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STATE OF MISSOURI

PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

On-The-Record Presentation

November 28, 2012

Jefferson City, Missouri

Volume 2

(Starting time of presentation: 11:00 a.m.)

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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
  
TRANSCRIPT OF PROCEEDINGS  
On-The-Record Presentation  
November 28, 2012  
Jefferson City, Missouri  
Volume 2

In the Matter of the Joint )  
Application of Atmos Energy )  
Corporation and Liberty Energy )  
(Midstates) Corp. for Authority )  
to Sell Certain Missouri Assets to ) File No. GM-2012-0037  
Liberty Energy (Midstates) Corp. )  
and, in Connection Therewith, )  
Certain Other Related Transactions )

RONALD D. PRIDGIN, Presiding  
SENIOR REGULATORY LAW JUDGE

REPORTED BY:  
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A P P E A R A N C E S

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1 P R O C E E D I N G S

2 JUDGE PRIDGIN: Good morning. We are on the  
3 record. This is the On-The-Record Presentation in Case  
4 No. GM-2012-0037. I am Ron Pridgin. I am the Regulatory  
5 Law Judge assigned to preside over this presentation  
6 that's being held on November 28th, 2012. And we are in  
7 the Governor Office Building in Jefferson City, Missouri.  
8 It is 11 a.m.

9 I would like to get entries of appearance from  
10 counsel, please. And let me begin with Staff of the  
11 Commission, please.

12 MR. BERLIN: Thank you, Judge. Let the record  
13 reflect that Robert S. Berlin is appearing on behalf of  
14 the Staff of the Missouri Public Service Commission.

15 JUDGE PRIDGIN: Mr. Berlin, thank you.

16 On behalf of the Office of the Public Counsel,  
17 please.

18 MR. POSTON: Thank you. Mark Poston here on  
19 behalf of the Office of the Public Counsel and the Public.

20 JUDGE PRIDGIN: Mr. Poston, thank you.

21 On behalf of -- and these may be represented  
22 jointly -- Atmos Energy Corporation and Liberty Energy  
23 (Midstates) Corporation.

24 MR. DORITY: Thank you, Judge Pridgin. Appearing  
25 on behalf of Liberty Energy (Midstates) Corp., doing

1 business as Liberty and Atmos, Larry Dority and Jim  
2 Fischer, Fischer and Dority. Our contact information has  
3 been provided to the Reporter by our written entry.

4 JUDGE PRIDGIN: Mr. Dority, thank you.

5 IBEW counsel is not physically present but waiting  
6 to call on the phone in case they want to ask questions.  
7 Is that correct?

8 MR. DORITY: That's my understand, and a  
9 representative of the IBEW is in the hearing room this  
10 morning.

11 JUDGE PRIDGIN: Very good. Thank you.

12 Is there any other counsel who wishes to enter an  
13 appearance?

14 (No response.)

15 JUDGE PRIDGIN: All right. Hearing none, and  
16 going by the memorandum that Staff filed a few days ago on  
17 how to proceed, I understood that -- correct me if I'm  
18 wrong -- that Liberty would like to introduce some  
19 witnesses; Mr. Dority, you may have a very brief  
20 statement, and then you would like to have witnesses make  
21 presentations, and you have a Powerpoint up here as well.  
22 Is that all correct?

23 MR. DORITY: That's correct, Judge.

24 JUDGE PRIDGIN: All right. Is there anything  
25 further before we let Mr. Dority introduce witnesses, have

1 them be sworn?

2 (No response.)

3 JUDGE PRIDGIN: All right. Mr. Dority, when  
4 you're ready. I'll try to keep this informal. You're  
5 welcome to use the podium, witness stand, or stay where  
6 you are as long as you're by a mic.

7 MR. DORITY: Thank you.

8 JUDGE PRIDGIN: Whenever you're ready.

9 MR. DORITY: Thank you, Judge Pridgin.

10 MR. DORITY: Good morning. I'm Larry Dority, and  
11 Jim Fischer and I have represented both companies in this  
12 proceeding, Liberty Energy (Midstates) Corp., doing  
13 business as Liberty Utilities and Atmos Energy  
14 Corporation.

15 And, as noted in the memorandum regarding this  
16 On-The-Record Presentation filed by Mr. Berlin last week,  
17 Judge, that you just mentioned, this morning's proceeding  
18 is being held in accordance with one of the provisions in  
19 the unanimous stipulation and agreement approved by the  
20 Commission on the March 14th order, the order approving  
21 the selling of the Atmos natural gas contribution in  
22 Missouri to utilities.

23 To quickly recap the month in the procedural  
24 history of this case, the joint application was filed back  
25 in August of 2011. A unanimous stipulation and agreement

1 was filed by all of the parties on February 17th, 2012.  
2 Your order approving that stipulation and agreement was  
3 entered on March 14th of 2012. The adoption of Atmos's  
4 tariffs and the name change filing utilizing the d/b/a  
5 Liberty Utilities was made by Liberty on July 2nd, and  
6 your order recognizing name change and approving those  
7 tariff sheets was entered on July 23rd, 2012, to be  
8 effective in conjunction with the transaction closing date  
9 of August 1 of this year.

10 This morning's presentation is offered as an  
11 opportunity for the Commission to hear directly from key  
12 officers testifying on behalf of Liberty Utilities  
13 providing an update on what we consider to be a very  
14 successful seamless transition. The presenters this  
15 morning include Ian Robertson, the CEO of Algonquin Power  
16 & Utilities; David Pasieka, the President of Liberty  
17 Utilities; David Swain, State President for Liberty  
18 Utilities; and Chico DaFonte, Director of Energy  
19 Procurement for Liberty Utilities.

20 I would also note that Mr. Victor Edwards who is  
21 the Director of Regulatory and Government Affairs for  
22 Liberty is also in the hearing room this morning. I would  
23 note that Mark Martin, Vice-President of Rates and  
24 Regulatory Affairs for Atmos, and Doug Walther, Deputy  
25 General Counsel of Atmos, are present this morning.

1 They're not planning to testify. Mr. Martin is certainly  
2 available to respond to questions, if necessary.

3 Unless Mr. Berlin or Mr. Poston have any comments,  
4 your Honor, we are ready to proceed on the record.

5 JUDGE PRIDGIN: Mr. Dority, thank you.

6 Mr. Berlin, Mr. Poston, any comments, anything  
7 further?

8 MR. POSTON: No thank you.

9 JUDGE PRIDGIN: Mr. Berlin?

10 MR. BERLIN: No, thank you.

11 JUDGE PRIDGIN: Mr. Dority.

12 MR. DORITY: I would call to the witness stand Ian  
13 Robertson.

14 JUDGE PRIDGIN: It's up to you. You can be sworn  
15 and may testify from where you are or the witness stand,  
16 whichever.

17 MR. ROBERTSON: I think I'll come up here just so  
18 the clicker's close by.

19 JUDGE PRIDGIN: Yes, sir. Yes, sir. If I could  
20 ask you to raise your right hand to be sworn, please.

21 IAN ROBERTSON, a witness, being duly Sworn by Judge  
22 Pridgin, and testified as follows:

23 JUDGE PRIDGIN: Thank you very much, sir.

24 Mr. Dority, when you're ready, sir.

25 MR. DORITY: Thank you, Judge.



1 EXAMINATION OF THE WITNESS BY MR. DORITY:

2 Q Good morning.

3 A Good morning.

4 Q Could you please state your name and  
5 business address for the record, please?

6 A My name is Ian Robertson. My business  
7 address is 2845 Bristol Circle, Oakville, Ontario, Canada.

8 Q Thank you, Mr. Robertson. By whom are you  
9 employed and in what capacity, sir?

10 A I'm employed by a company called Algonquin  
11 Power & Utilities Corp., and I'm the Chief Executive  
12 Officer.

13 Q And your responsibilities in that role as  
14 Chief Executive Officer, if you could, just briefly  
15 describe those.

16 A I have overall -- oversight  
17 responsibilities for the operation of Algonquin Power &  
18 Utilities Corp. and all its subsidiaries, including  
19 Liberty Utilities.

20 Q Thank you, sir. And did you previous file  
21 direct testimony in support of the joint application that  
22 was submitted in this case?

