

NEWS

SIGECO presents capacity plan to IURC

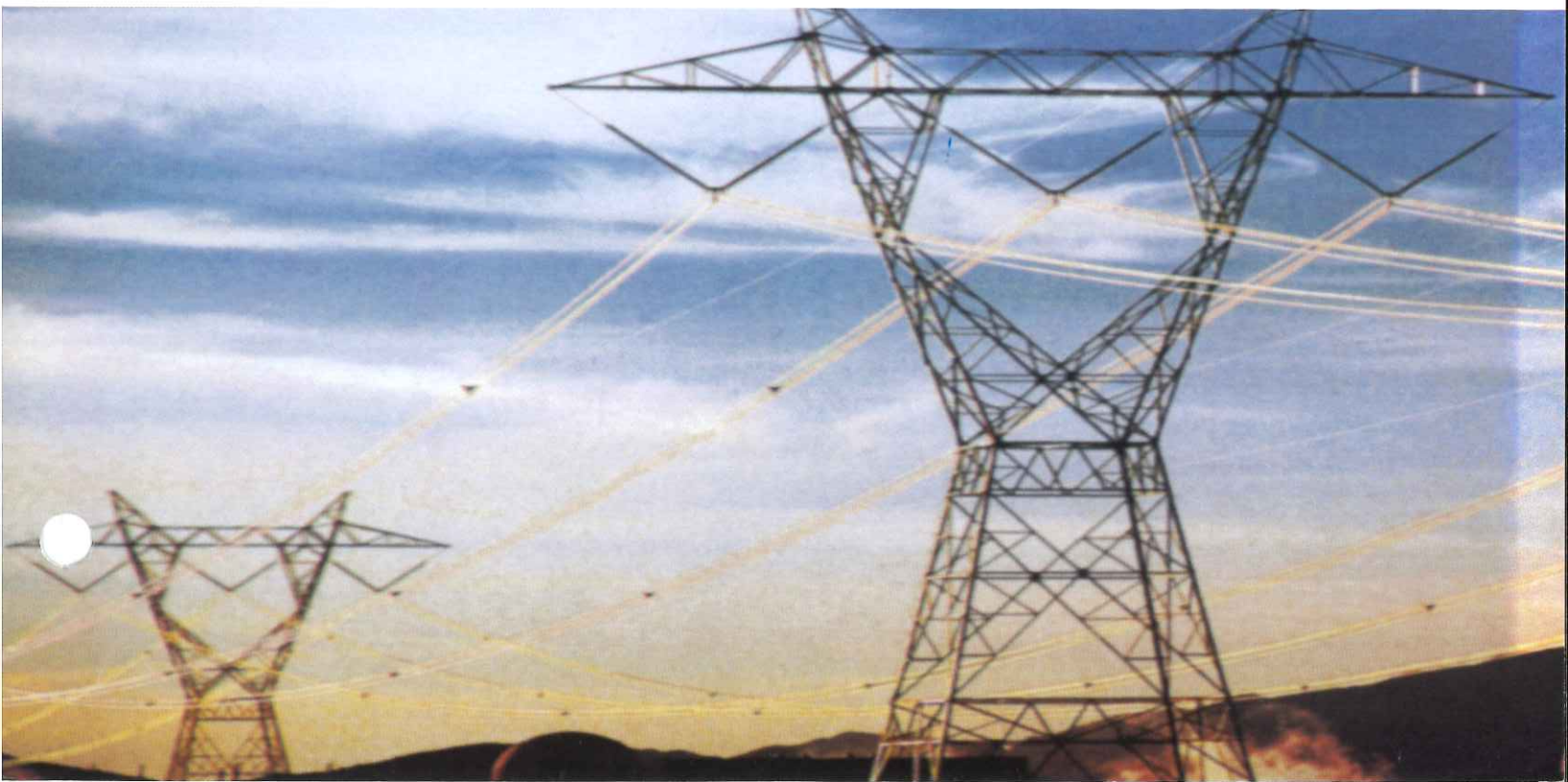
In light of the tight power supply experience of the past two summers, the IURC has requested presentations by the major Indiana electric utilities regarding preparedness to meet high peak demands projected again this summer.

SIGECO presented its capacity plan to the IURC on Friday, June 2, in addition to several other companies. In this presentation, Gordon Hurst, Executive Vice President of Vectren and President of SIGECO, and Ron Jochum, Vice President of Power Supply for SIGECO, related the details of capacity planning for SIGECO.

The presentations confirmed that power supply will be tight but companies expect to be able to meet demand. SIGECO has addressed these issues according to Ron Jochum, SIGECO Vice President of Power Supply. "All units have been through spring maintenance to ensure high reliability and a 50MW purchase has been made to meet any increased demand."

In addition, SIGECO can implement its summer cycler program on peak demand days if necessary. This program shaves approximately 30 megawatts off the peak demand. Interruptible power contracts are also in place with some large customers which could make an additional 65MW available.

Traditionally, SIGECO has fared well compared to other Indiana utilities. In fact the 1999 IURC report states, "Unlike, many of the other utilities, SIGECO never initiated any emergency operating procedures."





