affected property owners and in some cases their counsel, which are part of the negotiation process, and routine communications between Vectren staff and consultants and permitting authorities, which are part of the permitting processes, Vectren has received no comments or complaints during this reporting period.

Specific Mitigation Conditions

No specific mitigation conditions have been identified to date. Vectren's project is generally on schedule and has encountered no major obstacles in the progress made toward completion.

If you have additional questions related to Vectren's 345kV transmission line construction project, please feel free to contact me at (812)-491-4022.

Sincerely,



Mary-James (Jami) Young
Senior Counsel, Regulatory & Compliance
Vectren Corporation.