

PROSPECTUS

VECTREN CORPORATION AUTOMATIC DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Vectren Corporation hereby offers to current and potential shareholders, including eligible employees of the Company and those of its wholly-owned subsidiaries as shall be designated from time to time by the Chief Executive Officer of Vectren, the opportunity to purchase its shares of Common Stock, without par value, through an Automatic Dividend Reinvestment and Stock Purchase Plan.

The shares of Common Stock purchased will either be shares purchased on the open market or new issue shares. The plan permits Common Stock dividends to be reinvested to purchase additional shares beginning on any dividend payment date (usually March 1, June 1, September 1 and December 1) or the next trading day.

- Voluntary cash payments will be invested in Common Stock beginning on the first day of each month (or on the next trading day if such date is not a trading day).
- Amounts are invested at a price equal to (a) in the case of shares purchased on the open market, the weighted average price of the shares of Common Stock purchased for the month, or (b) in the case of new issue shares, the closing price of those shares as reported on the New York Stock Exchange-Composite Transactions on the relevant investment date. (See answer to Question 13).
- Participants may also make voluntary cash payments of not less than \$25 per month nor more than \$100,000 in a calendar year to purchase shares of Common Stock beginning on the investment dates at prices determined in the same manner.
- Participants may make voluntary cash payments to purchase shares whether or not such shareholder authorizes the reinvestment of Common Stock dividends.

The plan is administered by National City Bank at the expense of Vectren. No brokerage commissions will be charged on new issue shares of Common Stock purchased under the plan. Any brokerage commissions resulting from open market purchases will be paid by Vectren.

The Common Stock is traded on the New York Stock Exchange under the symbol "VVC."

This Prospectus relates to 2,000,000 shares of Common Stock, without par value, registered for purchase under the plan.

You should retain this Prospectus for future reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is November 14, 2008

GENERAL INFORMATION

Vectren Corporation is an energy holding company headquartered in Evansville, Indiana. The Company's wholly owned subsidiary, Vectren Utility Holdings, Inc. (Utility Holdings), serves as the intermediate holding company for three operating public utilities: Indiana Gas Company, Inc. (Indiana Gas), Southern Indiana Gas and Electric Company (SIGECO), and the Ohio operations (VEDO). Utility Holdings also has other assets that provide information technology and other services to the three utilities. Utility Holdings' consolidated operations are collectively referred to as the Utility Group. Both Vectren and Utility Holdings are holding companies as defined by the Energy Policy Act of 2005. Vectren was incorporated under the laws of Indiana on June 10, 1999. The principal executive offices of Vectren are located at One Vectren Square, Evansville, Indiana 47708, its telephone number is (812) 491-4000, and its web site can be accessed at www.vectren.com.

Indiana Gas provides energy delivery services to over 568,000 natural gas customers located in central and southern Indiana. SIGECO provides energy delivery services to over 141,000 electric customers and approximately 112,000 gas customers located near Evansville in southwestern Indiana. SIGECO also owns and operates electric generation to serve its electric customers and optimizes those assets in the wholesale power market. Indiana Gas and SIGECO generally do business as Vectren Energy Delivery of Indiana. VEDO provides energy delivery services to approximately 318,000 natural gas customers located near Dayton in west central Ohio. VEDO is owned as a tenancy in common by Vectren Energy Delivery of Ohio, Inc., a wholly owned subsidiary of Utility Holdings (53 percent ownership), and Indiana Gas (47 percent ownership), and generally does business as Vectren Energy Delivery of Ohio.

The Company, through Vectren Enterprises, Inc. (Enterprises), is involved in nonutility activities in three primary business areas: Energy Marketing and Services, Coal Mining and Energy Infrastructure Services. Energy Marketing and Services markets and supplies natural gas and provides energy management services. Coal Mining mines and sells coal. Energy Infrastructure Services provides underground construction and repair services and performance contracting and renewable energy services. Enterprises also has other businesses that invest in energy-related opportunities and services, real estate, and leveraged leases, among other investments. These operations are collectively referred to as the Nonutility Group. Enterprises supports the Company's regulated utilities pursuant to service contracts by providing natural gas supply services, coal, infrastructure services, and other services.

RISK FACTORS

Investing in our Common Stock involves risks. Please see the risk factors described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, our Quarterly Report on Form 10-Q for the period ended September 30, 2008, and in documents that we file with the Securities and Exchange Commission ("SEC") under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") after the date of this prospectus until this offering is completed, which are all incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus.

WHERE YOU CAN FIND MORE INFORMATION

Vectren has filed with the SEC a registration statement on Form S-3 to register the shares of Vectren Common Stock to be issued pursuant to the plan. As allowed by the SEC rules, this prospectus does not contain all the information you find in the registration statement or the exhibits to the registration statement. This prospectus is part of the registration statement. In addition, Vectren files annual, quarterly and special reports and other information with the SEC. You may read and copy any reports, statements or other information we file at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at www.sec.gov.

Documents we have incorporated by reference in this prospectus

The SEC allows us to “incorporate by reference” information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information that we are incorporating by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus. This prospectus incorporates by reference the documents that we have previously filed with the SEC. These previously filed documents contain important information about Vectren’s finances, among other things.