23 A I did.

24 Q And could you just briefly describe the  
25 subject areas that you will be addressing this morning?

1           A           In my presentation today, I will be  
2 providing an oversight of Algonquin Power & Utilities  
3 Corp. and its subsidiary businesses, and some insight into  
4 the financial aspects of Algonquin Power & Utilities Corp.  
5 and how we -- financial interactions between its  
6 subsidiaries, including Liberty Utilities, and providing  
7 some insight into the financial capability of our utility  
8 corporation and its subsidiaries.

9           Q           **Thank you, Mr. Robertson. It's my**  
10 **understanding you have a Powerpoint to assist you this**  
11 **morning and ask you to please proceed. Thank you.**

12           A           Thank you, Mr. Dority. I would like to  
13 begin by providing a brief overview of Algonquin Power &  
14 Utilities Corp. and its two primary operating  
15 subsidiaries.

16                   As you can see from the screen there, Algonquin  
17 Power & Utilities Corp. consider itself a diversified  
18 utility company acting in the generation, distribution,  
19 and transmission of electricity, natural gas, and water  
20 across the United States. Algonquin Power & Utilities  
21 Corp. conducts its operations under two primary  
22 subsidiaries, a regulated utility business operating under  
23 the brand Liberty Utilities and a non-regulated electrical  
24 generation business operating under the brand Algonquin  
25 Force Company.

1           There are two or three points I would like to make  
2 about this business. Algonquin Power & Utilities Corp.  
3 got its start 25 years or so ago when my partners and I  
4 entered into the business of developing independent power  
5 generation in Canada and the United States with the  
6 primary focus on renewable sources of generation,  
7 including hydroelectric and wind.

8           The business has grown today to hold approximately  
9 a billion dollars' worth of generating and utility  
10 distribution assets, and the business is split  
11 approximately 50/50, as you can see from the slide,  
12 between our regulated Liberty Utilities business and our  
13 non-regulated Algonquin Power Company, an independent  
14 power business. These businesses are operated completely  
15 separately from a management, from a financial  
16 perspective. There are no interactions between them in  
17 terms of cross-collateralization or cross-defaults between  
18 any of the financing between Algonquin Power & Utilities  
19 Corp. and Liberty Utilities.

20           From an operations perspective, management is  
21 completely separate and, to the extent there is any  
22 sharing of resources between them, all the costs are  
23 allocated pursuant to a cost allocation manual which is  
24 fully circulated and socialized with the staff of every  
25 utility jurisdiction which we operate.

1           As you can see on the slide, our -- pardon me --  
2           our regulated utility business now serves currently a  
3           little over a third of a million customers. And with a  
4           number of acquisitions which are pending regulatory  
5           approval for completion, we'll grow to approximately  
6           430,000 connections, hopefully, by approximately July of  
7           this coming year. I hope that the conclusion that  
8           listeners would have with respect to that is that Liberty  
9           Utilities has grown to be a moderate-sized financially-  
10          capable organization with the critical mass to be able to  
11          reliably and responsibly serve the customers that it has.

12           Flipping the page to the next slide gives a little  
13          bit of background to some of the acquisitions that have  
14          been completed over the course of 2012. And the two tick  
15          marks on the slide there are showing the completion of the  
16          acquisition of an electric and natural gas utility in New  
17          Hampshire. We acquired Granite State and Energy North  
18          from National Grid in July of 2012; and, obviously, the  
19          acquisition of the Missouri, Illinois, and Iowa regulated  
20          natural gas distribution assets from Atmos which are the  
21          subject of this hearing. Additionally, and as I've  
22          mentioned before, we have two additional acquisitions  
23          which are pending at this stage subject to regulatory  
24          approval. That's acquisition of 17,000 customers on the  
25          water distribution business in Arkansas and the

1 acquisition of additional natural gas distribution  
2 customers from Atmos.

3 I think it probably just bears highlighting at  
4 this stage that we believe that we have built a very  
5 supportive and constructive relationship with Atmos, and I  
6 think it speaks positively of that relationship that, upon  
7 the conclusion of the acquisition of the Midstates' assets  
8 -- as we refer to Missouri, Iowa, and Illinois assets --  
9 we are able to turn to a subsequent acquisition to the  
10 Georgia distribution assets. One of the commitments or  
11 one of the assertions that we made both in my testimony  
12 and in discussions with Staff during the regulatory  
13 approval process was that Algonquin Power & Utilities  
14 Corp. had the financial wherewithal to be able to  
15 responsibly manage the needs of the natural gas  
16 distribution customers that are located in Missouri, Iowa,  
17 and Illinois which are being acquired from Atmos.

18 On the slide, you'll see a list of a number of  
19 financing activities which have been undertaken which we  
20 would like to believe demonstrate the strong access to  
21 capital that Algonquin Power & Utilities Corp. has had.  
22 And I think a couple of the most notable items on there  
23 are the completion two weeks ago of a preferred share  
24 offering of \$120 dollars and, perhaps, in March of this  
25 year a further commitment by our largest institutional

1 shareholder, a significant Canadian power -- and it's  
 2 called Emera -- for an additional hundred million dollars  
 3 for common saturation for Algonquin power.

4           As I mentioned, I think, I hope the conclusion  
 5 that the listeners would have is that Algonquin Power &  
 6 Utilities Corp. does that -- have that strong access to  
 7 capital needed for reinvestment and conservative fiscal  
 8 management of utilities such as the ones in Missouri,  
 9 Iowa, and Illinois. Just speaking specifically about that  
 10 financial capacity and capability, at the time of the  
 11 acquisition of the Missouri, Iowa, and Illinois assets  
 12 from Atmos, Liberty Utilities completed a debt financing  
 13 of \$225 million. The terms of that financing were -- had  
 14 a tender of approximately 10 years and a notable interest  
 15 rate of under 4-and-a-half percent. I think this  
 16 represents a somewhat hidden benefit, if you will, from  
 17 the transaction in that the ratepayers that Missouri,  
 18 Iowa, and Illinois will enjoy the benefit of the currently  
 19 low interest rate environment in which we operate today,  
 20 and that this debt, effectively, replaces some potentially  
 21 higher cost debt which currently -- because it was  
 22 historic in the Atmos capital structure -- so, I think  
 23 there is a benefit to the ratepayers in Missouri, Iowa,  
 24 Illinois being able to finance or, if you will, refinance  
 25 the assets that are pressed into public service in the

1 currently low interest rate environment.

2 I mentioned that, and I think it certainly bears  
3 repeating and reinforcing that the capital structures of  
4 our two operating subsidiaries, Algonquin Power &  
5 Utilities Corp. and Liberty Utilities are completely and  
6 utterly separate, and the debt financing that was  
7 undertaken on behalf of Liberty Utilities has absolutely  
8 no applicability or cross-collateralization to the power  
9 business and vice versa. And, so, as we think about these  
10 businesses, they really are -- are very much stand alone,  
11 and that we understand the importance, if you will, of  
12 separation of church and state as it relates to regulated  
13 and non-regulated business, and we take it very seriously.

14 One of the issues that was raised during the  
15 regulatory approval process, I discussed extensive with  
16 Stan, is to ensure that Liberty Utilities had access to  
17 the necessary short-term portion, if you will, to the  
18 working company needs of the natural gas utility. As  
19 everyone in the room is aware, part of the operating  
20 paradigm of a natural gas utility is to store natural gas  
21 from the warm summer months to store gas to ensure an  
22 adequate supply is available notwithstanding potential  
23 pipeline constraints. The consequences of that approach  
24 to operating business is the need for substantial working  
25 capital.

1           We were pleased at the time of acquisition of the  
2 Missouri, Iowa, and Illinois assets, in fact, actually  
3 previous at the time of the access of our electric and  
4 natural gas utilities in New Hampshire to confirm J.P.  
5 Morgan provided a working capital, working capital line  
6 with an opportunity to drop to a hundred million dollars,  
7 and, so, we believe that Liberty Utilities has -- does  
8 have the necessary access to working capital to fund its  
9 operations in a responsible way to ensure the lowest cost  
10 service for the ratepayers.

11           MR. DORITY: One of the questions that has been  
12 raised by Staff as we have continued our interactions with  
13 them -- and I will just highlight. I believe we have  
14 built a very constructive relationship with Staff.  
15 Regulatory transparency is one of the hallmarks we believe  
16 of building the trust that is needed to operate a utility  
17 responsibly, and one of the questions that got raised was,  
18 as Liberty Utilities does continue on the growth  
19 projectory that it's on, will working capital and excess  
20 capital exist. Not to shortchange those customers and  
21 repairs in Iowa and Illinois, and I believe we can confirm  
22 that all of our discussions with our banking syndicate  
23 that there will certainly be additional access to capital  
24 as additional utilities are added to the portfolio,  
25 including the assets from Atmos in Georgia, and so I have



1 every confidence that we will not find ourselves in any  
2 way short of capital for the operations in this state or,  
3 in fact, in any other state in which we operate.

