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Edwardsport order protects Duke Energy ratepayers, benefits all consumers

Today's Indiana Utility Regulatory Commission (IURC) order in the Duke Energy Edwardsport case will ensure that nearly \$900 million in cost overruns, including more than \$835 million in construction cost overruns, are borne by the company and not its customers. It will also allow all Hoosiers to benefit from a much-needed source of new electric generation that will use Indiana coal in an environmentally responsible manner.

The order approved and slightly modified a settlement agreement that the Indiana Office of Utility Consumer Counselor (OUCC), Duke Energy and various industrial customers filed in April 2012.

"This order concludes more than five years of litigation before the IURC regarding Edwardsport's costs," said Indiana Utility Consumer Counselor David Stippler. "As a result of tough-minded negotiations and the aggressive work of the OUCC's technical and legal staff, along with the attorneys and expert witnesses representing industrial customers, Indiana ratepayers will be shielded from hundreds of millions of dollars in cost overruns.

"At the same time, all Hoosiers will benefit from the reliability and stability this project will add to the grid," continued Stippler. "Data from the State Utility Forecasting Group show that this project's generation is needed for Indiana's power supply."

An additional key benefit in the agreement is that the Edwardsport plant's assets will be valued at the capped costs for the life of the project, instead of rising in future cases. This is estimated to save ratepayers approximately \$2 billion over the next 30 years.

Along with other benefits, the approved agreement will require the company's shareholders to:

- Pay for all OUCC expert witness costs incurred in recent litigation.
- Pay the legal fees for other consumer parties that are part of the agreement.
- Bear all costs for the company's lawsuits against GE, Bechtel or other project vendors or contractors.
- Contribute \$3.5 million to the Indiana Low-Income Home Energy Assistance Program (LIHEAP) fund over a five-year period, for the benefit of customers in Duke Energy's Indiana service territory.
- Pay \$2 million to the Indiana Utility Ratepayer Trust.

(IURC Cause No. 43114-IGCC4-S1)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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