

sustainability  in practice

2011 Vectren Corporation
Sustainability Report



environmental policy mission statement



Environmental stewardship is a basic value and belief for each one of us at Vectren. Our employees and their families live and work in the same cities and towns, breathe the same air and utilize the same natural resources as our customers. Each of us is committed to fully comply with all environmental regulation and ensure that our energy products and services not only meet customer needs, but also enhance the quality of life in each of our communities and leave behind a better environment for us all.

welcome

In the last few years, many companies have jumped on the sustainability bandwagon. At Vectren, we do not view sustainability as the latest fad to embrace. While other companies have been touting their intent to pursue sustainable business initiatives, Vectren has been quietly executing sustainability practices from our portfolio of conservation programs to our environmental stewardship to our financial performance. Providing safe, reliable energy, preserving our natural resources and supporting our local communities remains the focus of Vectren Corporation. From operating some of the cleanest coal-fired generation in the Midwest to incenting customers to upgrade to more energy efficient appliances, Vectren strives to build both a sustainable company and sustainable communities.

Maintaining fiscal responsibility and ethical business practices are important key drivers in building a sustainable organization and ensuring strong financial performance. Vectren shareholders have enjoyed an increase in the common stock dividend for 52 consecutive years. Company initiatives focused on efficiencies and continuous improvement; employee and supplier diversity; and anticipating customer energy demand in an ever-changing energy market will drive Vectren to its optimal performance. Adding businesses poised for industry growth to Vectren's corporate portfolio, like Energy Systems Group and our newest acquisition, Minnesota Limited, will also help ensure a future of sustainable growth.

The strength and vitality of a utility is only as strong as the communities it serves, and Vectren is fortunate to serve strong, caring communities throughout Indiana and Ohio. Through the work of the Vectren Foundation and our dedicated employees, positive impacts are being witnessed in our communities. From weatherizing hundreds of homes to providing leadership development to area youth, our communities are full of opportunity.

This first sustainability report focuses not on what we say we are going to do, but on the sustainability initiatives we have been practicing for years. We intend to build on this solid foundation and will continue to report on our sustainability practices and add new sustainability initiatives in the future. Our sustainable practices embody our company goals and initiatives. We will continue to strive to be a leader in conservation; a leader in clean energy; and a leader in community revitalization. We see it as our corporate responsibility to ensure we leave our land, our communities and our environment a better place for those that follow.

Sincerely,



Carl L. Chapman
Vectren Corporation
Chairman, President & CEO



Angila Retherford
Vectren Corporation
Director, Environmental Affairs
& Corporate Sustainability

discover more.

Scan the codes throughout this report with your smart phone or other digital device for additional content, including videos, annual reports and other online content.



Scan the code at left to **watch a short video** that details our commitment to environmental stewardship.

(<http://bit.ly/q6Gu3X>)

financials

CNBC's Mad Money host Jim Cramer called Vectren an "excellent company," adding, "Great growth. Five percent yield. It is a buy, buy, buy," when referring to the company's stock in April 2011.

Achieving consistent growth

Ranked the 12th largest company in Indiana by 2010 revenues, Vectren offers a targeted annual shareholder return of 8-10%. Moody's and S&P have labeled Vectren a stable "A" rated company with a strong balance sheet, liquidity and cash flows. With 52 years of increasing annual dividends paid, Vectren's well-diversified business structure has helped the company achieve \$2.1 billion in revenues and \$4.8 billion in assets through 2010.

The goal for the utility businesses is to continue to enhance productivity, improve on customer service and help customers focus on energy efficiency. With a desire to minimize the pressure on customer bills, yet still achieve steady growth, Vectren established an internal group to institutionalize performance management principles and sharpened the focus on effective strategic sourcing. This has allowed employees to be better engaged in using problem-solving and process-improvement techniques to find efficiencies and eliminate redundancies. Through these endeavors, Vectren will be able to manage and reduce operating and capital costs more effectively while achieving significant savings over the next five years.

Nonutility growth and strength

The nonutility portion of Vectren's business consists of six subsidiaries, which are categorized as Infrastructure Services, Energy Services, Coal Mining and Energy Marketing.

Poised for consistent growth, Infrastructure Services includes Miller Pipeline and Vectren's newest acquisition, Minnesota Limited. A number of key drivers suggest the demand for these two pipeline construction companies will continue growing in areas such as:

- the replacement of bare steel and cast iron natural gas pipeline systems;
- infrastructure needed to deliver newly accessible oil and shale gas reserves to market;
- potential safety legislation stemming from recent, highly publicized pipeline incidents; and
- aging infrastructure and environmental issues in water and waste water systems.

