

VECTREN UTILITY HOLDINGS INC
Form 10-Q
May 13, 2016

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 March 31, 2016
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 35-2104850
(State or other jurisdiction of incorporation or organization) (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

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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

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 Class	Number of Shares	Date
10		April 29, 2016

Access to Information

Vectren Corporation makes available all SEC filings and recent annual reports, including those of its wholly owned subsidiaries, 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 Evansville, Indiana 47708	(812) 491-4000	M. Naveed Mughal Treasurer and Vice President, Investor Relations vvcir@vectren.com

Definitions

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

GAAP: Generally Accepted Accounting Principles PUCO: Public Utilities Commission of Ohio

GCA: Gas Cost Adjustment

XBRL: eXtensible Business Reporting Language

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VECTREN UTILITY HOLDINGS, INC. AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited – In millions)

	March 31, December 31,	
	2016	2015
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 47.5	\$ 6.2
Accounts receivable - less reserves of \$4.0 & \$3.0, respectively	87.6	92.3
Accrued unbilled revenues	60.4	85.7
Inventories	112.7	125.3
Recoverable fuel & natural gas costs	8.9	—
Prepayments & other current assets	30.4	49.0
Total current assets	347.5	358.5
Utility Plant		
Original cost	6,172.1	6,090.4
Less: accumulated depreciation & amortization	2,454.0	2,415.5
Net utility plant	3,718.1	3,674.9
Investments in unconsolidated affiliates	0.2	0.2
Other investments	19.3	20.1
Nonutility plant - net	149.5	149.7
Goodwill	205.0	205.0
Regulatory assets	160.4	152.1
Other assets	48.5	32.2
TOTAL ASSETS	\$ 4,648.5	\$ 4,592.7

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

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

	March 31, December 31,	
	2016	2015
LIABILITIES & SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 135.7	\$ 168.5
Payables to other Vectren companies	17.3	25.7
Accrued liabilities	147.4	128.4
Short-term borrowings	—	14.5
Current maturities of long-term debt	13.0	13.0
Total current liabilities	313.4	350.1
Long-Term Debt - Net of Current Maturities	1,379.5	1,379.2
Deferred Credits & Other Liabilities		
Deferred income taxes	779.3	758.4
Regulatory liabilities	440.7	433.9
Deferred credits & other liabilities	141.8	135.9
Total deferred credits & other liabilities	1,361.8	1,328.2
Commitments & Contingencies (Notes 7 - 10)		
Common Shareholder's Equity		
Common stock (no par value)	826.4	799.9
Retained earnings	767.4	735.3
Total common shareholder's equity	1,593.8	1,535.2
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 4,648.5	\$ 4,592.7

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

VECTREN UTILITY HOLDINGS, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited – In millions)

	Three Months Ended March 31,	
	2016	2015
OPERATING REVENUES		
Gas utility	\$ 281.2	\$