4 That concludes the remarks that I would like to  
5 provide, and there are, obviously, other witnesses from  
6 Liberty Utilities that we would like to call at this time.

7 JUDGE PRIDGIN: Thank you, Mr. Dority.

8 Mr. Robertson --

9 MR. DORITY: Hold on just a second. I don't know  
10 if Mr. Berlin or Mr. Poston have any questions.

11 JUDGE PRIDGIN: I saw Mr. Poston shake his head no  
12 questions.

13 MR. POSTON: No questions.

14 JUDGE PRIDGIN: Mr. Berlin, any questions?

15 MR. BERLIN: No. Thank you.

16 JUDGE PRIDGIN: Just one real quick.

17 EXAMINATION OF THE WITNESS BY JUDGE PRIDGIN:

18 **Q Talking about the cost allocation manual,**  
19 **you used the word socialized circulated among the**  
20 **different staffs. I assume you meant those staffs either**  
21 **approved or did not object to the cost of the allocation**  
22 **manual?**

23 **A** It differs in different states whether  
24 staff actually want to approve a cost allocation manual in  
25 the context of either a rate case or a concept of an

1 acquisition. So, when I said socialized, I meant  
2 complying within that particular state with how the cost  
3 allocation manual is actually reviewed.

4 To the extent that in a state staff would like to  
5 review it and approve it in the context of a rate case, we  
6 certainly will accept that. I mean, obviously, we aim to  
7 comply with the objectives of the staff.

8 JUDGE PRIDGIN: Okay. Very good.

9 I have no further questions. Any followup from  
10 counsel from my question?

11 MR. POSTON: No. Thank you.

12 MR. BERLIN: I would make a note with regard to  
13 the status of the CAM, that is a separate process that  
14 would be underway, and I believe it is addressed in our  
15 stipulation and agreement.

16 JUDGE PRIDGIN: Very good.

17 MR. BERLIN: That was not part of the sale of  
18 assets case. We did provide for the submission of the CAM  
19 and a process to lead toward the approval of that.

20 JUDGE PRIDGIN: Okay. Very good. Thank you, Mr.  
21 Berlin.

22 Anything further for Mr. Robertson?

23 MR. DORITY: I don't believe so. Thank you.

24 JUDGE PRIDGIN: Thank you, sir. You may step  
25 down.

1 (Whereupon, the Witness left the witness stand.)

2 MR. DORITY: Your Honor, at this time, we would  
3 like to call Mr. David Pasieka to the witness stand,  
4 please.

5 JUDGE PRIDGIN: All right. Mr. Pasieka -- if I'm  
6 pronounce go that correctly?

7 MR. ASIKA: Yes.

8 JUDGE PRIDGIN: -- step forward and please be  
9 sworn.

10 DAVID PASIEKA, a witness, being duly sworn by Judge  
11 Pridgin, testified as follows:

12 THE COURT: Thank you very much, sir.

13 Mr. DORITY, when you're ready.

14 MR. DORITY: Thank you, Judge.

15 EXAMINATION OF THE WITNESS BY MR. DORITY:

16 Q Could you please state your name and  
17 business address for the record, please?

18 A Yes. David Pasieka, 2865 Bristol Circle,  
19 Oakville, Ontario, Canada.

20 Q Thank you, Mr. Pasieka. And by whom are  
21 you employed and in what capacity?

22 A Liberty Utilities Canada. I'm the  
23 President of that division.

24 Q And your principal responsibilities in that  
25 role, please?

1           A           I have overall accountability for all our  
2 regulated utilities here in the United States.

3           **Q           Mr. Pasioka, did you previously file direct**  
4 **testimony in support of the joint application in this**  
5 **case?**

6           A           I did.

7           **Q           And what specific subject areas will you be**  
8 **addressing this morning?**

9           A           I'll be talking a little bit about the  
10 organizational structure, customer service billing, and  
11 the progress to-date on our transition.

12          **Q           Thank you, Mr. Pasioka. Will you please**  
13 **proceed.**

14          A           Thank you very much.

15                 As a regulated utility owner, our historical roots  
16 date back some 14 years ago when we acquired our first  
17 regulated water utility in Arizona. Since then, we've  
18 grown some 20 -- to some 25 regulated systems throughout  
19 the United States, operating in California, Arizona,  
20 Texas, Missouri, now Illinois, now Iowa, and New  
21 Hampshire. We have some -- in excess of 430-some-odd  
22 customers, and we're currently operating with 565  
23 employees throughout our Canada and U.S. systems.

24                 Key to our operational philosophy is this whole  
25 theme about being local and responsive to our customers

1 and to our stakeholders. We believe in a couple of key  
2 points that are very important, things like customer  
3 service and regulatory relationships are best served by  
4 individuals working directly in the states that we're  
5 operating in. As a result, you will see over the course  
6 of this transition a repatriation of a number of key jobs  
7 and key functions back into the State of Missouri and the  
8 other adjoining states as part of this Atmos conversion.

9 We like to leverage the local leadership teams  
10 that we've acquired through the acquisition. In this  
11 particular case, you'll see there's some 108 employees  
12 that came over on day 1 of the transaction, and we'll talk  
13 a little bit more about how we've hired a net incremental  
14 jobs to the organizations since then. I think it's also  
15 worthy to note that our structure has kind of a two tier  
16 associated with it.

17 First of all, in our corporate office where I  
18 reside in Oakville, we set the strategy, the standards,  
19 and set up the policies and procedures so that we can  
20 manage our utility systems as one utility across the  
21 United States. We believe that it's important in each of  
22 the states that we operate in to bring and hire a local  
23 Regional President; and Mr. Swain, our Regional President  
24 here, will be on the stand shortly.

25 In each of the states, we create a structure that

1 allows that organization to operate autonomously without  
2 support from the headquarters organization. So, all of  
3 the key functional areas such as customer service,  
4 operations, safety, health, HR, and regulatory support are  
5 all located here within the State of Missouri. Specific  
6 to our organizational chart, I recognize that the names  
7 are probably a little tough to see, but this is our  
8 Missouri organization structure.

9 At the top is our State President David Swain. He  
10 comes to us from the Atmos Energy Organization with over  
11 34 years of gas utility experience within this state and  
12 other surrounding states. We've also populated out the  
13 rest of the organization with some key hires from the  
14 Atmos transaction, as well as some incremental jobs that  
15 we've repatriated back into the state. Specifically,  
16 Luann Goldy (ph), who has over 40 years of Atmos  
17 experience -- she actually started as a customer service  
18 rep and has worked her way up -- will be looking after all  
19 of the operations here within the state.

20 We've added an engineering and compliance  
21 individual in the name of Mike Batey who used to work for  
22 Atmos in the state and we've pulled him back from North  
23 Carolina to join our team, and he brings a wealth of  
24 experience in the engineering and compliance arena. We've  
25 also brought back the financing admin organization into

1 the state, as well as a dedicated regulatory management  
2 team run by Victor Edwards who is in the audience here  
3 today.

4           You can also see that customer service will be  
5 managed here locally, and one of the elements -- one of  
6 the key elements that we were discussing with Staff  
7 through the process was the fact that we're actually going  
8 to open up our local offices so that customers could  
9 actually walk into the local office and pay their bill  
10 live and in person as opposed to over the phone through a  
11 centralized call center. We also make sure we take health  
12 and safety very seriously, and we have dedicated health  
13 and safety teams that will be built out within the  
14 organization.

15           All in all, we inherited about 108 individuals  
16 from the Atmos Energy organization. All of those  
17 individuals came across to our organization with their --  
18 with their pay and incentive and pension and benefits  
19 intact. So, we've actually replicated all of those  
20 functions on the Liberty program, if you will.

21           Specifically, there was a series of questions that  
22 the employees had about their benefits, would they be  
23 exactly the same. Well, they're not exactly the same, but  
24 they're pretty close, and all of the employees  
25 successfully signed up, to their benefit, to the Liberty

1 benefit program in advance of day 1. The pension right  
2 now is in the process of being transferred. So, the  
3 pension will actually come over from Atmos Energy. It  
4 will come over fully funded. And, right now, what happens  
5 is, at the close of the transaction on August 3rd, the  
6 actuarials -- actuarials start looking at the individual  
7 pension allocations, and our pension administrator is  
8 currently working with them, and we should transfer all  
9 those pension assets by the end of the week. So, the  
10 employees will be in good shape from a benefit, from a  
11 salary, and from a pension perspective moving forward.