The following documents filed with the SEC by Vectren Corporation pursuant to the Exchange Act are incorporated by reference in this registration statement:

- (a) Annual Report on Form 10-K for the year ended December 31, 2007.
- (b)
 - (i) Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.
 - (ii) Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
 - (iii) Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.
 - (iv) Current Report on Form 8-K filed jointly by Vectren and its wholly owned subsidiary, Vectren Utility Holdings, Inc., on February 14, 2008.
 - (v) Current Report on Form 8-K/A filed jointly by Vectren and Vectren Utility Holdings, Inc. on February 14, 2008.
 - (vi) Current Report on Form 8-K filed by Vectren on February 27, 2008.
 - (vii) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on March 12, 2008.
 - (viii) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on June 30, 2008.
 - (ix) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on September 10, 2008.
 - (x) Current Report on Form 8-K filed by Vectren on September 16, 2008.
 - (xi) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on September 29, 2008.
 - (xii) Current Report on Form 8-K filed jointly by Vectren and Vectren Utility Holdings, Inc. on October 31, 2008 (only the matter disclosed under Item 2.06 therein).
- (c)
 - (i) The description of Vectren Corporation’s Common Stock contained in the Registration Statement on Form 8-A filed with the Commission on November 16, 1999.
 - (ii) The description of Vectren Corporation’s Common Share Purchase Rights contained in the Registration Statement on Form 8-A filed with the Commission on November 16, 1999.

We also incorporate by reference all documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus until this offering is completed.

You should rely only on information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operations may have changed since that date.

References in this prospectus to “Vectren,” “we,” “us” and “our” are to Vectren Corporation.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us in writing or by telephone at the following address:

Vectren Corporation
Attn: DRIP/Investor Relations Department
One Vectren Square
Evansville, IN 47708
Tel No. (812) 491-4190
E-mail: vvcir@vectren.com

THE PLAN

Vectren hereby offers to current and potential shareholders, including eligible employees of the Company and those of its wholly-owned subsidiaries as shall be designated from time to time by the Chief Executive Officer of Vectren, the opportunity to purchase shares of Common Stock pursuant to the plan. The plan consists of the following 43 questions and answers.

INTRODUCTION

1. What does the plan provide?

The plan provides current and potential shareholders an opportunity to have dividends reinvested in additional shares of Common Stock to be purchased by the plan either on the open market or directly from us in the form of authorized but unissued shares (sometimes referred to as “new issue shares”). We have reserved the right to cause the plan to purchase shares on the open market or new issue shares as we determine from time to time in our sole discretion. (See answer to Question 41).

If participants wish, they may also make voluntary cash payments of not less than \$25 per month and not more than \$100,000 in a calendar year. Participants may make these voluntary cash payments whether or not the participants have authorized the reinvestment of Common Stock dividends.

As explained below, the cash dividends and any voluntary cash payments of a participant will be applied by the Company’s transfer agent, as agent and plan administrator (see answer to Question 3), to the purchase of shares of Common Stock at a purchase price determined in the manner set forth in the answer to Question 13. We will pay expenses incurred in connection with such purchases, including, any brokerage commissions incurred as a result of purchases of open market shares. Charges will be incurred by a participant upon the sale of book-entry shares credited to the participant’s account. (See answer to Question 23). Eligible employees may also participate in the plan through payroll deduction. (See answers to Questions 35 through 40).

PURPOSE

2. What is the purpose of the plan?

The purpose of the plan is to provide participants with a simple and convenient way of investing cash dividends and voluntary cash payments in shares of Common Stock without payment of any brokerage commissions or service charges. Beneficial owners of shares of Common Stock whose shares are registered in names other than their own, such as a broker or other agent, may participate in the plan by transferring some or all of those shares to an account established under the plan. Beneficial owners of shares of Common Stock who desire to participate in the plan should instruct their broker or other agent to initiate the transfer, or such participants can contact the plan administrator to request assistance. Eligible employees may also participate in the plan through payroll deduction.

ADMINISTRATION

3. Who administers the plan?

The Company’s transfer agent administers the plan and purchases shares of Common Stock as agent for the plan participants. The Common Stock acquired by the agent will either be new issue shares or shares purchased on the open market, as we determine in our sole discretion. The agent in purchasing shares on the open market will have, consistent with applicable securities laws and regulations, absolute discretion to determine the volume, timing and price of such purchases. If you decide to participate in the plan, the agent will keep a continuous record of your participation in the plan and send you a statement of your account under the plan after each purchase affecting your account. Shares purchased through the plan will be credited in book-entry form to your

account. You may deposit your Common Stock certificates for conversion to book-entry shares which will be credited to your account. This will relieve you of the responsibility for the safekeeping of multiple certificates for shares purchased and protect you against loss, theft, or destruction of stock certificates.

The agent may be contacted as follows:

Correspondence

All correspondence and inquiries concerning the plan should be directed to:

By Mail: National City Bank, Dept. 5352
Reinvestment Services
P. O. Box 94946
Cleveland, OH 44101-4946

By E-mail: shareholder.inquiries@nationalcity.com

Be sure to include a reference to Vectren Corporation in your correspondence.

Telephone

Shareholder customer service, including sale of shares: 1-800-622-6757.

