

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC, NATIONAL GRID USA,  
and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

In Re: Petition for Authority to Transfer Ownership of  
The Narragansett Electric Company to  
PPL Rhode Island Holdings, LLC and Related Approvals  
Witness: John Reed and Daniel Dane

**PRE-FILED REBUTTAL TESTIMONY**

**OF**

**JOHN J. REED AND DANIEL S. DANE**

**Concentric Energy Advisors, Inc.**

**Submitted on behalf of PPL Corporation and PPL Rhode Island Holdings, LLC,**

**Regarding the Petition for Authority to Transfer Ownership of The Narragansett Electric  
Company to PPL Rhode Island Holdings, LLC and Related Approvals**

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1   **I.     Introduction and Purpose**

2   **Q.     Mr. Reed, please state your full name and business address.**

3   A.     My name is John J. Reed, and my business address is 293 Boston Post Road West, Suite 500,  
4           Marlborough, Massachusetts, 01752.

5   **Q.     What is your current position?**

6   A.     I am Chairman and Chief Executive Officer of Concentric Energy Advisors, Inc.  
7           (“Concentric”) and its FINRA-member subsidiary, CE Capital, Inc. (“CE Capital”).

8   **Q.     Please describe your educational background and professional experience.**

9   A.     I have more than 40 years of experience in the energy industry and have worked as an  
10          executive in, and consultant and economist to, the energy industry. Over the past 29 years, I  
11          have directed the energy consulting services at Concentric, Navigant Consulting, and Reed  
12          Consulting Group. I have served as Vice Chairman and co-CEO of the nation’s largest  
13          publicly-traded consulting firm and as Chief Economist for the nation’s largest gas utility. I  
14          have provided regulatory policy and regulatory economics support to more than 100 energy  
15          and utility clients and have provided expert testimony on regulatory, economic, and financial  
16          matters on more than 200 occasions before the Federal Energy Regulatory Commission  
17          (“FERC”), Canadian regulatory agencies, state utility regulatory agencies, various state and  
18          federal courts, and before arbitration panels in the United States and Canada. As an industry  
19          expert, I have been involved in numerous utility transactions over the past 20 years, including  
20          mergers, divestitures, asset acquisitions and reorganizations. I have appeared as an expert

1 witness in several jurisdictions on the topics of merger policy standards, acquisition  
2 financing plans, merger benefits analyses, affiliate codes of conduct, impacts on competition  
3 and energy markets, and merger-related commitments or conditions. I also have appeared as  
4 an expert in dozens of rate, resource planning and prudence proceedings, including cases  
5 before the Rhode Island Public Utilities Commission (“RIPUC”), and I have been involved in  
6 gas supply and demand forecasting matters for gas utilities in Rhode Island for more than 40  
7 years. I am a graduate of the Wharton School of Business at the University of Pennsylvania  
8 and previously attended the University of Kansas. My *curriculum vitae* and list of prior  
9 appearances as an expert is provided as Exhibit A to this testimony.

10 **Q. Mr. Dane, please state your full name and business address.**

11 A. My name is Daniel S. Dane, and my business address is 293 Boston Post Road West, Suite  
12 500, Marlborough, Massachusetts, 01752.

13 **Q. What is your current position?**

14 A. I am a Senior Vice President at Concentric and CE Capital.

15 **Q. Please describe your educational background and professional experience.**

16 A. I have more than 20 years of experience in the energy, utility, and financial services  
17 industries providing advisory services to power companies, natural gas pipelines, local gas  
18 distribution companies, and water utilities in the areas of regulation and ratemaking,  
19 litigation support, mergers and acquisitions, valuation, financial statement audits and  
20 analysis, and the examination of financial reporting systems and controls. I have provided

1 expert testimony in utility merger approval proceedings related to the financial implications  
2 of utility transactions. I have also testified and provided expert reports on regulated  
3 ratemaking and utility performance matters for investor- and provincially-owned utilities,  
4 including on the cost of capital and capital structure, revenue requirements, lead-lag  
5 studies/cash working capital, and utility productivity and benchmarking. That testimony has  
6 included revenue requirements-related testimony for National Grid USA and former National  
7 Grid USA utilities in Massachusetts and New Hampshire. Additionally, I have evaluated and  
8 advised utility companies on matters related to shared service organizations and corporate  
9 cost allocations, and have assisted utilities in the development and implementation of cost  
10 allocation models. I have an MBA from Boston College in Chestnut Hill, Massachusetts,  
11 and a BA in economics from Colgate University in Hamilton, New York. I am a certified  
12 public accountant, and a licensed securities professional (Series 7, 28, 63, 79, and 99). I also  
13 serve as the Financial and Operations Principal of CE Capital Advisors. My *curriculum vitae*  
14 and list of prior appearances as an expert is provided as Exhibit B to this testimony.

15 **Q. On whose behalf are you submitting this rebuttal testimony?**

16 A. We are submitting this rebuttal testimony on behalf of PPL Corporation (“PPL”) and PPL  
17 Rhode Island Holdings, LLC (“PPL Rhode Island”) in the Petition of PPL, PPL Rhode  
18 Island, National Grid USA, and The Narragansett Electric Company (“Narragansett,” and,  
19 collectively with PPL, PPL Rhode Island, and National Grid USA, the “Petitioners”) for  
20 authority to transfer ownership of Narragansett to PPL Rhode Island, and related approvals.

1 We refer to the proposed transfer of Narragansett to PPL Rhode Island as the “Transaction.”

2 The Transaction is described in the petition filed by the Petitioners on May 4, 2021.

3 **Q. What is the purpose of your rebuttal testimony?**

4 A. The purpose of our rebuttal testimony is to respond to testimony submitted by Mr. Gregory  
5 Booth, Mr. Bruce Oliver and Mr. Michael Ballaban on behalf of the Advocacy Section of the  
6 Rhode Island Division of Public Utilities and Carriers (the “Advocacy Section”) and Mr.  
7 Mark Ewen and Mr. Robert Knecht on behalf of the Attorney General of the State of Rhode  
8 Island (the “RIAG”). In particular, we respond to testimony regarding the following issues:

- 9 • Concerns expressed by the Advocacy Section regarding the ability of PPL to operate an  
10 electric and natural gas utility in Rhode Island, including PPL’s experience to build,  
11 operate, and maintain LNG facilities or acquire natural gas in the Northeast;
- 12 • The transition plan and Transition Services Agreement (“TSA”), including the term of  
13 the TSA; and
- 14 • Concerns expressed by the Advocacy Section regarding the separation of Narragansett  
15 Electric from National Grid USA and transition into the PPL family of utilities in  
16 Pennsylvania and Kentucky.

1   **II.   Key Findings and Conclusions**

2   **Q.   Please provide a summary of your key findings and conclusions.**

3   A.   We have the following key findings and conclusions:

- 4       1. The Advocacy Section's concerns that PPL's experience operating utilities in  
5       Pennsylvania and Kentucky will not be translatable to Narragansett are unfounded. PPL  
6       is an experienced gas and electric operator with the size and financial capability to  
7       continue to provide reliable and dependable service to customers in Rhode Island. This is  
8       a strategic acquisition by an acquirer that is experienced in owning and operating electric  
9       and gas utility operations with a long-term intent of continuing to own and operate U.S.  
10      utility businesses. In today's world, the fact that PPL's other operations are not  
11      immediately adjacent to Narragansett does not serve as an impediment to reliable service  
12      as the Advocacy Section and RIAG suggest.<sup>1</sup> To the contrary, it offers customers  
13      geographic diversity of operations, which is a benefit as discussed below. Further, the  
14      Transaction will have positive impacts on Narragansett's credit profile and financial  
15      integrity.
- 16      2. PPL has a track record of successfully acquiring gas businesses, has committed to  
17      ensuring that Narragansett has the requisite expertise and accountability for its gas  
18      operations through a dedicated Rhode Island leadership team, and has made further

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<sup>1</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 7. Direct Testimony of Gregory Booth, at 8 and 54. Direct Testimony of Bruce Oliver, at 32 and 70-72.

1 commitments to supplement any expertise as necessary to operate Narragansett. PPL's  
2 plan for Narragansett also includes the establishment of significant local control and  
3 presence, including a Rhode Island president, a Rhode Island Vice President of Gas  
4 Operations, and local control of operations.

- 5 3. The Transaction involves transferring Narragansett from one large U.S. multi-  
6 jurisdictional utility with a centralized services company to another. That model, in  
7 which certain functions are centralized to provide for cost efficiencies and avoid  
8 duplicative staffing, allows for operating companies to share best practices learned in  
9 other jurisdictions, creates geographic diversity, and has been shown to work well across  
10 the U.S. Despite concerns expressed by the Advocacy Section and the RIAG,<sup>2</sup>  
11 Narragansett's customers will continue to benefit from that model under PPL ownership.
- 12 4. From a commercial perspective, the TSA clearly identifies the shared common purpose  
13 of transferring away shared services from National Grid Service Company, Inc.  
14 ("NGSC") to PPL. TSAs are a common approach to achieving successful utility  
15 integrations, particularly when an operating company is being transferred from one utility  
16 holding structure to another. Further, the TSA for Narragansett protects against the very

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<sup>2</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 28. Direct Testimony of Gregory Booth, at 19. Direct Testimony of Bruce Oliver, at 21.



1 operating risks about which the Division expresses concerns,<sup>3</sup> and the fact that it can be  
2 extended beyond two years if needed acts as a further backstop.

3 5. The Advocacy Section and RIAG point to the threat of higher costs being passed onto  
4 customers due to the Transaction,<sup>4</sup> as well as additional administrative burden on the  
5 RIPUC and the Division to evaluate future Narragansett rate change requests. However,  
6 the RIPUC and Division's jurisdiction and scope of responsibilities will continue to be  
7 for one company and one company only: Narragansett. Furthermore, PPL has  
8 committed to seek cost recovery of transition-related costs only when those costs provide  
9 incremental benefits to customers, such as systems upgrades and the replacement of  
10 obsolete equipment. There is no risk that transition costs or transaction costs will  
11 increase rates to Narragansett's customers. Finally, Narragansett's currently established  
12 rates will remain in effect after the Transaction is closed, and any future rate change  
13 requests will be subject to review and approval by the RIPUC with input from the  
14 Division.

15 6. While different than the acquisition of a utility holding company or the  
16 "municipalization" of a privately-held utility, the Transaction – which involves  
17 transferring an operating company from one shared service organization to another – is

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<sup>3</sup> Direct Testimony of Gregory Booth, at 34-35. Direct Testimony of Bruce Oliver, at 42.

<sup>4</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 8. Direct Testimony of Gregory Booth, at 17. Direct Testimony of Bruce Oliver, at 4.

1 not unique. Our testimony provides relevant examples from utility mergers and  
2 acquisitions that demonstrate the feasibility and recent successes of this model.

3  
4 **III. Transaction Overview**

5 **Q. Please provide an overview of the Transaction.**

6 A. On March 17, 2021, PPL Energy Holdings, LLC, PPL, and National Grid USA entered into a  
7 Share Purchase Agreement pursuant to which PPL Energy Holdings, LLC would acquire  
8 Narragansett from National Grid USA. Following execution of the Share Purchase  
9 Agreement, PPL Energy Holdings, LLC assigned its rights under the Share Purchase  
10 Agreement to PPL Rhode Island. Under a separate agreement, PPL's affiliate, PPL WPD  
11 Limited, sold its U.K. business, WPD, to an affiliate of National Grid plc, National Grid  
12 USA's parent company. With the sale of WPD, PPL's regulated utilities are now entirely  
13 U.S.-based.

14 **Q. Please provide an overview of PPL's operations and financial capabilities.**

15 A. PPL is a diversified U.S. utility owner and operator with gas and electric operations in  
16 Kentucky and electric operations in Pennsylvania. PPL has a market capitalization of \$21.6  
17 billion, and issuer credit ratings of A- from S&P Global ("S&P") and Baa2 from Moody's  
18 Investors Service.<sup>5</sup> With the sale of PPL's U.K. business and expansion into Rhode Island,  
19 PPL is demonstrating a focus on regulated U.S. utility operations. With the addition of

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<sup>5</sup> Source: SNL Financial. As of November 10, 2021.

1 Narragansett, PPL will expand from serving approximately 2.4 million electric customers  
2 and 332,000 natural gas customers to serving approximately 2.9 million electric customers  
3 and 605,000 natural gas customers. Combined, PPL and Narragansett have \$21.9 billion in  
4 rate base.<sup>6</sup>

5 **Q. What findings related to the Transaction did S&P and Moody's have with regard to**  
6 **PPL?**

7 A. S&P affirmed its A- issuer credit rating for PPL, with a stable outlook. S&P stated that,  
8 "[t]he stable outlook on PPL incorporates our view that, following the sale of WPD and  
9 subsequent purchase of NECO [Narragansett], its business will comprise only U.S.  
10 operations, which we expect to be largely regulated utilities. We also expect financial  
11 measures will support the 'A-' issuer credit rating."<sup>7</sup>

12  
13 Moody's also affirmed its issuer rating for PPL (Baa2) and improved its outlook to "positive"  
14 from "stable." Moody's noted that completion of the Transaction could lead to a ratings  
15 upgrade for PPL.<sup>8</sup>

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<sup>6</sup> PPL investor presentation, "Strategic Repositioning of PPL Corporation," March 18, 2021.

<sup>7</sup> S&P Global, "PPL Corp., Subsidiaries Ratings Affirmed On Announcement Of Transactions," March 19, 2021.

<sup>8</sup> Moody's Investors Service, "Rating Action: Moody's affirms Baa2 ratings of PPL Corp. and PPL Capital Funding; outlooks changed to positive," March 18, 2021.

1 **Q. What findings related to the Transaction did S&P and Moody's have with regard to**  
2 **Narragansett?**

3 A. S&P does not currently issue separate, individual credit rating reports for Narragansett.  
4 Moody's found that the Transaction could lead to a credit rating upgrade for Narragansett.  
5 Specifically, Moody's placed Narragansett on review for an upgrade from Baa1 to A3  
6 following the announcement of the Transaction.<sup>9</sup> Moody's stated its rationale to be that  
7 "Moody's currently views the consolidated credit quality of the National Grid group,  
8 commensurate with a Baa1 rating, as a constraint in its assessment of NECO [Narragansett].  
9 The review will consider NECO's likely future credit quality in the context of its  
10 membership of the PPL group. In particular, it will consider whether NECO will maintain  
11 financial metrics consistent with an A3 rating . . . ."<sup>10</sup>

12 In short, both of these independent credit rating agencies have reviewed the Transaction and  
13 assessed it as providing even greater financial strength for Narragansett.

14 **Q. Do you agree with Messrs. Ewen and Knecht that "PPL's [ring-fencing] 'plans' are**  
15 **unlikely to carry weight with debt rating agencies regarding the riskiness of NEC**  
16 **[Narragansett]?"<sup>11</sup>**

17 A. No. As discussed above, Moody's placed Narragansett on review for an upgrade based on  
18 the announced Transaction, without separate ring-fencing commitments.

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<sup>9</sup> Moody's Investors Service, "Moody's places NECO's Baa1/Baa3 ratings on review for upgrade," March 18, 2021.

<sup>10</sup> *Ibid.*, at 1.

<sup>11</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 17.

1   **Q.    In general, how does the Transaction fit within the type of utility acquisitions that**  
2       **commonly occur?**

3    A.   In general terms, there are two broad categories of utility acquisitions: those undertaken by  
4       strategic acquirers and those undertaken by financial acquirers. The Transaction is a strategic  
5       transaction with an acquirer that is experienced in owning and operating electric and gas  
6       utility operations with a long-term intent of continuing to own and operate electric and  
7       natural gas utilities and infrastructure throughout North America. This is different from a  
8       transaction that is driven by private equity or institutional capital entities with an interest in  
9       having a portfolio position filled by a utility equity holding. Such acquisitions by financial  
10      acquirers have often been accomplished through shorter holding periods, multiple levels of  
11      leverage, and complex structures intended to enhance shareholder returns. Typically,  
12      financial acquirers do not bring the same level of experienced utility operations to support an  
13      acquisition.

14  
15      Within the category of strategic mergers, there are two broad models: (1) operational  
16      integration, in which management and operational functions are merged; and (2)  
17      confederation, in which the utilities largely maintain their own operational status. The  
18      Transaction can best be described as a mix of the operational integration and the  
19      confederation models. PPL plans to integrate Narragansett into its shared services model  
20      while enhancing local control of the utility.

1 **Q. Do you agree with the RIAG’s witnesses that “[i]t is unusual for a utility holding**  
2 **company to have an interest in one utility but not its neighboring utility”?**<sup>12</sup>

3 A. No, that view is not supported by the facts. There are many utilities in the U.S. that have  
4 different parent companies but operate adjacently – either within the same state or adjacent  
5 states. This can be said for National Grid USA, which is one of seven New England utility  
6 holding companies, and which sold its New Hampshire gas and electric businesses to Liberty  
7 Utilities in 2012. That transaction, along with Southern Company’s more recent sale of its  
8 Gulf Power subsidiary to NextEra Energy (“NextEra”), are examples of successful holding  
9 company to holding company utility sales, and are described further below.

