



News Release

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FOR IMMEDIATE RELEASE

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Vectren to bid on regional transmission line project

Evansville, Ind. – Vectren Energy Delivery of Indiana (Vectren) announced today intentions to jointly-bid to construct a 30-mile 345 kilovolt (kV) transmission line in southwestern Indiana and western Kentucky. The Midcontinent Independent System Operator Inc.'s (MISO) annual Transmission Expansion Planning process identified the need for the estimated nearly \$70 million dollar electric transmission project last December and recently issued a request for proposal.

The Duff-Coleman project calls for a new 345 kV single-circuit line from the Duff substation, a Vectren electric substation in Dubois County, Indiana, to the Coleman substation in Hancock County, western Kentucky owned by Big Rivers Electric Corporation. The new 345kV line will improve electric system efficiency and enhance system reliability by alleviating current congestion on existing facilities. Vectren identified and proposed this electric transmission project to MISO as part of their call for solutions to address grid efficiency needs; and MISO ultimately selected Vectren's submission.

The Duff-Coleman line would be installed in a new right of way, largely through farmland and sparsely populated areas. The proposed interstate route traverses two counties in Indiana (Dubois and Spencer) and one county in Kentucky (Hancock). The Ohio River will be crossed at the border between Indiana and Kentucky; however, the majority of the project resides within Indiana (25 miles of the 30-mile project). See map on page 2.

"Vectren has a proven track record to successfully complete such large-scale transmission projects, having completed a nearly 65-mile 345 kV line in southwestern Indiana and western Kentucky four years ago," said Brad Ellsworth, president of Vectren South. "Our local presence would provide work to local residents, as we would plan to use existing labor and contractor relationships to complete construction."

Bids are due to MISO in July and the winner will be announced December, 2016. The construction completion date required by MISO is Jan. 1, 2021.

When the Federal Energy Regulatory Commission (FERC) issued its Order 1000, which mandates how public utility transmission providers plan for and allocate the costs of new system efficiency projects, it transitioned to a competitive bid process as opposed to being automatically awarded to the incumbent utility as in years past. As such, Vectren and its partner on the project, Public Service Enterprise Group (PSEG), the parent company of Public Service Electric and Gas (PSE&G), will be among several bidders. The Vectren/PSEG equal partnership capitalizes on the combination of Vectren's local presence and experience and PSEG's extensive experience in designing and constructing transmission lines. PSEG has placed more than \$5B in transmission assets into service over the last three years. For more information about the Duff-Coleman 345kV Transmission Line project, please visit MisoEnergy.org.

About Vectren

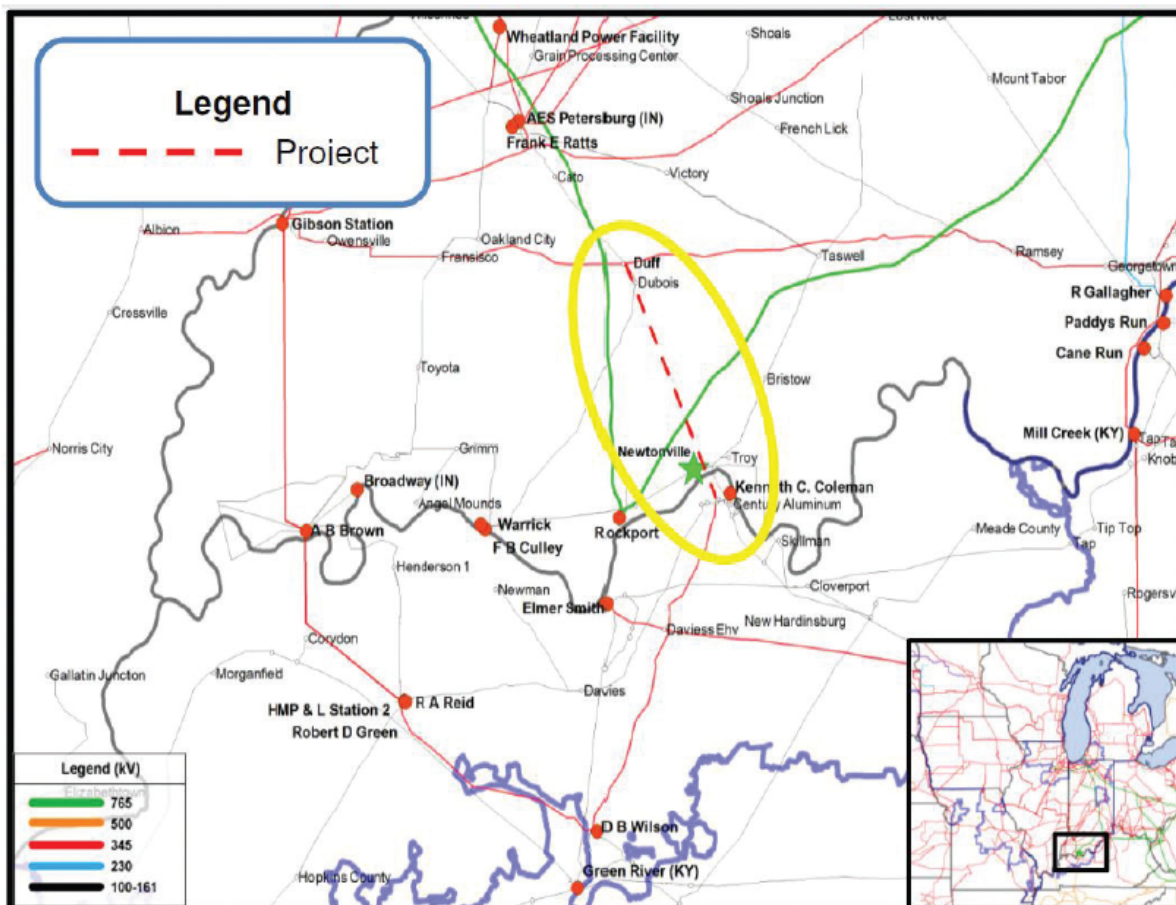
Vectren Corporation (NYSE: VVC) is an energy holding company headquartered in Evansville, Ind. Vectren's energy delivery subsidiaries provide gas and/or electricity to more than 1 million customers in adjoining service territories that cover nearly two-thirds of Indiana and about 20 percent of Ohio, primarily in the west central area. Vectren's nonutility subsidiaries and affiliates currently offer energy-related products and services to customers throughout the U.S. These include infrastructure services and energy services. To learn more about Vectren, visit www.vectren.com.

About MISO

MISO ensures reliable operation of, and equal access to, high-voltage power lines in 15 U.S. states and the Canadian province of Manitoba. MISO manages one of the world's largest energy markets, with more than \$37 billion in annual gross market energy transactions. MISO was approved as the nation's first regional transmission organization in 2001. The not-for-profit organization is governed by an independent board of directors and is headquartered in Carmel, Indiana. Learn more at www.misoenergy.org.

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Proposed route from MISO



*This does not necessarily represent the proposed route Vectren will submit in its bid.