

Corporate Code of Conduct



COMMUNITY

CAPITAL

COLLEAGUES

CUSTOMER

Ethics and compliance – Our shared responsibility

The Vectren Code of Conduct forms the foundation for our Ethics and Compliance Program. It guides the actions and decisions of each Vectren associate. Each of us, by reading, understanding and following the Vectren standards, helps ensure that the highest ethical standards are upheld.

TABLE OF CONTENTS

Ethics and compliance – Our shared responsibility: pg. 3

- Vectren's values
- Making ethical decisions
- Colleague responsibilities
- Reporting violations and seeking advice
- Reporting accounting, auditing, and internal control irregularities
- Good faith reporting and non-retaliation policy

Our work environment: pg. 5

- Integrity
- Fairness
- Diversity
- Harassment prevention
- Safety

Protecting Vectren's information and assets: pg. 6

- Business records and communications
- Responding to inquiries
- Protecting Vectren assets and confidential business information
- Intellectual property
- Inside information and non-public information

Conducting Vectren's business: pg. 9

- Customer services
- Vendors and suppliers and competitive processes
- Conflicts of interests
- Community
- Environment
- Governmental relationships
- Governmental requests
- Compliance

Laws and regulations: pg. 11

- Annual disclosure

Certification forms: pg. 12

- Annual Code of Conduct certifications

Vectren's reputation and success have been built by our commitment to our values: Customer, Colleagues, Capital and Community. By living our values in the course of our daily work, each of us plays a vitally important role in maintaining a culture based on integrity, trust, openness, professionalism, and pride in what we do.

Being committed to our values and ethical business conduct also instills trust and confidence in our relationships with individuals and groups who depend on us and with whom we do business. Our customers, shareholders, communities, business partners, coworkers, and regulators expect we will conduct business with integrity. Every interaction that we have, every decision that we make, and every goal that we pursue must be approached with a dedication to ethical business conduct.

We all have the personal and professional responsibility to live and support an ethical culture at Vectren. We ask for your personal commitment to ethical leadership by embracing our values and the Vectren Code of Conduct. We thank you for doing your part!



A handwritten signature in black ink that reads "Niel C. Ellerbrook".

Niel C. Ellerbrook
Chairman and CEO



A handwritten signature in black ink that reads "Carl L. Chapman".

Carl L. Chapman
President and COO

Vectren’s values

Our corporate values serve as the foundation for a positive, productive, and ethical business culture. They guide us to do the right things everyday in business and in life. Vectren embraces this Code of Conduct not only in furtherance of the Vectren values, but also because it is the right thing to do. In many situations, however, we all need more specific guidance to meet Vectren’s expectations.

Our Code of Conduct, the Code, describes the ethical expectations for all Vectren colleagues (Vectren officers, employees, affiliates, subsidiaries and our Board of Directors). These expectations also extend to Vectren’s agents – our consultants, contractors, and others who represent Vectren in any capacity. None of us is perfect, but the Code provides a framework within which we can work ethically and in compliance with all applicable legal requirements. We all commit every day to do our very best work to the very best of our ability.

Making ethical decisions

The Code cannot address every possible situation Vectren’s officers, employees, affiliates, agents, and the Board might encounter, but it provides guidance and a resource for the most common legal and ethical issues that may arise in our work. Directions on how we can obtain specific guidance for situations not directly covered in the Code are found within this document. Vectren does not expect perfection from its officers, employees, affiliates and the Board, but it does expect ethical, legal, and sound business behavior at all times. The Code sets out Vectren’s expectations of employees. The Code is not a substitute for sound business judgment, common sense and specific guidance on specific situations provided by Corporate Audit or Legal.

Colleague responsibilities

Each of us is responsible for our own integrity. Some of us, particularly those in positions of leadership and those with responsibilities for supervising others, have a special responsibility to create and maintain a work environment that reflects the Vectren values and in which all employees and agents recognize and incorporate ethical and legal requirements for doing business. This special responsibility includes the communication of the Vectren values, the Code and Vectren’s expectations to employees and agents, as well as any additional information or training that specific employees and agents need to know to do their jobs. This communication begins during the hiring process, in which each of us with responsibilities for employee selection recognizes the importance of choosing employees who embrace the Vectren values and who can meet the expectations set out in the Code. There is no place for unlawful activities or unethical behavior at Vectren, and we do not tolerate it. There is no substitute for personal responsibility first and, secondly, diligent supervision by those with supervisory responsibilities.