10 **Q. The Advocacy Section expresses concern because PPL does not currently operate in an**  
11 **adjacent jurisdiction.**<sup>13</sup> **Are there benefits to geographic diversification?**

12 A. Yes. Increased scale and diversity of operations, which would occur for the combined  
13 company following the Transaction, can further improve a utility’s business profile. There  
14 will also be opportunities to realize operating efficiencies and share best practices across a  
15 wider footprint. Those benefits can result from improved access to capital, purchasing  
16 power, and other economies of scale, as well as through the portfolio effect of having more  
17 diverse customer bases and geographic operations. For example, as noted in the Direct

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<sup>12</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 7.

<sup>13</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 7. Direct Testimony of Gregory Booth, at 11. Direct Testimony of Bruce Oliver, at 8.

1 Testimony of Gregory Dudkin, PPL's geographic diversity makes it more likely that crews  
2 for Kentucky and Pennsylvania will be able to provide mutual assistance to Narragansett when  
3 required.<sup>14</sup>  
4

5 **IV. Standard of Review**

6 **Q. What is your understanding of Rhode Island's standard of review for utility mergers?**

7 A. Our non-legal understanding is that R.I. Gen. Laws § 39-3-25 requires the petitioner(s) to  
8 identify the nature, purpose and the terms and conditions of the proposed transaction and  
9 demonstrate to the satisfaction of the Division that: (a) the facilities for furnishing service to  
10 the public will not be diminished as a result of the transaction; and (b) the transaction and the  
11 terms thereof are consistent with the public interest.  
12

13 As a Rhode Island utility, Narragansett's continued compliance with Rhode Island legal and  
14 regulatory requirements will be within the jurisdiction of its Rhode Island utility regulators:  
15 the Division and the RIPUC. Those authorities will continue to have full authority to enforce  
16 compliance with Rhode Island's state policies and regulatory requirements. In addition,  
17 Narragansett's role and responsibilities for meeting Rhode Island's clean energy goals will  
18 remain unchanged as a result of the Transaction.

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<sup>14</sup> Direct Testimony of Gregory Dudkin, at 31.

1 **Q. Do the Advocacy Section and RIAG witnesses adopt this definition of the approval**  
2 **standard in their reviews?**

3 A. In part. However, the Advocacy Section and RIAG witnesses also seek to expand the public  
4 interest standard in this proceeding in a manner that could predispose the consideration of  
5 issues typically reserved for cases before the RIPUC, such as the reasonableness of costs for  
6 furnishing service and rates charged to customers.<sup>15</sup>

7  
8 In this testimony, however, we focus on responding to those issues that we believe are most  
9 relevant to the Division's consideration of the Transaction. Namely, we focus on the  
10 financial and operational fitness of PPL to operate Narragansett and to successfully transition  
11 service from the National Grid USA operating platform to the PPL platform in a manner that  
12 will not harm customers.

13 **Q. Do you share the concerns of Mr. Booth that there will be additional administrative**  
14 **burdens on the RIPUC and the Division to evaluate future Narragansett rate change**  
15 **requests.**<sup>16</sup>

16 A. No, we do not. The RIPUC and Division's jurisdiction will continue to be for one company  
17 and one company only: Narragansett. The new local management presence will help to  
18 make rate cases and other regulatory matters more straightforward.

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<sup>15</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 10-11. Direct Testimony of Gregory Booth, at 56-57. Direct Testimony of Bruce Oliver, at 9 and 11.

<sup>16</sup> Direct Testimony of Gregory Booth, at 53-55.



1    **V.    PPL's Capabilities to Own and Operate Narragansett**

2    **Q.    What concerns expressed by the Advocacy Section and RIAG do you address in this**  
3    **section of your rebuttal testimony?**

4    A.    This section of our testimony focuses on concerns raised by the Advocacy Section regarding  
5    PPL's capabilities to own and operate gas operations in Rhode Island, although our testimony  
6    also discusses the key considerations for evaluating PPL's fitness to own and operate  
7    Narragansett more generally. With respect to the impact of the Transaction on  
8    Narragansett's future gas operations, the Advocacy Section raised the following concerns:

- 9            • Qualifications and utilization of persons staffing Narragansett's gas operations during  
10           and after the transition period;
- 11           • PPL's gas supply management abilities, including experience in navigating certain  
12           gas supply markets (*e.g.*, New England and Canada) and financial hedging measures;  
13           and
- 14           • PPL's expertise with respect to key elements of Narragansett's gas operations, such  
15           as LNG Facilities.<sup>17</sup>

16   **Q.    In your opinion, what are the key criteria for the Division in terms of evaluating PPL's**  
17   **capabilities to own and operate Narragansett?**

18   A.    The key criteria are: (1) does PPL have the experience and expertise to continue to operate  
19   Narragansett safely and reliably for customers, supplementing its experience as necessary to

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<sup>17</sup> Direct Testimony of Bruce Oliver, at 2.

1 meet Rhode Island-specific requirements?; and (2) will PPL continue to have access to  
2 capital to fund its Rhode Island operations?

3 **Q. Based on your review and experience, does PPL fulfill the key criteria you identified**  
4 **above?**

5 A. Yes. PPL, in its direct and rebuttal testimony, describes its considerable experience and  
6 expertise in both electric and natural gas operations. In addition, PPL plans to supplement its  
7 experience and add local management to meet Rhode Island-specific requirements. PPL also  
8 will have a dedicated gas organization and customer care functions in Rhode Island, as  
9 compared to National Grid USA's more remote shared services model. Further, as described  
10 above, PPL has a strong credit rating, and the Transaction is expected to have a neutral to  
11 positive impact on PPL's credit profile and will enhance Narragansett's financial strength.  
12 Those factors demonstrate PPL's financial capabilities to own and operate Narragansett.

13 **Q. Has PPL exhibited its capabilities to acquire, integrate, and operate electric and natural**  
14 **gas utility operations?**

15 A. Yes, and that experience is largely ignored by the Advocacy Section and RIAG.  
16 Specifically, PPL acquired its two Kentucky utilities (Kentucky Utilities Corporation ("KU")  
17 and Louisville Gas and Electric ("LG&E") in 2010, adding natural gas operations and  
18 expanding its electric utility footprint. PPL witness Mr. Lonnie Bellar, in his direct  
19 testimony, describes the improvements to its Kentucky gas business that have occurred since  
20 the acquisition. In our own review we found no evidence to suggest that LG&E has not

1 operated its gas system in a safe and reliable manner. In fact, LG&E has been recognized in  
2 the industry for safety and customer service, as described in the direct testimony of  
3 Mr. Bellar.<sup>18</sup>

4 **Q. Have regulators in PPL’s other jurisdictions made findings regarding PPL’s**  
5 **management capabilities?**

6 A. Yes. In particular, in December 2012, the Pennsylvania Public Utility Commission  
7 (“PAPUC”) authorized a twelve basis-point management performance incentive to the return  
8 on equity in a PPL electric rate case. The PAPUC wrote in its Decision:

9 Based upon our analysis of the evidence of record, we are persuaded by the  
10 arguments of the Company that its management performance related to its  
11 advanced metering infrastructure, operating initiatives, customer contact  
12 center, electric competition, customer education, energy efficiency programs,  
13 and customer assistance programs is laudable and warrants consideration as a  
14 factor in our final cost of equity allowance. Accordingly, we shall grant  
15 PPL’s Exception and adopt its twelve basis point management effectiveness  
16 adjustment to our prior return on equity recommendation in recognition of its  
17 exemplary managerial performance.<sup>19</sup>

18 **Q. Has the Transaction been approved by any other regulators?**

19 A. Yes. The FERC approved the Transaction on September 23, 2021.<sup>20</sup> In its order approving  
20 the Transaction, FERC found the Transaction to be consistent with the public interest.  
21 FERC’s analysis of whether a proposed transaction is consistent with the public interest

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<sup>18</sup> Direct Testimony of Lonnie Bellar, at 5-6.

<sup>19</sup> Docket No. R-2012-2290597, December 2012.

<sup>20</sup> Order Authorizing Disposition of Jurisdictional Facilities, Docket No. EC21-87-000, September 23, 2021.

1 involved the consideration of three factors: (1) the effect on competition; (2) the effect on  
2 rates; and (3) the effect on regulation.<sup>21</sup> Notably, FERC did not express concern with  
3 Narragansett’s capability to perform in the interstate markets post-transaction.

4  
5 In addition, on July 16, 2021, the Massachusetts Department of Public Utilities (the  
6 “MA DPU”) approved National Grid USA’s petition for a waiver of the MA DPU’s  
7 jurisdiction over the Transaction, finding that the petition supported “the conclusion that the  
8 Transaction will have no adverse impacts on [National Grid USA’s] Massachusetts  
9 companies or their ratepayers.”<sup>22</sup> In reaching that conclusion, the MA DPU found that, as a  
10 mitigating factor regarding any potential future rate impacts of the Transaction, “after the  
11 close of the Transaction, any adjustments to the Massachusetts distributions companies’ base  
12 distribution rates, including any adjustments to MECo’s and Nantucket Electric’s rates  
13 following the expiration of their [performance-based ratemaking] plan, will be subject to  
14 regulatory scrutiny.”<sup>23</sup>

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<sup>21</sup> *Ibid.*, at p. 4.

<sup>22</sup> Massachusetts Department of Public Utilities Order regarding “Petition of National Grid USA pursuant to G.L. c. 164, § 96(c) for a waiver of jurisdiction of the Department of Public Utilities regarding the sale of The Narragansett Electric Company” (D.P.U. 21-60), July 16, 2021, at 36.

<sup>23</sup> *Ibid.*, at 33-34.

1 **Q. Do you agree with the Advocacy Section’s assertion that PPL lacks the requisite**  
2 **experience to operate Narragansett without the assistance of National Grid?**<sup>24</sup>

3 A. No. That narrow view ignores the significant commonality in operating gas systems in the  
4 United States and the substantial carryover of gas operation employees from National Grid  
5 USA to PPL. First, all gas systems require substantial expertise in the design, construction,  
6 operation and maintenance of natural gas infrastructure – expertise that PPL currently has  
7 based on owning and operating its Kentucky system for more than a decade. Second, all gas  
8 companies in the United States are subject to common regulation: stringent federal pipeline  
9 safety regulations, Occupational Safety and Health Administration requirements, and FERC  
10 regulations, and Narragansett will remain subject to those rules and oversight after closing.  
11 Third, PPL will retain current Narragansett employees operating the gas system, install a  
12 local Vice President of Gas Operations, supplement its workforce, and transition operations  
13 over time through the TSA.<sup>25</sup> All these factors demonstrate PPL will continue to safely  
14 operate the Narragansett gas distribution system.

15 **Q. Do you share the Advocacy Section’s concern about PPL’s capabilities regarding**  
16 **performance of gas supply planning for Narragansett?**<sup>26</sup>

17 A. We do not share that concern. To begin, while some utilities in the United States (including  
18 Narragansett) use external gas asset managers, marketers and trading organizations to

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<sup>24</sup> Direct Testimony of Bruce Oliver, at 9.

<sup>25</sup> Pre-filed Direct Testimony of Lonnie Bellar, at 8-9.

<sup>26</sup> Direct Testimony of Bruce Oliver, at 12.

1 manage all or a part of the purchase and delivery of natural gas and optimization of assets,  
2 PPL has that expertise in house for its Kentucky operations. Further, PPL's plans to hire a  
3 separate Vice President of Gas Operations for Rhode Island, with substantial experience in  
4 gas operations and knowledge of Narragansett's gas system, will also bolster Rhode Island  
5 specifically. Additionally, during the transition period, National Grid USA will continue to  
6 assist with supply planning and procurement.<sup>27</sup> Rhode Island operations will also benefit  
7 from PPL's experience in Kentucky, where PPL operates under the jurisdiction of the  
8 Kentucky Public Service Commission ("KYPSC"), which has rules and requirements to  
9 encourage the provision of low-cost gas supplies and reduce price volatility.

10 **Q. Please provide an overview of LG&E's current gas supply planning process.**

11 A. LG&E's gas supply planning process is governed by detailed written procedures covering a  
12 range of operating responsibilities such as pipeline compliance, determination of dispatch  
13 volumes, and nomination/verification procedures specific to each of its capacity  
14 arrangements. LG&E has written procedures in place for gas supply planning, such as the  
15 oversight, roles and responsibilities of the department,<sup>28</sup> determining longer-term, winter  
16 season, and peaking gas supply requirements, and developing bid invitations and evaluating  
17 supplier proposals.<sup>29</sup> LG&E's gas supply department has developed purchasing strategies and

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<sup>27</sup> Pre-filed Direct Testimony of Lonnie Bellar, at 8.

<sup>28</sup> Case No. 2019-00437, LG&E Response to Commission Staff's First Request for Information Dated February 6, 2020, Attachment 1 to Response to Question No. 16i.

<sup>29</sup> *Ibid.*, Question No. 16h.

1 processes that are further defined in its supply plans and supported by policies and  
2 procedures.<sup>30</sup> LG&E has not employed a gas marketing or trading organization for the  
3 management of purchases or deliveries of natural gas to LG&E.<sup>31</sup>  
4 LG&E's senior management engages in risk management assessments for its gas  
5 operations.<sup>32</sup> LG&E takes measures to ensure it is able to contract for pipeline services in  
6 advance of unforeseen circumstances that could result in gas transportation costs in excess of  
7 FERC-approved transportation rates.<sup>33</sup> LG&E has a portfolio of supply contracts of differing  
8 terms and durations that provide competitively priced natural gas for its firm sales  
9 obligations and market-responsive pricing provisions.<sup>34</sup>

10  
11 These procedures employed by PPL for gas operations and procurement are consistent with  
12 and meet industry standards.

13 **Q. Does LG&E currently utilize gas supply peaking services?**

14 A. Yes. LG&E serves customers during peak periods through five underground natural gas  
15 storage fields, with a working natural gas capacity of approximately 15 billion cubic feet  
16 ("Bcf"), which are used to provide natural gas service to LG&E's firm sales customers. As  
17 of December 31, 2020, LG&E had 12 Bcf of natural gas stored underground.<sup>35</sup>

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<sup>30</sup> *Ibid.*, Question No. 16i

<sup>31</sup> *Ibid.*, Question No. 16, p. 6.

<sup>32</sup> *Ibid.*, Attachment 1 to Response to Question No. 16i.

<sup>33</sup> *Ibid.*, Attachment 1 to Response to Question No. 11.

<sup>34</sup> S&P Global Market Intelligence.

<sup>35</sup> *Ibid.*

1   **Q.     How has LG&E’s gas supply planning department performed?**

2   A.     LG&E’s gas supply cost performance-based ratemaking (“PBR”) mechanism rewards LG&E  
3           for seeking innovative supply arrangements and optimizing its gas supply and pipeline  
4           transportation portfolio. LG&E has achieved over \$20 million in savings through its PBR  
5           mechanism from 2015-2019, or approximately 4.63% of its total gas costs.<sup>36</sup> This amount  
6           includes approximately \$9 million in pipeline discounts (excluding capacity release  
7           activities).<sup>37</sup>

8  
9           The KYPSC has acknowledged the performance of LG&E in its gas supply operations.  
10          Specifically, the KYPSC has found that LG&E “has been successful in outperforming  
11          benchmarks to achieve lower gas cost and allowing its shareholders to benefit along with its  
12          customers through the sharing component of the PBR mechanism.”<sup>38</sup> The KYPSC also has  
13          found that “[i]n response to the incentive inherent in the PBR, LG&E has continued to  
14          develop, pursue, and manage creative supply arrangements, increased risk-taking, and has  
15          been given the incentive to negotiate intensively to improve cost performance and maintain  
16          reliability.”<sup>39</sup> These achievements confirm that PPL can effectively and successfully manage  
17          gas operations in regions where it did not previously operate.

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<sup>36</sup> Case No. 2019-00437, LG&E Response to Commission Staff’s First Request for Information Dated February 6, 2020, Question No. 15.

<sup>37</sup> *Ibid.*, Question No. 19.

<sup>38</sup> KYPSC Order in Case No. 2019-00437, October 26, 2020, at 3.

<sup>39</sup> *Ibid.*, at 3-4.



1    **Q.    How does LG&E’s performance inform your expectations of Narragansett’s**  
2       **performance post-Transaction?**

3    A.    Based on our review of LG&E’s structure and performance, the company appears to have  
4       experienced gas supply procurement, risk management and gas distribution operations  
5       personnel and well-documented procedures in place. LG&E has demonstrated compliance  
6       with stringent gas supply planning requirements and has achieved savings for customers.  
7       LG&E appropriately engages in risk management assessments for its gas operations. LG&E  
8       has management in place that is already experienced with business recovery readiness and  
9       contingency plans. PPL has plans to supplement existing management oversight with a  
10      Director of Gas Procurement dedicated to Rhode Island planning and operations and will  
11      have a TSA in place for the transition. For these reasons, we believe Narragansett will  
12      perform its gas supply responsibilities well under PPL’s ownership and is positioned to  
13      achieve performance comparable to what National Grid USA has achieved under  
14      Narragansett’s Gas Procurement Incentive Program and Natural Gas Portfolio Management  
15      Plan.