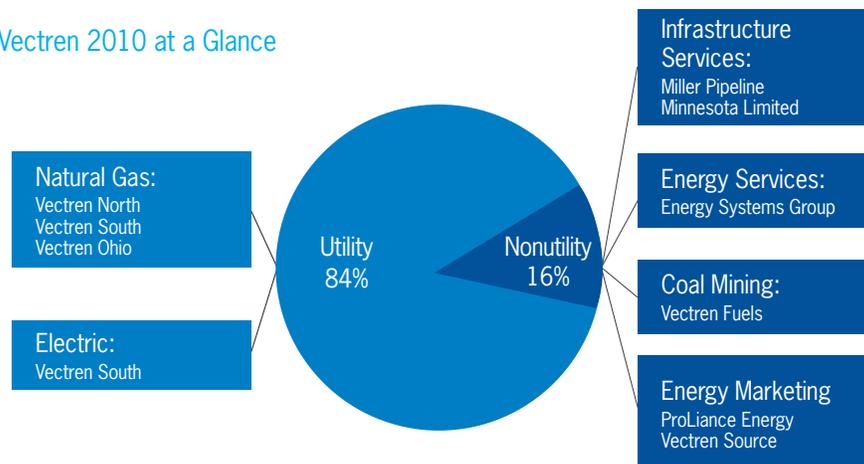
Vectren 2010 at a Glance



discover more.

Scan above to download Vectren's 2010 Annual Report.

(<http://bit.ly/raBfkO>)





Vectren's well-diversified business structure has generated **\$4.8** billion in assets and **\$2.1** billion in revenues.



Connecting the grid

Through its electric operations, Vectren is committed to safety and compliance with a deep dedication to environmental stewardship, reliability and sustainability.

In 2006, Vectren's planning authority, Midwest Independent System Operator (ISO), designated Vectren's Gibson-Brown-Reid Project as a baseline reliability project and included it among the Midwest ISO's MTEP 2006 projects. MTEP 2006 (Midwest ISO's Transmission Expansion Plan) consists of a group of projects that, when completed, will substantially strengthen the reliability of the regional electric power grid by targeting specific problem areas. Vectren's Gibson-Brown-Reid project specifically addresses certain regional reliability concerns for southwest Indiana and northwest Kentucky, and it is designed to keep north-south transmission congestion out of local distribution systems. This project will:

- ensure continued compliance with national electric reliability standards;
- relieve significant points of congestion on the grid, regionally; and
- enable increased import and export capabilities within the Northwest Kentucky and Southwest Indiana region – providing an additional path for both sale (export) and purchase (import) of power.

Separated into two phases, Vectren is constructing a transmission line to enhance the power grid across the region. Phase one of the project was completed in 2010 with the construction of a 345 kilovolt (kv) transmission line from Duke Energy's Gibson County, Ind., facility to Vectren's A.B. Brown Generating Station in Posey County, Ind.

Phase two runs from Vectren's A.B. Brown plant to Big Rivers Electric's Reid Station in Webster County, Ky. Having been granted approval from the Kentucky Siting Board and Public Service Commission, Vectren hopes to begin construction of phase two in 2011 with completion in late 2012 or early 2013.

Pipeline integrity

Vectren operates and maintains more than 1,100 miles of transmission pipelines and more than 21,000 miles of distribution pipelines throughout Indiana and Ohio. With the increasing pressure from government regulations to evaluate the nation's aging pipeline infrastructure, Vectren has ongoing pipeline inspection and maintenance programs that meet and/or exceed state and federal requirements.

Vectren's Pipeline Integrity Management program, which began in 2004, is designed to ensure the inspection of all transmission pipelines in highly populated areas (high consequence areas) by 2012, at which time reassessments will begin. Vectren has taken additional steps to improve the integrity of its transmission system by assessing pipelines beyond the high consequence areas. This has been accomplished by converting many existing lines or building new lines to be capable of being inspected with an in-line inspection tool called a smart pig. These inspections are done regularly.

In addition to the pipeline inspections, Vectren continually monitors pressure on its pipeline system, which enables leak detection on larger, high-pressure transmission pipelines. Aerial inspections are also conducted to help identify signs of pipeline leaks such as dead vegetation and potential encroachments by trees, buildings and other structures on the right of way.