12           Specific to new hires, to-date we've probably  
13 hired something in the order of about 14 people, new who  
14 weren't in the state operating before, and we probably  
15 have another 14 or 15 incremental jobs to go before we're  
16 finished with a fully-populated organizational chart. A  
17 couple of the key individuals, just to put some faces to  
18 names, obviously, Mr. Swain is in the audience. You'll  
19 see him later, as is Chico DaFonte and Victor Edwards.  
20 They're both here today. Rich Rodriguez is our finance  
21 guy, got about 13 years of experience with Atmos Energy,  
22 and we talked about Mike Batey and Luann Goldy earlier.

23           One of the key things that we did do, also, we  
24 have to pick our regional -- where our offices will be  
25 headquartered. And after a long discussion with the local



1 team, we've actually picked Jackson, Missouri, and we've  
2 been working with the city father's there, and we're in  
3 the process of actually acquiring a piece of land and  
4 building our own regional headquarters in that part of the  
5 state. And the majority of David Swain's leadership team  
6 will be located there, with obvious access to Jefferson  
7 City as required.

8 Part of our transaction with Atmos is that we have  
9 an agreement with them that they would provide us  
10 something called a continuing service agreement or a CSA,  
11 and they've agreed to provide those services to help us  
12 assist with the seamless transition from their systems to  
13 our systems. Those CSAs are scheduled to run  
14 approximately nine months, 'til the end of April, so that  
15 everything that we do from a transition perspective has to  
16 back up and make sure we are on track to be able to take  
17 the handoff or take the baton from Atmos Energy prior to  
18 the end of April.

19 I'm here to say that the cooperation with Atmos  
20 Energy has been very good. Everything that we've asked  
21 for, they've delivered and then some. So, we're quite  
22 happy with that cooperation, and we anticipate that the  
23 transition of some of the technical platforms -- which  
24 I'll talk about in a second -- will also go quite smoothly  
25 in addition.

1           There was a request, a recent data request from  
2 Staff asking if there had been any changes to the CSAs  
3 that we originally attached to the application, and I'm  
4 here to say that no, there has not been any changes to  
5 those CSAs. But what we have been doing, we've been  
6 dialing them back. We're taking less and less services  
7 from Atmos Energy as we staff up and we get our systems  
8 process in and people trained up on how to operate the  
9 utility moving forward. So, I think over time you'll see  
10 us start to issue those formal cancellation notices that  
11 are part of the process to cancel off and get us off some  
12 of those CSAs. Excuse me. Okay. All right.

13           So, moving forward, the next section is really  
14 about customer service and billing and a little bit more  
15 activity associated with our transaction -- with our  
16 transition. We defined something called day 1. Day 1 was  
17 the first day that we got the keys from Atmos Energy, and  
18 that date for us was August 3rd. On August 3rd, we did  
19 something very special with the employees. We --  
20 actually, Ian, myself, and a couple other members from our  
21 own office -- actually showed up. We started in Keokuk,  
22 Iowa, which is also part of this transaction and ended up  
23 serving breakfast for employees on August 3rd. We then  
24 went down to Jackson and served up lunch for the Jackson  
25 employees, and then we moved over into Illinois to

1 Harrisburg and had cake and ice cream at the end of the  
2 day.

3 So, day 1 for us was a fairly special day, and  
4 it's been sort of etched into the memories of many of the  
5 employees as well. We sort of kicked off the first day of  
6 the rest of Liberty Utilities -- or start of Liberty  
7 Utilities' tenure.

8 Results to-date have been quite terrific. We've  
9 got a high level -- we continue to have a high level of  
10 customer service. I note that we're currently tracking  
11 over 90 percent customer service level which is consistent  
12 with the way the utility was being run by Atmos Energy,  
13 and we also are in the process, we've turned up our  
14 financial systems, so now our financial systems are now  
15 tracking all of the debts and the credits, if you will.

16 I'll note that, from a transition perspective, we  
17 actually turned up our financial system a couple of months  
18 in advance, so we actually are ahead of schedule, if you  
19 will, on that part of our conversion. We've also  
20 successfully gone through two safety audits as Liberty  
21 Utilities, and David Swain will talk a little bit more  
22 detail about that in his presentation a little bit later  
23 on. Also, the regulatory reporting relationship has been  
24 transferred over. This is a function that we are  
25 currently performing as Liberty Utilities. Victor Edwards

1 is leading the charge there, and he's able to work  
2 directly with Atmos Energy. If he needs anything from  
3 their system or any historical data, we've got great  
4 cooperation so that we are fully compliant with our  
5 reporting requirements with the conversion commission.

6 I'll also note this chart (indicating). Okay.  
7 So, we're a little out of order here. I think I'll move  
8 -- just a second here. Here we go. So, I'm ad-libbing a  
9 little bit because looks like the charts got messed up a  
10 little bit.

11 But, anyway, relative to the customers calling in,  
12 essentially, the customers have been through a billing  
13 notification provided with a series of 800 numbers or our  
14 800 number for Liberty Utilities. And over the last  
15 couple of months, they have started to wean off the old  
16 800 number that they might have phoned in with Atmos  
17 Energy. So, picture, if you will, our 800 number and the  
18 Atmos 800 number, and the goal is, by the time we get to  
19 the end of April, all of the customers will be calling in  
20 on the Liberty 800 number. Right now, we're about 46  
21 percent on the Liberty 800 number and 54 percent on the  
22 Atmos number, and that's well ahead of track, if you will.  
23 We'll be in good shape by the end of April for having  
24 everyone programmed, or reprogrammed, if you will, to call  
25 the right 800 number.

1           We've successfully completed three billing cycles,  
2     so the three months of service, the bills have gone out  
3     and have a high level of accuracy. So, the customer's not  
4     experiencing any change. The change that they have seen  
5     is on the top of the bill. It actually says Liberty  
6     Utilities now as opposed to Atmos Energy. Lots of  
7     branding work has been done. All the buildings have new  
8     signs. They had those on day 1, August 3rd. All the  
9     trucks have been rebranded, so people are seeing that name  
10    out in the field, and, also, we're very active in the  
11    community in each of the regional offices. Another part  
12    of our corporate philosophy, if you will.

13           And we like to coin this tag phrase, We're local,  
14    responsive, and we care, as something that is part of our  
15    DNA. Last we've checked, we have no regulatory complaints  
16    on file as a result of this transaction, so you've got to  
17    think that that's a pretty big win relative to conversion  
18    of this size with this complexity. And, as I've talked  
19    about earlier, the service levels are above 90 percent,  
20    which is great.

21           I'm going to push the next button, and I'm not  
22    sure what slide will come up, but we'll ad-lib from there.

23           Okay. So, also, we talked a little bit earlier  
24    about the Atmos -- Atmos and Liberty support. It's very  
25    good; and, as a result, that's allowed us to maintain that

1 high level of quality. We are also -- one of the key  
2 pieces I'm going to talk about is our technology  
3 enablement in a couple minutes, and Cogsdale is our  
4 customer information package, and we are on track to  
5 actually convert that in the early March time frame and  
6 start to wean ourselves off the Atmos service -- customer  
7 service information package by the end of April.

8 We're well into the testing, as you'll see in a  
9 couple of charts, and the results of the testing, very  
10 very good, very solid. So, we feel very good about where  
11 we're at today. We've also got our website up and  
12 operational. It was operational on day 1. So, if a  
13 customer goes into -- and follows the bill and goes into  
14 libertyutilities.com, they are able to successfully  
15 navigate through our website. If they want to pay a bill  
16 online, they actually get hotlinked over to the Atmos  
17 Energy bills, so the two websites are working in parallel.  
18 So, regardless of how the customer comes to us on the  
19 website, they end up at the right place to do the right  
20 transaction.

21 One of the things that we've talked about with  
22 Staff over time is that we will be, in 2013, opening up  
23 our local offices to walk-in traffic. So, picture, if you  
24 will, an environment where those offices now have the door  
25 opened and customers will be able to walk in, pay their

1 bill, and deal with any issues that they might have,  
2 whether that be the existing service or potentially ask  
3 for what is it going to take to get service to my  
4 particular community. So, that's a very unique feature of  
5 the Liberty Utilities model, and we look forward to  
6 opening those centers, as I said, later in 2013.