TDD: 1-800-622-5571. A telecommunications device for the hearing impaired is available.

Outside the United States and Canada: 1-216-257-8663

An automated voice response system is available 24 hours a day, 7 days a week.

Customer service representatives are available from 8:00 a.m. to 5:00 p.m. Eastern time each business day.

Internet

You can obtain information about your account over the Internet at www.ncstockaccess.com or through the agent's website at www.nationalcitystocktransfer.com. To gain access to your account, you will require a password which you can receive by calling the agent at 1-800-622-6757.

You may contact the agent by e-mail at: shareholder.inquiries@nationalcity.com. Be sure to include a reference to Vectren Corporation in your correspondence.

PARTICIPATION

4. Who is eligible to participate in the plan?

Any U.S. person or entity can participate in the plan if they follow the steps described below. A citizen or resident of a foreign country is also eligible if participation does not violate any governmental regulations or laws. It is not necessary to be a current shareholder to participate in the plan. Any beneficial owners of Common Stock whose shares are registered in the name of a broker, trustee or other nominee may become eligible to participate in the plan by having their shares transferred and registered in their own name(s) in stock certificate or book-entry form. Beneficial owners who prefer book-entry registration should instruct their broker to re-register their shares with the agent through the direct registration system. Please contact the agent at 1-800-622-6757 for more specific information. (See answers to Questions 35 through 40 for information concerning employee participation.)

5. How does a new investor or current shareholder participate?

New investors or current shareholders may participate in the plan by completing and signing the enrollment authorization form provided by the agent and returning the completed form to the agent. A postage paid envelope is provided for this purpose. You may contact the agent at any time to obtain an enrollment authorization form. (See the answer to Question 3 for information on how to contact the agent.) Any correspondence with the agent concerning the plan should refer specifically to the Vectren Corporation Automatic Dividend Reinvestment and Stock Purchase Plan. New participants in the plan must make a minimum initial investment of \$500. (See answer to Question 14 for information concerning initial purchases of shares of Common Stock by persons who are not currently shareholders.)

6. When may a new investor or current shareholder become a participant in the plan?

New investors or current shareholders may join the plan at any time. A participant desiring to have cash dividends reinvested in shares of Common Stock should make the appropriate designation on the enrollment authorization form and submit the completed form to the agent. (See answer to Question 7.) If the enrollment authorization form is received by the agent prior to a dividend record date, then reinvestment of cash dividends on the shares credited to the participant's plan account will commence on the related dividend payment date. (Cash dividends on Common Stock are expected to be paid on or about March 1, June 1, September 1 and December 1. Of course, we cannot assure that the Board will declare dividends to be paid on these dates.) For shareholders electing to reinvest cash dividends under the plan, dividends paid on or after the date participation commences will not be sent to the shareholder but, instead, will be reinvested under the plan. For example, if we declare a cash dividend on our Common Stock payable on June 1 to holders of record on May 15, the enrollment authorization form must be received by the agent prior to May 15 in order for the dividend paid on June 1 to be reinvested. If the enrollment authorization form is received on or after the record date of May 15, the dividend paid on June 1 will be sent to the shareholder as usual and such shareholder's reinvestment in the plan will commence on the date the next cash dividend on Common Stock is paid (on September 1).

For new investors or current shareholders electing to participate in the plan through the investment of voluntary cash payments, participation may begin at any time.

7. What does the enrollment authorization form provide?

The enrollment authorization form specifies the method by which a new investor or current shareholder elects to participate in the plan. If the "FULL DIVIDEND REINVESTMENT" box is checked, then the agent will invest in shares of Common Stock (a) all of the participant's cash dividends on the aggregate shares registered in the participant's own name in stock certificate form and any book-entry shares credited to the participant's account, and (b) any voluntary cash payments made by the participant. If the "PARTIAL DIVIDEND REINVESTMENT" box is checked, the participant must specify, in the box provided for that purpose, the number of shares of Common Stock on which cash dividends will be sent to the participant. The number of shares specified in the box may include up to the number of aggregate shares registered in the participant's own name in stock certificate form and any book-entry shares credited to the participant's account. The agent will invest in shares of Common Stock (a) the cash dividends on the remainder of the aggregate number of shares registered in the participant's own name in stock certificate form and book-entry shares credited to the participant's account, and (b) any voluntary cash payments made by the participant. If the "VOLUNTARY CASH PAYMENTS ONLY (NO DIVIDEND REINVESTMENT)" box is checked, then we will send directly to the participant cash dividends on all shares of Common Stock registered in the participant's own name in stock certificate form and all book-entry shares credited to the participant's account, and the agent will invest only the participant's voluntary cash payments in shares of Common Stock.

Under the plan, dividends will be reinvested, paid in cash, or both, as designated on the enrollment authorization form until a participant specifies otherwise.

8. May a shareholder have cash dividends reinvested under the plan with respect to less than all of the shares of Common Stock registered in the shareholder's name?

A shareholder may have cash dividends reinvested under the plan with respect to all or a portion of the shares of Common Stock registered in the shareholder's name. Shares registered in the shareholder's name include shares held by the shareholder in stock certificate form and book-entry shares credited to the shareholder's account. If a shareholder has shares of Common Stock registered in more than one name (for example, some shares registered in the name of "John Doe" and others registered in the name "John J. Doe"), or the shares are registered in the name of the shareholder and another person (for example, as a joint tenant with his or her spouse), the shareholder will receive an enrollment authorization form for each such registered name or names. In that case the shareholder (and such other person) has the election of completing and signing and returning any or all such enrollment authorization forms.