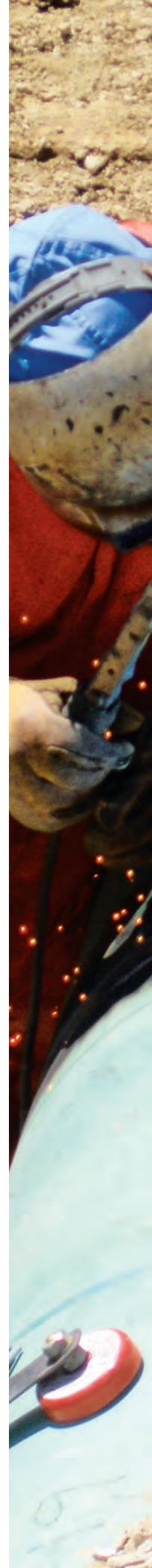
In its fourth year of a 20-year program to replace more than 1,700 miles of aging bare steel cast iron (BSCI) pipelines with new plastic pipe, Vectren has already retired more than 110 miles of BSCI pipe in Indiana and nearly 80 miles in Ohio. The budget for the 20-year program is \$770 million.



discover more.

Scan above to visit **KYPowerUp.com**, the 345 kV project website.

(<http://bit.ly/rkySa3>)





Vectren operates and maintains more than **1,100** miles of transmission pipelines and more than **21,000** miles of distribution pipelines throughout Indiana and Ohio.

Photo of pipeline repair provided by Miller Pipeline

generation

Fact: In 2004, Vanderburgh and Warrick counties were listed as non-attainment in Indiana for the revised 8-hour ozone standard based upon 2002-2003 monitoring data. Following the completion and full operation of Vectren's emissions control projects that capture nitrogen oxide, Vanderburgh and Warrick counties were declared in attainment with the revised 8-hour ozone standard in December 2005.

Fact: In 2005, Vanderburgh and Warrick counties were listed as non-attainment for the new fine particulate air quality standard. Between 2004 and 2009 Vectren retrofitted its 270-megawatt Culley unit 3 and 245-megawatt Brown unit 1 with state of the art fabric filters and completed a scrubber on Warrick unit 4. In November 2009, Vanderburgh and Warrick counties were declared in attainment of the 1997 fine particulate standard.



discover more.

Scan above to read **online** about additional clean energy efforts.
(<http://bit.ly/o1yQ4U>)

A leader in clean technology

Vectren has nearly 1,300 megawatts (MW) of generating capacity, of which 1,000 MW is coal-fired. Vectren has two power plants: A.B. Brown in Posey County, Ind., F.B. Culley in Warrick County, Ind., and shares ownership of Warrick unit 4 with Alcoa. All units have undergone substantial emissions control improvements throughout the last decade. 2009 marked the culmination of \$410 million in upgrades contributing to cleaner air throughout the region.

With new emissions control equipment, Vectren's entire electric generation fleet is 100% scrubbed for sulfur dioxide (SO₂), 90% controlled for nitrogen oxide (NO_x) and substantially controlled for particulate matter and a significant portion of mercury. Currently, only 35% of Indiana's total electric generation meets all air pollutant limits without further significant capital investments; Vectren's fleet is included in that 35%, making it one of the best-controlled in the Midwest.

As a result of the recent upgrades, SO₂ emissions are down 90% and NO_x emissions are down 80% since 1970. All units in the Vectren system are equipped with a fabric filter or an electrostatic precipitator that can remove particulate matter at an average of 99% efficiency.

The U.S. Environmental Protection Agency (EPA) finalized additional Clean Air Act protections in July 2011 that will slash hundreds of thousands of tons of smokestack emissions from power plants throughout the nation. Vectren's investments in emissions control place the utility in a position to comply with the new mandate, known as the Cross-State Air Pollution Rule, without additional investments. Other regional utilities may be required to make significant expenditures to meet EPA demands or consider retiring some uncontrolled coal generation units.

A report by the Natural Resources Defense Council and Physicians for Social Responsibility was released in July 2011 and ranked Indiana sixth among states where power plants account for most of the industrial toxic pollution. Proving Vectren's emissions control investments are paying off, Vectren was not included in the list of top power plant toxic polluters in Indiana.