Vectren values

CUSTOMER

We know success comes from understanding our customers and actively helping them use energy efficiently.

COLLEAGUES

We believe talented colleagues, with experience that comes from a wide array of individual differences, will drive business results. We will reward superior performance, invest in employee development, and align our actions to achieve our mission.

CAPITAL

We will present a value proposition that attracts both equity and debt investors.

COMMUNITY

We are committed to a sustainable future through improving the social, economic and environmental well-being of our communities.



Reporting or inquiry

Hold yourself and our company to the highest ethical standards.

NON-RETALIATION

GOOD FAITH

Reporting violations and seeking advice

We recognize that this Code, and, indeed, Vectren, is only as effective and ethical as each of us and our individual and group actions. We hold ourselves and our company to the highest ethical standards both in theory and in practice every day. We take violations of Vectren's Code seriously, and we understand that reports of violations will be investigated.

Reporting accounting, auditing, and internal control irregularities

We voice concerns related to questionable accounting and auditing activities or internal control irregularities directly to our supervisors, Corporate Audit, Human Resources or the Legal department. Some examples of these issues include deficiencies in the design or operation of internal controls that could adversely affect Vectren's ability to record, process, summarize, and report financial data; or fraud that involves management or others who have a role in Vectren's financial reporting, disclosures, or internal controls. All such reported concerns will be forwarded to the Vectren Audit Committee as required by the Sarbanes-Oxley Act of 2002.

Good faith reporting and non-retaliation policy

We make such contacts without fear of retribution or retaliation. We understand that any failure to follow the Code, Vectren policies and procedures and all applicable laws can result in disciplinary action up to and including termination of employment. Vectren reserves the right and, if appropriate, will seek restitution of any bonus or other compensation received by any colleague as a result of the colleague's intentional or knowingly fraudulent or illegal conduct, including the making of a material misrepresentation contained in the Company's financial statements.



Seeking advice?

Questions regarding whether conduct is or would be inconsistent with the Code should be directed to:

- Supervisors, Corporate Audit, Human Resources and the Legal department
- Ethics and Compliance e-mail: ethicsandcompliance@vectren.com
- Chief Compliance Officer: (812) 491-4203
- Vectren Corporation's Director of Corporate Audit: (812) 491-4897
- Chair of the Audit Committee via mail at Chair of the Audit Committee, Vectren Corporation, P.O. Box 209, Evansville, Indiana, 47702-0209 or via e-mail at chairauditcommittee@vectren.com.



Treat coworkers with honesty and respect.

Our work environment

Our work environment affects the way we perform our jobs. When we work in an atmosphere of honesty and respect, our relationships with coworkers, customers, and others are enhanced. We all are responsible for knowing Vectren's Human Resource policies, which we can view on Vantagepoint, the Vectren intranet.

Integrity

We act honestly. We obey the law. We treat all with whom we interact respectfully and fairly. We are accountable for our work and our actions, and we take responsibility. We correct immediately those situations that we can correct ourselves, and we bring other situations to the attention of those who can correct them. We require those who work for us, including agents and consultants, to do likewise. We recognize that those who work for us take their direction from us, and we do not tolerate unlawful or unethical activities by anyone. Business integrity may be hard to define, but we all recognize it when we see it. Even more importantly, we recognize when it is missing.

Fairness

We commit to fair and equitable treatment of all employees and all candidates for employment. We evaluate employees and candidates for employment based on their demonstrated competencies: observable and measurable behaviors, skills, and abilities; and achievements without regard to their race, color, gender, sexual orientation, national origin, age, religion, disability, veteran status, or marital status. We seek to avoid transferring or promoting a relative of any employee into a situation where the appearance of favoritism in an employment relationship might exist. We foster an atmosphere of open communication, trust, and respect. We comply with all laws, including employment laws.