9. How may you change investment options?

You may change your investment option at any time by completing and signing a new enrollment authorization form and returning it to the agent. A change in investment option affecting the reinvestment of cash dividends will be effective on a dividend payment date if the enrollment authorization form or telephone authorization is received by the agent prior to the related dividend record date. (See Question 6). If the enrollment authorization form is received by the agent on or after the related dividend record date, the change will be effective on the dividend payment date for the following quarter.

COSTS

10. Are any fees or expenses incurred by participants in the plan?

Except as provided below, we will pay all costs of administration of the plan, including service fees and brokerage commissions on purchases of open market shares. However, if a participant requests the agent to sell all or part of the shares credited to his or her account, the participant will pay a service fee (currently \$10), any related brokerage commission (currently \$.035 per share sold) and any other related costs, as discussed in the answer to Question 23.

PURCHASES

11. How many shares of Common Stock will be purchased for a participant?

The number of shares to be purchased for each participant on an investment date will depend on the amount of the participant's dividends and/or voluntary cash payments to be invested and the price per share of Common Stock. Each participant's account will be credited as of each investment date with that number of shares, including fractions computed to three decimal places, equal to the total amount to be invested on behalf of that participant on that date divided by the purchase price of each share of Common Stock. See the answer to Question 13 for a description of how the purchase price is determined.

12. How and when will shares of Common Stock be purchased under the plan?

The plan permits Common Stock dividends to be reinvested beginning on any dividend payment date (usually March 1, June 1, September 1 and December 1) and voluntary cash payments to be invested beginning on the first day of each month, or the next trading day if any such date should not be a trading day. On each investment date on which a dividend is paid, we will pay to the agent the total amount of dividends payable on the shares subject to dividend reinvestment under the plan. The agent will use that amount, along with all voluntary cash payments then held by the agent under the plan, to purchase shares of Common Stock for the accounts of participants at the purchase price set forth in the answer to Question 13. If we direct the agent to purchase shares on the open market, it is expected that the agent will normally purchase shares beginning on the

investment date and will complete the purchases within five trading days. However, in purchasing shares on the open market, the agent will have, consistent with applicable securities laws and regulations, absolute discretion to determine the volume, timing and price of such purchases. Neither Vectren nor any participant will have any authority or power to direct the time or price at which shares will be purchased, or the selection of the broker or dealer through or from whom purchases will be made. If we elect to make available new issue shares for purchase, the agent will purchase shares of Common Stock from Vectren on the investment date. In months during which dividends are not paid, shares will be purchased with all voluntary cash payments then held by the agent in the manner described above.

13. What will be the price of shares of Common Stock purchased under the plan?

The price per share of the open market share purchases of Common Stock for allocation to the accounts of the plan participants as of an investment date will be the weighted average price paid by the agent for all open market shares which were purchased by the agent for that month.

If we elect to make available new issue shares for purchase, the price per share of any new issue shares of Common Stock purchased from Vectren on any investment date on behalf of participants in the plan will be the closing price of those shares as reported on the New York Stock Exchange-Composite Transactions on the relevant investment date. If no trading occurs in the Common Stock on the investment date, the purchase price will be the closing price on the next trading day on which shares are traded.

INITIAL PURCHASES AND VOLUNTARY CASH PAYMENTS

14. How are initial purchases made?

A participant making his or her initial purchase of Common Stock through the plan should submit a check or money order in an amount not less than \$500 or more than \$100,000 together with an enrollment authorization form to the agent. Alternatively, a new participant may arrange to have the purchase price deducted from a designated account in a United States bank or financial institution. (See the answers to Questions 16 and 17 for additional information on paying by check or by automated withdrawal.) Investors may not invest more than \$100,000 per calendar year. The agent will return any excess tendered amount to the sender. Purchases will be made on behalf of a new participant in the plan on the first day of the next succeeding month (or on the next trading day if such date is not a trading day) following the agent's receipt of the payment and enrollment authorization form from the participant, except that initial purchase payments received by the agent less than three business days before the end of a calendar month may be invested either in the next succeeding month or in the month following the next succeeding month. No interest is paid on initial purchase payments pending investment. The agent will return an initial purchase payment to an investor upon telephone or written request received at least three business days prior to the investment date.

15. How does the cash payment option work?

Voluntary cash payments received from the participant by the agent prior to an investment date will be invested each month to purchase shares of Common Stock. The agent will return voluntary cash payments to a participant upon telephone or written request from a participant received at least three business days prior to the investment date.

If a shareholder wishes to participate *only* through the investment of voluntary cash payments, the shareholder must check the "VOLUNTARY CASH PAYMENTS ONLY (NO DIVIDEND REINVESTMENT)" box on the enrollment authorization form.

16. How are voluntary cash payments made by check or money order?

The option to make cash payments by check or money order is available to participants each month. Voluntary cash payments by a participant cannot be less than \$25 per payment or more than a total of \$100,000 in a calendar year. If the agent receives payments totaling more than \$100,000 in a calendar year from a participant, the amount by which the payments exceed \$100,000 will be returned to the participant.