Emissions control timeline

1979 Brown unit 1 was constructed with a dual-alkali scrubber, which helps reduce SO₂ emissions.

1986 Brown unit 2 was constructed with a dual-alkali scrubber.

1994 Installed a flue gas desulfurization system (scrubber) shared by Culley units 2 and 3.

2001 - 2005 Installed four selective catalytic reduction (SCR) devices on baseload generation fleet. The project has successfully cut NO_x emissions by 80%.

2004 Replaced an existing electrostatic precipitator at Brown unit 1 with a state-of-the-art fabric filter. The investment increased the particulate matter (PM) removal efficiency to 99% at this unit.

2006 Installed a fabric filter at Culley unit 3. The project further reduces PM emissions.

2009 Completed construction of flue gas desulfurization system (scrubber) at Warrick unit 4 and added dense pack turbine efficiency enhancement equipment.

2012 - 2013 Dense pack turbine efficiency enhancement equipment to be added to Brown units 1 and 2.



With new emissions control equipment, Vectren's electric generation fleet is **100%** scrubbed for sulfur dioxide (SO₂), **90%** controlled for nitrogen oxide (NO_x) and substantially controlled for particulate matter and a significant portion of mercury.



Photo of F.B. Culley Generating Station in Warrick County, Ind.

efficiency

For complete details on Energy Systems Group, visit www.energysystemsgroup.com.

Energy Systems Group (ESG)

Accredited by the National Association of Energy Service Companies, Energy Systems Group (ESG), a wholly owned Vectren subsidiary, has been providing innovative solutions for the modernization of buildings and energy infrastructures in the government, education, healthcare and commercial sectors since 1994. ESG also designs, builds and operates landfill gas facilities and cogeneration plants and offers a full range of solar, wind and geothermal technology solutions. To date, ESG has completed \$1.2 billion in projects.

With employees and customers in more than 20 states, ESG is one of the nation's leading energy service providers. Through the implementation of comprehensive and turn-key solutions, ESG continues to reduce carbon footprints and to promote sustainability and energy efficiency for numerous college campuses, school districts, naval stations, air force bases, state capitol complexes, airports, hospitals and municipalities. Since its inception, ESG has reduced its customers' carbon footprints by nearly 700,000 metric tons of carbon dioxide. To date, the energy savings from ESG's projects are equivalent to creating enough energy to power more than 680,000 homes. ESG's current portfolio includes more than \$250 million of multiple-phase, or recurring customer projects.

ESG project spotlight: University of Baltimore

After establishing a campus-wide Sustainability Task Force, representing students, faculty and staff, the University of Baltimore in Maryland awarded ESG an energy performance contract that will cut energy consumption by 30% in less than two years – surpassing the governor's goal of a 15% statewide reduction by 2015. ESG has developed a comprehensive package of conservation measures to address energy and water usage, which includes a new chiller system, new boilers, new lighting and controls and improved building envelope. Among the most visible results are a green roof that can be viewed from the Student Center, as well as a series of photovoltaic solar panels on the

Hybrid fleet facts

According to environmental regulations, all industrial fleets must average 35 miles per gallon by the year 2020. In preparation, Vectren began implementing its first hybrid vehicles in 2005 and has since continued to replace fleet vehicles with hybrid models.

Today, Vectren's hybrid fleet includes 26 vehicles. Twenty of those are light duty cars and SUVs, and six are service trucks used in Vectren's electric fleet.

The hybrid service trucks use nearly 1,100 fewer gallons of fuel each year, creating a cost savings of more than \$3,000. The use of hybrid service trucks reduces the utility's carbon footprint by 11 tons.

Vectren has also added seven compressed natural gas (CNG) vehicles to its fleet – a passenger car and six cargo vans. The addition of hybrid and CNG vehicles to Vectren's fleet is making positive impacts both environmentally and fiscally.

University's Academic Center, which capture sunlight to produce energy. The projected savings from these upgrades will finance the cost – going green will pay for itself.

The environmental benefits of the project include saving enough electricity to power 313 homes annually, annual water savings of approximately 1.7 million gallons and a carbon dioxide reduction equivalent to removing more than 500 cars from the road each year.



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Scan above to **explore ESG's complete portfolio** and company information.

(<http://bit.ly/oJ82c0>)





ESG's efforts at the University of Baltimore include saving enough electricity to power **313** homes annually and a carbon dioxide reduction equivalent to removing **533** cars from the road each year.



conservation

Speaker's Bureau: Vectren's speaker's bureau offers face-to-face presentations on understanding the energy industry, Vectren's businesses and its Conservation Connection programs. Since the inception of the program in 2008, Vectren has given nearly 200 presentations throughout its utility service area.

