

VECTREN UTILITY HOLDINGS INC
Form 10-Q
November 13, 2018

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, 2018
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
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

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	10	October 31, 2018
Class	Number of Shares	Date

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: One Vectren Square
Evansville, Indiana 47708

Phone Number: (812) 491-4000

Investor Relations Contact: David E. Parker Director, Investor Relations vvcir@vectren.com

Definitions

The Administration: Executive Office of the President of the United States

AFUDC: allowance for funds used during construction

ASC: Accounting Standards Codification

ASU: Accounting Standards Update

BTU / MMBTU: British thermal units / millions of BTU

DOT: Department of Transportation

EPA: Environmental Protection Agency

FAC: Fuel Adjustment Clause

IRP: Integrated Resource Plan

IURC: Indiana Utility Regulatory Commission

kV: Kilovolt

MCF / BCF: thousands / billions of cubic feet

MDth / MMDth: thousands / millions of dekatherms

MISO: Midcontinent Independent System Operator

MW: megawatts

MWh / GWh: megawatt hours / thousands of megawatt hours (gigawatt hours)

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FASB: Financial Accounting Standards Board

FERC: Federal Energy Regulatory Commission

GAAP: Generally Accepted Accounting Principles

GCA: Gas Cost Adjustment

IDEM: Indiana Department of Environmental
Management

OUC: Indiana Office of the Utility Consumer Counselor

PHMSA: Pipeline and Hazardous Materials Safety
Administration

PUCO: Public Utilities Commission of Ohio

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)

	September 30, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 7.0	\$ 9.8
Accounts receivable - less reserves of \$3.2 & \$3.9, respectively	82.2	109.5
Accrued unbilled revenues	42.3	123.7
Inventories	100.8	117.5
Recoverable fuel & natural gas costs	7.8	19.2
Prepayments & other current assets	37.2	32.7
Total current assets	277.3	412.4
Utility Plant		
Original cost	7,394.5	7,015.4
Less: accumulated depreciation & amortization	2,850.9	2,738.7
Net utility plant	4,543.6	4,276.7
Investments in unconsolidated affiliates	0.2	0.2
Other investments	30.7	26.7
Nonutility plant - net	202.5	198.6
Goodwill	205.0	205.0
Regulatory assets	366.6	314.0
Other assets	64.0	64.2
TOTAL ASSETS	\$ 5,689.9	\$ 5,497.8

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

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

	September 30, 2018	December 31, 2017
LIABILITIES & SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 125.2	\$ 221.8
Payables to other Vectren companies	29.2	33.3
Accrued liabilities	176.9	154.0
Short-term borrowings	225.3	179.5
Current maturities of long-term debt	—	100.0
Total current liabilities	556.6	688.6
Long-Term Debt - Net of Current Maturities	1,729.6	1,479.5
Deferred Credits & Other Liabilities		
Deferred income taxes	483.1	457.5
Regulatory liabilities	938.7	937.2
Deferred credits & other liabilities	220.5	212.2
Total deferred credits & other liabilities	1,642.3	1,606.9
Commitments & Contingencies (Notes 9 - 12)		
Common Shareholder's Equity		
Common stock (no par value)	879.2	877.5
Retained earnings	882.2	845.3
Total common shareholder's equity	1,761.4	1,722.8
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 5,689.9	\$ 5,497.8

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

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

(Unaudited – In millions)

Three Months	Nine Months
Ended	Ended
September 30,	September 30,
2018	2017 2018