A voluntary cash payment may be made by a participant when enrolling by enclosing a check or money order in United States dollars (made payable to “National City Bank”) with the enrollment authorization form. Thereafter, voluntary cash payments may be made through the use of cash payment forms attached to each participant’s statement of account. The same amount of money need not be sent each month and there is no obligation to make a voluntary cash payment each month.

17. How are voluntary cash payments made by automatic monthly deductions?

You may make voluntary cash payments of not less than \$25 per transaction nor more than \$100,000 in a calendar year by means of a monthly automatic electronic funds transfer from a pre-designated account at a United States bank or financial institution. If the agent receives payments totaling more than \$100,000 in a calendar year from you, the amount by which the payments exceed \$100,000 will be returned to you. A new participant in the plan must make an initial investment of not less than \$500 or more than \$100,000.

To initiate automatic monthly deductions, you must complete and sign an authorization form for automatic deductions and return it to the agent together with a voided blank check or savings account deposit slip for the account from which funds are to be drawn. Forms will be processed and will become effective as promptly as practicable; however, you should allow four to six weeks for your first automatic investment to be initiated.

Once automatic monthly deductions are initiated, funds will be drawn from your designated bank account on the 15th day of the month preceding each monthly investment date. Participants who invest through automatic monthly deductions are not subject to having their participation in the plan terminated by the Company if they hold fewer than ten shares in their plan account. (See answer to Question 43).

You may change the amount of your automatic monthly deduction by completing and submitting to the agent a new authorization form for automatic deductions. If you close or change a bank account, a new authorization form for automatic deductions must be completed and submitted to the agent. To be effective with respect to a particular investment date, the new authorization form for automatic deductions must be received by the agent by the 12th day of the month preceding such investment date. You may discontinue automatic deductions by notifying the agent by telephone or in writing.

18. Will interest be paid by Vectren or the agent on the cash payment by a new participant to make an initial purchase or on any voluntary cash payments made under the plan?

No. Interest will not be paid by Vectren or the agent on the initial purchase price submitted by new participants or on any voluntary cash payments held pending investment under the plan. Therefore, we recommend that new participants and participants making voluntary cash payments send their cash payments so that they reach the agent as close as possible and prior to the investment date. A participant should be aware of possible delays in the mail if payment is to be made in that manner. Accordingly, it is recommended that a participant mail the cash payment for an initial purchase or any voluntary cash payment no later than ten days prior to an investment date.

REPORTS TO PARTICIPANTS

19. What kind of reports will be sent to participants in the plan?

You will receive a statement after each purchase for your account showing the amounts invested, purchase prices, shares purchased and other relevant information. **These statements are your continuing record of**

purchases and should be retained for income tax purposes. In addition to a prospectus for the plan, you will receive copies of the same communications sent to every other shareholder, including either paper or electronic versions of our Annual Report to shareholders, proxy solicitation materials and dividend information required by the Internal Revenue Service to be furnished by us and the agent.

DIVIDENDS

20. Will you receive cash dividends on fractional interests in shares credited to your accounts?

Yes. Dividends on fractional share interests will be either reinvested in Common Stock or sent directly to you, depending upon your selected investment option.

CERTIFICATES FOR SHARES

21. Will certificates be issued for shares of Common Stock purchased?

Shares of Common Stock purchased under the plan will be registered in the name of the agent (or its nominee), as agent for participants in the plan; and certificates for such shares will not be issued to participants except upon telephone or written request. The number of shares credited to your account under the plan will be shown on your statement of account. This procedure protects against loss, theft or destruction of stock certificates.

Shares credited to your account may be withdrawn by notifying the agent by telephone or in writing specifying the number of shares to be withdrawn. Certificates for whole shares of Common Stock so withdrawn will be issued to and registered in your name (see Questions 22 and 27). If Vectren, in its sole discretion, elects to terminate the participation in the plan by a participant holding fewer than ten shares of Common Stock in the participant's plan account, the plan administrator will transfer to book-entry registration in such participant's name all whole shares, and will pay to such participant the value of any fractional shares (less certain costs), in such plan account. (See answer to Question 43.)

Shares credited to your account may not be pledged. If you wish to pledge such shares, you must request that certificates for such shares be issued in your name.

22. In whose name will certificates be registered when issued?

Upon telephone or written request by the participant, certificates will be issued in the name in which the participant's account is maintained or in such other names as may be designated upon receipt of appropriate instruments of assignment.

SALE OF SHARES

23. May you sell book-entry shares credited to your account?

Yes. You may request the agent to sell any number of book-entry shares credited to your account by completing the information on the bottom portion of your account statement or by giving detailed written instructions to the agent. Alternatively, you may call the agent at 1-800-622-6757. Sales are made daily and the agent will initiate the sale as soon as practicable after receiving the notification. Notification must be received by the agent no later than 11:00 a.m. Eastern time. Notifications received after 11:00 a.m. will be processed on the next trading date. Sales will be made for your account on the open market through a securities broker designated by the agent. You will receive the proceeds, less an applicable service fee (currently \$10) and brokerage commission (currently \$.035 per share sold). Proceeds of shares will be paid to you by check mailed no later than 7 days after the date of sale.