Groups of 10 or more are welcome to request a presentation by visiting www.vectren.com/speaker.



discover more.

Scan above to **view the full portfolio** of Conservation Connection programs.

(<http://bit.ly/obUxYh>)

Conservation Connection

Vectren strives to position itself as the conservation company. Programs internally and externally encourage sustainable practices. Vectren has been a pioneer in utility ratemaking in both Indiana and Ohio as it was one of the first companies to have its natural gas rates decoupled, breaking the link between the recovery of fixed service costs and the amount of customer usage. With the new rate design, Vectren is able to incent customers to become more energy efficient. With a complete portfolio of both natural gas and electric conservation programs, Vectren has been helping its customers save both energy and money.

Natural gas conservation programs for residential and small business customers have helped customers save nearly 25 million therms of natural gas since program inception, which is enough to heat more than 30,000 homes for a year. Vectren has awarded more than 100,000 rebates and energy-saving measures, which have led to \$20 million in cumulative avoided natural gas costs to date. In total, \$12.3 million in natural gas rebates have been issued to Vectren customers since December 2006.

Less than one year after Vectren launched its appliance recycling program, designed to offer customers

a \$30 rebate for recycling an out-dated, inefficient refrigerator or freezer that is in working condition, the company has already collected nearly 1,900 appliances. In addition, Vectren began offering enhanced electric conservation programs to its customers in 2011. Through its compact fluorescent light (CFL) bulb program, Vectren customers were offered up to 75% off the retail price of CFL bulbs at participating retailers. In just three short months, the goal to sell 81,000 bulbs was tripled. Customers purchased more than 235,000 CFL bulbs with an average energy savings over the life of the bulbs equal to enough energy to power approximately 16,000 households for a month.

Vectren recently launched additional electric programs including rebates for central air conditioners and heat pumps. The targeted savings from all the electric programs over a three-year period is 140,000 megawatt hours of electricity, which is enough to power 13,000 homes annually.

Complete details on Conservation Connection programs are available at www.vectren.com.

Tailored energy solutions for businesses

Regardless of the size of a specific facility or project budget, organizations in the Vectren utility service area can look to Conservation Connection for assistance in managing energy use.

Unique programs such as the Business Custom Program offer incentives based on the forecasted energy savings for qualified natural gas and electric projects that may not be eligible for standard rebate offerings.

For Hamilton Southeastern Schools in Fishers, Ind., a large proposal to reduce energy costs included upgrades to HVAC units and automation systems in 10 school buildings in the district.

"Like many school corporations, we face budgetary constraints and rising energy costs," said facilities manager Harry Delks. "By working closely with Vectren and a contractor, we discovered our energy project would save nearly 170,000 therms annually and qualified for more than \$135,000 in rebates from Vectren's Conservation Connection."



More than **\$135,000**
in cash rebates from Vectren's
Conservation Connection allowed
Hamilton Southeastern Schools in
Fishers, Ind., to make numerous
energy-saving upgrades.

Harry Delks
Facilities Manager,
Hamilton Southeastern Schools



responsibility

Alternative energy sources

In June 2010, the second phase of the Fowler Ridge wind farm in Benton County, Ind., from which Vectren purchases 50 megawatts (MW) of power, became operational. This 20-year power purchase agreement is the second wind energy contract for Vectren. The new addition provides enough energy to power about 15,000 homes annually and brings Vectren's total wind power portfolio to 80 MW.

In July 2009, Vectren opened its first 100%-owned green power plant, the Blackfoot Clean Energy Facility. Located at Veolia Environmental Services Solid Waste's Winslow, Ind., landfill, Blackfoot captures methane gas from decomposing trash and uses it to power two generators.

The renewable energy project, which was developed by Vectren subsidiary, Energy Systems Group, generates 3.2 MW, or enough energy to power approximately 2,000 homes.

Combined, these alternative energy sources allow Vectren to meet 5% of its customers' needs with renewable energy.

Recycling fly ash

Burning nearly three million tons of coal annually, Vectren produces a vast amount of fly ash that is captured in fabric filters. Fly ash is commonly deposited in ash ponds and landfills, but through a unique sustainability project, 100% of Vectren's coal fly ash is now being recycled by the largest cement manufacturer in the United States – Holcim's Geocycle US. In 2009, Vectren signed a 10-year agreement to provide up to 200,000 tons of fly ash annually to the Ste. Genevieve, Mo., facility.