Second Firm Says Buy VVC

A.G. Edwards, a major national investment firm, has positioned Vectren Corporation (NYSE: VVC) as an accumulate/conservative investment. The investment firm says warm weather and modestly higher operating costs have hurt earnings, but says Vectren is well positioned for strong earnings growth as it expects to save \$200 million during the next 10 years. As the Indiana Energy and SIGCORP merger begins to bear fruit, the firm expects Vectren's 10 percent annual earnings growth for the next five years to be reasonable and expects an annual rate of about 5 percent annually thereafter. The report also focuses on the healthy service territory, "as retail electric and gas utility sales are projected to grow two to three times the national average for the foreseeable future." Investors also read about Vectren's low utility rates, among the lowest in the nation, and its strong financial position. This follows our report in last week's *Vectren News* that Merrill Lynch also upgraded Vectren to a buy status.

Checkout

Enron seeks to form power company with AOL and IBM

Enron Corporation recently announced its intent to form a power marketing company with America Online Inc. and IBM, named New Power Company. Deregulation has allowed more opportunities such as this for companies to make power sales directly to customers of the local utility.

This could cause a revolution of America's long-sheltered utility markets in addition to alleviating energy shortages during peak demand if customers shift their usage.

Jerry Ulrey, vice president planning and corporate development for Vectren, anticipates this new partnership could have a nation-wide impact on the deregulated residential markets.

"Vectren is pursuing two main strategic initiatives in 2000 to compete regionally with national companies such as this," Ulrey explained. "Vectren is developing Internet and retail marketing strategies to retain its customer base."

New Power Company would potentially cut customer costs and allow 22 million customers to buy power and pay their bills online. New Power Company will offer its customers incentives like a promise of 10-30% savings on energy bills, American Airlines Inc. frequent-flier miles, discount on appliances, and variable pricing for peak and off-peak users and multiyear deals.

MAINEVENT

The spirit of team work

Vectren Helps Build Habitat Millennium Home

Vectren was a major contributor to the first Habitat Home of the new Millennium, which was recently presented to the Winstead family by Gordon Hurst, Executive Vice President of Vectren and President of SIGECO. The home was built with many recycled products from Vectren's (SIGECO) Culley Generating Station in Warrick County.



The Winstead family enjoys their new front porch with Gordon Hurst and other Habitat sponsors.



The walls of the home are constructed of autoclaved aerated concrete (AAC) block containing 70% fly ash from the Culley station. These blocks provide disaster resistant properties, structural strength and a high insulation value. The wallboard is also made from a Culley plant byproduct, gypsum, which is produced by the scrubber as it removes over 90% of the sulfur from the emissions.

"We are strongly committed to sound environmental practices and to developing opportunities to recycle byproducts in our power generation business."

• Gordon Hurst

"We are strongly committed to sound environmental practices and to developing opportunities to recycle byproducts in our power generation business," Hurst said.

The new home was built out of as many recycled products as possible and is more energy efficient, stronger and less expensive than conventional wood frame construction. All of the sponsors hope this project will set the standard for future Habitat Homes in the area.



HOT Tips

vegetables and grains and low in fat; and if you have diabetes, keep your blood sugar controlled.

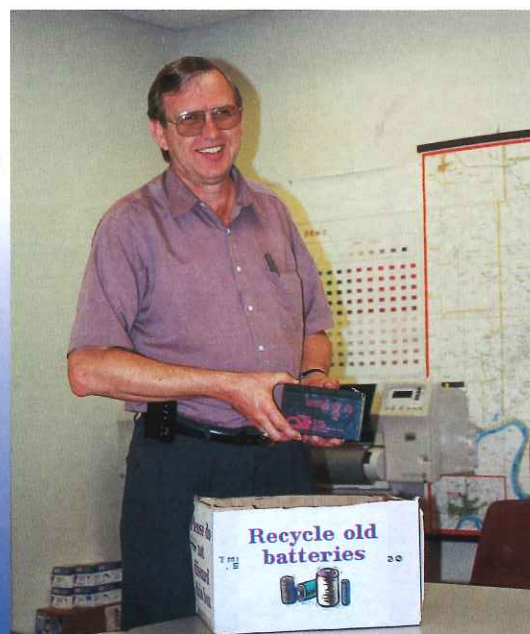
Source: University of California, Berkeley Wellness Newsletter, March 2000

What's the best exercise for **maintaining bone health**? Running easily outpaces walking and various other forms of weight-bearing exercise in building stronger bones. Researchers at Hebrew University Medical School in Jerusalem found that even short bursts of running followed by brisk walking can jump-start the bone-strengthening process. The study found that using a step-climbing machine and pedaling a stationary bicycle were less effective in building bone mass.

For health or wellness questions/concerns, contact Gail Mayer at (812) 450-7230 or e-mail to: gail_mayer@deaconess.com

Save batteries for recycling

Don't discard batteries. Save them for recycling. The company's Environmental Affairs department is developing a battery recycling program for SIGECO and other Evansville area operations. Indiana Gas already has a battery recycling program for its operations. The new Evansville program is aimed at recycling all types of small batteries – the types used in flashlights, cell phones, pagers, computers and other equipment. Areas that currently swap old for new batteries with a vendor should continue this process. Instead of throwing away old batteries, collect them in a central location in your area and call Lisa Messinger at ext. 14666 – or send her your old batteries. She will keep them until the recycling program is underway.



Warren Render, SIGECO Electric Operations, participates in the battery recycling program.

Healthy Tidbits

Every year 750,000 people have a stroke in the U.S., according to a study in the journal of **Stroke**. The incidence doubles with each decade after age 55, and men are about 30% more likely than women to have a stroke.

Strokes can be prevented by paying attention to daily health habits. Stop smoking; maintain a healthy weight; be physically active; keep blood pressure controlled; eat a healthy diet that is high in fruits,

VECTREN
NEWS