DEPOSIT OF STOCK CERTIFICATES

24. May you deposit your Common Stock certificates with the agent for conversion to book-entry shares?

Yes. At the time of enrollment in the plan, or at any later time, you may deposit any Common Stock certificates in your possession with the agent for credit as book-entry shares to your account. If a certificate issuance is later requested, a new, differently numbered certificate will be issued.

If you wish to deposit your Common Stock certificates, you must mail your request and your certificate to the agent. **The certificates should not be endorsed.**

It is recommended that certificates be sent to the agent by registered mail, return receipt requested and insured for possible mail loss for 2% of the market value (minimum of \$10.00); this represents your replacement costs if the certificates are lost in transit to the agent. To calculate the market value, multiply the number of shares represented by the certificate you are mailing by the current price per share. Insurance covers the replacement of shares of Common Stock, but in no way protects against any loss resulting from fluctuations in the value of such shares from the time you mail the certificates until replacements are made.

STOPPING DIVIDEND REINVESTMENT

25. May you stop dividend reinvestment or voluntary cash payment investments?

You may discontinue the reinvestment of cash dividends by changing your investment option as specified in the answers to Questions 7 and 9. Moreover, you may request in writing that the agent return any uninvested voluntary cash payment made, and such a request will be honored if the agent receives the request at least three business days before the investment date on which the voluntary cash payment would otherwise be invested.

26. When may you stop reinvesting dividends under the plan?

You may stop reinvesting dividends under the plan any time by giving the agent notice in writing or by telephone. If the request to discontinue dividend reinvestment is received by the agent on or after the record date for a dividend payment, such request may not become effective until any dividend paid on the dividend payment date has been reinvested and the shares of Common Stock purchased are credited to your account. The agent, in its sole discretion, may either pay any such dividend in cash or reinvest it in Common Stock on your behalf. If such dividend is reinvested, the agent may sell the shares purchased and remit the proceeds to you, less any service fee, any brokerage commission and any other costs of sale. See Question 6 above for an example of approximate timing of dividend record and payment dates.

ACCOUNT MANAGEMENT

27. What options are available to you regarding transfers of shares?

Gift/Transfer of Shares

If you wish to transfer the ownership of all or part of the shares credited to your account to an account for another person, whether by gift, private sale or otherwise, you may effect such transfer by mailing a properly executed stock power to the agent. Transfers of less than all of your book-entry shares must be made in whole share amounts. Requests for transfer are subject to the same requirements as the transfer of Common Stock certificates, including the requirement of Medallion Guarantee on the stock power. Stock power forms are available upon request from the agent. Share transfer forms are also attached to account statements.

Shares so transferred will continue to be held in book-entry form by the agent. An account will be opened in the name of the recipient if he or she is not already a participant, and such recipient will automatically be

enrolled in the plan. If the recipient is not already a participant, the account will be enrolled under the full reinvestment option unless the donor specifies differently. The recipient may change the investment option after the gift has been made as described under Question 9 above.

If a transfer involving ALL shares in your account is received after a record date but before the related dividend payment date, the transfer will be processed when received, and a cash dividend will be paid to you. You may return the dividend check as an optional cash payment.

You will receive a statement showing the transfer of shares.

Direct Registration System/Broker-Dealer Accounts

Transfer shares from a broker account: Shareholders who own shares of Common Stock that are held by a bank, broker, or trustee in street or nominee name may instruct their broker to have some or all of their shares transferred into the shareholder's name in direct registration system book-entry form. The direct registration system permits an investor to hold Common Stock as the registered owner of the Common Stock in book-entry form on our books rather than (1) indirectly through a financial intermediary that holds the Common Stock in street name or in an account with a depository or (2) in the form of a stock certificate. Simply instruct your bank, broker or trustee to re-register your shares through the direct registration system and specify book-entry registration.

Transfer shares to a broker account: To electronically transfer all or part of your book-entry shares held by the agent to a broker account, you must establish a broker account number on your account with the agent. To establish a broker account number, you must complete an "authorization to provide broker/dealer information" form, available upon request from the agent (1-800-622-6757) or a broker. Once a broker account number is established, you can then instruct the agent to deliver to your broker the number of full shares you specify. The agent will electronically deliver shares within two business days of receiving and accepting instructions. The signature(s) on the authorization to provide broker/dealer information form should be guaranteed by the broker/dealer with a Medallion Guarantee.

OTHER INFORMATION

28. What happens if we issue a stock dividend or declare a stock split?

Any stock dividends or split shares of Common Stock distributed on shares credited in book-entry form to your account or held by you in the form of stock certificates will be credited in book-entry form to your account.

29. If we have a rights offering, how will the shares of Common Stock credited to your account be handled?

Participation in any rights offering will be based upon the aggregate number of shares of Common Stock that you hold in stock certificate form and any whole book-entry shares credited to your account.

