

**Citizens Action Coalition/Sierra Club Hoosier Chapter
Valley Watch/Save the Valley
NEWS RELEASE**

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IURC: Impervious to ethics scandal

Formerly reassigned judge back on Edwardsport case

Today, a coalition of citizen groups filed an objection to the renewed participation of Chief Administrative Law Judge Lorraine Seyfried in proceedings relating to Duke Energy's problem-plagued and scandal-ridden Edwardsport IGCC power plant.

Despite having been formally removed from all Edwardsport related dockets on December 7, 2010, Judge Seyfried has recently been a participant in two Executive Sessions at the IURC which were held "for the purpose of deliberation on the proposed outlines and the content and format for the proposed final order in [relation to the proposed settlement of the Edwardsport case]." If approved, the settlement would require Duke customers to pay \$2.6 billion of estimated \$3.5 billion cost to construct Edwardsport, plus over \$650 million in financing charges during construction. The first Executive Session was held on October 22, 2012 and the second was held on November 28, 2012. Both sessions were confidential and not open to the public.

At the time of her removal from all Edwardsport related dockets, Judge Seyfried was also removed from her role as the ethics officer at the IURC. Both removals were originally reported on December 1, 2010 by the Indianapolis Star and were expressly linked to her role in clearing former Commission General Counsel and Chief Administrative Law Judge Scott Storms for his employment by Duke Energy Indiana in September 2010.

Subsequently, it was revealed that Judge Seyfried was aware that Mr. Storms was discussing prospective employment with Duke as early as April 16, 2010. It was also discovered and widely reported that the memo submitted to the Ethics Commission by Judge Seyfried on behalf of Mr. Storms in her role as the Ethics Officer for the Commission was in fact drafted by Mr. Storms himself and Judge Seyfried merely affixed her signature. Judge Seyfried acknowledged this fact in sworn testimony before the Ethics Commission on April 14, 2011.

While the Commissioners themselves declined comment at the time, the December 1 Star story quoted Commission spokesperson Danielle McGrath as to why the Commission was removing Ms. Seyfried from the Edwardsport cases:

“Reassigning the cases is one of the many steps the commission has taken, and will continue to take, to ensure public confidence.”

In their filing, the citizens groups conclude that “Ms. Seyfried’s participation in the confidential Commission Executive Session deliberations resulting in the [forthcoming] order will unquestionably be in conflict with the Commission’s previously stated objective of ‘ensuring public confidence’ in the regulatory process relating to the Edwardsport Project.”

Copies of the motions and related documents are available upon request.

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