7 One of the technology enablers that we use is  
8 Cogsdale, as we've talked about, and Cogsdale is a proven  
9 utility customer information service package. It's used  
10 in a lot of small to mid-sized utilities of which the  
11 Missouri system would be part of. It's been around -- the  
12 platform's been around for a number of years, since 1977,  
13 and there's over 300 utilities currently utilizing this  
14 platform. So, it's tried, tested, and proven. From a  
15 Liberty perspective, we've been using the platform since  
16 1998, so we know how to, A, convert customers on to it and  
17 we know the ins-and-outs of the system. We've also got  
18 very good vendor relations with our Cogsdale folks.

19 Another one of our key strategic technology  
20 enablement platforms is working with a customer -- sorry  
21 -- vendor called Fiserve. And Fiserve is a large service  
22 provider headquartered in Wisconsin. They've got revenues  
23 in excess of \$5 billion, so a fairly sizeable regulation.  
24 They provide us to give us access to a suite of products  
25 and services in a financial arena that are world class.

1 You can see from the chart there (indicating) that they  
2 are also well-known to the utility space. I note Ameren  
3 there. I also note Atmos Energy. So, Atmos was actually  
4 using them for some of their pay station opportunities,  
5 and we'll be utilizing Fiserve for those things, but a  
6 couple of other things, too.

7 This is just a list of the services that we will  
8 be taking from our Fiserve vendor, and I believe Staff has  
9 also raised an additional data request, Data Request 146,  
10 and we've provided or will be providing the detailed  
11 contract with Fiserve so they can see how all these things  
12 link and lock together. But, essentially, there's  
13 different services that we'll take from them.

14 Lock box services. This is where when you send  
15 your bill in, how does the -- how does the Post Office, if  
16 you will, route your check to a vendor who, ultimately,  
17 will make sure that the money shows up in our bank  
18 account. Bill print. Many utilities, as you know,  
19 probably outsource their billing as a non-strategic core  
20 to print vendors. The e-bill presentment, if you will, of  
21 looking at your bill online and being able to take and pay  
22 your bill with a credit card either on a one-time basis or  
23 an regular monthly basis.

24 Then, the other thing that we'll be taking from  
25 Fiserve is very consistent with what Atmos does today,



1 which is enabling pay centers across the state to be able  
2 to take bills -- or take your bills. For example, you'll  
3 be able to walk into Wal-Mart and pay your bill at  
4 Wal-Mart with Liberty, or towards Liberty Utilities.

5 I thought it might be useful, we put together a  
6 couple of I-charts here, but just to give you sort of a  
7 high-level flavor for the system conversion, and this is  
8 -- we have reviewed this in some detail with Staff over  
9 the course of the process, but, essentially, we built a  
10 technology conversion methodology that was based -- that  
11 was basically built on our successful conversions in  
12 California and in our other water properties throughout  
13 the states, as well as we consulted with Atmos Energy,  
14 their technology folks, as well as some other third-party  
15 vendors to make sure we built out a conversion plan that  
16 is solid, repeatable, and has a world-class standard from  
17 a 19th perspective associated with it. So, essentially,  
18 we've got a plan that has been well vetted, tested, and  
19 reviewed with a number of individuals.

20 And it has a number of parts to it, but,  
21 essentially, it starts with a fairly detailed planning  
22 methodology where we'll work closely with the Atmos Energy  
23 IT guys. We'll then work out a methodology to figure out  
24 how we can cleanse the data from their platforms so they  
25 can come seamlessly and link into our platforms. We then

1 set up a series of test cycles to cleanse and make sure  
2 that the platform is operating the way it's supposed to  
3 operate; and, then, ultimately, in parallel, we will train  
4 and hire and document process -- document training  
5 materials, jobs aids, et cetera, ultimately converging the  
6 technology with the people so that you will actually be  
7 able to convert seamlessly by April 20th -- by April from  
8 the old Atmos platform on to the new technology platform  
9 associated with Liberty Utilities. Lots of progress in  
10 this plan.

11           Essentially, we've completed a second round of  
12 data testing, and the data testing is coming back quite  
13 solid. We're finding some things and fixing some things,  
14 but we're exactly where we want to be at this point in  
15 from a testing perspective, data quality perspective.  
16 Started hiring CSRs, turning them up on the Cogsdale  
17 informational platform, and that's going well. We've also  
18 been building some of the interfaces back to the Fiserve  
19 products as well as back to the Atmos Energy; again, on  
20 track, and everything converging for, in this particular  
21 case we're looking at a March 1 for the Cogsdale platform.  
22 That will still give us a full two months of opportunity  
23 with Atmos to make sure that we get it right.

24           And I think one of the things that we told Staff  
25 through the process was that we would not convert a system

1 if it's not right and if it's going to cause a black eye  
2 when we go live on our final day. So, we've got a very  
3 rigorous process. Lots of -- lots of technology  
4 associated with it, but also a lot of checks and balances  
5 to ensure that we'll be seamless through this process.  
6 And I think the other conclusion is we're exactly where we  
7 want to be at this point in time and on track for March 1.

8 I think the last thing that I wanted to do is just  
9 maybe remind people of what we're currently doing today on  
10 the customer service side and some of the functions that  
11 Atmos are currently performing. As you can see on the  
12 left-hand side (indicating), we're talking about our  
13 bills. They're branded Liberty Utilities, so there's no  
14 confusion to the customer that something has changed.  
15 There is our new Liberty number on there, our new Liberty  
16 website; but, as I've talked about before, if a customer  
17 inadvertently dials the old number or inadvertently goes  
18 to the old website, they'll find their way back to us in a  
19 seamless manner.

20 We're doing bill stuffers and communicating quite  
21 significantly with our customer. We've also embraced all  
22 of the telephone numbers and all the Yellow Page  
23 directories so that they now belong to us, and we've  
24 converted those things over. And we're managing the PSC  
25 complaints and reports. And we talked about signage, et

1 cetera. On the right-hand side (indicating) are some of  
2 the functions that Atmos are currently doing for us, and  
3 at the end of April, all of these functionings will be  
4 migrated over to Liberty Utilities.

5 And, with that, I believe I've concluded my  
6 testimony.

7 JUDGE PRIDGIN: Mr. Pasioka, thank you. Let me  
8 see if we have anything further.

9 Mr. Dority, anything further?

10 MR. DORITY: No. Thank you.

11 JUDGE PRIDGIN: Mr. Berlin?

12 MR. BERLIN: This is Robert Berlin. Just a couple  
13 items. Thank you.

14 EXAMINATION OF THE WITNESS BY MR. BERLIN:

15 Q Mr. Pasioka, you had indicated earlier, I  
16 believe, that you have hired 14 new employees new to  
17 Missouri?

18 A That's correct.

19 Q And you intend to hire about 14 more?

20 A Yes.

21 Q So, we would be looking at a total of 28  
22 net new full-time employee positions to the State of  
23 Missouri?

24 A Yes. Absolutely. That's the -- that's the  
25 -- that was the number that was discussed in the

1 testimony. Mr. Swain right now is working through a  
2 budget cycle with me, so he is actually talking about, you  
3 know, maybe we'd need to add a couple more here or a  
4 couple of more there. So, you know, the number will  
5 fluctuate, you know, plus or minus. I'm sorry. It will  
6 probably fluctuate. If Mr. Swain has his way, it will  
7 probably go on the plus side, and he's looking at some  
8 additional functions that he wants to bring into the  
9 State.

10 We also -- for conversion, we're also thinking of  
11 making sure that we have extra individuals to be able to  
12 handle the calls on the first couple of days. Our  
13 experience is the call volume on day 1, or that first  
14 couple of billing cycles, might be a little higher than  
15 expected. So, we're also looking to expand that  
16 capability so that we have extra staff to be able to  
17 handle any kind of contingency, if you will.

18 **Q Okay. And if you could, for the**  
19 **Commission, just explain a little bit about how Liberty's**  
20 **water operations in the State of Missouri fit under your**  
21 **organization.**

22 **A** Absolutely. So, right now, we have -- we  
23 have a number of systems dating back to 2005, I think was  
24 the first purchase that we did. We bought the water and  
25 wastewater assets from Silver Leaf Resorts. Last year, we

1 added two additional systems to our total to bring us up  
2 to about 2600, 2635, I think, is the number I calculated  
3 this morning. These are currently being run out of our  
4 Texas and Arizona office, and what we thought we would do,  
5 Mr. Berlin, is that we would let Mr. Swain and the team  
6 get, you know, their feet under their desk, if you will,  
7 relative to the gas utility.

