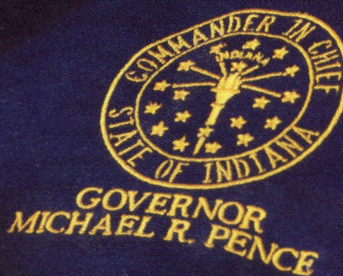


Electric Consumer

YOUR INDIANA COOPERATIVE

Driving the Crossroads

Mike Pence settles
into role as state's
chief executive



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DRIVING the CrossRoads

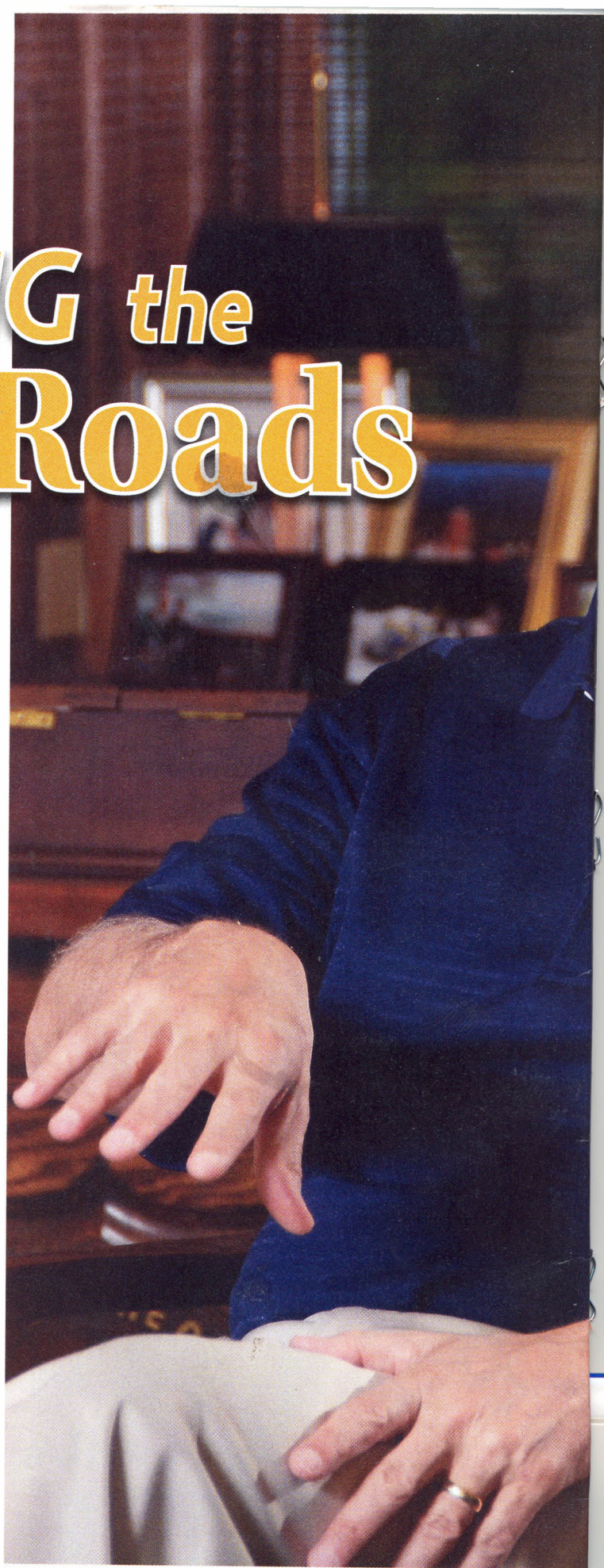
Gov. Pence talks about Indiana energy, jobs and federal regulations

INDIANA GOV. MIKE PENCE is seated — just for a few moments, it seems — in his Statehouse office. He's casually dressed in a polo shirt of stately Hoosier blue embroidered with the state's yellow-gold torch and stars. Khaki slacks, white ankle socks and white running shoes complete the relaxed ensemble.

While many in his party had hoped Pence would run his political torch from Capitol Hill, where he earned a national reputation as a top fiscally minded Republican congressman, to the White House in the 2012 election, he instead came home to Indiana with a "Roadmap" to seek the open governor's seat. In November, he out-paced challengers John Gregg, the Democratic former Speaker of the Indiana House, and Rupert Boneham, the Libertarian community activist and TV celebrity. On Jan. 14, he took the oath as Indiana's 50th governor.

The shirt he wears proclaims his new role as "Commander-in-Chief" of the state of Indiana. Appropriately, much of his first six months in office has focused on battling the barrage of federal regulations that Pence sees as attacks on Indiana's energy, industry and jobs. Always a strong voice in Congress for electric cooperatives and their consumers, Pence has continued that clarion call to action from the Statehouse.

Electric Consumer caught up with Gov. Pence in late May to talk about his new role in battling overbearing regulations, promoting Hoosier jobs, developing energy and working with the General Assembly. Here's a portion of that conversation.