16   **Q.    Is it your view that operating a Local Distribution Company (“LDC”) in Kentucky is no**  
17       **different than operating an LDC in Rhode Island?**

18   A.    No. Multi-jurisdictional LDC management is not that simple, and regional differences exist  
19       in gas supply planning across any two states. However, sound management practices for an  
20       LDC begin with an adherence to gas pipeline safety practices, which are common across all

1 of the United States, and continue with sound commercial practices for gas supply planning,  
2 gas procurement and portfolio management, pipeline relations management, storage  
3 management, risk management, environmental management, operations management and  
4 customer service. As has been shown by many multi-state LDCs, the management of these  
5 functions across LDCs with operations that are more than a thousand miles apart is not only  
6 feasible, but often leads to an adoption of best practices from other jurisdictions and lessons  
7 learned that can be applied effectively elsewhere. Our review of PPL's capabilities indicates  
8 that it has certainly demonstrated its capability to reliably and safely operate Narragansett's  
9 LDC business. This includes the management of Narragansett's LNG facilities and the use  
10 of financial instruments for gas cost hedging, where this form of hedging is appropriate.  
11 Both of these issues were raised by Mr. Bruce Oliver as reasons to be concerned that PPL  
12 could not easily provide the level of services that National Grid has provided.

13 **Q. What is your response regarding the issue of managing LNG peak-shaving facilities?**

14 A. On the first issue of managing LNG peak-shaving facilities, PPL has indicated that it intends  
15 to retain all of the operational staff that National Grid currently uses to operate these  
16 facilities. If that leaves a further need for expertise, PPL has expressed a commitment to  
17 secure experienced staff from the marketplace. There are dozens of LDCs that own and  
18 operate LNG storage and vaporization facilities across the United States; this is not a unique,  
19 or even unusual competency to have, and there are independent contractors that can also  
20 supply these skills. As shown by the National Grid sale of Energy North to Liberty Utilities,

1 which had no prior LDC operating experience, maintaining and acquiring the necessary  
2 talent to operate an LDC effectively is workable, even when the buyer has no previous  
3 experience operating this type of utility. We also have been involved in the sale of nearly all  
4 of the nuclear power plants that have been sold in the United States, and there is no skill set  
5 that is more specialized and more challenging to replace than nuclear operational and  
6 engineering staff. However, after an extensive number of sales have occurred, and many of  
7 the plants have experienced a significant downsizing of their workforce, the operational  
8 efficiency and safety of the industry has never been better. We consider PPL to be well  
9 situated to effectively and efficiently operate Narragansett's LDC business.

10 **Q. What is your response regarding the topic of financial instruments for gas cost**  
11 **hedging?**

12 A. On the topic of the use of financial instruments for gas cost hedging, PPL's experience is  
13 actually stronger than that of the typical LDC. Many LDCs engage in no hedging, and a  
14 prohibition on the use of financial hedges, where hedging is permitted, it is not uncommon.  
15 Mr. Oliver's concern that National Grid USA's capability in the use of financial hedges  
16 could be lost, and that therefore customers would be harmed, is unsupported. First, the  
17 expertise required for the use of financial hedges is readily available in the marketplace, at  
18 financial institutions, gas marketers and consulting firms. It is not clear that having this  
19 expertise reside in-house is the best approach. Even some of the largest LDCs in the United  
20 States choose to source this expertise from advisory firms rather than employees. National

1 Grid USA relied on Asset Management Agreements with third parties to achieve more cost-  
2 effective management of pipeline capacity and gas supplies; the same successful outsourcing  
3 is achievable with risk management services. Second, Mr. Oliver's stated basis for his  
4 concern is a statement made by a National Grid USA employee in Narragansett's most recent  
5 Gas Cost Recovery proceeding to the effect that recently, these hedges provided a benefit to  
6 customers of \$20.7 million. Clearly, Mr. Oliver is concerned about customers having to pay  
7 this higher cost. In evaluating this concern, it is important to recognize that the goal of an  
8 effective hedging program is not to produce profits or losses for customers, it is to reduce  
9 price volatility and risk. In essence, gas price risk management using financial instruments is  
10 like buying an insurance policy against price movements outside of an acceptable range. The  
11 fact that an insured party received a large payout from its hedging "insurance" simply means  
12 that the insured "event" occurred, and the insurance proceeds were used to offset the  
13 economic loss that occurred in the primary market. This form of hedging, and the skill  
14 necessary to implement it if turns out to be the best form of risk management, is readily  
15 available and will not be lost to PPL following the Transaction. PPL also continues to retain  
16 expertise in energy marketing risk management from its former generation and energy supply  
17 and marketing business, as described in the Direct Testimony of Vincent Sorgi.<sup>40</sup> That  
18 experience is readily translatable to its gas cost risk management function.

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<sup>40</sup> Pre-filed Direct Testimony of Vincent Sorgi, at 1-2.

1 **VI. Transition, Shared Services, and the TSA**

2 **Q. Do the Advocacy Section witnesses criticize the Petitioners' proposals for transitioning**  
3 **Narragansett from National Grid USA's operating model to PPL's operating model?**

4 A. Yes, they do. Mr. Oliver asserts that PPL's ability to achieve cost savings through economies  
5 of scale will be limited in comparison to that which National Grid USA has been able to  
6 achieve.<sup>41</sup> Mr. Ballaban finds that Narragansett is heavily reliant on National Grid USA, and  
7 its shared services model enables Narragansett to realize significant economies of scale, and  
8 there are significant uncertainties regarding how PPL will compare to National Grid USA on  
9 a cost basis.<sup>42</sup> Finally, Mr. Booth finds that PPL's analysis of comparative cost structures  
10 demonstrates that economies of scales under PPL ownership will be insufficient.<sup>43</sup>

11 **Q. Please provide an overview of the shared services model as it relates to utility**  
12 **operations.**

13 A. It is common in the United States for services to be provided by and for regulated utilities by  
14 affiliated companies. In the past, where affiliated regulated utilities operated in multiple  
15 jurisdictions, it was common to see affiliated utilities operate as stand-alone utilities. In  
16 today's business environment, however, it is common for these multi-jurisdictional  
17 companies to consolidate like functions either at the holding company level or within a  
18 centralized shared services company organized specifically to provide such services in an

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<sup>41</sup> Direct Testimony of Bruce Oliver, at 20-21.

<sup>42</sup> Direct Testimony of Michael Ballaban, at 8 and 12.

<sup>43</sup> Direct Testimony of Gregory Booth, at 18-19.

1 effort to reduce costs and achieve organizational efficiencies. Where there are common  
2 functions, the opportunity exists to consolidate the functions, thereby reducing costs. There  
3 is no single approach by which shared services costs are assigned to the recipients of such  
4 services. Companies typically adhere to cost-causation principles that state that the company  
5 that causes a cost to be incurred should bear the cost of such service in direct proportion to  
6 the reasons for which the cost was incurred.

7 **Q. Is there a “one size fits all” approach to providing shared services?**

8 A. No. In fact, there is significant diversity of shared services approaches used across the  
9 United States. Each utility considers its own circumstances and operating model in finding  
10 the appropriate balance between shared versus local resources, as well as the manner in  
11 which costs are pooled and allocated. Geographic proximity is not a prerequisite for a shared  
12 services model.

13 **Q. Does National Grid USA currently operate under a shared services model?**

14 A. Yes, it does. As discussed in the direct testimony of Terence Sobolewski, National Grid  
15 USA is the parent company of the NGSC, which provides shared functions to National Grid  
16 USA operating companies, including Narragansett.

17 **Q. What approach to utility management does PPL plan for Narragansett?**

18 A. Like National Grid USA, PPL also uses a shared services model, and it plans to extend that  
19 model to Narragansett. PPL, however, has taken important steps to ensure accountability and  
20 local control in Rhode Island, protecting the interests of Narragansett and its customers.

1 Those steps include ensuring that there will be a President of Narragansett and a Vice  
2 President of Gas Operations that will be based in Rhode Island. Finally, PPL will add local  
3 operations to Narragansett that do not exist today, including customer contact and back-office  
4 functions, electric dispatch and control room operations, gas control and dispatch functions,  
5 and gas and electric training operations. That is consistent with the Division's recent  
6 encouragement of more local control. Customers and regulators should be comforted by the  
7 addition of local control and management.

8 **Q. Has maintaining a local presence and local control been an important element in recent**  
9 **U.S. utility transactions?**

10 A. Yes, it has. Utility buyers recognize the importance of local control of operations, including  
11 locally-based management. Certain functions like finance and legal departments can be  
12 successfully provided from more remote locations, but local operational control, especially  
13 during storms and other emergency events, is considered best utility practice and is often an  
14 element that regulators consider in evaluating proposed mergers.

1   **Q.   Mr. Booth expresses concern that Narragansett will be stranded in Rhode Island as a**  
2       **single New England entity supported from Pennsylvania and Kentucky, and that the**  
3       **regional differences, regulatory expectations and “New England philosophies” cannot**  
4       **be understood by PPL in the near term.<sup>44</sup> Does this provide a basis for rejecting the**  
5       **proposed Transaction?**

6   **A.**   No, this is precisely why PPL has determined that local presence and local control is  
7       necessary. As noted above, there are several functions that can be done from a different  
8       location that is one state away (Massachusetts) or several states away (Pennsylvania and  
9       Kentucky). Furthermore, the COVID-19 pandemic has demonstrated that employees, when  
10      enabled by technology, can perform successfully even from remote locations. There are  
11      certain functions that are best provided by personnel that are proximate to the utility’s service  
12      area, and PPL has committed to provide local management and control for these functions.  
13      PPL’s approach is one that is often taken by utility purchasers, and it reflects its judgment as  
14      to the best hybrid shared service/local service model. It is not that PPL is unable to replicate  
15      the National Grid USA service model. It is that PPL has chosen to take a different approach,  
16      and its approach relies more heavily on a local presence for its managerial and operational  
17      functions.

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<sup>44</sup> Direct Testimony of Gregory Booth, at 21-22.



1 **Q. Will National Grid USA transfer the employees and functions to PPL that it currently**  
2 **provides from NGSC?**

3 A. Not in all cases. Rather, PPL will provide needed support and shared functions to  
4 Narragansett from its own shared services organization. To ensure continued operability and  
5 customer service, however, NGSC and PPL will enter into a TSA to support Narragansett  
6 during a transition period. In addition, all Narragansett operations employees are expected to  
7 transfer to PPL following the Transaction.

8 **Q. Do you share the Advocacy Section's witnesses' concerns about PPL's ability to**  
9 **transition Narragansett to PPL's shared services model and issues related to retaining**  
10 **economies of scale?**

11 A. No, we do not. As PPL expressed in response to Data Requests DIV 2-1 and DIV 1-30, it  
12 believes that the "resulting shared services model provides economies of scale similar to  
13 current National Grid operations" and that "PPL expects that it will serve Narragansett  
14 customers with an improved cost structure after the transition is complete." In addition, PPL  
15 has stated that it will track transition costs, including costs incurred under the TSA, as well as  
16 costs incurred by PPL and PPL Rhode Island, and has committed to only seek cost recovery  
17 of transition-related costs when those costs provide incremental benefits to customers, such  
18 as systems upgrades and the replacement of obsolete equipment.<sup>45</sup> Finally, Narragansett's

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<sup>45</sup> See Direct Testimony of Gregory Dudkin at 30; PPL's Response to Division 1-30; Rebuttal Testimony of Bethany Johnson, at 12-13.

1 currently established rates will remain in effect, and any future rate change requests will be  
2 subject to review and approval by the RIPUC with input from the Division. The RIPUC will  
3 determine which costs are value enhancing and paid for by customers.

4 **Q. What is the purpose of a TSA?**

5 A. TSAs serve two primary purposes. First, TSAs help ensure there is no disruption to service  
6 after the closing of a transaction. Second, TSAs facilitate the seamless transferring away of  
7 services from one organization to another. Well-structured TSAs focus on this second point,  
8 recognize that transition is a process, and conceptually focus on the TSA service provider not  
9 as a third-party vendor, but rather as a partner to enable and promote the acquirer's ability to  
10 "take over the reins" as quickly as possible while maintaining service levels.

11 **Q. Have the Petitioners provided a form of the TSA with the Petition?**

12 A. Yes. Petitioners have prepared a form of TSA among Narragansett, National Grid USA, and  
13 NGSC, and they are actively identifying and negotiating the nature and duration of the  
14 specific services to be provided by NGSC that will be set forth in an exhibit to the TSA.  
15 Those specific terms will be finalized in advance of the closing.

16 **Q. Does the TSA serve the primary purposes that you identified above?**

17 A. Yes. For example, under "General Intent," the TSA states:

18 As part of each of the Transition Services, Service Provider [NGSC] will (a)  
19 cooperate with and use commercially reasonable efforts to assist Rover [PPL  
20 Rhode Island] and its Affiliates **in effectuating an orderly transition** of each  
21 Transition Service to Pluto's [PPL's] or Rover's own internal organization or  
22 other third-party suppliers no later than the expiration of the term set forth  
23 herein applicable to such Transition Service, including by making employees

of Service Provider and its Affiliates reasonably available during normal  
business hours for knowledge transfer to Pluto, Rover or its designee, and  
**each Party shall otherwise reasonably cooperate with the other Party to  
facilitate such orderly transition...**<sup>46</sup>

From a commercial perspective, therefore, the TSA clearly identifies the shared common  
purpose of transferring away the services from NGSC and to PPL.

**Q. Is a TSA a common approach to transitioning utility operations from one owner to  
another?**

A. Yes, it is, particularly when transferring operating companies or assets from one holding  
company structure to another. TSAs are particularly important in cases such as the  
Transaction, where the utility relies on its former parent for shared services. While PPL has  
its own shared services organization from which it will provide support to Narragansett, the  
TSA ensures a safe continuation of operations, customer service and all the shared services  
on Day One.

**Q. Do you share Mr. Oliver and Mr. Booth's concern that all the details of the TSA are not  
finalized?**<sup>47</sup>

A. No. It is important that PPL and National Grid USA take a deliberate and flexible approach  
to identifying the full suite of services and associated timing required under the TSA. To  
prematurely finalize those terms of the TSA could either lead to inefficiencies (in terms of  
the TSA requiring unneeded services) or gaps in support. Such an outcome would be

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<sup>46</sup> Form of Transition Services Agreement, Section 1.1 (Petition, at 108).

<sup>47</sup> Direct Testimony of Bruce Oliver, at 29-30; Direct Testimony of Gregory Booth, at 57.

1 detrimental to PPL's ability to serve Narragansett's customers. It would be inappropriate and  
2 quite unusual to develop a full transition plan without taking the necessary time to work with  
3 both companies to fully understand the capabilities of each company.

4 **Q. Mr. Booth finds that a two-year period for the TSA is too short.<sup>48</sup> What is your**  
5 **response?**

6 A. A two-year TSA is towards the longer end of terms that we have seen used for utility  
7 transfers. Many TSAs are for periods of one year or less. There are examples, however, of  
8 longer TSAs used in certain situations. For instance, the TSA between Florida Power &  
9 Light ("FPL") and Southern Company for the transfer of Gulf Power, which is discussed in  
10 more detail below, has a two-year term for corporate services, but provided for a five-year  
11 term for wholesale power market and telecommunication services. In this case, it is  
12 appropriate that PPL maintains flexibility with the TSA, particularly when the transition of  
13 certain functions proceeds at a different pace (faster or slower) than anticipated. The TSA  
14 does not prohibit the early transition of services if such a schedule can be accommodated. In  
15 addition, the TSA serves as a backstop in terms of the continued reliable operation of  
16 Narragansett. While PPL is an experienced operator with existing electric and gas  
17 operations, the TSA provides sufficient flexibility to PPL to navigate the transition in a  
18 deliberate and prudent manner.

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<sup>48</sup> Direct Testimony of Gregory Booth, at 22.

1   **Q.     Can you provide examples of other utility transactions that have used TSAs to**  
2       **transition an operating company from one utility holding company to another?**

3   **A.**    Yes, there have been several recent examples where a buyer has contracted with a seller for  
4       transitional services. For example, in 2019 Emera Inc. (“Emera,” the prior owner of Emera  
5       Maine, renamed Versant) agreed to provide to ENMAX Corporation (“ENMAX,” a  
6       municipal utility based in Alberta, Canada) services through a TSA following ENMAX’s  
7       purchase of Versant from Emera. The purchase and sale agreement in that transaction  
8       provided:

9               For a period of one-hundred eighty (180) days following the Closing Date,  
10              Seller shall provide to Buyer, the Acquired Companies and the Acquired  
11              Subsidiaries such transition services as may be requested by Buyer  
12              substantially consistent with the services provided to the Acquired Companies  
13              and the Acquired Subsidiaries by Seller and its Affiliates prior to the  
14              Closing.<sup>49</sup>

15       As another example, the NextEra acquisition of Gulf Power from Southern Company  
16       included a TSA that obligated Southern Company Services, Inc. (“SCS”) to provide certain  
17       post-closing support services in recognition of Gulf Power’s continued wholesale power  
18       market integration with Southern Company. The TSA requires SCS to provide “Corporate  
19       Support Services” for a period of 24 months from the effective date of the acquisition, with  
20       certain limited exceptions, and power supply interchange and transmission operations  
21       services for up to five years. This two-year effective period is similar to the term of the TSA

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<sup>49</sup> Emera Maine Petition, Purchase and Sale Agreement by and between Emera US Holding, Inc., as Seller, and 3456, Inc. as Buyer, Exhibit 1.1, Redacted Public Version, May 7, 2019, at 59.