30. What happens when you sell or transfer all of your shares of Common Stock in stock certificate form?

If you dispose of all your shares of Common Stock in stock certificate form, then the agent will continue to either reinvest the cash dividends, or send the cash dividends directly to you, on the shares of Common Stock credited to your account, depending upon your investment option, until you notify the agent in writing to the contrary. You may continue to make voluntary cash payments as long as there are whole or fractional shares credited to your account. Vectren reserves the right, however, to terminate the participation in the plan by any participant holding fewer than ten shares of Common Stock in the participant's plan account. (See answer to Question 43.) In addition, if you hold less than one full share, we may from time to time instruct the agent to sell the fractional share and forward the proceeds, less any service fee, brokerage commission and any other costs of sale, to you, and terminate your participation in the plan.

31. What are the responsibilities of Vectren and the agent under the plan?

Neither Vectren nor the agent, as plan administrator, will be liable for any act done in good faith or for any good faith omission to act, including, any claim arising out of failure to cease reinvesting dividends for your account upon your death, the prices at which shares are purchased or sold for your account, the times when purchases or sales are made or fluctuations in the market value of the common stock. **You should recognize that neither Vectren nor the agent can provide any assurance of a profit or protection against loss on any shares purchased under the plan.**

32. How will your shares be voted at meetings of shareholders?

For each meeting of shareholders, you will receive the same proxy materials that we deliver to shareholders who do not participate in the plan, including either paper or electronic versions of our Annual Report to shareholders and proxy solicitation materials. This material will enable you to vote all of the shares credited to your account, including shares held in stock certificate form and/or book-entry shares. You may elect, in the alternative, to vote the shares credited to your account in person at the shareholders' meeting.

FEDERAL INCOME TAX CONSEQUENCES

33. What are the federal income tax consequences of participation in the plan?

If you reinvest dividends under the plan, you will be treated for federal income tax purposes as having received a dividend in an amount equal to the cash dividend reinvested in shares of Common Stock under the plan even though that amount is not actually received in cash but, instead, is applied to the purchase of shares for your account. In addition, general rulings issued by the Internal Revenue Service indicate that your share of brokerage commissions for purchases of open market shares (which will be paid by us) will be taxable as dividend income to you. Your adjusted basis in the shares of Common Stock acquired under the plan will be equal to the amount required to be treated as a dividend, including any brokerage commissions allocated to such purchases.

Common Stock purchased with voluntary cash payments will be treated in the same manner as Common Stock purchased outside of the plan. Your adjusted basis in such shares will be equal to the price paid, increased by any brokerage commission (which will be paid by us) allocated to such purchases and treated as dividend income.

You will not realize any taxable income when you receive certificates for whole shares credited to your account upon a request for such certificates. However, if you receive, upon request, a cash payment for the sale of whole and/or fractional shares credited to your account, you will realize gain or loss measured by the difference between the amount of the cash received and your basis in such shares or fractional shares. Such gain or loss will be capital in character if such shares or fractional shares are a capital asset in your hands. For further information as to tax consequences of participation in the plan, you should consult with your own tax advisors.

The tax information in this Question 33 is provided solely as a guide to you and may be subject to change by future legislation. You are advised to consult your own tax advisors as to the federal and state income tax effects of participation in the plan.

34. What provision is made for domestic and foreign shareholders whose dividends are subject to federal income tax withholding?

Federal law requires the agent to withhold an amount (currently 28%) from the amount of dividends and the proceeds of any sale of shares for a domestic shareholder if: (i) you fail to certify to the agent that you are not subject to backup withholding, (ii) you fail to certify that the taxpayer identification number provided is correct or (iii) the Internal Revenue Service notifies us that you are subject to backup withholding. The withheld amount

will be deducted from the amount of dividends and the remaining amount will be reinvested in accordance with the plan. The withheld amount also will be deducted from the proceeds of any sale of shares and the remaining amount will be sent to you.

In the case of those foreign shareholders whose dividends are subject to United States income tax withholding, the amount of tax to be withheld (generally 30% unless a treaty rate reduction applies) will be deducted from the amount of dividends and the remaining amount of dividends will be reinvested. In the case of those foreign shareholders whose sale proceeds are subject to withholding, the amount of tax to be withheld will be deducted from the proceeds of the sale of shares.

EMPLOYEE PARTICIPATION

35. Which employees are eligible to join the plan?

All full-time employees of Vectren and such wholly owned subsidiaries of Vectren as shall be designated from time to time by the Chief Executive Officer of Vectren are eligible to participate in the plan.

36. What are the rights of employees under the plan?

Employees have the same rights under the plan and are governed by the same terms and limitations that apply to all other participants except as follows. Eligible employees may arrange to make voluntary cash payments through regular payroll deductions. Also, employees who make this election are not required to make an initial \$500 minimum investment and are not required to maintain a minimum of ten shares of Common Stock in their plan account to avoid having their participation in the plan terminated by the Company. (See answer to Question 43.) Voluntary cash payments by an employee, including payroll deductions, may not exceed \$100,000 in a calendar year.

Voluntary cash payments by employees, including payroll deductions, will be applied by the agent to the purchase of shares of Common Stock.

37. How does an eligible employee join the plan?

An eligible employee may enroll in the plan at any time to purchase shares of Common Stock with voluntary cash payments by completing a Payroll Deduction Authorization & Enrollment Card and returning it to the Payroll Department. Employees can obtain an authorization and enrollment card from the Payroll Department. If an employee elects to make voluntary cash payments directly to the agent and does not authorize payroll deductions, the authorization and enrollment card must be marked accordingly and accompanied by a check or money order for the initial \$500 minimum investment.