Diversity

We promote diversity in our work force and in the work forces of those with whom we do business. We recognize the value of diverse backgrounds, experiences, styles, approaches, and ideas to our business success; and we see our diverse workforce as both a strength and a competitive advantage. We create and sustain an inclusive work environment where each of us is encouraged and expected to achieve our full potential, both for personal fulfillment and in furtherance of Vectren's business success. We seek to provide meaningful responsibilities and growth and developmental opportunities for all employees. We do not tolerate unlawful discrimination.

INTEGRITY

FAIRNESS

DIVERSITY



SECURE

COMFORTABLE

SAFE

Harassment prevention

We all have the right to a workplace free from intimidation, harassment, and abuse. We report any workplace harassment that we experience or observe to our supervisors, the Human Resources Department, the Legal Department, the Corporate Auditor or any member of the management team. We recognize and understand that Vectren prohibits workplace harassment, verbal or physical. We understand that verbal or physical conduct by any employee that harasses another employee or disrupts any employee's work performance or creates an intimidating, offensive, abusive, or hostile work environment is strictly prohibited and is not tolerated. We do not tolerate unwelcome verbal or physical conduct of a sexual nature, including unwelcome sexual advances or requests for sexual favors. We help each other by speaking out when a fellow employee's actions or words make us or others uncomfortable. We are each responsible for promptly reporting harassment when it occurs. We understand that Vectren takes harassment claims seriously and investigates those claims thoroughly.

Safety

We all work to create a safe and healthy work environment and to prevent accidents. We all hold ourselves accountable for understanding and following the safety rules and practices that apply to our jobs and for taking necessary precautions to protect ourselves and our fellow employees, including immediately reporting unsafe conditions and practices and accidents and injuries. We look out for each other, and we take care of each other.

We all report to work free from the influence of any substance that might impair us or compromise our safe and effective work or put ourselves, fellow employees, or the public at risk. We recognize that Vectren provides confidential employee assistance to us, and we use that resource when we need to. We understand that workplace violence of any kind, including threats and intimidation, is strictly prohibited. We are prohibited from having weapons in the workplace, on Vectren property, or on any other property while conducting business for Vectren. We all recognize that our first obligation in any situation is our safety and the safety of the public. If we find ourselves in any situation we judge to be unsafe, we first leave that situation and, secondly, report that situation to our immediate supervisor and to law enforcement as directed.

Protecting Vectren's information and assets

We protect each other's privacy and confidentiality, just as we expect our fellow employees to protect our own privacy and confidentiality. For those of us whose work involves access to the personal, medical, legal, or financial information of others, we do not compromise employees' privacy and confidentiality, and we disclose such information only to those with a business need for that information. We recognize and respect the trust that fellow employees place in us, and we safeguard that trust. We do not expect privacy when using Vectren-provided equipment, such as computers, cell phones, PDAs, etc., and Vectren-provided services. We understand that Vectren reserves the right to inspect its facilities and property, including computers, telephone records, lockers, e-mail, Internet usage, offices, and other work spaces.

Work to create a safe and healthy work environment.

*Keep accurate records.
Provide accurate information.*

Business records and communications

We all do our part to ensure that we keep accurate records and provide accurate information for both internal decision-making purposes and for review by regulators and other governmental agencies. We all understand the necessity of providing only accurate, timely, and complete information in the documents we file or submit, and we also recognize the importance of full and accurate communications to the public. We understand that our reputations, both individually and collectively as Vectren, are riding on every communication and every record.

We know that accuracy begins with the most basic documents – our day-to-day business records and our personal time-sheets and expense reports, for example. If we are uncertain about the validity of an entry or a process, we seek guidance from supervisors and, as appropriate, Corporate Audit. We acknowledge that Corporate Audit can examine all accounts and records and has access to all facilities and operations of the corporation and its subsidiary companies. We cooperate with those efforts, and we know that we should not unduly or fraudulently influence, coerce, manipulate or mislead independent or corporate auditors regarding financial statements, processes or internal controls.

We recognize that nearly every business record, including records like e-mails and voicemails, may become public at any time as the result of litigation, governmental investigations, or by other means. We make every effort to be clear, concise, and accurate in those records. We strive to avoid exaggeration, interjection of our personal opinions, use of colorful language, and speculation in our business records and business communications.

