

STATE OF INDIANA

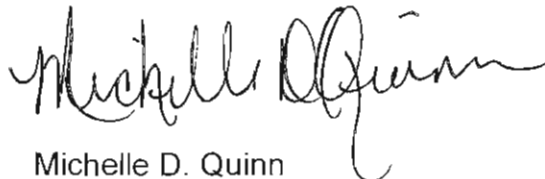
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF INDIANA GAS)
COMPANY, INC., SOUTHERN INDIANA GAS)
AND ELECTRIC COMPANY, AND INDIANA)
OFFICE OF UTILITY CONSUMER)
COUNSELOR FOR APPROVAL OF AN)
EXTENSION OF THE PROVISION OF A)
PORTFOLIO OF DEMAND SIDE) CAUSE NO. 44019
MANAGEMENT PROGRAMS, INCLUDING)
INTEGRATED GAS AND ELECTRIC)
PROGRAMS, AND APPROVAL OF THE)
CONTINUATION OF THE ENERGY)
EFFICIENCY RIDER UNDER IC 8-1-2-42(a) AS)
APPROVED IN CAUSE NOS. 42943 AND 43046)

NOTICE OF SUBMISSION OF QUARTERLY RESULTS OF
ENERGY EFFICIENCY PROGRAMS
BY VECTREN ENERGY DELIVERY OF INDIANA, INC.

Pursuant to the Commission's Order in this Cause issued August 18, 2011, Indiana Gas Company, Inc. and Southern Indiana Gas and Electric Company, together d/b/a Vectren Energy Delivery of Indiana, Inc. hereby submit their natural gas program quarterly performance update for the 2014 Operating Plan for Program Year 3 for the period ending December 31, 2014.

Respectfully submitted,



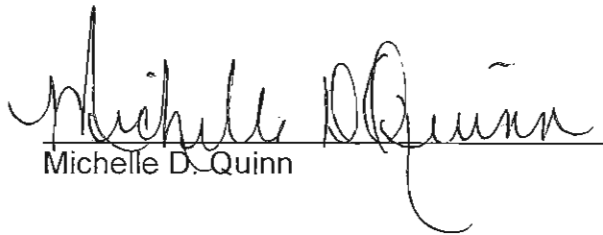
Michelle D. Quinn
Attorney for Vectren Energy
Delivery of Indiana, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing notice of submission was served upon the Office of Utility Consumer Counselor and Polk & Associates, LLC via electronic mail this 19th day of February 2015 to:

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Quarterly Performance Update - Program Results through December 31, 2014

Program Year 3 - 2014 January 01, 2014 - December 31, 2014	End Notes (page 2)	Gross Therm Savings			Net Therm Savings			Program Budget		
PROGRAMS		Actual Thru 12/31/14	PY3 - 2014 Goal	YTD % to Goal	Actual Thru 12/31/14	PY3 - 2014 Goal	YTD % to Goal	Actual Thru 12/31/14	PY3 - 2014 Budget	YTD % to Budget
Business Rebate Program	1	446,039	209,107	213%	334,529	161,357	207%	\$463,896	\$474,444	98%
Business Custom Program	2	257,255	337,369	76%	192,941	253,027	76%	\$337,943	\$338,184	100%
Residential Rebate Program	3	1,644,625	1,620,864	101%	1,105,386	1,081,916	102%	\$3,363,164	\$3,384,422	99%
Multi-Family Direct Install	4	170,485	161,613	105%	161,961	153,532	105%	\$280,209	\$271,152	103%
Targeted Income (North)	5	20,765	12,331	168%	20,765	12,331	168%	\$183,393	\$181,677	101%
Residential New Construction	6	195,968	37,110	528%	156,809	30,372	516%	\$613,375	\$613,377	100%
Home Audit and Direct Install (South)	7	127,088	139,549	91%	114,254	122,803	93%	\$379,947	\$385,019	99%
Low Income Weatherization (South)	8	108,400	145,447	75%	108,400	145,447	75%	\$225,264	\$337,500	67%
Low Income Weatherization (North-Duke)	9	21,857	37,317	59%	21,857	37,317	59%	\$50,922	\$84,000	61%
Behavior Letters (South)	10	422,632	251,254	168%	422,632	251,254	168%	\$49,218	\$82,451	60%
Home Audit and Direct Install (North-Duke)	11	169,022	169,035	100%	148,740	148,751	100%	\$600,001	\$600,000	100%
Smart Thermostat Pilot	12	10,603	-	-	10,603	-	-	\$6,278	-	-
Programs Subtotal		3,584,136	3,120,996	115%	2,788,274	2,398,107	116%	\$6,553,610	\$6,752,226	97%
SUPPORT SERVICES										
Unallocated Funding	13	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$0	-
Support Services	14	N/A	N/A	N/A	N/A	N/A	N/A	\$1,557,618	\$1,966,879	79%
2012 Budget Overspend	15	N/A	N/A	N/A	N/A	N/A	N/A	\$358,152	\$358,152	100%
Hoosier Energy Weatherization Pilot (2013 Carryover)	16	N/A	N/A	N/A	N/A	N/A	N/A	\$1,220	-	-
Carry Over Funding from 2013	17	N/A	N/A	N/A	N/A	N/A	N/A	\$0	0	-
Vectren Gas Portfolio Total		3,584,136	3,120,996	115%	2,788,274	2,398,107	116%	\$8,470,601	\$9,077,257	93%