Employees who already participate in the plan must complete a Payroll Deduction Authorization & Enrollment Card if they wish to make voluntary cash payments through payroll deductions. Any employee who commences participation in the plan and does not wish to make voluntary cash payments through payroll deduction may obtain from the agent and execute a shareholder enrollment authorization form in order to provide for the reinvestment of cash dividends on those shares.

38. What is the limit on payroll deductions?

An eligible employee may authorize his or her employer to deduct a specified dollar amount from each pay period of each month. The minimum total monthly deduction is \$25. Once authorized, payroll deductions will continue until changed or terminated by the employee.

39. May employees change or terminate payroll deductions?

Yes. An employee may change the amount deducted or terminate payroll deductions by giving written notice to the Payroll Department. Employees should allow at least 15 days' processing time prior to the end of the pay period in which the deduction is made for any change in the amount of the deduction to become effective. Not more than two payroll deduction changes may be made in any calendar year. However, an employee may terminate his or her payroll deduction at any time by giving reasonable notice to the Payroll Department. Employees may terminate payroll deductions and continue to invest by making voluntary cash payments directly to the agent.

40. What happens when an employee who participates in the plan leaves Vectren or one of its wholly-owned subsidiaries?

If you cease to be employed by Vectren or one of its wholly-owned subsidiaries, the agent will continue to either reinvest cash dividends or send cash dividends directly to you on the shares credited to your account, depending upon your investment option, until you notify the agent by telephone or in writing to the contrary. You may continue to participate in the plan as long as a minimum of ten shares are credited to your plan account. (See answer to Question 43.)

MISCELLANEOUS

41. May the plan be changed or discontinued?

We have the right to modify the plan, or to suspend or terminate the plan, at any time. You will receive notice of any such action. Any such modification, suspension or termination will not, of course, affect previously executed transactions. We also have the right to adopt, and from time to time to change, such administrative rules and regulations (not inconsistent in substance with the basic provisions of the plan then in effect) as we deem desirable or appropriate for the administration of the plan. In addition, we have the right to offer to the plan new issue shares or direct the plan to purchase open market shares as we, from time to time, determine in our sole discretion. The agent has the right to resign at any time upon reasonable written notice to us.

42. Who interprets the plan?

We will interpret and regulate the plan and any agreements which establish or administer the plan, and our interpretation and regulation will be conclusive.

43. May Vectren terminate a participant's participation in the plan?

We may, in our sole discretion and at any time, terminate participation in the plan by any participant holding fewer than ten shares of Common Stock in a plan account and who, at such time, is not an employee enrolled to purchase shares through automatic payroll deductions or a non-employee participant having funds regularly deducted from a savings or checking account. Before terminating the participation in the plan of such a participant, we will provide 60-day advance written notice requesting the participant to increase the number of shares credited to the participant's plan account to at least ten shares. This 60-day period will encompass two investment dates so as to allow the participant two opportunities to purchase a sufficient number of shares to meet this minimum threshold. If, upon the expiration of this 60-day period, the participant's plan account holds fewer than ten shares, the participant will be treated as though the participant had terminated participation in the plan as of such date, the plan administrator will transfer to book-entry registration in such participant's name all whole shares in the participant's plan account, and will deliver to the participant a check for any optional cash payments not then invested and a check for any fractional shares based upon the then current fair market value of the Common Stock, less any service fee, brokerage commission and any other costs of sale.

USE OF PROCEEDS

In the case of shares purchased for the plan in the open market, we will not receive any of the proceeds of the offering. In the case of new issue shares, the proceeds received by us will be used for general corporate purposes.

EXPERTS

The consolidated financial statements and the related financial statement schedule, incorporated in this prospectus by reference from the Vectren Corporation Annual Report on Form 10-K for the year ended December 31, 2007, and the effectiveness of Vectren Corporation's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference (which reports (1) express an unqualified opinion on the financial statements and related financial statement schedule and include an explanatory paragraph referring to the adoption of FASB Statement No. 158 in 2006 and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting). Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of ProLiance Holdings, LLC as of September 30, 2007 and 2006, and for each of the three years in the period ended September 30, 2007, incorporated in this prospectus by reference from the Vectren Corporation Annual Report on Form 10-K for the year ended December 31, 2007 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

The validity of the plan shares will be passed upon for us by Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204, our outside counsel.



VECTREN CORPORATION

TABLE OF CONTENTS

	Page
General Information	2
Risk Factors	2
Where You Can Find More Information	2
The Plan	5
Introduction	5
Purpose	5
Administration	5
Participation	6
Costs	8
Purchases	8
Initial Purchase and Voluntary Cash Payments	9
Reports to Participants	10
Dividends	11
Certificates for Shares	11
Sale of Shares	11
Deposit of Stock Certificates	12
Stopping Dividend Reinvestment	12
Account Management	12
Other Information	13
Federal Income Tax Consequences	14
Employee Participation	15
Miscellaneous	16
Use of Proceeds	17
Experts	17
Legal Matters	17

**Automatic Dividend
Reinvestment
and
Stock Purchase Plan**

PROSPECTUS

Dated November 14, 2008