1 between NGSC and Narragansett for the Transaction, despite the added complexity of  
2 NextEra's acquisition of Gulf Power, as discussed in more detail in the following section of  
3 this testimony.<sup>50</sup>

4  
5 Finally, in the sale of Granite State and EnergyNorth to Liberty Utilities by National Grid  
6 USA, National Grid USA entered into a TSA that would require "no more than twenty-four  
7 (24) months"<sup>51</sup> of assistance for the two New Hampshire subsidiaries from National Grid  
8 USA. That TSA has now been successfully completed, within the 24-month transition  
9 period.

10 **Q. Is Mr. Ballaban correct that, in the transition, "customers will be paying twice"<sup>52</sup> when**  
11 **systems are replaced?**

12 **A.** No. If PPL determines during the transition period that it needs to replace or upgrade  
13 systems, customers will not be paying twice for the same asset. Any new or upgraded system  
14 would presumably have a longer useful life than the remaining life of the system that is being  
15 replaced. Customers would have received service from the prior assets up until replacement,  
16 and the new assets once they are installed. PPL has also committed that transition costs will  
17 not be recovered from customers unless PPL can demonstrate that there is an incremental

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<sup>50</sup> NextEra Energy, Inc., et al. July 3, 2018, "Joint Application for Approval of the Disposition of Jurisdictional Facilities under Section 203 of the Federal Power Act," FERC Docket No. EC18-119-000. Schedule 3-1.

<sup>51</sup> Amended and Restated Transition Services Agreement, Settlement Agreement – Attachment B, National Grid USA/Liberty Energy transaction, DG 11-040.

<sup>52</sup> Direct Testimony of Michael Ballaban, at 27.

benefit to customers from the incurrence of those costs. We are confident that the RIPUC,  
with input from the Division, will effectively manage the ratepayer impact of any such costs.

**Q. Messrs. Ewen and Knecht recommend the Transaction be denied because PPL has not submitted post-transaction financial statements. Do you agree?**<sup>53</sup>

A. No, because there is other information in this proceeding that allows for an assessment of PPL's cost structure and financial capabilities. First, PPL has submitted a detailed estimate of its costs to operate Narragansett, with a comparison to operation under National Grid USA ownership.<sup>54</sup> Second, the Petitioners have submitted credit ratings reports indicating potential positive impacts on PPL's and Narragansett's credit profiles following the Transaction. These data points indicate PPL ownership will maintain or improve Narragansett's financial status, and that projected costs are expected to be in-line, or even below, the status quo.

**VII. Industry Precedent for Operating Company Transfers**

**Q. Please described the 2011 sale by National Grid USA of Granite State Electric EnergyNorth.**

A. In 2011, National Grid USA and Liberty Utilities applied to the New Hampshire Public Utilities Commission ("NHPUC") to transfer Granite State Electric Company ("Granite

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<sup>53</sup> Direct Testimony of Mark Ewen and Robert Knecht, at 17-18.

<sup>54</sup> PPL response to Division 1-54.

State”) and EnergyNorth Natural Gas, Inc. (“EnergyNorth”) from National Grid USA to Liberty Utilities. At the time, Liberty Utilities had only 47,000 electric customers across the United States and no natural gas customers. Granite State provided electric service to approximately 43,000 customers, and EnergyNorth provided natural gas service to approximately 86,000.<sup>55</sup> The NHPUC described the approval standard in New Hampshire as “set forth in RSA 369:8, II(b) (requiring no adverse effect on rates, terms, service or operation of the utility), RSA 374:30 (requiring a commission finding that transfer of a utility system is for the public good), and RSA 374:33 (requiring the transaction to be lawful, proper and in the public interest).”<sup>56</sup>

**Q. Did National Grid USA enter into a TSA with Liberty Utilities to transition from National Grid USA’s shared service organization to Liberty Utilities’ operating model?**

A. Yes, as noted earlier. Specifically, in connection with the transaction, National Grid USA entered into TSAs with Granite State and EnergyNorth:

[T]o support utility operations following the stock transfer. Under the TSAs, National Grid USA, either directly or through its affiliates, will provide various specified services to Granite State and EnergyNorth under their respective TSAs until operations are fully transferred to Liberty Energy NH and assistance from National Grid USA is no longer needed.<sup>57</sup>

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<sup>55</sup> Joint Petition for Authority to Transfer Ownership of Granite State Electric Company and EnergyNorth Natural Gas, Inc. to Liberty Energy Utilities (New Hampshire) Corp. and for Related Approvals, Docket DG 11-040, March 4, 2011, at 4.

<sup>56</sup> State of New Hampshire Public Utilities Commission, Order No. 25,370 in Docket DG 11-040, May 30, 2012, at 27-28.

<sup>57</sup> *Ibid.*, at 6.



1 In approving the Transaction, the NHPUC found “we recognize the importance of National  
2 Grid’s role in collaborating with and assisting Liberty throughout the transition period and  
3 following cut-over.”<sup>58</sup>

4 **Q. Did National Grid USA transfer LNG facilities to Liberty Utilities?**

5 A. Yes. There is no underground storage in New England due to “geologic unsuitability.”<sup>59</sup>  
6 Therefore, natural gas LDCs typically rely on LNG facilities and shipping to serve peak  
7 demand. EnergyNorth has three LNG facilities that were transferred to Liberty Utilities, and  
8 the NHPUC approved that transfer despite finding that “Liberty Energy has no experience to  
9 date operating a gas distribution system.”<sup>60</sup>

10 **Q. What is the relevance of the Granite State and EnergyNorth transactions to**  
11 **consideration of the Transaction?**

12 A. The Granite State and EnergyNorth transactions are relevant to the consideration of the  
13 Transaction in a few key respects. First, Granite State and EnergyNorth provide an example  
14 of National Grid USA successfully transferring an operating company out of its shared  
15 services organization to another utility operator. Second, while now a larger multi-state  
16 operator of natural gas, electric, and water utilities, in 2011 Liberty Utilities was far smaller  
17 than the utilities it planned to acquire, and had little to no experience operating a gas LDC.

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<sup>58</sup> *Ibid.*, at 29.

<sup>59</sup> Northeast Gas Association, “The Role of LNG in the Northeast Gas (and Energy) Market”  
([https://www.northeastgas.org/about\\_lng.php](https://www.northeastgas.org/about_lng.php), accessed November 17, 2021).

<sup>60</sup> State of New Hampshire Public Utilities Commission, Order No. 25,370 in Docket DG 11-040, May 30, 2012, at 28.

1 In reviewing the transaction, the NHPUC found “[a]s noted by Staff and the OCA, Liberty  
2 Energy has no experience to date operating a gas distribution system, and very limited  
3 experience operating an electric distribution system.”<sup>61</sup> However, as noted above, the  
4 NHPUC considered the TSA to be an important element of the transaction. In this case, PPL  
5 is a large multi-jurisdictional utility with both electric and natural gas experience, and its  
6 TSA with National Grid USA further improves PPL’s ability to continue to serve Rhode  
7 Island customers at similar or better levels of service.

8 **Q. Please described the sale of Gulf Power to NextEra.**

9 A. Gulf Power Company was acquired by NextEra on January 1, 2019, from Southern Company  
10 for approximately \$4.35 billion, in addition to NextEra assuming approximately \$1.298  
11 billion net debt of Gulf Power Company. Following the acquisition and prior to the legal  
12 combination of NextEra’s subsidiary, FPL, and Gulf Power, the two companies began to  
13 consolidate their operations. Gulf Power was subsequently legally merged into FPL on  
14 January 1, 2021.

15 **Q. How did NextEra’s acquisition of Gulf Power compare in complexity to PPL’s proposed**  
16 **acquisition of Narragansett?**

17 A. NextEra’s acquisition of Gulf Power was far more complex. Gulf Power is a vertically  
18 integrated utility company, engaged in the generation, purchase, transmission, distribution

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<sup>61</sup> *Ibid.*

1 and sale of electricity to retail customers in Northwest Florida and to wholesale customers in  
2 the Southeast Florida.<sup>62</sup>

3  
4 In addition, Gulf Power has been operating as part of the integrated Southern Company  
5 system for over 90 years.<sup>63</sup> NextEra and Southern Company worked diligently to identify  
6 and resolve transition issues related to the separation of Gulf Power from the Southern  
7 Company system. Southern Company and NextEra initially determined that Gulf Power  
8 should continue to remain in the Southern Company balancing authority area for a  
9 transitional period of five years (which could be terminated early by Gulf Power with 180  
10 days' notice)<sup>64</sup> to ensure that NextEra has sufficient time to prepare Gulf Power to move to  
11 stand-alone electric generation operations.

12  
13 Under an Intercompany Interchange Contract ("IIC"), SCS acts as an agent for the Southern  
14 Company electric operating companies (Alabama Power Company, Georgia Power Company  
15 and Mississippi Power Company) and Gulf Power Company. The IIC provides for an after-  
16 the-fact determination of cost reimbursements among the Southern Company operating  
17 companies and Gulf Power Company associated with the joint dispatch of their resources.<sup>65</sup>

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<sup>62</sup> S&P Capital IQ, NextEra Energy, Inc. acquire Gulf Power Company, Deal Profile.

<sup>63</sup> NextEra Energy, Inc., et al. July 3, 2018 "Joint Application for Approval of the Disposition of Jurisdictional Facilities under Section 203 of the Federal Power Act," FERC Docket No. EC18-119-000.

<sup>64</sup> Florida Power & Light Company, FERC Docket No. ER20-1741-000, Order Accepting Proposed Revisions and Granting Waiver Requests, Issued October 15, 2020.

<sup>65</sup> Gulf Power 2020 FERC Form 1

1 As part of Gulf Power's separation from the Southern Company system, FPL is investing  
2 approximately \$430 million for installation of four combustion turbine units in the former  
3 Gulf service area to meet reliability needs.<sup>66</sup> In addition, FPL is constructing the North  
4 Florida Resiliency Connection ("NFRC"), a 176-mile, 161-kV transmission line project to  
5 enhance the existing electrical connection between the two systems and provide operational  
6 benefits.<sup>67</sup> The NFRC is expected to be completed in mid-2022.<sup>68</sup> These investments in Gulf  
7 Power and operational realignment of the power supply function have all been undertaken in  
8 less than two years after this complex transaction was closed.

9 **Q. How have Gulf Power's cost levels, reliability and emission performance changed since**  
10 **being acquired by NextEra?**

11 A. Since its acquisition by NextEra, Gulf Power has shown observable improvements in 2019  
12 and 2020 in cost efficiency, reliability, generation fleet and emission performance metrics.  
13 These accomplishments all occurred even though Gulf Power was already owned and  
14 operated by a top-tier, large utility holding company operating under a shared-services  
15 model, and significant investments were needed to separate the utility from its former parent  
16 company. NextEra's investor presentation for the fourth quarter of 2020 shows that Gulf  
17 Power's non-fuel operations and maintenance ("O&M") cost efficiency performance metric

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<sup>66</sup> FPSC Docket No 20210015-EI, Direct Testimony of Scott Bores, at 26.

<sup>67</sup> FPSC Docket No 20210015-EI, Direct Testimony of John Reed, at 12-13.

<sup>68</sup> FPSC Docket No 20210015-EI, Direct Testimony of Michael Spoor, at 12-13.

1 improved in 2020 by approximately 17% compared to 2019.<sup>69</sup> Gulf Power's non-fuel O&M  
2 has also decreased in total dollar cost, from \$124 million in 2018 to \$80 million in 2020. In  
3 terms of \$/kW, 2020 non-fuel O&M decreased by 40 percent from 2018 pre-acquisition  
4 levels.<sup>70</sup>

5  
6 Under FPL's revised approach to managing Gulf Power, the acquired utility's reliability  
7 programs have also produced superior results for customers and include multiple initiatives  
8 that prevent outages and reduce outage durations. Gulf Power's 2019 distribution reliability  
9 metrics, including SAIDI, SAIFI, and CAIDI have all improved compared to 2018 pre-  
10 acquisition levels.<sup>71</sup> FPL and Gulf Power experienced best-ever SAIDI levels in 2019 and  
11 improved upon that performance again in 2020.<sup>72</sup> NextEra's investor presentation for the  
12 fourth quarter of 2020 shows that Gulf Power's SAIDI distribution reliability metric  
13 improved in 2020 by 21% compared to 2019.<sup>73</sup>

14  
15 Since Gulf Power's 2018 pre-acquisition status, the Gulf Power system's equivalent forced  
16 outage rate for its generating units improved approximately 90 percent, from 3.2 percent in  
17 2018 to 0.3 percent in 2020 – representing top decile performance. Gulf Power's system

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<sup>69</sup> FPSC Docket No 20210015-EI, Direct Testimony of John Reed.

<sup>70</sup> FPSC Docket No 20210015-EI, Direct Testimony of Thomas Broad, at 16.

<sup>71</sup> FPSC Docket No 20210015-EI, Direct Testimony of John Reed.

<sup>72</sup> FPSC Docket No 20210015-EI, Direct Testimony of Michael Spoor.

<sup>73</sup> FPSC Docket No 20210015-EI, Direct Testimony of John Reed.

1 improved its generation efficiency in 2020, with its average system heat rate improving by  
2 approximately eight percent in 2020 compared to its 2018 pre-acquisition average heat rate.  
3 In addition, Gulf Power's CO<sub>2</sub> emission rates improved 18 percent over the same 2018 to  
4 2020 period.<sup>74</sup>

5 **Q. What is the relevance of the Gulf Power transaction to consideration of the**  
6 **Transaction?**

7 A. This very recent and well documented case study is an example of a divestiture that has clearly  
8 been in the public interest. Since its acquisition by NextEra, Gulf Power has shown  
9 observable improvements in cost efficiency, reliability, generation fleet and emission  
10 performance metrics. These accomplishments all occurred even though Gulf Power was  
11 already owned and operated by a top-tier, large utility holding company operating under a  
12 shared-services model, and significant investments were needed to separate the utility from  
13 its former parent company. Even with these additional investments and the incurrence of  
14 transition costs, rates for Gulf Power's customers are coming down as the effects of the  
15 merger are fully reflected in the operations of the acquired utility. In contrast, Narragansett  
16 Electric is a wires-only electric utility that will remain a load serving entity sourcing its  
17 power from ISO-NE, and an LDC that is well within PPL's operational capability. PPL has  
18 demonstrated its capabilities in safety, reliability, innovativeness, customer satisfaction, and  
19 employee and community engagement – capabilities that it will bring to the management of

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<sup>74</sup> FPSC Docket No 20210015-EI, Direct Testimony of Thomas Broad, at 16.

1 Narragansett's operations. In addition, despite the added complexity of the Gulf Power  
2 acquisition, NextEra's TSA with SCS for "Corporate Support Services" was limited to a  
3 period of just 24 months, which is the same duration as the term of the TSA between NGSC  
4 and Narragansett for the Transaction. The Gulf Power transition has occurred more rapidly  
5 than planned, and provides a clear road map for how such an acquisition can provide clear  
6 benefits to customers, how the replacement of management services provided by a utility  
7 service company is not an obstacle to such benefits, and how a TSA can effectively bridge  
8 the transition to new systems, new standards and stronger results.

9  
10 **VIII. Conclusion**

11 **Q. Does this conclude your testimony?**

12 **A. Yes.**



RESUME OF JOHN J. REED

## JOHN J. REED

Chairman and Chief Executive Officer

Mr. Reed is a financial and economic consultant with more than 42 years of experience in the energy industry. Mr. Reed has also been the CEO of an NASD member securities firm, and Co-CEO of the nation's largest publicly traded management consulting firm (NYSE: NCI). He has provided advisory services in the areas of mergers and acquisitions, asset divestitures and purchases, strategic planning, project finance, corporate valuation, energy market analysis, rate and regulatory matters and energy contract negotiations to clients across North and Central America. Mr. Reed's comprehensive experience includes the development and implementation of nuclear, fossil, and hydroelectric generation divestiture programs with an aggregate valuation in excess of \$20 billion. Mr. Reed has also provided expert testimony on financial and economic matters on more than 400 occasions before the FERC, Canadian regulatory agencies, state utility regulatory agencies, various state and federal courts, and before arbitration panels in the United States and Canada. After graduation from the Wharton School of the University of Pennsylvania, Mr. Reed joined Southern California Gas Company, where he worked in the regulatory and financial groups, leaving the firm as Chief Economist in 1981. He served as an executive and consultant with Stone & Webster Management Consulting and R.J. Rudden Associates prior to forming REED Consulting Group (RCG) in 1988. RCG was acquired by Navigant Consulting in 1997, where Mr. Reed served as an executive until leaving Navigant to join Concentric as Chairman and Chief Executive Officer.

## REPRESENTATIVE PROJECT EXPERIENCE

### Executive Management

- As an executive-level consultant, worked with CEOs, CFOs, other senior officers, and Boards of Directors of many of North America's top electric and gas utilities, as well as with senior political leaders of the U.S. and Canada on numerous engagements over the past 25 years. Directed merger, acquisition, divestiture, and project development engagements for utilities, pipelines and electric generation companies, repositioned several electric and gas utilities as pure distributors through a series of regulatory, financial, and legislative initiatives, and helped to develop and execute several "roll-up" or market aggregation strategies for companies seeking to achieve substantial scale in energy distribution, generation, transmission, and marketing.

### Financial and Economic Advisory Services

- Retained by many of the nation's leading energy companies and financial institutions for services relating to the purchase, sale or development of new enterprises. These projects included major new gas pipeline projects, gas storage projects, several non-utility generation projects, the purchase and sale of project development and gas marketing firms, and utility acquisitions. Specific services provided include the development of corporate expansion plans, review of acquisition candidates, establishment of divestiture standards, due diligence on





RESUME OF JOHN J. REED

acquisitions or financing, market entry or expansion studies, competitive assessments, project financing studies, and negotiations relating to these transactions.