8           Sometime in 2013, though, we will be moving the  
9 accountability and the ownership and the management of  
10 those water assets under Mr. Swain. We haven't picked the  
11 date at this point, but, in the meantime, the same old  
12 guys from Texas and Arizona are managing those water  
13 facilities for us. But it is our intent to harmonize that  
14 so that there will be one regulatory relationship and one  
15 senior leadership person that you can talk to regardless  
16 of whether it's a water or a gas commodity.

17           **Q**           **Okay.**

18           MR. BERLIN: Thank you.

19           JUDGE PRIDGIN: Mr. Berlin, thank you.

20           Mr. Poston?

21           MR. POSTON: No questions. Thank you.

22           JUDGE PRIDGIN: Thank you. And I believe I don't  
23 have any questions.

24           Mr. Dority, anything further from this witness?

25           MR. DORITY: Not for this witness. Thank you.

1 JUDGE PRIDGIN: Thank you, Mr. Pasioka. You may  
2 step down. Thank you very much.

3 (Whereupon, the Witness left the Witness stand.)

4 JUDGE PRIDGIN: Mr. Dority, you may proceed.

5 MR. DORITY: Thank you, Judge. At this point, we  
6 would like to call Mr. David Swain to the stand, please.

7 JUDGE PRIDGIN: Mr. Swain, if you would come  
8 forward to be sworn, please, sir.

9 DAVID SWAIN, a witness, being duly sworn by Judge Pridgin,  
10 testified as follows:

11 JUDGE PRIDGIN: Thank you very much, sir.

12 Mr. Dority, when you're ready.

13 EXAMINATION OF THE WITNESS BY MR. DORITY:

14 Q Good morning, Mr. Swain. Again, will you  
15 please state your name and address for the record?

16 A David Swain, 2370 North High Street in  
17 Jackson, Missouri.

18 Q Mr. Swain, by whom are you employed and in  
19 what capacity, sir?

20 A I am President of the Liberty Utilities in  
21 Illinois, Iowa, and Missouri.

22 Q And what are your principal  
23 responsibilities in that role?

24 A Oversee the day-to-day operations, the  
25 financial and regulatory aspects of the business.

1           **Q**           **And could you explain to Judge Pridgin the**  
2 **particular areas that you will be covering this morning?**

3           A           Yes. I have all of our Missouri properties  
4 and Illinois and Iowa properties.

5           **Q**           **Okay. Thank you, Mr. Swain. You can**  
6 **please proceed.**

7           A           Thank you. What I would like to do today  
8 is to give you some insight into the people and the  
9 processes that we have in place and will have in place to  
10 ensure the safe and efficient day-to-day operations of the  
11 system. As I mentioned previously, that does include, of  
12 course, making sure that the customer service aspects of  
13 the business are solid and that they provide the services  
14 that the customers and that you expect, and that those  
15 operations continue to be safe, that they're efficient,  
16 and also that we perform in a proper regulatory manner.  
17 And we've been very intentional about putting a team in  
18 place that does just that.

19                   And I might say that, as we've gone through that  
20 process as David Pasieka mentioned earlier, we have been  
21 able to bring some of the people over from Atmos that have  
22 already had experience within not just the State of  
23 Missouri but all three of the states. So, that's been  
24 very helpful, and we've been very intentional about doing  
25 that, making sure that those people are familiar with



1 those processes that we've talked about. As has been  
2 stated earlier, our intention is to make sure that for the  
3 customers and for those others that are involved with the  
4 transition is seamless and that it's effective.

5 Some of the day-to-day detailed things that we  
6 have to look at are just that. They're quite detailed.  
7 Now, how do you schedule a service order, how does that  
8 call come in from a customer to the company, and how is it  
9 dispatched out. How do we monitor that that work has been  
10 done timely and effectively, and then to follow up what  
11 kind of reporting processes do we have in place to make  
12 sure that it has been effective and that it's met the goal  
13 and requirements that we've expected.

14 Part of that would be able to ensure that when a  
15 customer has a concern that we're able to address that and  
16 take care of it in a timely manner. Obviously, some of  
17 the things that we do from an operational standpoint are  
18 safety related. The things that you see here, the day-to-  
19 day basic gas company work of doing line locates,  
20 reviewing the One-Call agency participation with us  
21 helping to perform the One-Call functions, obviously,  
22 meter reading, making sure that a meter's read right, that  
23 it's processed into the system correctly, and that it  
24 results in the right kind of bill.

25 One of the things that I will do this morning is

1 to spend a good bit of the time that I have to testify  
2 talking about what we put in place from a compliance  
3 perspective and make sure that everyone is listening and  
4 has an interest to see that we have a process in place to  
5 make sure that we're not only compliant but that we're  
6 operating in a safe manner. David Pasioka mentioned  
7 earlier that we have already been through two audits on  
8 the safety side with Bob Leonberger and his folks.  
9 They've been into two of our offices since the transition  
10 date. As has been in the past, those inspections went  
11 very well. You know, I might say that we believe in a  
12 very transparent relationship with the people that look  
13 into our records and our processes from a safety  
14 standpoint. We have an open book that, when they come  
15 into our office, they're very free to look at any  
16 document, any piece of paper, review any process, and then  
17 in light of looking at those records to have an open  
18 discussion with us and, hopefully, we are able in doing  
19 that to reach the best, the safest, and the most efficient  
20 result for all of our customers.

21 As we went through those two audits as you see  
22 here on August 20th, October 22nd, there were no  
23 violations, and not even any probable violations, that  
24 were found during those audits. And, as always, we  
25 entered into some discussions about some areas of concern,

1 some things that they asked us to look at, we've done that  
2 and have provided a successful response to them to those  
3 areas of concern and implemented changes that were needed  
4 or that were suggested.

5 One of the things that we've been very proud of,  
6 and this is work that was continued on after Atmos and was  
7 started by them. Several million dollars invested in cast  
8 iron replacement up in the handball system, and I would --  
9 I'm proud to say, and certainly glad to say, that when we  
10 get to the end of 2013, we've taken care of all the cast  
11 iron in the State of Missouri. And any of you that have  
12 been around gas people know that will be a joyous day for  
13 us when we finish that. That's seven years ahead of  
14 schedule according to the mandate that was put in place  
15 with Atmos several years ago. It's well ahead of that,  
16 invested over a million dollars in 2012, will invest over  
17 a million dollars again in 2013 to complete that project.

18 I mentioned being very intentional about the  
19 people that we choose. If our employees were here today,  
20 they would tell you that it may seem that we've been slow  
21 in doing that, but I would tell you that it's because we  
22 are being intentional about the people we choose. And  
23 I'll talk specifically about a few of those because I  
24 think they're relevant players in helping us to -- to meet  
25 the goals that we've sat, and some of them are familiar

1 because some of the people with the Staff, especially  
2 those in Mr. Leonberger's and those people that work for  
3 him and do the inspections and work with us on a month-  
4 to-month basis on the operation. I want to mention  
5 specifically those.

6 I've already introduced to you Mike Batey, Senior  
7 Engineer and Compliance Manager. Mike Batey worked for  
8 Atmos Energy several years ago, and that's important for  
9 this reason. He's very familiar with the policies and the  
10 procedures that are in place today, because we took the  
11 policies and procedures that were in place under Atmos and  
12 we brought them over into today. It's the same set of  
13 policies and procedures that we operate under today prior  
14 to the transition. So, Mr. Batey was not only familiar  
15 with those, but was part of the process to develop and  
16 implement those into the system. So, we thought it was  
17 very important and a great opportunity for us to retain  
18 Mr. Batey and have him move back into the state where he  
19 grew up and resided and worked for many many years, and  
20 we're very proud to have hired him and have him in place  
21 to help us with this safety and reliability part of our  
22 company.

