

Vectren natural gas pricing moves to Standard Sales Offer

Vectren Energy Delivery of Ohio (Vectren) received Public Utilities Commission of Ohio approval in April to move to a more market-based price structure for its natural gas charges, which is called Standard Sales Offer (SSO) Service. Under Vectren's SSO structure, Vectren will no longer buy gas for its customers who have not elected to purchase gas from an alternate natural gas supplier through the Choice program. Effective Oct. 1, Vectren will purchase gas through Choice suppliers who competed through an auction process to provide the natural gas commodity to sales customers.

The auction, which was held on Aug. 19, 2008, resulted in a retail price adjustment of \$2.35 per thousand cubic feet (Mcf) and will be effective Oct. 1, 2008, through March 31, 2010. This amount will be added to the New York Mercantile Exchange (NYMEX) month-end settlement price to form the total SSO gas cost charge. Because the majority of the SSO charge reflects the NYMEX-based market price, the monthly price will fluctuate given the natural gas commodity is bought and sold in an open market, and as such its price can vary with changes in supply and demand.

As of Oct. 1, this new SSO gas cost amount will be reflected in the existing "Gas Cost Recovery Charges" line item on the customer's bill. Vectren's charges for delivery service will continue to appear under the line item entitled "Distribution and Service Charges."

Keep in mind - As a Vectren customer you can decide who supplies your natural gas – and that company can either be Vectren or an alternative gas supplier through the natural gas Choice program. Choice suppliers, who are approved by the Public Utilities Commission of Ohio, can offer pricing options that may be appealing to you this heating season.

So take time to review the gas costs charges on your Vectren bills, and compare those monthly costs to the pricing options available from Choice suppliers. **Regardless of your natural gas supplier choice, Vectren will continue to provide the same high quality natural gas delivery, pipeline maintenance, and customer service you've come to expect.**

Learn more about your gas supply options at **Vectren.com/Ohio** or call **1-800-227-1376**.