#### Litigation Support and Expert Testimony

- Provided expert testimony on more than 400 occasions in administrative and civil proceedings on a wide range of energy and economic issues. Clients in these matters have included gas distribution utilities, gas pipelines, gas producers, oil producers, electric utilities, large energy consumers, governmental and regulatory agencies, trade associations, independent energy project developers, engineering firms, and gas and power marketers. Testimony has focused on issues ranging from broad regulatory and economic policy to virtually all elements of the utility ratemaking process. Also frequently testified regarding energy contract interpretation, accepted energy industry practices, horizontal and vertical market power, quantification of damages, and management prudence. Has been active in regulatory contract and litigation matters on virtually all interstate pipeline systems serving the U.S. Northeast, Mid-Atlantic, Midwest, and Pacific regions.
- Also served on FERC Commissioner Terzic's Task Force on Competition, which conducted an industry-wide investigation into the levels of and means of encouraging competition in U.S. natural gas markets and served on a "Blue Ribbon" panel established by the Province of New Brunswick regarding the future of natural gas distribution service in that province.

#### Resource Procurement, Contracting and Analysis

- On behalf of gas distributors, gas pipelines, gas producers, electric utilities, and independent energy project developers, personally managed or participated in the negotiation, drafting, and regulatory support of hundreds of energy contracts, including the largest gas contracts in North America, electric contracts representing billions of dollars, pipeline and storage contracts, and facility leases.
- These efforts have resulted in bringing large new energy projects to market across North America, the creation of hundreds of millions of dollars in savings through contract renegotiation, and the regulatory approval of a number of highly contested energy contracts.

#### Strategic Planning and Utility Restructuring

- Acted as a leading participant in the restructuring of the natural gas and electric utility industries over the past fifteen years, as an adviser to local distribution companies, pipelines, electric utilities, and independent energy project developers. In the recent past, provided services to most of the top 50 utilities and energy marketers across North America. Managed projects that frequently included the redevelopment of strategic plans, corporate reorganizations, the development of multi-year regulatory and legislative agendas, merger, acquisition and divestiture strategies, and the development of market entry strategies. Developed and supported merchant function exit strategies, marketing affiliate strategies, and detailed plans for the functional business units of many of North America's leading utilities.



RESUME OF JOHN J. REED

## **PROFESSIONAL HISTORY**

### **Concentric Energy Advisors, Inc. (2002 – Present)**

Chairman and Chief Executive Officer

### **CE Capital Advisors (2004 – Present)**

Chairman, President, and Chief Executive Officer

### **Navigant Consulting, Inc. (1997 – 2002)**

President, Navigant Energy Capital (2000 – 2002)

Executive Director (2000 – 2002)

Co-Chief Executive Officer, Vice Chairman (1999 – 2000)

Executive Managing Director (1998 – 1999)

President, REED Consulting Group, Inc. (1997 – 1998)

### **REED Consulting Group (1988 – 1997)**

Chairman, President and Chief Executive Officer

### **R.J. Rudden Associates, Inc. (1983 – 1988)**

Vice President

### **Stone & Webster Management Consultants, Inc. (1981 – 1983)**

Senior Consultant

Consultant

### **Southern California Gas Company (1976 – 1981)**

Corporate Economist

Financial Analyst

Treasury Analyst

## **EDUCATION**

### **Wharton School, University of Pennsylvania**

B.S., Economics and Finance, 1976

Licensed Securities Professional: NASD Series 7, 63, 24, 79 and 99 Licenses

## **BOARDS OF DIRECTORS (PAST AND PRESENT)**

Concentric Energy Advisors, Inc.

Navigant Consulting, Inc.

Navigant Energy Capital

Nukem, Inc.

New England Gas Association

R. J. Rudden Associates

REED Consulting Group



RESUME OF JOHN J. REED

## **AFFILIATIONS**

American Gas Association  
Energy Bar Association  
Guild of Gas Managers  
International Association of Energy Economists  
Northeast Gas Association  
Society of Gas Lighters  
Society of Utility and Regulatory Financial Analysts

## **ARTICLES AND PUBLICATIONS**

"Maximizing U.S. federal loan guarantees for new nuclear energy," Bulletin of the Atomic Scientists  
(with John C. Slocum), July 29, 2009  
"Smart Decoupling – Dealing with unfunded mandates in performance-based ratemaking," Public  
Utilities Fortnightly, May 2012



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>Alaska Regulatory Commission</b>				
Chugach Electric	12/86	Chugach Electric	U-86-11	Cost Allocation
Chugach Electric	5/87	Enstar Natural Gas Company	U-87-2	Tariff Design
Chugach Electric	12/87	Enstar Natural Gas Company	U-87-42	Gas Transportation
Chugach Electric	11/87 2/88	Chugach Electric	U-87-35	Cost of Capital
Anchorage Municipal Light & Power	9/17	Anchorage Municipal Light & Power	U-16-094 U-17-008	Project Prudence
Municipality of Anchorage ("MOA") d/b/a Municipal Light and Power	8/19 10/19	Municipality of Anchorage ("MOA") d/b/a Municipal Light and Power	U-18-102 U-19-020 U-19-021	Merger Standard for Approval
<b>Alberta Utilities Commission</b>				
Alberta Utilities (AltaLink, EPCOR, ATCO, ENMAX, FortisAlberta, AltaGas)	1/13	Alberta Utilities	Application 1566373, Proceeding ID 20	Stranded Costs
<b>Arizona Corporation Commission</b>				
Tucson Electric Power	7/12	Tucson Electric Power	E-01933A-12-0291	Cost of Capital
UNS Energy and Fortis Inc.	1/14	UNS Energy, Fortis Inc.	E-04230A-00011 E-01933A-14-0011	Merger
<b>California Energy Commission</b>				
Southern California Gas Co.	8/80	Southern California Gas Co.	80-BR-3	Gas Price Forecasting



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>California Public Utility Commission</b>				
Southern California Gas Co.	3/80	Southern California Gas Co.	TY 1981 G.R.C.	Cost of Service, Inflation
Pacific Gas Transmission Co.	10/91 11/91	Pacific Gas & Electric Co.	App. 89-04-033	Rate Design
Pacific Gas Transmission Co.	7/92	Southern California Gas Co.	A. 92-04-031	Rate Design
San Diego Gas & Electric Company	4/19 8/19	San Diego Gas & Electric Company	A. 19-04-017	Risk Premium, Return on Equity
<b>Colorado Public Utilities Commission</b>				
AMAX Molybdenum	2/90	Commission Rulemaking	89R-702G	Gas Transportation
AMAX Molybdenum	11/90	Commission Rulemaking	90R-508G	Gas Transportation
Xcel Energy	8/04	Xcel Energy	031-134E	Cost of Debt
Public Service Company of Colorado	6/17	Public Service Company of Colorado	17AL-0363G	Return on Equity (Gas)
<b>CT Public Utilities Regulatory Authority</b>				
Connecticut Natural Gas	12/88	Connecticut Natural Gas	88-08-15	Gas Purchasing Practices
United Illuminating	3/99	United Illuminating	99-03-04	Nuclear Plant Valuation
Southern Connecticut Gas	2/04	Southern Connecticut Gas	00-12-08	Gas Purchasing Practices
Southern Connecticut Gas	4/05	Southern Connecticut Gas	05-03-17	LNG/Trunkline
Southern Connecticut Gas	5/06	Southern Connecticut Gas	05-03-17PH01	LNG/Trunkline



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Southern Connecticut Gas	8/08	Southern Connecticut Gas	06-05-04	Peaking Service Agreement
SJW Group and Connecticut Water Service	4/19	SJW Group and Connecticut Water Service	19-04-02	Customer Benefits, Public Interest
<b>District of Columbia PSC</b>				
Potomac Electric Power Company	3/99 5/99 7/99	Potomac Electric Power Company	945	Divestiture of Gen. Assets & Purchase Power Contracts
AltaGas Ltd./WGL Holdings	4/17 8/17 10/17	AltaGas Ltd./WGL Holdings	1142	Merger Standards, Public Interest Standard
<b>Federal Energy Regulatory Commission</b>				
Safe Harbor Water Power Corp.	8/82	Safe Harbor Water Power Corp.	-	Wholesale Electric Rate Increase
Western Gas Interstate Company	5/84	Western Gas Interstate Company	RP84-77	Load Forecast Working Capital
Southern Union Gas	4/87 5/87	El Paso Natural Gas Company	RP87-16-000	Take-or-Pay Costs
Connecticut Natural Gas	11/87	Penn-York Energy Corporation	RP87-78-000	Cost Allocation/Rate Design
AMAX Magnesium	12/88 1/89	Questar Pipeline Company	RP88-93-000	Cost Allocation/Rate Design
Western Gas Interstate Company	6/89	Western Gas Interstate Company	RP89-179-000	Cost Allocation/Rate Design, Open-Access Transportation
Associated CD Customers	12/89	CNG Transmission	RP88-211-000	Cost Allocation/Rate Design



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Utah Industrial Group	9/90	Questar Pipeline Company	RP88-93-000, Phase II	Cost Allocation/Rate Design
Iroquois Gas Trans. System	8/90	Iroquois Gas Transmission System	CP89-634-000/001 CP89-815-000	Gas Markets, Rate Design, Cost of Capital, Capital Structure
Boston Edison Company	1/91	Boston Edison Company	ER91-243-000	Electric Generation Markets
Cincinnati Gas and Electric Co., Union Light, Heat and Power Company, Lawrenceburg Gas Company	7/91	Texas Gas Transmission Corp.	RP90-104-000 RP88-115-000 RP90-192-000	Cost Allocation, Rate Design, Comparability of Service
Ocean State Power II	7/91	Ocean State Power II	ER89-563-000	Competitive Market Analysis, Self-dealing
Brooklyn Union/PSE&G	7/91	Texas Eastern	RP88-67, et al	Market Power, Comparability of Service
Northern Distributor Group	9/92 11/92	Northern Natural Gas Company	RP92-1-000, et al	Cost of Service
Canadian Association of Petroleum Producers and Alberta Pet. Marketing Comm.	10/92 7/97	Lakehead Pipeline Co. L.P.	IS92-27-000	Cost Allocation, Rate Design
Colonial Gas, Providence Gas	7/93 8/93	Algonquin Gas Transmission	RP93-14	Cost Allocation, Rate Design
Iroquois Gas Transmission	94	Iroquois Gas Transmission	RP94-72-000	Cost of Service, Rate Design
Transco Customer Group	1/94	Transcontinental Gas Pipeline Corporation	RP92-137-000	Rate Design, Firm to Wellhead
Pacific Gas Transmission	2/94 3/95	Pacific Gas Transmission	RP94-149-000	Rolled-In vs. Incremental Rates, Rate Design



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Tennessee GSR Group	1/95 3/95 1/96	Tennessee Gas Pipeline Company	RP93-151-000 RP94-39-000 RP94-197-000 RP94-309-000	GSR Costs
PG&E and SoCal Gas	8/96 9/96	El Paso Natural Gas Company	RP92-18-000	Stranded Costs
Iroquois Gas Transmission System, L.P.	97	Iroquois Gas Transmission System, L.P.	RP97-126-000	Cost of Service, Rate Design
BEC Energy - Commonwealth Energy System	2/99	Boston Edison Company/ Commonwealth Energy System	EC99-33-000	Market Power Analysis – Merger
Central Hudson Gas & Electric, Consolidated Co. of New York, Niagara Mohawk Power Corporation, Dynegy Power Inc.	10/00	Central Hudson Gas & Electric, Consolidated Co. of New York, Niagara Mohawk Power Corporation, Dynegy Power Inc.	EC01-7-000	Market Power 203/205 Filing
Wyckoff Gas Storage	12/02	Wyckoff Gas Storage	CP03-33-000	Need for Storage Project
Indicated Shippers/Producers	10/03	Northern Natural Gas	RP98-39-029	Ad Valorem Tax Treatment
Maritimes & Northeast Pipeline	6/04	Maritimes & Northeast Pipeline	RP04-360-000	Rolled-In Rates
ISO New England	8/04 2/05	ISO New England	ER03-563-030	Cost of New Entry
Transwestern Pipeline Company, LLC	9/06	Transwestern Pipeline Company, LLC	RP06-614-000	Business Risk





EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Portland Natural Gas Transmission System	6/08	Portland Natural Gas Transmission System	RP08-306-000	Market Assessment, Natural Gas Transportation, Rate Setting
Portland Natural Gas Transmission System	5/10 3/11 4/11	Portland Natural Gas Transmission System	RP10-729-000	Business Risks, Extraordinary and Non-recurring Events  Pertaining to Discretionary Revenues
Morris Energy	7/10	Morris Energy	RP10-79-000	Impact of Preferential Rate
Gulf South Pipeline	10/14	Gulf South Pipeline	RP15-65-000	Business Risk, Rate Design
BNP Paribas Energy Trading, GP  South Jersey Resource Group, LLC	2/15	Transcontinental Gas Pipeline Corporation	RP06-569-008 RP07-376-005	Regulatory Policy, Incremental Rates, Stacked Rate
Tallgrass Interstate Gas Transmission, LLC	10/15 12/15	Tallgrass Interstate Gas Transmission, LLC	RP16-137-000	Market Assessment, Rate Design, Rolled-in Rate Treatment
Tennessee Valley Authority	2/21 3/21	Athens Utility Board, Gibson Electric Membership Corp., Joe Wheeler Electric Membership Corp., and Volunteer Energy Cooperative v. Tennessee Valley Authority	EL21-40-000 TX21-01-000	Public Policy, Competition, Economic Harm



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>Florida Impact Estimating Conference</b>				
Florida Power and Light Co. on behalf of the Florida Investor-Owned Utilities	2/19 3/19	Florida Power and Light Co. on behalf of the Florida Investor-Owned Utilities	Right to Competitive Energy Market for Customers of Investor-Owned Utilities; Allowing Energy Choice	Economic and Financial Impact of Deregulation on Customers and Market Design and Function
<b>Florida Public Service Commission</b>				
Florida Power and Light Co.	10/07	Florida Power & Light Co.	070650-EI	Need for New Nuclear Plant
Florida Power and Light Co.	5/08	Florida Power & Light Co.	080009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/09 8/09	Florida Power & Light Co.	080677-EI	Benchmarking in Support of ROE
Florida Power and Light Co.	3/09 5/09 8/09	Florida Power & Light Co.	090009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/10 5/10 8/10	Florida Power & Light Co.	100009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/11 7/11	Florida Power & Light Co.	110009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/12 7/12	Florida Power & Light Co.	120009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/12 8/12	Florida Power & Light Co.	120015-EI	Benchmarking in Support of ROE
Florida Power and Light Co.	3/13 7/13	Florida Power & Light Co.	130009	New Nuclear Cost Recovery, Prudence



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Florida Power and Light Co.	3/14	Florida Power & Light Co.	140009	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/15 7/15	Florida Power & Light Co.	150009	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	10/15	Florida Power and Light Co.	150001	Recovery of Replacement Power Costs
Florida Power and Light Co.	3/16	Florida Power & Light Co.	160021-EI	Benchmarking in Support of ROE
Florida Power and Light Co.	3/21	Florida Power & Light Co.	20210015-EI	Benchmarking in Support of ROE
<b>Florida Senate Committee on Communication, Energy and Utilities</b>				
Florida Power and Light Co.	2/09	Florida Power & Light Co.	-	Securitization
<b>Hawai'i Public Utility Commission</b>				
Hawaiian Electric Light Company, Inc.	6/00	Hawaiian Electric Light Company, Inc.	99-0207	Standby Charge
NextEra Energy, Inc. Hawaiian Electric Companies	4/15 8/15 10/15	Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., NextEra Energy, Inc.	2015-0022	Merger Application



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>Idaho Public Utilities Commission</b>				
Hydro One Limited and Avista Corporation	9/18 11/18	Hydro One Limited and Avista Corporation	AVU-E-17-09 AVU-G-17-05	Governance, Financial Integrity and Ring-fencing Merger Commitments
<b>Illinois Commerce Commission</b>				
Renewables Suppliers (Algonquin Power Co., EDP Renewables North America, Invenergy, NextEra Energy Resources)	3/14	Renewables Suppliers	13-0546	Application for Rehearing and Reconsideration, Long-term Purchase Power Agreements
WE Energies Corporation	8/14 12/14 2/15	WE Energies/Integrus	14-0496	Merger Application
<b>Indiana Utility Regulatory Commission</b>				
Northern Indiana Public Service Company	10/01	Northern Indiana Public Service Company	41746	Valuation of Electric Generating Facilities
Northern Indiana Public Service Company	1/08 3/08	Northern Indiana Public Service Company	43396	Asset Valuation
Northern Indiana Public Service Company	8/08	Northern Indiana Public Service Company	43526	Fair Market Value Assessment



