

VECTREN CORP
Form 11-K
June 26, 2009

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

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

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

For the transition period from _____ to _____

Commission file number: 1-15467

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Vectren Corporation Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive officer:

Vectren Corporation
One Vectren Square
Evansville, Indiana 47708

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Note: The accompanying financial statements have been prepared for the purpose of filing with Form 5500. Supplemental schedules required by the Department of Labor's rules and regulations for reporting and disclosure under the Employee Retirement Income Security Act of 1974, other than the schedule listed above, are omitted because of the absence of the conditions under which they are required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Investment Committee of the Vectren Corporation Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Vectren Corporation Retirement Savings Plan as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for each of the years in the three year period ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Vectren Corporation Retirement Savings Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for each of the years in the three year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ McGladrey & Pullen LLP
McGLADREY & PULLEN LLP

Peoria, Illinois
June 26, 2009

VECTREN CORPORATION
 RETIREMENT SAVINGS PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(\$ In Thousands)

	At December 31,	
	2008	2007
ASSETS		
Investments, at fair value		
Shares of registered investment companies- mutual funds	\$ 73,690	\$ 107,801
Vectren Corporation Common Stock Fund	22,709	26,079
Common trust fund - fully benefit-responsive investment contracts	19,765	18,118
Participants' loans	2,793	2,840
Total investments	118,957	154,838
Net assets available for benefits, at fair value	118,957	154,838
Adjustment from fair value to contract value for investments in common trust fund, related to fully benefit responsive investment contracts	186	(106)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 119,143	\$ 154,732

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

VECTREN CORPORATION
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	(\$ in Thousands)		
	Year Ended December 31,		
	2008	2007	2006
(DEDUCTIONS) ADDITIONS TO NET ASSETS			
ATTRIBUTED TO:			
Investment (loss) income:			
Dividend, interest, and other income	\$ 5,976	\$ 9,100	\$ 6,499
Net (depreciation) appreciation in fair value of investments	(45,936)	(564)	8,810
Total investment income	(39,960)	8,536	15,309
Contributions:			
Employee	8,475	8,539	8,260
Employer	4,176	3,907	3,693
Total contributions	12,651	12,446	11,953
OTHER DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:			
Benefits paid to participants	8,269	10,777	12,029
Fees paid to trustee	11	12	7
Total other deductions	8,280	10,789	12,036
Net (decrease) increase	(35,589)	10,193	15,226
NET ASSETS AVAILABLE FOR PLAN BENEFITS			
Beginning of year	154,732	144,539	129,313
End of year	\$ 119,143	\$ 154,732	\$ 144,539

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

Vectren Corporation Retirement Savings Plan

Notes to Financial Statements

Note 1. Plan Description

A. General

The Vectren Corporation Retirement Savings Plan (the Plan) is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. The Plan's sponsor, Vectren Corporation (Vectren or the Company), serves as the plan administrator. Vectren, an Indiana corporation, is an energy holding company headquartered in Evansville, Indiana. An Investment Committee has been appointed by the Company's Board of Directors to administer the Plan. The following description of the Plan provides only general information. With the exception of Miller Pipeline Corporation and Energy Systems Group, LLC, all of Vectren's wholly owned subsidiaries participate in the Plan. Participants should refer to the Summary Plan Description and/or Plan document for a more complete description of the Plan provisions.

B. Participation

Non-bargaining unit employees who have completed at least one hour of service and who are expected to complete 1,000 hours of service during their first year of employment are eligible to participate in the Plan. Non-bargaining unit employees who are not expected to meet the 1,000 hours of service threshold are eligible to participate after completing one year of Period Service, as defined in the Plan document. Bargaining unit employees who have completed at least one hour of service and who are expected to complete 1,000 hours of service during their first year of employment are eligible to participate in the Plan on the applicable coverage date as defined in the Plan. Bargaining unit employees who are not expected to meet the 1,000 hours of service threshold are eligible to participate after completing one Year of Service, as defined in the Plan document.

C. Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's contribution and plan earnings, and charged with an allocation of administrative expenses. Allocations of are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

D. Contributions and Vesting

Contributions are subject to limitations as defined in the Internal Revenue Code (IRC) and are invested in 5 percent increments in the Vectren Corporation Common Stock Fund, a common trust fund, and twenty-one mutual funds, as directed by participants. Plan participants may elect to contribute from 1 percent to 50 percent in whole percentages, of their eligible compensation, as defined in the Plan document. Employees who become eligible to participate in the Plan subsequent to December 1, 2004, automatically have 3 percent of their eligible compensation contributed to the Plan. Such contributions are invested in fund options that consider the participants' estimated retirement date. The participant can elect any other contribution percentage, including zero percent, and any other investment option.

Additionally, bargaining unit participants may contribute more than 50 percent of any performance pay and any guaranteed annual payment earned by the employee. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants are vested immediately in their contributions plus actual earnings thereon.