



STATE OF INDIANA
HOUSE OF REPRESENTATIVES

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COMMITTEES:
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WAYS AND MEANS, BUDGET SUBCOMMITTEE, VICE CHAIR
ELECTIONS AND APPORTIONMENT
VETERANS AFFAIRS AND PUBLIC SAFETY
STATUTORY COMMITTEE ON INTERSTATE AND
INTERNATIONAL COOPERATION

May 22, 2007

Ms. Susan L. Macey
Indiana Utility Consumer Counselor
N501 Indiana Government Center North
100 North Senate Avenue
Indianapolis, IN 46204

Dear Ms. Macey:

As an Indiana state representative serving a substantial portion of Vectren's service territory, I am concerned about the environmental and rate impacts of their proposal to join with Duke Energy to construct a new coal fired plant at Edwardsport.

Your office just *settled* gas and electricity rate cases from Vectren that will almost certainly cause economic stress for many of my constituents. The issuance of a Certificate of Need for additional capacity without first demanding substantial increases in efficiency, conservation, and maximum use of renewable energy, at both the production and consumption levels, seems shortsighted and premature.

This is especially important at a time when we very well could see substantial increases in the price we pay for electricity once Congress passes imminent legislation to constrain the emission of carbon dioxide. When that happens, Indiana's reliance on coal as its main energy source could drive our electric rates to even higher levels.

I am especially concerned since rumors abound that much of Vectren's portion of this plant is actually intended for off system sales. Indiana already exports much of its energy production and ranks third in the nation in the production of electricity per capita at more than 20 megawatt hours per person per year.

Specifically, I would like for your office to give very serious consideration and scrutiny to particular issues relating to this matter.

First, I ask that you pay particular attention to the ratepayer impacts the construction of the plant will have on my constituents, using well qualified experts to analyze those impacts using true cost estimates of what these plants are costing in other areas of the country.

Second, I ask that you find out just how much electricity is already exported out of state and being sold at wholesale prices while my constituents are forced to pay retail prices and pay for the construction of power plants that may not be needed.

Third, I would ask that you compel both Duke and Vectren to create bigger and better efficiency programs that could eliminate the need for this or other coal fired power plant construction in Indiana.

Fourth, I would ask that you require options for renewable energy, particularly wind, be pursued in light of the serious carbon constraints that we will face in the future.

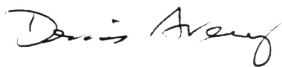
Last, I would ask that you demand Duke and Vectren hire a reputable firm to study the “total” cost attributable to coal fired electricity production in Indiana. For too long, Hoosiers have been subsidizing the “cheap” electrical rates we have in this state with ill health and contaminated air and water.

Until these “externalized costs” are recognized as costs, reasonable consumers cannot make sound decisions as to the kind of electrical use and forms of production which make the most sense.

Please keep me posted regarding the progress in this case. I would also hope that prior to any issuance of the Certificate of Need there will be opportunity for the public in Southwestern Indiana to be heard as part of the record of this case. Such a hearing is vital to the democratic process since it is clear this plant will have significant impact on this region should it be allowed to move forward.

I will be very grateful for your consideration of my comments.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Avery".

Dennis T. Avery
State Representative