23 Also, working for Mr. Batey, David Hines and Ron  
24 Schneider, two long-term gas employees in the State of  
25 Missouri. Both Ron and David combined together, if I

1 remember correctly, have 40-some years of service, and  
2 have been very active. Both of them have been operation  
3 supervisors in the past. David worked up in the Hannibal  
4 operation, Ron Schneider worked down in the Caruthersville  
5 operations. Both have been a vital part of the management  
6 supervision team for several years. They've also been  
7 involved in the development of some of the procedures and  
8 the policies that we've talked about and, certainly,  
9 they've been involved in the day-to-day operation and  
10 working alongside the PSC Safety, Staff, Bob Leonberger  
11 and his group, and have built a reputation with them that  
12 I think, if you talk with them, you will find is stellar.

13 And, so, the three of those people together have  
14 done a great job from day 1 moving us past the transition  
15 date, and presently they're working to ensure that the new  
16 supervisors, new employees that we bring on, you've heard  
17 us say that we're growing the operation to some degree,  
18 and making sure that they also are familiar with those and  
19 fit into the operation and able to perform those functions  
20 well. And, so, we're very pleased with where we are, and  
21 that's part of the process primarily, because we have the  
22 right people in place to help us to do that. And I  
23 mentioned, I think it's noteworthy we have policies and  
24 procedures in place that are not new but they are proven  
25 and have been in place for a long time. Many things that

1 fall into the roles that these people are looking at --  
2 and won't go into great detail about those -- but,  
3 obviously, link surveys, cathodic protection, mapping part  
4 of the business, the way that we order odorize gas, and  
5 records we keep, all of those are things that are very  
6 much a part of the inspection process that we go through  
7 on an annual basis.

8           And, as we went through the inspection processes  
9 after the transition, all of those records were found to  
10 be in good order and no issues there. And, of course,  
11 that's a long list, several pages of inspection-type  
12 things, but those are some of those items that Mike and  
13 David and Ron have been charged with to ensure that they  
14 are reliable and that we don't hiccup, that we don't have  
15 any misses there. And they've done a great job to ensure  
16 that that's the case, and we're very proud of that.

17           One of the things that we had to do, obviously, in  
18 coming over from a company like Atmos, they're a large  
19 company, they had a lot of resources. So, we needed to  
20 make sure that we have all the resources in place to  
21 handle things that -- and, if I remember right, there were  
22 some questions earlier as we met with the Staff about  
23 making sure that we have all the resources that we need to  
24 cover all the basis. And one of the things that we needed  
25 to do was to make sure that all of the equipment that we

1 need to run the operation safely, to control the  
2 operation, to control the flow of gas, to control  
3 pressures, and all of those things, to make sure that we  
4 have those in place. And, actually, we had done that  
5 prior to day 1. We had made the transition over. We had  
6 acquired the things that we need, the equipment, and then  
7 make sure the processes that go along with that equipment  
8 were in place to ensure the safe operation of the system,  
9 and we've done that.

10           Where necessary, we have retained -- and one  
11 particular outside vendor that we have put on retainer  
12 provides a backup service for work. We already have a way  
13 to do it in doing the controlled work on our system, but  
14 to ensure that we have the depth that we need, we've  
15 actually retained a contractor to help us to make sure  
16 that if we needed to come in and do a tap stopping and  
17 control function on the system that we have our people in  
18 place and we've got somebody else there to back us up  
19 should we need it. So, we made sure that we built depth  
20 into the operation to give us that comfort level that no  
21 matter what happens out there that we can control that.

22           We are taking a look at how we do the measurement,  
23 the cathodic protection, and the regulation part of our  
24 business. All those are very sophisticated and detailed  
25 and require some degree of specialty in doing that. Right

1 now, there are seven of those technicians that work for  
2 David and Ron and Mike, and we're going to add an  
3 additional one, so there will actually be one more of  
4 those people that work in those specialty areas, and we're  
5 going to put them over in Butler.

6 As you know, Butler sets over in the corner of the  
7 state and, under the previous company even before Atmos,  
8 that support came from over on the other side of the  
9 state. If you had a problem that -- with the regulator or  
10 something like that, somebody had to drive five or six  
11 hours over there and fix it. When Atmos came along, we  
12 knew that that was an issue, and we brought help in down  
13 from Independence and Kansas City, an hour or so away.  
14 Obviously, they're not part of the Missouri transition, so  
15 we're actually going to hire that person and put them  
16 there and make an investment in the training and the  
17 people resource to make sure that we have somebody that's  
18 local and able to respond to that.

19 Obviously, one of the concerns that people have is  
20 in making a transition from a company like Atmos and,  
21 again, back to some specific questions I think that were  
22 asked is about the depth of our resources. And as has  
23 already been alluded to today, you know, when it comes to  
24 providing emergency response, we have, I think, built that  
25 depth even all the way back to Ian Robertson's comments



1 about the strengths of our company. It's not just there  
2 financially, it's also there in our resources. We have  
3 resources now in seven states, will be eight; 529  
4 employees, will be adding over a hundred more in 2013.

5           So, if we had -- if we have a -- like, for  
6 example, a few years ago when the tornado hit  
7 Caruthersville, Missouri, we had to bring people in from  
8 surrounding areas and bring them into our system to help  
9 us to stabilize and to restore that system, and we have  
10 that same ability now with Liberty. And some of those  
11 employees, obviously, are close to us. We have utilities  
12 in the surrounding states, but the other thing that we  
13 have with the size and scope of Liberty now is that, if  
14 you have an incident that affects a specific part of the  
15 nation, we also have resources that we can draw from as  
16 far away as New Hampshire.

17           The recent event that happened up in -- in New  
18 York and New Hampshire with the hurricane, there were  
19 utilities that came all the way from California to go out  
20 there and work. There were people from some of their  
21 surrounding states that work there. So, we'll have that  
22 same opportunity. If we have need to do that, we'll be  
23 able to draw on those resource, also. So, we really feel  
24 like we've got a good department in our Human Resources  
25 that will enable us to respond to any situation.

1           So, I think that concludes my remarks. I think  
2 I've addressed any concerns, but we'll be happy to answer  
3 any questions.

4           JUDGE PRIDGIN: Mr. Swain, thank you.

5           Mr. Berlin, any questions?

6           MR. BERLIN: Maybe only one clarifying question.

7 EXAMINATION OF THE WITNESS BY MR. BERLIN:

8           **Q           And you were talking about outside**  
9 **contractor support --**

10          A           Uh-huh.

11          **Q           -- Mr. Swain, and is that what you would**  
12 **rely on, say, in the western part of the state where you**  
13 **have a relatively small service area?**

14          A           No.

15          **Q           Were you addressing that particular**  
16 **situation? Because, as I understand, in the past Atmos**  
17 **had relied on some of their resources in Kansas --**

18          A           Right.

19          **Q           -- to help out in that area.**

20          A           Yeah. Not specifically. I think that we  
21 have all of the internal resources that we need to do any  
22 work that's required there on a day-to-day basis. For  
23 example, one of the contractors that we have in place  
24 specifically deals with tapping and stopping, and I think  
25 I made some reference to that.

1           But USDI, who is associated with Illinois Gas,  
2 they do a terrific amount of work for a lot of other  
3 companies in the area of pipeline safety, compliance-type  
4 work, and tapping and stopping. They have a direct  
5 relationship with the Mueller Tapping and Stopping Company  
6 up in Illinois. So, we thought it would be wise for us to  
7 put them on retainer. If we had a need for a specific  
8 fitting, they can drive an hour from where their office is  
9 and pick that up and be onsite anywhere that we have in  
10 Liberty within three or four hours.

11           So, it just seemed like a smart thing to do, to  
12 pay them a small retainer to have them in place to provide  
13 us with fittings or with equipment. What better place to  
14 go to get the equipment that you need if you had a  
15 breakdown or if you had a problem than to be able to drive  
16 to the factory and pick it up. So, that's the type of  
17 contractual support.

18           We've got some that we've done in training with a  
19 company out of Murray, Kentucky, pretty local people that  
20 we've used under Atmos and will be using again. But, the  
21 day-to-day operations as far as tapping and stopping,  
22 compliance, all of those types of things, we have all of  
23 the resources, and adding that additional purpose --  
24 additional person over there, we're quite confident that  
25 we can take care of any of the day-to-day operations

1 internally. But we've got that contractor support as a  
2 backup and to provide the depth that I've talked about.