End Note	Description
1	Prescriptive program with incentives for general service customers installing energy efficient furnaces, boilers, boiler tune-ups and controls, water heaters, thermostats and commercial kitchen appliances. The program also includes a direct install component that includes pre-rinse sprayers and faucet aerators targeting institutions, restaurants and schools. Program has exceeded the annual savings target and incentive budget.
2	Offers incentives up to \$50,000 per natural gas project for the installation of efficient technologies or implementation of process improvements that do not fit the parameters of the prescriptive rebate program. The program performed well in the fourth quarter and overall met 76% of the therm savings goal.
3	Prescriptive program with incentives for residential customers installing energy efficient furnaces, boilers, thermostats, insulation and/or duct sealing measures. Program has performed as expected during 2014 and slightly exceeded the savings goal.
4	Energy efficient water fixtures (showerhead, bathroom aerator and kitchen aerator) installed in rental units to reduce hot water consumption. The program exceeded year end goals.
5	Program provides weatherization services to natural gas residential customers with incomes below 200% of the federal poverty guidelines in the Vectren North territory.
6	The Residential New Construction program objective is to produce long-term cost-effective natural gas and electric savings in the residential market sector. This program performed well above expectations and has exceeded year end planning goals.
7	Integrated gas/electric program that combines helping customers in the Vectren South territory analyze and understand their energy use via an on-site energy audit whereby customers receive both direct install measures and the audit report at no additional cost. The direct install measures include energy efficient low flow products, CFL bulbs and air sealing. This program was administrated and delivered by the state-wide electric third party administrator. The program performed very strong and achieved of 91% of the therm savings goal.
8	Integrated gas/electric program that provides customized weatherization upgrades to low income homes in the Vectren South territory that otherwise would not have been able to afford the energy savings measures. The program was administrated and delivered by the state-wide electric third party administrator. The previous Core electric program was available to all electric customers however the integrated design included the addition of insulation in the homes heated with natural gas. Natural gas heated homes would have not received the insulation as part of the Core program design. The program met 75% of the therm planning goal and served 377 homes with natural gas water heat.
9	Integrated gas/electric program that provides customized weatherization upgrades to low income homes in the Vectren North/Duke territory that otherwise would not have been able to afford the energy savings measures. The program was administrated and delivered by the state-wide electric third party administrator. The previous Core electric program was available to all electric customers however the integrated design included the addition of insulation in the homes heated with natural gas. Natural gas heated homes would have not received the insulation as part of the Core program design. The program met 59% of the therm planning goal and served 68 homes with natural gas water heat.
10	Integrated gas/electric program designed to motivate behavior change by providing relevant, targeted information to customers in the Vectren South territory through regularly scheduled customized home energy letter. The home energy letters help customers to better understand their energy use along with information on how they compare with similar households in their neighborhood. In 2014, 42,081 Vectren South natural gas customers received behavior letters through this program. This resulted in 422,632 gross therm savings, which was 168% of the planning goal of 251,254 therms.
11	Integrated gas/electric program that combines helping customers in the North Vectren/Duke territory analyze and understand their energy use via an on-site energy audit whereby customers receive both direct install measures and the audit report at no cost additional cost. The direct install measures include energy efficient low flow products, CFL bulbs and air sealing. This program was administrated and delivered by the state-wide electric third party administrator. This program has met it's goal.
12	The Smart Thermostat Pilot Program offers direct installation of standard programmable and Nest thermostats to residential end-use customers. There is no additional cost to the customer to participate. Both the new thermostat and installation costs are covered by the program. This program was designed as a research study in cooperation with Cadmus to determine if 'smart' thermostats will save more energy than standard programmable thermostats. The evaluation of this program is currently in progress and soon to be finalized. Work on this project began in 2013 however some expenses did not get billed until 2014. The program did not have an official savings goal, yet it achieved savings of 38,603 total therms - of which 27,527 therms were achieved in 2013 and 10,603 therms were achieved in 2014.
13	Portfolio funding that was be allocated to programs as necessary with the approval of the Oversight Board. Original amount was \$810,927, which has now been allocated to other programs as approved by Oversight Board.
14	Support services include expenses associated with services that support multiple programs such as contact center, umbrella marketing, evaluation and program administration.
15	The 2012-2015 program budget, as approved in Cause No. 44019, is \$33,281,000. The filed planned spend for the 2012 program year was \$8,583,768. When the operating plan for 2012 was approved by the Oversight Board, it was approved to exceed the filed budget to account for additional expenses associated with the transition to a new Third Party Administrator. The filed budget was exceeded by \$358,152. When planning the 2014 program budget, the Oversight Board approved covering the 2012 overspend as part of the 2014 plan to ensure the total 4 year spend of \$33,281,000 is not exceeded.
16	Integrated gas/electric weatherization pilot with Hoosier Energy. The pilot seeks to demonstrate that weatherizing natural gas heated homes whose electric service comes from an REMC can be cost-justifiable for each utility company through an appropriate split of the costs incurred in the weatherization process. The pilot provides a diagnostic energy audit and direct install measures and insulation for qualified homes at no cost to the customer. Work on this project began in May 2013 however some expenses did not get billed until 2014.
17	Carry Over Funding of \$493,488 from 2013 identified during mid year true up. This was added to original budget of \$8,583,769 to increase available budget to \$9,077,257. \$493,488 has been shifted to other programs per approval of Oversight Board.