A conversation with Gov. Mike Pence

Electric Consumer: During your gubernatorial campaign, you outlined several ideas related to energy and the environment. What is your overall vision for energy policy for the state?

Gov. Mike Pence: My overall vision is derived from years working in and around energy policy on the federal level. Our guiding principles are built on an "all of the above" strategy.

One of the great economic advantages historically in Indiana for our businesses has been low cost energy. Continuing to promote low-cost energy through removing barriers to market entry and creating opportunities for greater consumer choice, diversifying energy resources and commercializing new energy technologies are all part of a strategy we have sought to embrace.

Indiana has a diverse energy portfolio today. While the strength of our energy economy will always come from fossil fuels — will always come from coal-burning power plants — looking for more ways to diversify and create access for consumers is going to continue to make Indiana more competitive and ensure that Indiana remains a low-cost energy state.

EC: One of the things you specifically laid out was relocating or consolidating a lot of the different energy-related functions or agencies underneath the Office of Energy Development. How is that initiative going so far? What are you hoping to eventually accomplish through this restructure?

Gov. Pence: In Indiana, we have had an Office of Energy and Defense Development. But because we wanted to make a priority of both energy and

a defense industry, we thought it was important to break those offices apart.

On my first day in office, I signed Executive Order 13-06 that began the process. Then we worked with members of the General Assembly to codify that into law. We are working through the operational steps associated with that transition, and we hope to start with both offices fully operational by the beginning of our fiscal year on July 1.

Hopefully, people will see the priority we are placing on energy policy by not only creating an Office of Energy Development but also by bringing the Office of Energy Development under-

neath the governor's office. I really do believe there is a direct relationship between energy policy and economic growth.

It was very important that we bring the Office of Energy Development directly under the governor so that we can continue to drive the kinds of policies and strategies that will ensure that Hoosiers and Hoosier businesses can count on low-cost energy for generations to come.

EC: What is the state's plan to get Indiana back to where it has historically been regarding low-cost energy availability?

Gov. Pence: First and foremost is to recognize that Indiana has been slipping in the cost of energy when it comes to business and industrial consumers. The first priority of a newly restructured Office of Energy Development is to create a new energy plan and to frame that around principles that I have articulated since I was applying for this job.

"There is a direct relationship between energy policy and economic growth."

— GOV. MIKE PENCE

PHOTO BY RICHARD C. BIEVER

I'm convinced that those principles put into practice will create downward pressure on energy cost and put Indiana in a position to move back to the top of the list among the low-cost energy states in the country.

EC: Given the environmental concerns with most energy production, how should Indiana regulate to still keep costs low and meet future demand?

Gov. Pence: Common sense and a cost benefit analysis ought to always inform regulatory policy, be it at the state level or the federal level.

We don't operate in a vacuum and understanding that — while we are all committed to clean air, clean water and a clean environment — we always want to weigh the marginal advantages of additional regulation against the potential cost to Hoosier jobs and economic growth.

I have been particularly concerned about the actions of the federal level with the Environmental Protection Agency.

We weighed in recently on a new set of rules that are being proposed by the EPA that we think will be especially harmful in the long term to utility ratepayers in Indiana. We are the fourth most dependent state in America on coal-burning power plants. While we will always continue to promote diversification of our energy industry, we know where our strength is.

It is important that Indiana continue to be a very strong advocate for

common sense policies and a careful cost benefit analysis at the federal level. We will continue to be very strong advocates for Hoosier ratepayers at the federal level, and we will apply these principles to the policies that are administered here in the state of Indiana.

EC: Your experience in Washington and dealing with federal regulators must be an advantage in your position as governor and how you directly address those kinds of issues.

Gov. Pence: Having spent 12 years in Washington, D.C., we know the territory and, frankly, we know a lot of the people. We have been working on a regular basis with members of both

parties representing Indiana in the House and the Senate.

I was actually tapped by Speaker (of the House John) Boehner to lead the energy solutions working group in the House when we developed the American Energy Act. I chaired an adhoc working group that included the top energy minds on all of the key congressional committees.

So, apart from personal relationships with members, I have also done a lot of the practical work with policymakers on Capitol Hill. In defending Indiana interests and defending the interests of Hoosier ratepayers, we will use all these relationships

to the best of our abilities.

The EPA has too often under this administration shown reckless disre-



gard for the impact of its actions on states like Indiana. I know that this administration has sought through regulatory policy to promote a cap-and-trade regime in the country. It was rejected by Congress, but it has, in many ways, continued to be promoted through regulatory policy.

We will continue to oppose those policies as they are brought directly into the public debate, but also as those principles are enacted indirectly through the regulatory process. We will continue to push back very hard in the interest of Hoosier ratepayers.

EC: What are some of the key things that you have taken away from your first Indiana General Session as governor?