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Indianapolis Power & Light Company	12/14	Indianapolis Power & Light Company	44576	Asset Valuation
Indianapolis Power & Light Company	12/16	Indianapolis Power & Light Company	44893	Rate Recovery for New Plant Additions, Valuation of Electric Generating Facilities
Indianapolis Power & Light Company D/B/A AES Indiana	8/21	Indianapolis Power & Light Company D/B/A AES Indiana	45591	Power Project Development and PPA Evaluation
<b>Iowa Utilities Board</b>				
Interstate Power and Light	7/05	Interstate Power and Light and FPL Energy Duane Arnold, LLC	SPU-05-15	Sale of Nuclear Plant
Interstate Power and Light	5/07	City of Everly, Iowa	SPU-06-5	Municipalization
Interstate Power and Light	5/07	City of Kalona, Iowa	SPU-06-6	Municipalization
Interstate Power and Light	5/07	City of Wellman, Iowa	SPU-06-10	Municipalization
Interstate Power and Light	5/07	City of Terril, Iowa	SPU-06-8	Municipalization
Interstate Power and Light	5/07	City of Rolfe, Iowa	SPU-06-7	Municipalization
<b>Kansas Corporation Commission</b>				
Great Plains Energy  Kansas City Power and Light Company	1/17	Great Plains Energy, Kansas City Power & Light Company, and Westar Energy	16-KCPE-593-ACQ	Merger Standards, Acquisition Premium, Ring-Fencing, Public Interest Standard



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Great Plains Energy Kansas City Power and Light Company	8/17 2/18	Great Plains Energy, Kansas City Power & Light Company, and Westar Energy	18-KCPE-095-MER	Merger Standards, Transaction Value, Merger Benefits, Ring-Fencing,
<b>Maine Public Utility Commission</b>				
Northern Utilities	5/96	Granite State and PNGTS	95-480 95-481	Transportation Service and PBR
Maine Water Company	7/19 8/19	Maine Water Company	2019-00096	Merger Standards, Net Benefits to Customers, Ring-fencing
<b>Maryland Public Service Commission</b>				
Eastalco Aluminum	3/82	Potomac Edison	7604	Cost Allocation
Potomac Electric Power Company	8/99	Potomac Electric Power Company	8796	Stranded Cost & Price Protection
AltaGas Ltd./WGL Holdings	4/17 9/17 1/18 2/18	AltaGas Ltd./WGL Holdings	9449	Merger Standards, Public Interest Standard
Washington Gas Light Company	8/20	Washington Gas Light Company	9622	Regulatory Policy
<b>Mass. Department of Public Utilities</b>				
Haverhill Gas	5/82	Haverhill Gas	DPU #1115	Cost of Capital
New England Energy Group	1/87	Commission Investigation	-	Gas Transportation Rates
Energy Consortium of Mass.	9/87	Commonwealth Gas Company	DPU-87-122	Cost Allocation, Rate Design
Mass. Institute of Technology	12/88	Middleton Municipal Light	DPU #88-91	Cost Allocation, Rate Design



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Energy Consortium of Mass.	3/89	Boston Gas	DPU #88-67	Rate Design
PG&E Bechtel Generating Co./ Constellation Holdings	10/91	Commission Investigation	DPU #91-131	Valuation of Environmental Externalities
Coalition of Non-Utility Generators		Cambridge Electric Light Co. & Commonwealth Electric Co.	DPU 91-234 EFSC 91-4	Integrated Resource Management
The Berkshire Gas Company Essex County Gas Company Fitchburg Gas and Elec. Light Co.	5/92	The Berkshire Gas Company Essex County Gas Company Fitchburg Gas & Elec. Light Co.	DPU #92-154	Gas Purchase Contract Approval
Boston Edison Company	7/92	Boston Edison	DPU #92-130	Least Cost Planning
Boston Edison Company	7/92	The Williams/Newcorp Generating Co.	DPU #92-146	RFP Evaluation
Boston Edison Company	7/92	West Lynn Cogeneration	DPU #92-142	RFP Evaluation
Boston Edison Company	7/92	L'Energia Corp.	DPU #92-167	RFP Evaluation
Boston Edison Company	7/92	DLS Energy, Inc.	DPU #92-153	RFP Evaluation
Boston Edison Company	7/92	CMS Generation Co.	DPU #92-166	RFP Evaluation
Boston Edison Company	7/92	Concord Energy	DPU #92-144	RFP Evaluation



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
The Berkshire Gas Company Colonial Gas Company Essex County Gas Company Fitchburg Gas and Electric Company	11/93	The Berkshire Gas Company Colonial Gas Company Essex County Gas Company Fitchburg Gas and Electric Co.	DPU #93-187	Gas Purchase Contract Approval
Bay State Gas Company	10/93	Bay State Gas Company	93-129	Integrated Resource Planning
Boston Edison Company	94	Boston Edison	DPU #94-49	Surplus Capacity
Hudson Light & Power Department	4/95	Hudson Light & Power Dept.	DPU #94-176	Stranded Costs
Essex County Gas Company	5/96	Essex County Gas Company	96-70	Unbundled Rates
Boston Edison Company	8/97	Boston Edison Company	97-63	Holding Company Corporate Structure
Berkshire Gas Company	6/98	Berkshire Gas Mergeco Gas Co.	D.T.E. 98-87	Merger Approval
Eastern Edison Company	8/98	Montaup Electric Company	D.T.E. 98-83	Marketing for Divestiture of its Generation Business
Boston Edison Company	98	Boston Edison Company	D.T.E. 97-113	Fossil Generation Divestiture
Boston Edison Company	2/99	Boston Edison Company	D.T.E. 98-119	Nuclear Generation Divestiture
Eastern Edison Company	12/98	Montaup Electric Company	D.T.E. 99-9	Sale of Nuclear Plant
NStar	9/07 12/07	NStar, Bay State Gas, Fitchburg G&E, NE Gas, W. MA Electric	DPU 07-50	Decoupling, Risk





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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
NStar	6/11	NStar, Northeast Utilities	DPU 10-170	Merger Approval
Town of Milford	1/19 3/19 5/19	Milford Water Company	DPU 18-60	Valuation Analysis
<b>Mass. Energy Facilities Siting Council</b>				
Mass. Institute of Technology	1/89	M.M.W.E.C.	EFSC-88-1	Least-Cost Planning
Boston Edison Company	9/90	Boston Edison	EFSC-90-12	Electric Generation Markets
Silver City Energy Ltd. Partnership	11/91	Silver City Energy	D.P.U. 91-100	State Policies, Need for Facility
<b>Michigan Public Service Commission</b>				
Detroit Edison Company	9/98	Detroit Edison Company	U-11726	Market Value of Generation Assets
Consumers Energy Company	8/06 1/07	Consumers Energy Company	U-14992	Sale of Nuclear Plant
WE Energies	12/11	Wisconsin Electric Power Co	U-16830	Economic Benefits, Prudence
Consumer Energy Company	7/13	Consumers Energy Company	U-17429	Certificate of Need, Integrated Resource Plan
WE Energies	8/14 3/15	WE Energies/Integrys	U-17682	Merger Application
<b>Minnesota Public Utilities Commission</b>				
Xcel Energy/No. States Power	9/04	Xcel Energy/No. States Power	G002/GR-04-1511	NRG Impacts
Interstate Power and Light	8/05	Interstate Power and Light and FPL Energy Duane Arnold, LLC	E001/PA-05-1272	Sale of Nuclear Plant



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Northern States Power Company d/b/a Xcel Energy	11/05	Northern States Power Company	E002/GR-05-1428	NRG Impacts on Debt Costs
Northern States Power Company d/b/a Xcel Energy	09/06 10/06 11/06	NSP v. Excelsior	E6472/M-05-1993	PPA, Financial Impacts
Northern States Power Company d/b/a Xcel Energy	11/06	Northern States Power Company	G002/GR-06-1429	Return on Equity
Northern States Power	11/08 05/09	Northern States Power Company	E002/GR-08-1065	Return on Equity
Northern States Power	11/09 6/10	Northern States Power Company	G002/GR-09-1153	Return on Equity
Northern States Power	11/10 5/11	Northern States Power Company	E002/GR-10-971	Return on Equity
Northern States Power Company	1/16	Northern States Power Company	E002/GR-15-826	Industry Perspective
Northern States Power Company	11/19	Northern States Power Company	E002/GR-19-564	Return on Equity
CenterPoint Energy	10/21	CenterPoint Energy	G008/M-21-138 71-2500-37763	Prudence, Gas Purchasing Decisions
<b>Missouri House Committee on Energy and the Environment</b>				
Ameren Missouri	3/16	Ameren Missouri	HB 2816	Performance Based Ratemaking
<b>Missouri Public Service Commission</b>				
Missouri Gas Energy	1/03 04/03	Missouri Gas Energy	GR-2001-382	Gas Purchasing Practices, Prudence



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Aquila Networks	2/04	Aquila-MPS, Aquila L&P	ER-2004-0034 HR-2004-0024	Cost of Capital, Capital Structure
Aquila Networks	2/04	Aquila-MPS, Aquila L&P	GR-2004-0072	Cost of Capital, Capital Structure
Missouri Gas Energy	11/05 2/06 7/06	Missouri Gas Energy	GR-2002-348 GR-2003-0330	Capacity Planning
Missouri Gas Energy	11/10 1/11	KCP&L	ER-2010-0355	Natural Gas DSM
Missouri Gas Energy	11/10 1/11	KCP&L GMO	ER-2010-0356	Natural Gas DSM
Laclede Gas Company	5/11	Laclede Gas Company	CG-2011-0098	Affiliate Pricing Standards
Union Electric Company d/b/a Ameren Missouri	2/12 8/12	Union Electric Company	ER-2012-0166	Return on Equity, Earnings Attrition, Regulatory Lag
Union Electric Company d/b/a Ameren Missouri	6/14	Noranda Aluminum Inc.	EC-2014-0223	Ratemaking, Regulatory and Economic Policy
Union Electric Company d/b/a Ameren Missouri	1/15 2/15	Union Electric Company	ER-2014-0258	Revenue Requirements, Ratemaking Policies
Great Plains Energy Kansas City Power and Light Company	8/17 2/18 3/18	Great Plains Energy, Kansas City Power & Light Company, and Westar Energy	EM-2018-0012	Merger Standards, Transaction Value, Merger Benefits, Ring-Fencing,
Union Electric Company d/b/a Ameren Missouri	6/19	Union Electric Company d/b/a Ameren Missouri	EO-2017-0176	Affiliate Transactions, Cost Allocation Manual



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Union Electric Company d/b/a Ameren Missouri	7/19 1/20 2/20	Union Electric Company d/b/a Ameren Missouri	ER-2019-0335	Reasonableness of Affiliate Services and Costs
Union Electric Company d/b/a Ameren Missouri	3/21	Union Electric Company d/b/a Ameren Missouri	GR-2021-0241	Affiliate Transactions
Union Electric Company d/b/a Ameren Missouri	3/21 10/21	Union Electric Company d/b/a Ameren Missouri	ER-2021-0240	Affiliate Transactions, Prudence Standard, Used and Useful Principle
Empire District Electric Company	5/21	Empire District Electric Company	ER-2021-0312	Return on Equity
<b>Missouri Senate Committee on Commerce, Consumer Protection, Energy and the Environment</b>				
Ameren Missouri	3/16	Ameren Missouri	SB 1028	Performance Based Ratemaking
<b>Montana Public Service Commission</b>				
Great Falls Gas Company	10/82	Great Falls Gas Company	82-4-25	Gas Rate Adjustment Clause
<b>National Energy Board (now the Canada Energy Regulator)</b>				
Alberta-Northeast	2/87	Alberta Northeast Gas Export Project	GH-1-87	Gas Export Markets
Alberta-Northeast	11/87	TransCanada Pipeline	GH-2-87	Gas Export Markets
Alberta-Northeast	1/90	TransCanada Pipeline	GH-5-89	Gas Export Markets
Independent Petroleum Association of Canada	1/92	Interprovincial Pipeline, Inc.	RH-2-91	Pipeline Valuation, Toll
The Canadian Association of Petroleum Producers	11/93	Trans Mountain Pipeline	RH-1-93	Cost of Capital
Alliance Pipeline L.P.	6/97	Alliance Pipeline L.P.	GH-3-97	Market Study



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Maritimes & Northeast Pipeline	97	Sable Offshore Energy Project	GH-6-96	Market Study
Maritimes & Northeast Pipeline	2/02	Maritimes & Northeast Pipeline	GH-3-2002	Natural Gas Demand Analysis
TransCanada Pipelines	8/04	TransCanada Pipelines	RH-3-2004	Toll Design
Brunswick Pipeline	5/06	Brunswick Pipeline	GH-1-2006	Market Study
TransCanada Pipelines Ltd.	12/06 4/07	TransCanada Pipelines Ltd.: Gros Cacouna Receipt Point Application	RH-1-2007	Toll Design
Repsol Energy Canada Ltd	3/08	Repsol Energy Canada Ltd	GH-1-2008	Market Study
Maritimes & Northeast Pipeline	7/10	Maritimes & Northeast Pipeline	RH-4-2010	Regulatory Policy, Toll Development
TransCanada Pipelines Ltd	9/11 5/12	TransCanada Pipelines Ltd.	RH-3-2011	Business Services and Tolls Application
Trans Mountain Pipeline LLC	6/12 1/13	Trans Mountain Pipeline LLC	RH-1-2012	Toll Design
TransCanada Pipelines Ltd	8/13	TransCanada Pipelines Ltd	RE-001-2013	Toll Design
NOVA Gas Transmission Ltd	11/13	NOVA Gas Transmission Ltd	OF-Fac-Gas-N081-2013-10 01	Toll Design
Trans Mountain Pipeline LLC	12/13	Trans Mountain Pipeline LLC	OF-Fac-Oil-T260-2013-03 01	Economic and Financial Feasibility, Project Benefits
Energy East Pipeline Ltd.	10/14	Energy East Pipeline	Of-Fac-Oil-E266-2014-01 02	Economic and Financial Feasibility, Project Benefits



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
NOVA Gas Transmission Ltd	5/16	NOVA Gas Transmission Ltd	GH-003-2015	Certificate of Public Convenience and Necessity
TransCanada PipeLines Limited	4/17 9/17	TransCanada PipeLines Limited	Dawn LTFP Service Application	Public Interest, Toll Design
NOVA Gas Transmission Ltd	10/17	NOVA Gas Transmission Ltd	MH-031-2017	Toll Design
NOVA Gas Transmission Ltd	3/19 11/19	NOVA Gas Transmission Ltd	RH-001-2019	Tolling Changes
Enbridge Pipelines Inc.	12/19 6/20 8/20 4/21	Enbridge Pipelines Inc.	RH-001-2020	Market and Scarcity Conditions; Reasonableness of Tolls, Terms, and Conditions; Public Interest; Open Season Process
NOVA Gas Transmission LTD.	5/21	NOVA Gas Transmission LTD.	Service Application	Toll Design
<b>New Brunswick Energy and Utilities Board</b>				
Atlantic Wallboard/JD Irving Co	1/08	Enbridge Gas New Brunswick	MCTN #298600	Rate Setting for EGNB
Atlantic Wallboard/Flakeboard	9/09 6/10 7/10	Enbridge Gas New Brunswick	NBEUB 2009-017	Rate Setting for EGNB
Atlantic Wallboard/Flakeboard	1/14	Enbridge Gas New Brunswick	NBEUB Matter 225	Rate Setting for EGNB
<b>New Hampshire Public Utilities Commission</b>				
Bus & Industry Association	6/89	P.S. Co. of New Hampshire	DR89-091	Fuel Costs
Bus & Industry Association	5/90	Northeast Utilities	DR89-244	Merger & Acquisition Issues



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Eastern Utilities Associates	6/90	Eastern Utilities Associates	DF89-085	Merger & Acquisition Issues
EnergyNorth Natural Gas	12/90	EnergyNorth Natural Gas	DE90-166	Gas Purchasing Practices
EnergyNorth Natural Gas	7/90	EnergyNorth Natural Gas	DR90-187	Special Contracts, Discounted Rates
Northern Utilities, Inc.	12/91	Commission Investigation	DR91-172	Generic Discounted Rates
Public Service Co. of New Hampshire	7/14	Public Service Co. of NH	DE 11-250	Prudence
Public Service Co. of New Hampshire	7/15 11/15	Public Service Co. of NH	14-238	Restructuring and Rate Stabilization
<b>New Jersey Board of Public Utilities</b>				
Hilton/Golden Nugget	12/83	Atlantic Electric	BPU 832-154	Line Extension Policies
Golden Nugget	3/87	Atlantic Electric	BPU 837-658	Line Extension Policies
New Jersey Natural Gas	2/89	New Jersey Natural Gas	BPU GR89030335J	Cost Allocation, Rate Design
New Jersey Natural Gas	1/91	New Jersey Natural Gas	BPU GR90080786J	Cost Allocation, Rate Design
New Jersey Natural Gas	8/91	New Jersey Natural Gas	BPU GR91081393J	Rate Design, Weather Normalization Clause
New Jersey Natural Gas	4/93	New Jersey Natural Gas	BPU GR93040114J	Cost Allocation, Rate Design
South Jersey Gas	4/94	South Jersey Gas	BRC Dock No. GR080334	Revised Levelized Gas Adjustment
New Jersey Utilities Association	9/96	Commission Investigation	BPU AX96070530	PBOP Cost Recovery
Morris Energy Group	11/09	Public Service Electric & Gas	BPU GR 09050422	Discriminatory Rates