We take special care with our financial records, and we seek proper authorization for all payments and transactions. We all do our part to see that financial books, records, and accounts accurately reflect transactions and events and conform to Vectren's system of internal controls. We recognize that our customers, shareholders, and the public all rely on the accuracy of our information, and we strive to meet those expectations.

We all follow Vectren's records retention policy and procedures, and we maintain and destroy records as the policy and those procedures require. We keep only those records which the policy and procedures allow, and we follow directions from Legal and Human Resources concerning the handling of specific kinds of business records. We never alter, conceal, destroy or create documents during any investigation — internal or external.

Responding to inquiries

We all have an obligation to provide accurate information to inquiries. Because only certain employees have all of the information and training to comply with this obligation, particularly with respect to inquiries from the public, shareholders, analysts, media and regulators, our first obligation is to see that all of these inquiries get to the employees who should provide responses – Corporate Communications, Investor Relations and Legal are among the groups who routinely respond to these kinds of inquiries and to whom we should direct any inquiries or requests we receive.

PRIVACY

ACCURACY

TRUST



Follow security and safety procedures.

Protecting Vectren assets and confidential business information

We all have Vectren assets that we use to do our work, and we have a responsibility to protect those assets – to treat those assets the way we treat our own property. Vectren assets include not only financial assets like cash and checks, but also Vectren equipment including phones, computers, vehicles, etc. We follow security and safety procedures, and we stay alert to situations that could put Vectren assets at risk of loss, damage, or misuse. We use Vectren assets to do Vectren business; we use our personal assets for personal use.

We follow all applicable internal controls, and we refuse to participate in or tolerate theft, fraud, unauthorized disclosures, embezzlement, or misappropriation or misuse of any Vectren property. We immediately report any improper activity of which we become aware to supervisors, Corporate Audit, Human Resources, Corporate Security or the Legal department, and we cooperate fully with all inquiries, internal and external.

In addition to confidential employee and customer information, we work with confidential Vectren business information. We protect that information from disclosure in the same ways and for the same reasons that we protect other confidential information. We avoid discussion of confidential information in public areas, such as elevators, break rooms, restaurants, and areas outside Vectren, except as necessary to do our work. We continue to protect confidential business information even after our employment ends.

Intellectual property

We recognize that those who develop and protect through copyright, trademark, service mark or patent their intellectual property have a legally protected interest in that work. We understand that the unauthorized copying, use, or distribution of that work, including software, books, papers, tapes, or other legally protected work, is a misuse of that work which creates potential financial and legal liability for Vectren and perhaps for us personally as well. If we want to use the intellectual property of others, we secure the necessary permission. If we have questions about how to do that, we consult supervisors or the Legal department for guidance.

Inside information and non-public information

We use confidential business information only as necessary in our work for Vectren. We do not use such information for our personal benefit. We do not trade securities based on material information before that information is publicly available. If we are unsure whether information is material or publicly available, we consult Legal or Corporate Audit for guidance.

If we have access to non-public electric transmission information or information about critical Vectren facilities and infrastructure, we keep that information confidential, and we use it only for our particular work. We do not pass that information to others. We do not share that information with employees who might benefit or who could take a business advantage from that information. If we are unsure whether information is non-public electric transmission information or information about critical Vectren facilities and infrastructure, we consult the Legal Department for guidance. If we inadvertently disclose non-public transmission information, we immediately contact the Legal department.



We comply fully with all laws, including laws that govern free and open competition and a level playing field for all participants. We follow our affiliate guidelines, and we neither advantage nor disadvantage any market participant who may be affiliated with Vectren. If we have any questions concerning affiliate relationships or competition, we consult Legal for guidance. We understand that certain business practices are prohibited by law, including, for example, exchanging information with competitors concerning pricing, marketing, power production or customers or entering into any agreement with any competitor concerning pricing, customers or suppliers. We understand that in addition to legal penalties, the damage to our personal reputations and Vectren's business reputation from any illegal activity cannot be repaired.



Conducting Vectren's business

Customer services

We all value our customers. We also value Vectren's reputation for providing safe and reliable utility service to our customers, and we take our responsibility for Vectren's reputation personally. We remain mindful of that reputation, and we work to improve that reputation in all of our interactions with customers, regulators, and the general public. We especially work to ensure that our customers and the public can trust the safety of the services we provide. We work to address unsafe situations we find, and we take all necessary steps to prevent unsafe situations from occurring.