This \$20 million investment keeps fly ash out of ash ponds and landfills, reducing the negative impact on the environment, while avoiding long-term disposal costs.

Manufactured Gas Plants (MGPs)

Prior to the introduction of the interstate natural gas pipeline that entered the Midwest in the mid-1930s, manufactured gas provided a major source of fuel for heating and lighting in many communities. The MGP process produced certain byproducts, such as coal tar, that may pose a risk to human health and the environment. Vectren has undertaken a program to investigate and address all of its historic MGP sites.

Vectren is responsible for 31 MGP sites, all of which are located in Indiana. Some of the sites are owned by third parties and have been redeveloped for other uses. Vectren's regulated utility companies remediate MGP sites identified by the

Indiana Department of Environmental Management as requiring remediation and maintain an active outreach to property owners, the local community, elected officials and other stakeholders about their remediation programs.

To date, remedial activities have been conducted at 22 of the 31 MGP sites, including a \$2 million clean-up of the former manufactured gas plant site located near the Terre Haute, Ind., riverfront and Vectren's operations center. Some other recently completed clean-up efforts throughout Indiana include sites in Evansville, Aurora, Liberty and Lebanon. Additional investigations and clean-up plans are underway for the remaining sites.



discover more.

Scan above to **read online** about our efforts in responsible land management.

(<http://bit.ly/ptgAJP>)





Vectren's alternative energy sources power **24,000** homes annually, or **5%** of its customers.

safety



Vectren has an extensive public awareness program centered around 811 Call Before You Dig messaging. Communication methods include bill inserts, online banner ads, press releases, emergency responder and contractor training, radio advertisements and sporting event sponsorships. Vectren's awareness efforts are proving effective by the decreased number of strikes on underground pipelines. Third party damage has decreased from 1,700 strikes in 2006 to 1,300 strikes in 2010.



discover more.

Scan above to **get a sneak peek at Vectren's Live Wire demonstration.**

(<http://bit.ly/qDP70g>)

A culture of safety

Vectren is dedicated to providing a safe and healthy workplace and to conducting business with the utmost regard for the health and safety of its employees, customers and the public. This philosophy is in accordance with the company's mission to integrate a strong focus on safety and health into its day-to-day business management and process design, thereby creating a safe workplace. No aspect of operations is more important than the health and safety of people.

The company is committed to complying with all applicable governmental requirements – as well as internal health and safety requirements – and maintains management systems designed to ensure compliance, thereby supporting the integration of health and safety consideration into Vectren's business processes.

With an emphasis on safety, Vectren's OSHA (Occupational Safety and Health Administration) incident rate has dropped 62% from 2000 to 2011 while the DART (Days Away, Restricted or Transferred) rate has fallen 63% from January through September 2011, as compared to the same period in 2010. These improvements in safety helped Vectren earn the R.D. Koselke Safety Award, presented

by the Indiana Energy Association to companies with the lowest annual DART rate. This low DART rate also earned Vectren an Accident Prevention Certificate from the American Gas Association.

Vectren's Safety Department enforces a strict adherence to safety policies and procedures and works to educate employees about proper safety practices through frequent training opportunities, communications and other reminders. As part of the safety culture, all meetings involving four or more attendees are opened with a safety message. In addition, the department:

- investigates incidents immediately, using Root Cause Analysis when applicable;
- integrates safety into the procurement of equipment and supplies, system design, work processes and contracted services;
- encourages employees to serve on safety committees/teams;
- uses statistical analysis to set goals and objectives based on industry peers; and
- implements reward and recognition programs as a positive reinforcement of safe behavior.

Energy Safe Kids

2011 marks the fourth consecutive year Vectren has partnered with the National Energy Foundation (NEF) to bring Energy Safe Kids, a natural gas and electric safety education program, to schools. Based on fourth-grade curriculum, the program features an interactive, hands-on classroom presentation and take-home energy safety booklet to fourth-grade classrooms. Trained NEF presenters deliver the classroom presentation while Vectren representatives are on-hand to answer questions.

Teachers in Vectren's electric territory are also encouraged to schedule a Live Wire demonstration as a follow-up lesson. This outdoor activity offers an exciting safety lesson about electricity

as a trained Vectren line specialist demonstrates the power of a live electrical line and perches above the crowd in a bucket truck.