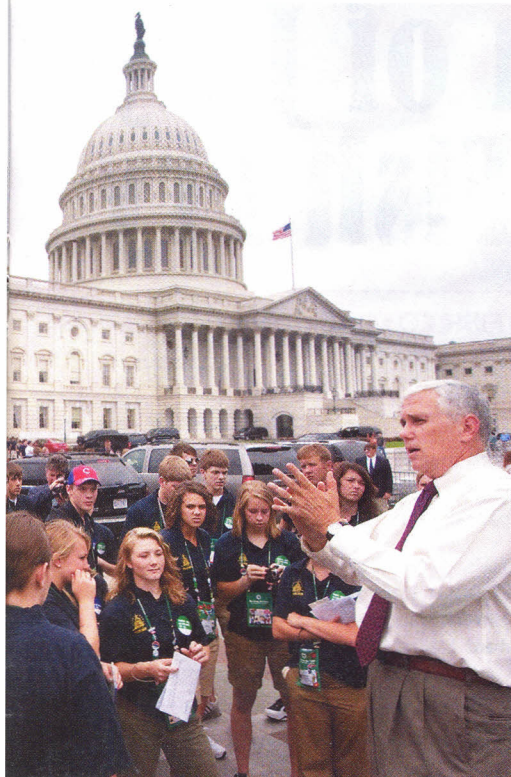
Gov. Pence: I'm very encouraged with the results of this session of the Indiana General Assembly.

As I said in the beginning of the session, at the time that we were reporting the largest surplus in our state history we ought to seize the opportunity to pass a budget that maintained the fiscal strength of our

Pence file

- ▶ Indiana's 50th governor; inaugurated Jan. 14, 2013
- ▶ Member of the U.S. House of Representatives from Indiana, Jan. 3, 2001-Jan. 3, 2013
- ▶ Political Party: Republican
- ▶ **Born:** Michael Richard Pence, June 7, 1959, Columbus, Ind.
- ▶ **Education:** Columbus North High School; Hanover College graduate, 1981, Hanover, Ind.; Indiana University School of Law, J.D., 1986, Indianapolis
- ▶ **Family:** Wife, Karen (married 28 years); son, Michael; daughters, Charlotte and Audrey

SOURCES: IN.GOV and Wikipedia



FILE PHOTO BY RICHARD G. BIEVER

As an Indiana congressman, Mike Pence was a regular speaker to the annual electric cooperative Youth Tour to Washington, D.C. He usually greeted the group, as he does above in 2009, in front of the U.S. Capitol where he shared tales about the history of the building and talked about issues before Congress.

state, made additional investments in roads and schools, but also included significant income tax relief for every Hoosier in the city and on the farm.

I'm very pleased that the budget we signed included all of those objectives and more.

The tax cuts included not only broad-based income tax relief but also the immediate repeal of the state's inheritance tax. That, along with planned business tax reductions and tax reductions for financial services institutions, represented the largest state tax cut in Indiana history. This was the right budget at the right time ... that is going to promote growth and jobs in our state.

Beyond that, there was a broad range of other issues that we covered in the session that I was very pleased about. Most notably, we continued on our present course of extending edu-

cational opportunities and choices to disadvantaged families.

I have been married to a school teacher for 28 years, and I'm absolutely convinced that there is nothing that ails education in Indiana that can't be fixed if we give parents more choices and teachers more freedom to teach.

We were able to pass legislation that expanded educational choice opportunities to more disadvantaged children in our state. I believe in continuing to promote an atmosphere of innovation, a commitment to our most vulnerable children — even while we are providing new and significant resources to traditional public schools.

I'm very encouraged about our start. We now have the tools and foundation to build a more prosperous future for our state. I'm very grateful to every member of the Indiana General Assembly for working in what I think was one of the most civil and substantive sessions in recent memory.

EC: Were you confident going into the session that it would be successful?

Gov. Pence: I'm an optimist, and I came into this session believing that, because of good leadership in the last eight years, Indiana had a lot of good choices in front of us. And so from my first day in this office, we called in the leadership of both political parties in both chambers, and we said, "How can we work together?"


One of our great accomplishments was the unanimous bipartisan adoption of our bill regarding career vocational education. I have a passion for bringing career and vocational education back as a priority in every high school in our state.

There are young people across Indiana who, as they go through their academic career, may have decided that right after high school they would like to go to work instead of going on

to college. But our high schools don't work very well for those kids right now.

Maybe there is a young person who actually wants to work in the energy industry, in an entry-level position; he would like to get a background and be able to enter a position with one of the great co-ops around the state or [other utility] companies. But by and large, our young people who are interested in going to work right after school have to go on and pursue some post secondary education at institutions like Ivy Tech or Vincennes to get the education that I believe they ought to be able to get in high school.

I'm so pleased that legislation in this regard was supported unanimously in the House and Senate. It represents a real framework for jobs and growth.

We had some good spirited debates, the occasional honest difference of opinions, but at the end of the day, people came together. I think Hoosiers won in this session of the General Assembly. 

Interview conducted by **EMILY SCHILLING**, editor of **Electric Consumer**, and **SCOTT BOWERS**, Vice President of Government Relations at Indiana Statewide Association of Rural Electric Cooperatives, Inc.

For more information

To learn more about Gov. Pence's "Roadmap for Indiana" and download a PDF copy, visit the state's website at:

<http://www.in.gov/gov/2530.htm>

