

VECTREN CORP
Form 10-Q
November 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-15467

VECTREN CORPORATION
(Exact name of registrant as specified in its charter)

INDIANA
(State or other jurisdiction of incorporation or
organization)

35-2086905
(IRS Employer Identification No.)

One Vectren Square, Evansville, IN 47708
(Address of principal executive offices)
(Zip Code)

(812) 491-4000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock- Without Par Value	82,703,774	October 30, 2015
Class	Number of Shares	Date

Access to Information

Vectren Corporation makes available all SEC filings and recent annual reports free of charge through its website at www.vectren.com as soon as reasonably practicable after electronically filing or furnishing the reports to the SEC, or by request, directed to Investor Relations at the mailing address, phone number, or email address that follows:

Mailing Address:	Phone Number:	Investor Relations Contact:
One Vectren Square	(812) 491-4000	M. Naveed Mughal
Evansville, Indiana 47708		Treasurer and Vice President, Investor Relations
		vvcir@vectren.com

Definitions

MCF / BCF: thousands / billions of cubic feet	IURC: Indiana Utility Regulatory Commission
BTU / MMBTU: British thermal units / millions of BTU	MISO: Midcontinent Independent System Operator
DOT: Department of Transportation	GCA: Gas Cost Adjustment
EPA: Environmental Protection Agency	MW: megawatts
FAC: Fuel Adjustment Clause	MWh / GWh: megawatt hours / thousands of megawatt hours (gigawatt hours)
FASB: Financial Accounting Standards Board	kV: Kilovolt
FERC: Federal Energy Regulatory Commission	OUC: Indiana Office of the Utility Consumer Counselor
GAAP: Generally Accepted Accounting Principles	PUCO: Public Utilities Commission of Ohio
IDEM: Indiana Department of Environmental Management	MDth / MMDth: thousands / millions of dekatherms
ASC: Accounting Standards Codification	XBRL: eXtensible Business Reporting Language
ASU: Accounting Standards Update	AFUDC: allowance for funds used during construction

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VECTREN CORPORATION AND SUBSIDIARY COMPANIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited – In millions)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash & cash equivalents	\$4.8	\$86.4
Accounts receivable - less reserves of \$5.3 & \$6.0, respectively	219.1	196.0
Accrued unbilled revenues	119.5	164.8
Inventories	130.3	118.5
Recoverable fuel & natural gas costs	—	9.8
Prepayments & other current assets	65.2	110.9
Total current assets	538.9	686.4
Utility Plant		
Original cost	6,001.4	5,718.7
Less: accumulated depreciation & amortization	2,385.3	2,279.7
Net utility plant	3,616.1	3,439.0
Investments in unconsolidated affiliates	21.9	23.4
Other utility & corporate investments	32.7	37.2
Other nonutility investments	32.2	33.6
Nonutility plant - net	415.5	378.0
Goodwill - net	293.6	289.9
Regulatory assets	256.7	233.6
Other assets	42.5	41.2
TOTAL ASSETS	\$5,250.1	\$5,162.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

VECTREN CORPORATION AND SUBSIDIARY COMPANIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited – In millions)

	September 30, 2015	December 31, 2014
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$218.4	\$248.9
Refundable fuel & natural gas costs	19.8	2.5
Accrued liabilities	182.1	184.9
Short-term borrowings	111.0	156.4
Current maturities of long-term debt	88.0	170.0
Total current liabilities	619.3	762.7
Long-term Debt - Net of Current Maturities	1,522.7	1,407.3
Deferred Credits & Other Liabilities		
Deferred income taxes	777.4	741.2
Regulatory liabilities	430.5	410.3
Deferred credits & other liabilities	250.7	234.2
Total deferred credits & other liabilities	1,458.6	1,385.7
Commitments & Contingencies (Notes 7, 10-13)		
Common Shareholders' Equity		
Common stock (no par value) – issued & outstanding 82.7 & 82.6, respectively	720.8	715.7
Retained earnings	930.0	892.2
Accumulated other comprehensive (loss)	(1.3) (1.3
Total common shareholders' equity	1,649.5	1,606.6
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$5,250.1	\$5,162.3

The accompanying notes are an integral part of these condensed consolidated financial statements.

VECTREN CORPORATION AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited – In millions, except per share amounts)

Three Months Ended
September 30,
2015 2014

Nine Months Ended
September 30,