

VECTREN

NEWS

June 26, 2000

Competitive Intelligence

Shareholders at PowerGen, a major power company in Great Britain, have approved the proposed acquisition of LG&E Energy Corp., headquartered in Louisville.

The Kentucky Public Service Commission approved the deal last month and completion of the acquisition rests with LG&E's shareholders and other regulatory agencies.

According to company information, LG&E is a leading supplier of gas and electricity to large industrial customers. It has 1.1 million domestic customers and operates power generation plants in six states.

PowerGen is one of the world's major independent power businesses and one of the UK's leading integrated electricity and gas companies. It is also an international power generation business involved in 11 projects totaling more than 8,000 MW in Germany, Portugal, Hungary, India, Indonesia, Thailand, South Korea and Australia.

IGC Balanced Payment Plan customers may see increase

Indiana Gas customers on the Balanced Payment Plan program will receive settle up statements in their upcoming July bills. Customers on the program are likely to see an increase because IGC has recalculated the plan to reflect consumption during a normal winter season and natural gas prices have risen since the prior amounts were calculated. A bill insert will be included to help explain the available options to the approximately 96,000 customers using the plan.

Catch the Fever!

As the NBA season winds down following an outstanding appearance in the NBA finals by our own Indiana Pacers, the Fever is heating up. The Indiana Fever, Indiana's new WNBA franchise, plays in Conseco Fieldhouse in Indianapolis.

Vectren has a limited number of tickets for night games on July 1 and July 14, and would like to give its employees the opportunity to attend one of them. Any Vectren employee may request tickets (limit four per family). Requests should be sent to Ann Weber at aweber@vectren.com or call her at ext. 0325.

Vectren teams hard at work

TEAM	TEAM LEADERS/ MEMBERS	OBJECTIVE	ACHIEVEMENTS/SCOPE/WORK IN PROGRESS
Financial Information Systems (FIS)	<ul style="list-style-type: none"> * Curt Garnett Barb Crow Liz Besing Bill Anthony Sue Burke Lynn Oglesby Dan Boarman Betty Sitzman Don Burke Mike Niemeyer Patty Banet Rich Hughes Joy King Jerry Schapker Cecil Shirtzinger Dennis Raider Rob Cook Brett Gold Tim Doehring Sid Hales Judy Bell Vicki Phillips Rhonda Spaulding Susan Hardwick - ES 	<ul style="list-style-type: none"> • To consolidate Vectren onto a single financial information platform • To create an integrated approach to resource allocation, budgeting, corporate services and management control that is consistent with the Vectren managerial transition 	<ul style="list-style-type: none"> • Upgrade the current SIGECO financial system and migrate users of the IEI financial system to Oracle Financial Release 11.03 • Implement a standardized set of financial processes based on sound business reasons • Change the company's approach to budgeting, management control and corporate shared services to be consistent with Vectren strategic direction • Provide accurate, timely and useful management information needed to support management
Customer Information Systems (CIS)	<ul style="list-style-type: none"> * Robbie Sears Mark Sebree Vicki Phillips Ernie Noe Teresa Pemberton Karen Emerson Susan Lemond Beth Swango Sharon Fish Laura Haviza Jo Burkett Tina Sharp Teresa Lewis Deborah Foster Tim Hutson Toni Titzer Radhika Dhawan Rhonda Spaulding Susie Tanner Dave Stille Pat Childs Steve Brummel Linda Minton Sandy Dean Henry Woodall Bill Doty - ES 	<ul style="list-style-type: none"> • To deliver a single solution CIS for mass-market residential/commercial customers • To consolidate the utility customer service and billing operations into a single customer care organization/facility 	<ul style="list-style-type: none"> • A CIS solution with the ability to accurately bill utility services for Vectren • A CIS solution that balances Vectren requirements with a zero or near zero modified system • A CIS solution to support a single customer care organization • A CIS solution which will interface/integrate to critical Vectren systems

The Vectren teams are working to integrate processes critical to the business. On these two pages are just a summary of the work underway. As these teams reach milestones and move toward meeting their objectives, further and more detailed stories will be featured in the *Vectren Newsletter*.

TEAM	TEAM LEADERS/ MEMBERS	OBJECTIVE	ACHIEVEMENTS/SCOPE/WORK IN PROGRESS
Intranet Team	* Jeff Whiteside Dan Bugher Paul Schrock Rod Penfield Mary Beth Reese Chip Gill Ray Graham Dennis Glancy Rusty Kirk Mark Kerney Michael Roeder Matt Mulherin Goeffrey Edwards Andrew Freson Rebecca Brann Steve Brummel Dick Lynch - ES Rick Schach - ES	To create an integrated Vectren presence on the Intranet and provide a comprehensive, enabling resource for employees	<ul style="list-style-type: none"> • Employee access points to the intranet are currently under review • Conceptual design for day 1 intranet completed • Early July – content finalized and a new site introduced to employees
Rewards and Recognition Team	* Craig Miles Linda Minton Dave Thompson Brad Harris Dick Lynch - ES	To create a consistent reward strategy	<ul style="list-style-type: none"> • Current SIGECO and IEI plans under review • Recommendations presented to Human Resources Policy Committee
Branding	* Jeff Whiteside Mary Beth Reese Paul Schrock Thomas McKean Ron Keeping Kathy Lamont Dave Mercurio Dick Lynch - ES	To create and implement a corporate brand strategy for Vectren based upon business case and research	<ul style="list-style-type: none"> • Agency search completed • Advertising agency has been hired to help further develop Vectren's brand and implementation strategies
Non-Traditional Benefits	* Jerry Land Linda Minton Tom Zabor Dick Lynch - ES * Team Leader ES - Executive Sponsor	To recommend benefits that will meet needs of employees and position Vectren as an employer of choice	<ul style="list-style-type: none"> • Recommendations presented to Human Resources Policy Committee

IGC Adds to Quality of Life for Lafayette-Area Seniors

Indiana Gas touches its customers daily through energy delivery. However, recently some of the senior customers received an added touch.

Indiana Gas helped sponsor the Region IV 14th Annual Senior Games. More than 600 seniors in Tippecanoe and surrounding counties participated in the June 12-16 event.

Dan Preston, Lafayette area market development representative, helped organize the popular community event. "This event provides seniors activities they look forward to," he said. "It develops camaraderie they wouldn't get without this event. This showcases great community participation, and adds to the quality of life in the area."

Marketing staffers Tom Moore and Mark Campbell participated and helped kick off the event during the torch lighting ceremonies. A number of community leaders also participated.



John and Annie van der Aa kick off the Lafayette area senior games by parading through with the official torch.



Indiana Gas marketing employees from left Mark Campbell, Dan Preston and Tom Moore help kick off the Lafayette-area senior games. Indiana Gas helped sponsor the community event.

"It's important to support those events and organizations that leaders within the communities support. This helps the general health of the community," Moore said. "The long-term growth of the communities we serve is important to Indiana Gas."

"It is critical that we continue developing relationships with local elected officials," said Preston, a former community relations employee. "For economic development to continue, we must have solid, healthy communities full of vibrant citizens."

Among this year's winners was a retired Indiana Gas employee, Arvilla Magee. She won a bronze medal for bowling in the age 70-74 category. Each participant also received a drinking glass with the IGC logo.

VECTREN
NEWS