Vendors and suppliers and competitive processes

We seek always to do business with suppliers, consultants, contractors, joint venture partners, and others who embrace and demonstrate high standards and ethical business behaviors. All of our business partners are provided with a copy of the Code, and we expect each of them to read it and adhere to it. We expect our business partners to do business in a manner consistent with the expectations and requirements that we set for ourselves in the Code, and we expect them to share our commitments to ethical business conduct. We expect to pay a fair charge and to receive fair value in return. We do not allow family or personal considerations to influence our business decisions. Where practical, we survey the marketplace for both expertise and value, verify quality and service claims, and forge business relationships with suppliers to gain the very best values for Vectren. We require our employees to monitor the Vectren contracts for which they are responsible and to report to supervisors any concerns or instances in which Vectren does not receive fair value for its money. Our customers and shareholders expect no less.

Conflicts of interests

We make business decisions based on good business judgment and not based on any personal gain or personal interests. We recognize that there may be situations where our personal, financial, or family interests conflict with Vectren business interests. We avoid such conflicts and the appearance of conflicts by not participating in those business decisions and by disclosing our personal or family interest to our supervisors.

*Take personal responsibility
for Vectren's reputation.*

CONFIDENTIALITY

REPUTATION



Avoid conflicts of interest and the appearance thereof.

GIFTS & ENTERTAINMENT

We disclose conflicts and potential conflicts because we recognize that such conflicts and potential conflicts can be embarrassing to us and to Vectren and can be misinterpreted by others. We remain mindful of appearances, and we recognize that the mere appearance of a conflict of interest may damage the reputations of Vectren and ourselves. We report conflicts and the appearance of conflicts to Corporate Audit.

We do not accept gifts, favors, or entertainment if those items will obligate, appear to obligate us, or otherwise influence any business decision in which we must be involved. We will not accept any gift, favor, or entertainment if it will compromise or appear to compromise our ability to make an objective business decision. This does not include occasional business meals that can be reciprocated or gifts of nominal value. We do not solicit or request gifts, favors, or entertainment, and we NEVER accept gifts of cash or cash equivalents.

We acknowledge that company policy requires employees receiving normal and customary gifts, business meals or entertainment, services or anything of value from a single company vendor, supplier, contractor or customer with an annual cumulative value of \$200 to report those items to their supervisor and to file the Entertainment and Gift form with Corporate Audit. If we have any question concerning the propriety of any gift, favor, or entertainment, we check with Corporate Audit and follow its guidance. We do not provide any gifts, favors, entertainment or meals to any governmental employee unless such is approved in advance by Government Affairs. We do provide governmental employees and elected officials with invoices detailing the fair market value of any good or service we provide.

We do not work for or receive payment for services from any business or individual who seeks to do business or does business with Vectren, particularly if this outside work may influence any decision we might make as part of our regular duties and employment for Vectren or if there is a risk that confidential Vectren information may be disclosed in the course of this outside employment. If we have questions about outside employment, we seek guidance from supervisors or Corporate Audit.

Community

We appreciate and support our communities, and we recognize Vectren's support of our communities. We have many opportunities to provide volunteer assistance within our communities, and Vectren supports us in those activities. When we are involved in community and political activities we make clear that our views are our own and not Vectren's. We may use Vectren assets and resources in community activities only with expressed, prior permission (and we seek guidance from our supervisors as to who may grant such permission). We never use such resources or assets for personal or political activities.

Environment

We acknowledge our individual responsibilities for stewardship of our environment from using recycling bins where available to choosing environmentally responsible options in our work. We comply with environmental laws and regulations, and we require those with whom we do business to do so as well. We do not violate environmental requirements.

COMMUNITY INVOLVEMENT

Governmental relationships

We value our good working relationships with governmental officials at all levels, local, state, and federal. We recognize that only Vectren Governmental Affairs or those persons specifically authorized to do so can lobby on Vectren’s behalf or speak for Vectren with those governments and officials. We consult with Government Affairs before we take any action or make any statement that might be interpreted as made on Vectren’s behalf. We understand that political contributions are highly regulated, and we make no contributions on Vectren’s behalf without the approval of Governmental Affairs. We make clear that any other contributions we make are our own, private contributions, which are not subject to reimbursement by Vectren and not attributable to Vectren in any way.

