

The Edwardsport IGCC



**A Case Study in Concealment,
Fraud, and Gross
Mismanagement (and
collusion)**

IGCC Not Needed

- Need never questioned or challenged
- Cheaper and cleaner alternatives exist
- Huge Reserve Margins on the grid
- Far too risky

Concealment & Gross Mismanagement

- Duke has indicated to the Commission in every sub-docket that they were confident with the estimate, risks were manageable and costs were under control

Skyrocketing Costs

- 2005-2006: \$1.2B - \$1.5B
- 2007: \$1.985B (when CPCN issued)
- 2008: \$2.35B (approved CPCN modification)
- 2009: \$2.55B (press release only)
- 2010: \$2.98B (new sub-docket)
- 2012: \$3.3B and growing (start of hearings for \$2.98B prudence review)

Costs per kW at derated capacity of 590MW

- At time of CPCN November 2007:
\$3364.41/kw
- Today: \$5593.22/kw

Ethics Scandal



The Cast

- Scott Storms
- Michael W. Reed
- David Lott Hardy
- James Turner
- Jim Rogers
- Gov. Mitch Daniels

The Investigations

- Governor
- IURC internal audit
- Inspector General
- Duke Energy
- Gibson, Dunn, & Crutcher
- Department of Justice
- Marion County (Indpls) Prosecutor

SEC, FERC, Public, and Commission Disclosures

- 2008 Cost Estimate
- 2010 Cost Estimate
- 2011 Cost Estimate

Thank You!

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