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
New Jersey American Water Co.	4/10	New Jersey American Water Co.	BPU WR 1040260	Tariff Rates and Revisions
Electric Customer Group	1/11	Generic Stakeholder Proceeding	BPU GR10100761 ER10100762	Natural Gas Ratemaking Standards and pricing
<b>New Mexico Public Service Commission</b>				
Gas Company of New Mexico	11/83	Public Service Co. of New Mexico	1835	Cost Allocation, Rate Design
Southwestern Public Service Co., New Mexico	12/12	SPS New Mexico	12-00350-UT	Rate Case, Return on Equity
PNM Resources	12/13 10/14 12/14	Public Service Co. of New Mexico	13-00390-UT	Nuclear Valuation, In Support of Stipulation
<b>New York State Public Service Commission</b>				
Iroquois Gas Transmission	12/86	Iroquois Gas Transmission System	70363	Gas Markets
Brooklyn Union Gas Company	8/95	Brooklyn Union Gas Company	95-6-0761	Panel on Industry Directions
Central Hudson, ConEdison and Niagara Mohawk	9/00	Central Hudson, ConEdison and Niagara Mohawk	96-E-0909 96-E-0897 94-E-0098 94-E-0099	Section 70, Approval of New Facilities
Central Hudson, New York State Electric & Gas, Rochester Gas & Electric	5/01	Joint Petition of NiMo, NYSEG, RG&E, Central Hudson, Constellation and Nine Mile Point	01-E-0011	Section 70, Rebuttal Testimony





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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Rochester Gas & Electric	12/03	Rochester Gas & Electric	03-E-1231	Sale of Nuclear Plant
Rochester Gas & Electric	1/04	Rochester Gas & Electric	03-E-0765 02-E-0198 03-E-0766	Sale of Nuclear Plant; Ratemaking Treatment of Sale
Rochester Gas and Electric and NY State Electric & Gas Corp	2/10	Rochester Gas & Electric  NY State Electric & Gas Corp	09-E-0715 09-E-0716 09-E-0717 09-E-0718	Depreciation Policy
National Fuel Gas Corporation	9/16 9/16	National Fuel Gas Corporation	16-G-0257	Ring-fencing Policy
NextEra Energy Transmission New York	8/18	NextEra Energy Transmission New York	18-T-0499	Certificate of Need for Transmission Line, Vertical Market Power
NextEra Energy Transmission New York	2/19 8/19	NextEra Energy Transmission New York	18-E-0765	Certificate of Need for Transmission Line, Vertical Market Power
<b>Nova Scotia Utility and Review Board</b>				
Nova Scotia Power	9/12	Nova Scotia Power	P-893	Audit Reply
Nova Scotia Power	8/14	Nova Scotia Power	P-887	Audit Reply
Nova Scotia Power	5/16	Nova Scotia Power	2017-2019 Fuel Stability Plan	Used and Useful Ratemaking
NSP Maritime Link ("NSPML")	12/16 2/17 5/17	NSP Maritime Link ("NSPML")	M07718 NSPML Interim Cost Assessment Application	Used and Useful Ratemaking
NSP Maritime Link ("NSPML")	10/19	NSP Maritime Link ("NSPML")	M09277 NSPML 2020 Interim Assessment Application	Recovery of Depreciation and Return, Costs and Customer Benefits, Debt Service Coverage Ratio



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Nova Scotia Power	2/21	Nova Scotia Power	M10013 Annapolis Tidal Generation Station Retirement: Request for Accounting Treatment and Net Book Value Recovery	Generation Plant Cost Recovery
NSP Maritime Link ("NSPML")	8/21	NSP Maritime Link ("NSPML")	M10206 NSPML Final Cost Assessment Application	Prudence Review
<b>Oklahoma Corporation Commission</b>				
Oklahoma Natural Gas Company	6/98	Oklahoma Natural Gas Company	PUD 980000177	Storage Issues
Oklahoma Gas & Electric Company	5/05 9/05	Oklahoma Gas & Electric Company	PUD 200500151	Prudence of McLain Acquisition
Oklahoma Gas & Electric Company	3/08	Oklahoma Gas & Electric Company	PUD 200800086	Acquisition of Redbud Generating Facility
Oklahoma Gas & Electric Company	8/14 1/15	Oklahoma Gas & Electric Company	PUD 201400229	Integrated Resource Plan
<b>Ontario Energy Board</b>				
Market Hub Partners Canada, L.P.	5/06	Natural Gas Electric Interface Roundtable	File No. EB- 2005-0551	Market-based Rates for Storage
Ontario Power Generation	9/13 2/14 5/14	Ontario Power Generation	EB-2013-0321	Prudence Review of Nuclear Project Management Processes



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>Oregon Public Utilities Commission</b>				
Hydro One Limited and Avista Corporation	8/18 10/18	Hydro One Limited and Avista Corporation	UM 1897	Reasonableness and Sufficiency of the Governance, Bankruptcy, and Financial Ring-Fencing Stipulated Settlement Commitments
<b>Pennsylvania Public Utility Commission</b>				
ATOC	4/95	Equitrans	R-00943272	Rate Design, Unbundling
ATOC	3/96 4/96	Equitrans	P-00940886	Rate Design, Unbundling
<b>Rhode Island Public Utilities Commission</b>				
Newport Electric	7/81	Newport Electric	1599	Rate Attrition
South County Gas	9/82	South County Gas	1671	Cost of Capital
New England Energy Group	7/86	Providence Gas Company	1844	Cost Allocation, Rate Design
Providence Gas	8/88	Providence Gas Company	1914	Load Forecast, Least-Cost Planning
Providence Gas Company and The Valley Gas Company	1/01 3/02	Providence Gas Company and The Valley Gas Company	1673 1736	Gas Cost Mitigation Strategy
The New England Gas Company	3/03	New England Gas Company	3459	Cost of Capital
<b>Texas Public Utility Commission</b>				
Southwestern Electric	5/83	Southwestern Electric	-	Cost of Capital, CWIP
P.U.C. General Counsel	11/90	Texas Utilities Electric Company	9300	Gas Purchasing Practices, Prudence
Oncor Electric Delivery Company	8/07	Oncor Electric Delivery Company	34040	Regulatory Policy, Rate of Return, Return of Capital and Consolidated Tax Adjustment



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REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Oncor Electric Delivery Company	6/08	Oncor Electric Delivery Company	35717	Regulatory policy
Oncor Electric Delivery Company	10/08 11/08	Oncor, TCC, TNC, ETT, LCRA TSC, Sharyland, STEC, TNMP	35665	Competitive Renewable Energy Zone
CenterPoint Energy	6/10 10/10	CenterPoint Energy/Houston Electric	38339	Regulatory Policy, Risk, Consolidated Taxes
Oncor Electric Delivery Company	1/11	Oncor Electric Delivery Company	38929	Regulatory Policy, Risk
Cross Texas Transmission	8/12 11/12	Cross Texas Transmission	40604	Return on Equity
Southwestern Public Service	11/12	Southwestern Public Service	40824	Return on Equity
Lone Star Transmission	5/14	Lone Star Transmission	42469	Return on Equity, Debt, Cost of Capital
CenterPoint Energy Houston Electric, LLC	6/15	CenterPoint Energy Houston Electric, LLC	44572	Distribution Cost Recovery Factor
NextEra Energy, Inc.	10/16 2/17	Oncor Electric Delivery Company LLC, NextEra Energy	46238	Merger Application, Ring-fencing, Affiliate Interest, Code of Conduct
CenterPoint Energy Houston Electric, LLC	4/19 6/19	CenterPoint Energy Houston Electric, LLC	49421	Incentive Compensation
Sun Jupiter Holdings LLC and IIF US Holding 2 LP	11/19	Sun Jupiter Holdings LLC and IIF US Holding 2 LP Acquisition of El Paso Electric Company	49849	Public Interest Standard, Ring-fencing, Regulatory Commitments, Rate Credit and Economic Considerations, Ownership and Governance Post-closing, Tax Matters



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Texas-New Mexico Power Company and Avangrid, Inc. and NM Green Holdings, Inc.	3/21	Texas-New Mexico Power Company and Avangrid, Inc. and NM Green Holdings, Inc.	51547	Merger Approval Conditions
<b>Texas Railroad Commission</b>				
Western Gas Interstate Company	1/85	Southern Union Gas Company	5238	Cost of Service
Atmos Pipeline Texas	9/10 1/11	Atmos Pipeline Texas	GUD 10000	Ratemaking Policy, Risk
Atmos Pipeline Texas	1/17 4/17	Atmos Pipeline Texas	GUD 10580	Ratemaking Policy, Return on Equity, Rate Design Policy
<b>Texas State Legislature</b>				
CenterPoint Energy	4/13	Association of Electric Companies of Texas	SB 1364	Consolidated Tax Adjustment Clause Legislation
<b>Utah Public Service Commission</b>				
AMAX Magnesium	1/88	Mountain Fuel Supply Company	86-057-07	Cost Allocation, Rate Design
AMAX Magnesium	4/88	Utah P&L/Pacific P&L	87-035-27	Merger & Acquisition
Utah Industrial Group	7/90 8/90	Mountain Fuel Supply	89-057-15	Gas Transportation Rates
AMAX Magnesium	9/90	Utah Power & Light	89-035-06	Energy Balancing Account
AMAX Magnesium	8/90	Utah Power & Light	90-035-06	Electric Service Priorities
Questar Gas Company	12/07	Questar Gas Company	07-057-13	Benchmarking in Support of ROE
<b>Vermont Public Service Board</b>				
Green Mountain Power	8/82	Green Mountain Power	4570	Rate Attrition



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Green Mountain Power	12/97	Green Mountain Power	5983	Cost of Service
Green Mountain Power	7/98 9/00	Green Mountain Power	6107	Rate Development
<b>Virginia Corporation Commission</b>				
Virginia Electric and Power Company d/b/a Dominion Energy Virginia	3/21 5/21	Virginia Electric and Power Company d/b/a Dominion Energy Virginia	PUR-2021-00058	Regulatory Policy
<b>Washington Utilities and Transportation Commission</b>				
Hydro One Limited and Avista Corporation	9/18	Hydro One Limited and Avista Corporation	U-170970	Reasonableness and Sufficiency of the Governance, Bankruptcy, and Financial Ring-Fencing Stipulated Settlement Commitments
<b>Wisconsin Public Service Commission</b>				
WEC & WICOR	11/99	WEC	9401-YO-100 9402-YO-101	Approval to Acquire the Stock of WICOR
Wisconsin Electric Power Company	1/07	Wisconsin Electric Power Co.	6630-EI-113	Sale of Nuclear Plant
Wisconsin Electric Power Company	10/09	Wisconsin Electric Power Co.	6630-CE-302	CPCN Application for Wind Project
Northern States Power Wisconsin	10/13	Xcel Energy (dba Northern States Power Wisconsin)	4220-UR-119	Fuel Cost Adjustments
Wisconsin Electric Power Company	11/13	Wisconsin Electric Power Co.	6630-FR-104	Fuel Cost Adjustment
Wisconsin Gas LLC	5/14	Wisconsin Gas LLC	6650-CG-233	Gas Line Expansion, Reasonableness



EXPERT TESTIMONY OF JOHN J. REED  
REGULATORY AGENCIES

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
WE Energy	8/14 1/15 3/15	WE Energy/Integrus	9400-YO-100	Merger Approval
Wisconsin Public Service Corporation	1/19	Madison Gas and Electric Company and Wisconsin Public Service Corporation	5-BS-228	Evaluation of Models Used in Resource Investment Decisions



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>American Arbitration Association</b>				
Michael Polsky	3/91	M. Polsky vs. Indeck Energy	-	Corporate Valuation, Damages
ProGas Limited	7/92	ProGas Limited v. Texas Eastern	-	Gas Contract Arbitration
Attala Generating Company	12/03	Attala Generating Co v. Attala Energy Co.	16-Y-198-00228-03	Power Project Valuation, Breach of Contract, Damages
Nevada Power Company	4/08	Nevada Power v. Nevada Cogeneration Assoc. #2	-	Power Purchase Agreement
Sensata Technologies, Inc./EMS Engineered Materials Solutions, LLC	1/11	Sensata Technologies, Inc./EMS Engineered Materials Solutions, LLC v. Pepco Energy Services	11-198-Y-00848-10	Change in Usage Dispute, Damages
Sandy Creek Energy Associates, L.P.	9/17	Sandy Creek Energy Associates, L.P. vs. Lower Colorado River Authority	01-16-0002-6892	Power Purchase Agreement, Analysis of Damages
Dynegy Midwest Generation, LLC	1/21 2/21	BNSF Railway Company and Norfolk Southern Railway Company v. Dynegy Midwest Generation, LLC	01-18-0001-3283	Electric Generation Asset Management
<b>Canadian Arbitration Panel</b>				
Hydro-Québec	4/15 5/16 7/16	Hydro-Fraser et al v. Hydro-Québec	-	Electric Price Arbitration
<b>Commonwealth of Massachusetts, Appellate Tax Board</b>				
NStar Electric Company	8/14	NStar Electric Company	F316346 F319254	Valuation Methodology





EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Western Massachusetts Electric Company	2/16	Western Massachusetts Electric Company v. Board of Assessors of The City of Springfield	315550 319349	Valuation Methodology
<b>Commonwealth of Massachusetts, Suffolk Superior Court</b>				
John Hancock	1/84	Trinity Church v. John Hancock	C.A. No. 4452	Damages Quantification
<b>Court of Common Pleas of Philadelphia County, Civil Division</b>				
Sunoco Marketing & Terminals L.P.	11/16	Sunoco Marketing & Terminals, L.P. v. South Jersey Resources Group	150302520	Damages Quantification
<b>State of Colorado District Court, County of Garfield</b>				
Questar Corporation, et al	11/00	Questar Corporation, et al.	00CV129-A	Partnership Fiduciary Duties
<b>State of Delaware, Court of Chancery, New Castle County</b>				
Wilmington Trust Company	11/05	Calpine Corporation vs. Bank of New York and Wilmington Trust Company	C.A. No. 1669-N	Bond Indenture Covenants
<b>Illinois Appellate Court, Fifth Division</b>				
Norweb, PLC	8/02	Indeck No. America v. Norweb	97 CH 07291	Breach of Contract, Power Plant Valuation
<b>Independent Arbitration Panel</b>				
Alberta Northeast Gas Limited	2/98	ProGas Ltd., Canadian Forest Oil Ltd., AEC Oil & Gas	-	
Ocean State Power	9/02	Ocean State Power vs. ProGas Ltd.	2001/2002 Arbitration	Gas Price Arbitration
Ocean State Power	2/03	Ocean State Power vs. ProGas Ltd.	2002/2003 Arbitration	Gas Price Arbitration



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Ocean State Power	6/04	Ocean State Power vs. ProGas Ltd.	2003/2004 Arbitration	Gas Price Arbitration
Shell Canada Limited	7/05	Shell Canada Limited and Nova Scotia Power Inc.	-	Gas Contract Price Arbitration
<b>International Court of Arbitration</b>				
Wisconsin Gas Company, Inc.	2/97	Wisconsin Gas Co. vs. Pan-Alberta	9322/CK	Contract Arbitration
Minnegasco, A Division of NorAm Energy Corp.	3/97	Minnegasco vs. Pan-Alberta	9357/CK	Contract Arbitration
Utilicorp United Inc.	4/97	Utilicorp vs. Pan-Alberta	9373/CK	Contract Arbitration
IES Utilities	97	IES vs. Pan-Alberta	9374/CK	Contract Arbitration
Mitsubishi Heavy Industries, Ltd., and Mitsubishi Nuclear Energy Systems, Inc.	12/15 2/16	Southern California Edison Company, Edison Material Supply LLC, San Diego Gas & Electric Co., and the City of Riverside vs. Mitsubishi Heavy Industries, Ltd., and Mitsubishi Nuclear Energy Systems, Inc.	19784/AGF/RD	Damages Arising Under a Nuclear Power Equipment Contract
<b>International Chamber of Commerce</b>				
Senvion GmbH	4/17	Senvion GmbH v. EDF Renewable Energy, Inc.	01-15-0005-4590	Breach-Related Damages, Unfair Competition, Unjust Enrichment
Senvion GmbH	9/17	Senvion GmbH v. EEN CA Lac Alfred Limited Partnership, et al.	21535	Breach-Related Damages
Senvion GmbH	12/17	Senvion GmbH v. EEN CA Massif du Sud Limited Partnership, et al.	21536	Breach-Related Damages



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
EDF Inc.	3/21	Exelon Generating Company, LLC v. EDF Inc.	25479/MK	Valuation of Nuclear Power Plants
<b>State of New Jersey, Mercer County Superior Court</b>				
Transamerica Corp., et al.	7/07 10/07	IMO Industries Inc. vs. Transamerica Corp., et al.	L-2140-03	Breach-Related Damages, Enterprise Value
<b>State of New York, Nassau County Supreme Court</b>				
Steel Los III, LP	6/08	Steel Los II, LP & Associated Brook, Corp v. Power Authority of State of NY	Index No. 5662/05	Property Seizure
<b>State of South Carolina, U.S. District Court for the District of South Carolina</b>				
Toshiba Corporation	4/20	Lightsey v. Toshiba Corp.	Action No. 9:18-cv-190	Project Delays and Cost Overruns Analyses
<b>Province of Alberta, Court of Queen's Bench</b>				
Alberta Northeast Gas Limited	5/07	Cargill Gas Marketing Ltd. vs. Alberta Northeast Gas Limited	Action No. 0501-03291	Gas Contracting Practices
<b>Quebec Superior Court, District of Gaspé</b>				
Senvion Canada and Senvion GmbH	2/19	Senvion Canada and Senvion GmbH v. Suspendem Rope Access	-	Breach-Related Damages, Reimbursement of Liquidated Damages, Reimbursement of Scheduled Maintenance Penalties
<b>State of New Hampshire, Board of Tax and Land Appeals</b>				
Public Service Company of New Hampshire d/b/a Eversource Energy	11/18	Appeal of Public Service Company of New Hampshire d/b/a Eversource Energy	28873-14-15-16-17PT	Valuation of Transmission and Distribution Assets



