

VECTREN UTILITY HOLDINGS INC
Form 10-Q
August 10, 2007

**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 June 30, 2007

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: **1-16739**

VECTREN UTILITY HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

INDIANA

(State or other jurisdiction of incorporation or
organization)

35-2104850

(IRS Employer Identification No.)

**One Vectren Square,
Evansville, Indiana,
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 x No ___

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

Large accelerated filer Accelerated filer Non-accelerated filer

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.

<u>Common Stock- Without Par Value</u>	<u>10</u>	<u>July 31, 2007</u>
Class	Number of Shares	Date

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Access to Information

Vectren Corporation makes available all SEC filings and recent annual reports free of charge, including those of its wholly owned subsidiaries, through its website at www.vectren.com, 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	Steven M. Schein
Evansville, Indiana 47708		Vice President, Investor Relations

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Definitions

AFUDC: allowance for funds used during construction	MMBTU: millions of British thermal units
APB: Accounting Principles Board	MW: megawatts
EITF: Emerging Issues Task Force	MWh / GWh: megawatt hours / thousands of megawatt hours (gigawatt hours)
FASB: Financial Accounting Standards Board	NOx: nitrogen oxide
FERC: Federal Energy Regulatory Commission	OCC: Ohio Office of the Consumer Counselor
IDEM: Indiana Department of Environmental Management	OUC: Indiana Office of the Utility Consumer Counselor
IURC: Indiana Utility Regulatory Commission	PUCO: Public Utilities Commission of Ohio
MCF / BCF: thousands / billions of cubic feet	SFAS: Statement of Financial Accounting Standards
MDth / MMDth: thousands / millions of dekatherms	USEPA: United States Environmental Protection Agency
MISO: Midwest Independent System Operator	Throughput: combined gas sales and gas transportation volumes

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VECTREN UTILITY HOLDINGS, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited – In millions)

	June 30, 2007	December 31, 2006
<u>ASSETS</u>		
Current Assets		
Cash & cash equivalents	\$ 3.3	\$ 28.5
Accounts receivable - less reserves of \$4.2 & \$2.5, respectively	96.7	134.8
Receivables due from other Vectren companies	0.4	0.3
Accrued unbilled revenues	38.1	121.4
Inventories	110.7	141.9
Recoverable fuel & natural gas costs	-	1.8
Prepayments & other current assets	84.9	103.2
Total current assets	334.1	531.9
Utility Plant		
Original cost	3,925.5	3,820.2
Less: accumulated depreciation & amortization	1,475.8	1,434.7
Net utility plant	2,449.7	2,385.5
Investments in unconsolidated affiliates	0.2	0.2
Other investments	21.9	21.4
Nonutility property - net	169.1	163.1
Goodwill	205.0	205.0
Regulatory assets	125.0	116.8
Other assets	17.5	16.9
TOTAL ASSETS	\$ 3,322.5	\$ 3,440.8

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

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VECTREN UTILITY HOLDINGS, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited – In millions)

	June 30, 2007	December 31, 2006
<u>LIABILITIES & SHAREHOLDER'S EQUITY</u>		
Current Liabilities		
Accounts payable	\$ 59.6	\$ 136.2
Accounts payable to affiliated companies	43.7	68.2
Payables to other Vectren companies	22.1	25.3
Refundable fuel & natural gas costs	40.4	35.3
Accrued liabilities	136.2	115.8
Short-term borrowings	215.0	270.1
Current maturities of long-term debt	6.5	6.5
Long-term debt subject to tender	20.0	20.0
Total current liabilities	543.5	677.4
Long-Term Debt - Net of Current Maturities &		
Debt Subject to Tender	1,025.5	1,025.3
Deferred Income Taxes & Other Liabilities		
Deferred income taxes	258.8	