Students are asked to complete a household report card with their parents to gauge the effectiveness of the program. Reports can be completed online via the program website, www.vectren.com/energysafekids.

Since the program's inception, Vectren has reached nearly 45,000 students through more than 750 classroom presentations.



Vectren's OSHA incident rate has decreased **63%** over the last decade.



Photo of Vectren hybrid bucket truck

community

Vectren is reaching out to the counties in its service territory by inviting nonprofit agencies, trustees, food pantries, churches and those who do in-home services to participate in a roundtable discussion informing them about Vectren's low-income support programs, Conservation Connection, energy-efficiency tips and agency extranet. There is open discussion to share what each party is doing in the community to help low-income customers. The roundtables end with a collaborative plan for the parties to work together to support those in need.

Vectren has hosted more than 70 roundtables in 2011.



In October 2011, Vectren was named corporate partner of the year and awarded the prestigious 2011 Dan Mitchell Award for Corporate Partnership from Habitat for Humanity of Evansville.



discover more.

Scan above to download the 2010 Vectren Foundation annual report and more on employee volunteerism.

(<http://bit.ly/ruDaTh>)

Making an impact

As one of Vectren's core values, community plays an important role in the company's corporate goals. Vectren applies approximately 1% of pre-tax income to fund the Vectren Foundation. In the past decade, Vectren has donated more than \$21 million to deserving, nonprofit agencies throughout its service territory. Annually, Vectren contributes more than \$2 million throughout the communities it serves. These monetary gifts are in addition to the on- and off-the-clock employee volunteer hours contributed each year.

Through its Foundation, Vectren strives to become a community catalyst by using everyday opportunities to achieve extraordinary outcomes. The Foundation will continue to echo Vectren's renewed focus on sustainability through targeted giving. Preparing tomorrow's workforce through education and leadership development; advancing communities through revitalization; and working together to conserve natural resources and energy are all key drivers in this endeavor.

In 2010, Vectren provided funding for more than 700 nonprofit organizations. Through Vectren's support, local

Targeted revitalization efforts

In partnership with Habitat for Humanity, Crossroads Christian Church and the Glenwood Neighborhood Association, Vectren helped weatherize nearly 80 homes in Evansville's Glenwood neighborhood in 2011. The weatherization project was paid for in part by a \$100,000 Community Conservation Challenge grant from Indiana Office of Energy Development and a \$25,000 grant from the Vectren Foundation.

Early reports show, on average, a 22% reduction of air leakage from the homes, which will result in lower energy bills. Some post tests showed air infiltration reductions as high as 56%.

More than 200 volunteers worked to implement recommendations from the energy audits. Improvements included installing insulation in attics and crawl spaces, replacing or repairing heating/cooling systems and water heaters, switching light bulbs to compact

communities were able to construct housing, make energy efficiency upgrades, provide education and leadership training, protect the environment and celebrate diversity.

Vectren has additional programs to assist low-income customers. Project TEEM (Teaching Energy Efficiency Measures) helps Ohio households that fall within 300% of federal poverty guidelines implement energy efficiency improvements to their homes at no cost, resulting in energy savings up to 25%. Indiana customers are encouraged to apply for all residential home weatherization programs, including those provided by the state.

While Vectren will continue supporting the various nonprofit organizations, which provide integral services, it will also begin targeting specific neighborhoods for weatherization and community revitalization efforts. This targeted approach brings the neighborhood residents, the public sector, local government and private sector together to achieve a unified goal of improving the conditions of those who live and work within the chosen neighborhood.

fluorescents and caulking gaps and leaks around doors and windows.

"The Glenwood neighborhood project was exactly the type of project we want to support. For three years, multiple groups, including Vectren and Habitat for Humanity of Evansville, have collaborated to revitalize the Glenwood neighborhood. We also knew the improvements to the homes would result in significant energy conservation," said Indiana Lt. Governor Becky Skillman. "The efficiencies being realized through these weatherization improvements have a lasting impact on Hoosiers in this community."

Vectren plans to duplicate its on-going efforts to revitalize Evansville's Glenwood neighborhood in other cities throughout its service area. Currently, Vectren is focused on Marion, Ind., with similar weatherization and revitalization initiatives.



Annually, Vectren provides funding to more than **700** nonprofit organizations throughout its service territory.





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