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>State of New Hampshire, Judicial Court-Rockingham Superior Court</b>				
Public Service Company of New Hampshire d/b/a Eversource Energy	10/18	Public Service Company of New Hampshire d/b/a Eversource Energy v. City of Portsmouth	218-2016-CV-00899 218-2017-CV-00917	Valuation of Transmission and Distribution Assets
<b>State of New Hampshire, Superior Court-Merrimack County</b>				
Public Service Company of New Hampshire d/b/a Eversource Energy	3/18	Public Service Company of New Hampshire d/b/a Eversource Energy v. Town of Bow	217-2015-CV-00469 217-2016-CV-00474 217-2017-CV-00422	Valuation of Transmission and Distribution Assets
<b>State of Rhode Island, Providence City Court</b>				
Aquidneck Energy	5/87	Laroche vs. Newport	-	Least-Cost Planning
<b>State of Texas, Hutchinson County Court</b>				
Western Gas Interstate	5/85	State of Texas vs. Western Gas Interstate Co.	14,843	Cost of Service
<b>State of Utah, Third District Court</b>				
PacifiCorp & Holme, Roberts & Owen, LLP	1/07	USA Power & Spring Canyon Energy vs. PacifiCorp. et al.	Civil No. 050903412	Breach-Related Damages
<b>U.S. Bankruptcy Court, District of New Hampshire</b>				
EUA Power Corporation	7/92	EUA Power Corporation	BK-91-10525-JEY	Pre-Petition Solvency
<b>U.S. Bankruptcy Court, District of New Jersey</b>				
Ponderosa Pine Energy Partners, Ltd.	7/05	Ponderosa Pine Energy Partners, Ltd.	05-21444	Forward Contract Bankruptcy Treatment



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>U.S. Bankruptcy Court, No. District of New York</b>				
Cayuga Energy, NYSEG Solutions, The Energy Network	09/09	Cayuga Energy, NYSEG Solutions, The Energy Network	06-60073-6-sdg	Going Concern
<b>U.S. Bankruptcy Court, So. District of New York</b>				
Johns Manville	5/04	Enron Energy Mktg. v. Johns Manville;  Enron No. America v. Johns Manville	01-16034 (AJG)	Breach of Contract, Damages
<b>U.S. Bankruptcy Court, Northern District of Texas</b>				
Southern Maryland Electric Cooperative, Inc., and Potomac Electric Power Company	11/04	Mirant Corporation, et al. v. SMECO	03-4659; Adversary No. 04-4073	PPA Interpretation, Leasing
<b>U.S. Bankruptcy Court, Southern District of Texas</b>				
Ultra Petroleum Corp. et al	3/17	Ultra Petroleum Corp. et al	16-32202 (MI)	Valuation
<b>U.S. Court of Federal Claims</b>				
Boston Edison Company	7/06 11/06	Boston Edison Company v. United States	99-447C 03-2626C	Spent Nuclear Fuel Breach, Damages
Consolidated Edison Company	7/07	Consolidated Edison Company	06-305T	Evaluation of Lease Purchase Option
Consolidated Edison Company	2/08 6/08	Consolidated Edison Company v. United States	04-0033C	Spent Nuclear Fuel Breach, Damages
Vermont Yankee Nuclear Power Corporation	6/08	Vermont Yankee Nuclear Power Corporation v. United States	03-2663C	Spent Nuclear Fuel Breach, Damages



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Virginia Electric and Power Company d/b/a Dominion Virginia Power	3/19	Virginia Electric and Power Company d/b/a Dominion Virginia Power v. United States	17-464C	Double Recovery, Cost Recovery of Infrastructure Improvements
<b>U. S. District Court, Boulder County, Colorado</b>				
KN Energy, Inc.	3/93	KN Energy vs. Colorado GasMark, Inc.	92 CV 1474	Gas Contract Interpretation
<b>U. S. District Court, Northern California</b>				
Pacific Gas & Electric Co./PGT  PG&E/PGT Pipeline Exp. Project	4/97	Norcen Energy Resources Limited	C94-0911 VRW	Fraud Claim
<b>U. S. District Court, District of Connecticut</b>				
Constellation Power Source, Inc.	12/04	Constellation Power Source, Inc. v. Select Energy, Inc.	Civil Action 304 CV 983 (RNC)	ISO Structure, Breach of Contract
<b>U.S. District Court, Northern District of Illinois, Eastern Division</b>				
U.S. Securities and Exchange Commission	4/12	U.S. Securities and Exchange Commission v. Thomas Fisher, Kathleen Halloran, and George Behrens	07 C 4483	Prudence, PBR
<b>U. S. District Court, Massachusetts</b>				
Eastern Utilities Associates & Donald F. Pardus	3/94	NECO Enterprises Inc. vs. Eastern Utilities Associates	Civil Action No. 92-10355-RCL	Seabrook Power Sales
<b>U. S. District Court, Montana</b>				
KN Energy, Inc.	9/92	KN Energy v. Freeport MacMoRan	CV 91-40-BLG-RWA	Gas Contract Settlement



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>U.S. District Court, New Hampshire</b>				
Portland Natural Gas Transmission and Maritimes & Northeast Pipeline	9/03	Public Service Company of New Hampshire vs. PNGTS and M&NE Pipeline	C-02-105-B	Impairment of Electric Transmission Right-of-Way
<b>U. S. District Court, Southern District of New York</b>				
Central Hudson Gas & Electric	11/99 8/00	Central Hudson v. Riverkeeper, Inc., Robert H. Boyle, John J. Cronin	Civil Action 99 Civ 2536 (BDP)	Electric Restructuring, Environmental Impacts
Consolidated Edison	3/02	Consolidated Edison v. Northeast Utilities	Case No. 01 Civ. 1893 (JGK) (HP)	Industry Standards for Due Diligence
Merrill Lynch & Company	1/05	Merrill Lynch v. Allegheny Energy, Inc.	Civil Action 02 CV 7689 (HB)	Due Diligence, Breach of Contract, Damages
<b>U. S. District Court, Eastern District of Virginia</b>				
Aquila, Inc.	1/05 2/05	VPEM v. Aquila, Inc.	Civil Action 304 CV 411	Breach of Contract, Damages
<b>U. S. District Court, Western District of Virginia</b>				
Washington Gas Light Company	8/15 9/15	Washington Gas Light Company v. Mountaineer Gas Company	Civil Action No. 5:14-cv-41	Nominations and Gas Balancing, Lost and Unaccounted for Gas, Damages
<b>U. S. District Court, Portland Maine</b>				
ACEC Maine, Inc. et al.	10/91	CIT Financial vs. ACEC Maine	90-0304-B	Project Valuation
Combustion Engineering	1/92	Combustion Eng. vs. Miller Hydro	89-0168P	Output Modeling, Project Valuation



EXPERT TESTIMONY OF JOHN J. REED  
COURTS AND ARBITRATION

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
<b>U.S. Securities and Exchange Commission</b>				
Eastern Utilities Association	10/92	EUA Power Corporation	File No. 70-8034	Value of EUA Power
<b>U.S. Tax Court in Illinois</b>				
Exelon Corporation	4/15 6/15	Exelon Corporation, as Successor by Merger to Unicom Corporation and Subsidiaries et al. v. Commission of Internal Revenue	29183-13 29184-13	Valuation of Analysis of Lease Terms and Quantify Plant Values
<b>Council of the District of Columbia Committee on Consumer and Regulatory Affairs</b>				
Potomac Electric Power Co.	7/99	Potomac Electric Power Co.	Bill 13-284	Utility Restructuring





RESUME OF DANIEL S. DANE

## **DANIEL S. DANE, CPA**

Senior Vice President

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Daniel S. Dane has 20 years of experience in the energy, utility, and financial services industries providing advisory services to power companies, natural gas pipelines, local gas distribution companies, and water utilities in the areas of regulation and ratemaking, litigation support, mergers and acquisitions, valuation, financial statement audits and analysis, and the examination of financial reporting systems and controls. Mr. Dane has provided expert testimony in utility merger approval proceedings related to the financial implications of utility transactions. Mr. Dane has also testified and provided expert reports on regulated ratemaking and utility performance matters for investor- and provincially-owned utilities, including on the cost of capital and capital structure, revenue requirements, lead-lag studies/cash working capital, and utility productivity and benchmarking. Mr. Dane has an MBA from Boston College in Chestnut Hill, Massachusetts, and a BA in Economics from Colgate University in Hamilton, New York. Mr. Dane is a certified public accountant, and is a licensed securities professional (Series 7, 28, 63, 79, and 99). Mr. Dane also serves as the Financial and Operations Principal of CE Capital Advisors, a FINRA-Member firm and a subsidiary of Concentric.

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## **PROFESSIONAL HISTORY**

### **Concentric Energy Advisors, Inc. (2004 – Present)**

#### **CE Capital Advisors, Inc.**

Senior Vice President (Concentric/CE Capital)

Financial and Operations Principal (CE Capital)

### **Ernst & Young (2000 – 2001, 2003 – 2004)**

Audit and Assurance Services; Sales and Marketing

### **ZIA Information Analysis Group (1997 – 2000)**

Litigation Support

## **EDUCATION**

### **Boston College**

M.B.A., 2003

### **Colgate University**

B.A., Economics, 1996



RESUME OF DANIEL S. DANE

## REPRESENTATIVE PROJECT EXPERIENCE

### Ratemaking and Utility Regulation Assignments

#### Expert Testimony

- Submitted expert testimony on behalf of utilities and other stakeholders in state and provincial administrative rate setting and merger approval proceedings regarding cost of capital, merger impacts, revenue requirements, lead-lag studies/cash working capital, regulatory lag and rate base development.

#### Regulatory Advisory and Support

- Provided financial modeling, development of expert reports, and preparation of multiple rounds of testimony on behalf of U.S. and Canadian investor-owned electric, natural gas, and water utilities related to multiple aspects of the ratemaking process, including: cost of capital; ring fencing; revenue requirements and lead-lag studies/cash working capital; decoupling; prudence and cost recovery; capital tracker tariff mechanisms; cost allocation and shared services; merger approval; regulatory lag; and ratemaking policy.
- Consulting assignments have included utility clients across the U.S. and Canada.

### Financial Advisory Assignments

#### Buy- and Sell-Side Transaction Advisory and Support

- Sell-side support for approximately \$2 billion in generating asset transactions, including nuclear, natural gas, and coal generating facilities.
- Buy-side due diligence support for U.S., Canadian, and international investors in electric and natural gas LDC utility operations, wind generation, natural gas pipeline facilities, and water/wastewater utilities.
- Regulatory policy, ring-fencing, and merger impacts advisory services provided to U.S. and Canadian investor-owned utilities.

#### Valuation Services

- Developed Fairness Opinions issued by CE Capital Advisors, Inc. to Boards of Directors of companies entering into asset purchases and sales. Led valuation modeling on multiple energy-related valuation assignments using the Income Approach, Cost Approach, and Sales Comparison Approach.

### Litigation Advisory Assignments

Prepared economic and valuation analyses and expert reports in proceedings related to contract disputes, takings claims, and bankruptcy proceedings. Clients include international diversified energy companies, regulated utilities, and bondholders.



RESUME OF DANIEL S. DANE

#### Management and Operations Consulting Assignments

Performed prudence reviews, including contracting strategy reviews and assessments of project controls and oversight for developers of nuclear-generating capacity uprates and new nuclear facilities.

Performed operations and financial performance benchmarking and studies of productivity programs.

#### DESIGNATIONS AND PROFESSIONAL AFFILIATIONS

Certified Public Accountant, 2004

Massachusetts Society of Certified Public Accountants, 2004

American Institute of Certified Public Accountants, 2011

#### CERTIFICATIONS

Licensed Securities Professional: NASD Series 7, 28, 63, 79 and 99 Licenses

#### PRESENTATIONS

“Regulatory Treatment of Timing Differences Related to Pension and OPEB Costs.” Presented to the Ontario Energy Board, July 2016 (Docket No. EB-2015-0040).

“Financial Management and Capital Markets.” University of Idaho Utility Executive Course, 2018.

“Increasing Shareholder Value through the Capital Markets.” University of Idaho Utility Executive Course, 2015, 2016 and 2017.

“A Comparative Analysis of Return on Equity of Natural Gas Utilities” (with Jim Coyne and Julie Lieberman), presented to the Ontario Energy Association, June 2007.



EXPERT TESTIMONY AND REPORTS OF DANIEL S. DANE

SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
<b>Connecticut Public Utilities Regulatory Authority</b>				
SJW Group and Connecticut Water Service, Inc.	4/19	Application of SJW Group and Connecticut Water Service, Inc. for Approval of Change of Control	Docket No. 19-04-02	Merger Impacts Cost of Debt and Credit Quality
SJW Group and Connecticut Water Service, Inc.	12/18	Application of SJW Group and Connecticut Water Service, Inc. for Approval of Change of Control	Docket No. 18-07-10	Merger Impacts Cost of Debt and Credit Quality
Connecticut Natural Gas Corporation	06/18	Connecticut Natural Gas Corporation	Docket No. 18-05-16	Lead-Lag Study Cash Working Capital
The Southern Connecticut Gas Company	06/17	The Southern Connecticut Gas Company	Docket No. 17-05-42	Lead-Lag Study Cash Working Capital
The United Illuminating Company	07/16	The United Illuminating Company	Docket No. 16-06-04	Lead-lag Study Cash Working Capital
<b>Illinois Commerce Commission</b>				
The Ameren Illinois Utilities	07/10	Central Illinois Light Company; Central Illinois Public Service Company; Illinois Power Company	Docket Nos. 09-0306 thru 09-0311 (cons.)	Rate Base Adjustments Earnings Attrition
<b>Maine Public Utilities Commission</b>				
The Maine Water Company	07/19	Application for Approval of Reorganization Pursuant to 35-A M.R.S. § 708	Docket No. 2019-00096	Merger Impacts, Customer Benefits, Public Interest
<b>Massachusetts Department of Public Utilities</b>				
National Grid	11/20	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 20-120	Revenue Requirement Lead-lag Study Cash Working Capital
The Berkshire Gas Company	05/18	The Berkshire Gas Company	D.P.U. 18-40	Revenue Requirement
National Grid	04/18	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 17-170	Impact of the Tax Cuts and Jobs Act of 2017; Administrative and General Expense Allocations
National Grid	11/17	Boston Gas Company and Colonial Gas Company (each d/b/a National Grid)	D.P.U. 17-170	Revenue Requirement Lead-lag Study Cash Working Capital
<b>New Hampshire Public Utilities Commission</b>				
Liberty Utilities (EnergyNorth Natural Gas) Corp.	04/17	Liberty Utilities (EnergyNorth Natural Gas) Corp.	Docket No. DG 17-048	Temporary Rates



EXPERT TESTIMONY AND REPORTS OF DANIEL S. DANE

SPONSOR	DATE	CASE/APPLICANT	DOCKET /CASE NO.	SUBJECT
Liberty Utilities (EnergyNorth Natural Gas) Corp.	04/17	Liberty Utilities (EnergyNorth Natural Gas) Corp.	Docket No. DG 17-048	Revenue Requirement
<b>New Mexico Public Regulation Commission</b>				
El Paso Electric Company	05/20	El Paso Electric Company	Case No. 20-00104-UT	Lead-lag Study Cash Working Capital
<b>Public Utility Commission of Texas</b>				
El Paso Electric Company	06/21	El Paso Electric Company	Docket No. 52195	Lead-lag Study Cash Working Capital
El Paso Electric Company	02/17	El Paso Electric Company	Docket No. 46831	Lead-lag Study Cash Working Capital
<b>Regulatory Commission of Alaska</b>				
Golden Heart Utilities, Inc. and College Utilities Corporation	08/21	Golden Heart Utilities, Inc. and College Utilities Corporation	U-21-070 U-21-071	Lead-lag Study Cash Working Capital
<b>South Dakota Public Service Commission</b>				
Northern States Power Company-MN	06/11	Northern States Power Company-MN	EL 11-019	Return on Equity
<b>Vermont Public Utility Commission</b>				
Vermont Department of Public Service	08/17	Joint Petition of NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corp., NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC, and Entergy Nuclear Operations, Inc., to transfer ownership of Entergy Nuclear Vermont Yankee, LLC, and for certain ancillary approvals, pursuant to 30 V.S.A. §§ 107, 231, and 232	Docket No. 8880	Nuclear Facility Transfer Financial Capability and Credit Quality
<b>Ontario Energy Board</b>				
Hydro One Networks Inc.	08/21	Hydro One Networks Inc.	EB 2021-0110	Productivity Framework Review
Ontario Power Generation	12/20	Ontario Power Generation	EB 2020-0290	Cost of Capital: Equity Thickness
Ontario Power Generation	05/16	Ontario Power Generation	EB 2016-0152	Cost of Capital: Equity Thickness