

Citizens Action Coalition
NEWS RELEASE

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Duke Energy's recent hirings raise ethics questions

The recent announcement by Duke Energy Indiana that it has hired Scott Storms, the current General Counsel and Chief Administrative Law Judge at the Indiana Utility Regulatory Commission, raises serious concerns about the relationship between those who regulate utilities and the utilities themselves.

Mr. Storms currently serves as General Counsel to the Indiana Utility Regulatory Commission, a state agency that regulates Duke and other Indiana utilities, and was the presiding Judge over nearly every hearing regarding the controversial and problem-plagued Edwardsport IGCC power plant currently under construction.

Storms played a critical role and signed many of the IURC's decisions related to Edwardsport – the last as recent as July 23, 2010. "This certainly brings into question every Duke specific Commission order signed by Mr. Storms in recent months," said Grant Smith, Executive Director of Citizens Action Coalition. "At a minimum it is difficult to maintain the appearance of impartiality when the person overseeing the regulatory process is either shopping for work or being courted by the utility he regulates."

This fact is especially troubling when you look at the website of the Indiana Ethics Commission for direction on the State's ethics code as it relates to post employment restrictions for State employees. An example on the website postulates: "You work for the Utility Regulatory Commission making regulatory decisions concerning a public utility company. You may not work for this utility company for a year."
(<http://www.in.gov/ig/2340.htm>)

"It's disturbing that a required, one-year cooling off period so easily became less than 60 days," said Smith "When you add Mr. Storms hiring with Duke's recent hiring of former IURC Executive Director Michael W. Reed as the new President of Duke Energy Indiana it raises ethics questions." The current Chairman of the IURC, David Lott Hardy, also worked for one of Duke's predecessor companies, PSI Energy, several years ago.

"We are also concerned about the timing of Mr. Storm's announcement as it relates to a recent settlement agreed upon by Duke Energy Indiana and the Indiana Office of Utility Consumer Counselor pertaining to the troubled Edwardsport IGCC power plant," Mr. Smith added.