Governmental requests

We cooperate with reasonable requests for information from governmental agencies and authorities, and we share information routinely. In all non-emergency situations, we require customer permission or a court order prior to disclosing confidential customer information. We report all non-routine requests for information from governments to our supervisors and to the Legal Department for response. If we question whether a request is “routine,” we confer with the Legal Department. We provide truthful and accurate information in all instances. We cooperate with governmental inquiries, and we do not mislead, obstruct, or seek to influence any governmental agent.

Compliance

We understand that federal regulatory authorities including the Securities and Exchange Commission (SEC), Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC), regional authorities including ReliabilityFirst Corporation (RFC) and state and local authorities including the Indiana Utility Regulatory Commission (IURC) and Public Utility Commission of Ohio (PUCO) have established rules that regulate many of our business activities. We obey these rules. We acknowledge that our corporate commitment to compliance begins with each of us recognizing regulatory compliance as an integral part of our jobs. We work hard to maintain compliance with all applicable requirements, and we report suspected non-compliance immediately to our supervisors, Corporate Audit or the Legal Department. We participate fully in internal and external investigations of suspected non-compliance, and we work to improve our compliance every day. If we have questions concerning compliance we ask our supervisors, Corporate Audit or the Legal Department.

Consult with Government Affairs or the Legal Department in regard to governmental relationships and requests.

Laws and regulations

We comply with all applicable federal, state, and local laws and regulations. We do not engage in illegal conduct.

Annual disclosure

At least annually, we complete a certification (Exhibit A) provided by Corporate Audit. We understand that we must disclose the requested information and that any deliberate failure to disclose may result in disciplinary action. If we have any questions concerning the requested information, we seek guidance from Corporate Audit.



EMPLOYEE CODE OF CONDUCT ACKNOWLEDGEMENT AND ACCEPTANCE

To be completed annually by all supervisory employees and returned to director of Corporate Audit.

It is recommended that the employee read the Code of Conduct and become familiar with company policies before signing this document.

I have read the Vectren Employee Code of Conduct and agree to abide by it. I understand that further information regarding Vectren's compliance and other policies are available on the intranet under Work Smart/My Company/Code of Conduct and agree that I will familiarize myself with these policies. I will contact my manager or Human Resources representative to further explain the Code of Conduct or policies that I do not fully understand. If I become aware of any clear or suspected violations of this code or other Vectren policies, I will: contact my manager or their supervisor, the Human Resources department, the legal team, the director of Corporate Audit or the chair of the Vectren Audit Committee.

In this regard, I certify that I have read and understand the Code as well as any related policies. I also understand my responsibility to disclose any known or suspected violations of the Code.

Lastly, I understand that Vectren reserves the right to interpret its stated or usual policies and procedures on a case-by-case basis when the Company deems it necessary or appropriate and to change, correct, modify or revoke these policies and practices and any of their terms at any time without notice.

Printed Name

Signature

Date

Employee Number

Anonymous communication: Employees who do not wish to be identified, may address concerns regarding any clear or suspected violation of the Company's Code or policies, anonymously, through the following means:

By Mail:

Attn: Chair of the Audit Committee

P.O. Box 209

Evansville, IN 47702-0209

By e-mail:

Vectren Corporation chairauditcommittee@vectren.com

CODE OF ETHICS ACKNOWLEDGEMENT FOR CORPORATE OFFICERS

In my role as an executive of Vectren Corporation, I certify that I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability, I certify that:

1. I act with honesty and integrity, avoiding actual or apparent conflicts of interesting personal and professional relationships.
2. I provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.
3. I comply with rules and regulations of the federal, state and local governments as well as other appropriate private and regulatory agencies.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts.
5. I respect confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal gain or advantage.
6. I share knowledge and maintain skills important and relevant to the Company's needs.
7. I proactively promote ethical behavior as a responsible partner among peers and employees in my work environment.
8. I achieve responsible use of and control over all assets and resources employed or trusted to me.

Printed Name

Signature

Date

Employee Number