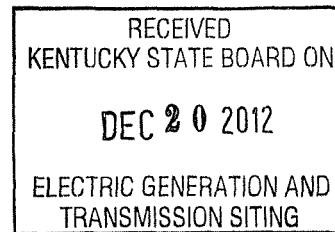




Mary-James Young
Senior Compliance and
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December 19, 2012

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 was placed into service on time and as scheduled, on December 18, 2012. Vectren experienced no deviation from the proposed construction plans during the reporting period, with the sole exception of a slight deviation in the established 1000 foot construction corridor, which deviation was approved by the Siting Board by Order dated September 26, 2012. Pursuant to the final Order approving the Certificate for the line, Vectren will soon be filing a copy of the "as-built" drawings/maps of the final location of all line structures in Kentucky and a certified statement that the construction has been satisfactorily completed as set forth in the Order.

Public Comments and Responses

Vectren continued to obtain easements for the project during the reporting period. 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 the reporting period.

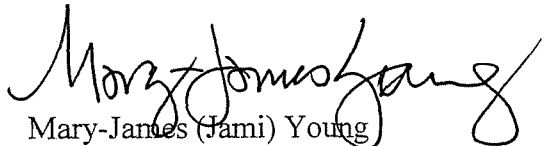
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Specific Mitigation Conditions

No specific mitigation conditions have been identified to date. Vectren's project was generally on schedule and 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