3 **Q Okay.**

4 MR. BERLIN: Thank you.

5 JUDGE PRIDGIN: Mr. Berlin, thank you.

6 Mr. Poston.

7 MR. POSTON: No questions. Thank you.

8 JUDGE PRIDGIN: Anything further from this  
9 witness?

10 MR. DORITY: Just one.

11 FURTHER EXAMINATION OF THE WITNESS BY MR. DORITY:

12 **Q Mr. Swain, I believe a couple of the names**  
13 **you referenced I recognize as having a long history of**  
14 **involvement and interaction with the Missouri One-Call**  
15 **system in the state. Is that your understanding as well?**

16 **A** That's right. All three of those  
17 individuals have been quite involved. Not just with the  
18 state One-Call agency and the work that they do but, for  
19 example, Mike Batey has been very involved with AGA and  
20 SGA. And when all the work was being done -- I shouldn't  
21 say was being done, still ongoing -- with distribution  
22 integrity, he was actually one of the people with SGA that  
23 helped to write one of the two programs that's accepted  
24 across the nation today that we'll be putting in place  
25 here.

1           So, yeah, a lot of experience with different  
2 agencies and the work going on in the gas industry.

3           **Q           Thank you, Mr. Swain.**

4           MR. DORITY: That's all I have.

5           JUDGE PRIDGIN: Thank you. If there's nothing  
6 further for this witness --

7           (No response.)

8           JUDGE PRIDGIN: All right. Mr. Swain, thank you  
9 very much. You may step down.

10          (Whereupon, the Witness left the Witness stand.)

11          JUDGE PRIDGIN: Mr. Dority.

12          MR. DORITY: Thank you, Judge. Our last formal  
13 presenter this morning is Mr. Chico DaFonte, and I would  
14 call Mr. DaFonte to the stand.

15          JUDGE PRIDGIN: All right, Mr. DaFonte. If you  
16 would come forward and be sworn, please, sir.

17          CHICO DaFONTE, a witness, being duly sworn by Judge  
18 Pridgin, testified as follows:

19          JUDGE PRIDGIN: Thank you, sir.

20          Mr. Dority, when you're ready.

21          MR. DORITY: Thank you.

22          EXAMINATION OF THE WITNESS BY MR. DORITY:

23                 **Q           Mr. DaFonte, would you please state your**  
24 **name and business address for the record, please?**

25           A           My name is F. Chico DaFonte. My business

1 address is 11 Northeastern Boulevard in Salem, New  
2 Hampshire.

3 **Q And, Mr. DaFonte, by whom are you employed**  
4 **and in what capacity, sir?**

5 A I am employed by Liberty Energy Utilities,  
6 New Hampshire Corp., and I am responsible for the  
7 management of the gas supply and gas control functions for  
8 Liberty Utilities.

9 **Q Mr. DaFonte, I believe you also**  
10 **participated recently in this Commission's workshop on**  
11 **hedging practices involving both the electric and natural**  
12 **gas utilities; is that correct?**

13 A That is correct, yes.

14 **Q And what subject area will you be**  
15 **addressing for the Judge this morning?**

16 A I will be providing an overview of the  
17 transition services that have taken place to-date, the  
18 progress of those services, and also the opportunities  
19 that are still available, and some objectives.

20 **Q Thank you, sir. Would you please proceed.**

21 A I first want to provide just a little  
22 overview of the transition process for gas supply and gas  
23 control. As I mentioned, the first thing that I really  
24 want to talk about, though, is that, as Mr. Swain had just  
25 mentioned, we are one of the groups that he can draw on

1 for support for Missouri. We're a centralized services  
2 group and, therefore, we would be managing the gas supply,  
3 gas control functions that are required to operate in  
4 Missouri service territory as well as all of the other gas  
5 service territories for the Midstates.

6 Q Mr. DaFonte, if you don't mind, could you  
7 speak a little closer to the microphone so we could pick  
8 it up?

9 A Sure. Thank you.

10 As far as what our objectives are, we would like  
11 to basically try to maintain the existing Atmos processes.  
12 As we've worked with the Atmos folks, we've come to  
13 realize that many of the processes they currently use are  
14 similar processes that my group has experienced and used  
15 over the years. My group has over 20 years of average  
16 experience in the industry, and we've found that these  
17 processes such as procurement, scheduling, planning,  
18 invoice reconciliation, and gas control are similar to  
19 those that we have implemented in the past, and we find  
20 them to be very well done and we're getting tremendous  
21 support from the Atmos team. But, as with any processes,  
22 there's always an opportunity to improve on them,  
23 understand them a little bit better, and we certainly  
24 intend to do that.

25 I've just highlighted here (indicating) a few of

1 those. Mr. Dority mentioned the hedging workshop, and  
2 we'll certainly take some of the lessons learned from the  
3 outcome of that workshop and try to implement that into  
4 our hedging strategy as we go forward. Our demand  
5 forecasting, we are utilizing the same software that Atmos  
6 currently utilizes to develop the forecast. We'd like to  
7 understand a little bit more about the individual service  
8 territories and how those are forecast, look at some  
9 growth rates, and things of that nature. So, as we start  
10 to delve into more of the details, we'll look at that  
11 process and see if we can improve on it.

12 Portfolio optimization is another process that we  
13 look at. What we've used over the years, in my  
14 experience, is a model called Sendo, and it's an  
15 optimization model. It, basically, takes your portfolio  
16 of assets and dispatches those assets in the most economic  
17 fashion possible. We would like to take this model and  
18 try to implement that for the Midstates and some of the  
19 other gas service territories as well.

20 And, then, as far as the transportation programs  
21 are concerned, we would like to get a better feel for the  
22 customers and how those customers utilize that  
23 transportation service, any other additional services we  
24 can provide them, things of that nature, maybe even some  
25 forecasting services so they can better align their usage



1 with their gas supply deliveries.

2           What I'm showing you here (indication) now is just  
3 a very high level, again, chart that demonstrates the  
4 current transition process. As you see here (indicating),  
5 we have an ongoing shadowing process on the gas supply  
6 side where we're working very closely with our Atmos  
7 counterparts to manage the day-to-day gas supply  
8 procurement dispatch functions and the back office  
9 scheduling and invoice reconciliation functions. While  
10 doing that, we are in the process of implementing our gas  
11 star gas management system. That system will eventually  
12 track all of our purchases, all of our sales, it will  
13 track all the hedging activity that we do, and it is  
14 designed to tie out to all of the purchases and sales,  
15 pipeline invoice, anything that has to do with the gas  
16 supply process and, ultimately, feeds that into the  
17 accounting general ledger.

18           We look at a key point here is day 210 which is on  
19 or about March 1st. We see that as the point where  
20 Liberty begins taking on the primary responsibilities for  
21 each of the functions listed here. And, at that time, we  
22 would be happy running, essentially, in parallel with our  
23 Atmos counterparts and how they also manage each of the  
24 processes shown here. And, obviously, by day 270, we  
25 would be cut over completely and managing everything on

1 our own.

2 Similar to the gas supply on the gas control side,  
3 you know, I'm happy to report that we have implemented the  
4 same supervisory control and data acquisition system that  
5 Atmos currently uses. That is the Wonderware software  
6 package. We also have a fully-staffed gas control group  
7 that is working on a 24/7 rotation and working in parallel  
8 currently with the Atmos counterparts. So, that is  
9 progressing according to plan; and, again, on March 1st,  
10 we expect to take on those gas control responsibilities  
11 with backup from Atmos and completely cut over by day 270.

12 In terms of the progress prior to day one, we had  
13 some contracts that had to be converted over to Liberty.  
14 These were pipeline contracts, nearly 30 of those  
15 contracts. We had to novate some of the hedges that were  
16 in place under Atmos's name. We did that. We executed  
17 some NAESB contracts. That's Northern American Energy  
18 Standards Boards contracts. We also continued to  
19 agreement with Gelber and Associates that Atmos has used  
20 in the past to provide guidance on their hedging activity.

21 We installed, as I mentioned earlier, the  
22 Wonderware system, and we're working with that at the time  
23 of the day 1. We've received a FERC Section 7F approval  
24 for the Rich Hill and Hume service territory that allowed  
25 us to bring in natural gas from Atmos's Kansas service

1 territory. So, that's an interstate transition,  
2 transportation issue that we needed to get approval for.  
3 Likewise, we also had to file a FERC 284 blanket  
4 certificate which allowed us to transport gas over the  
5 interstate to source gas in Arkansas.

6 And, finally, we did put a NEFTI contract, a firm  
7 transportation contract, in place with Source Gas  
8 Arkansas. Since day 1, we've installed the demand for  
9 casting software that Atmos currently uses which is called  
10 EViews. That's a statistical software program that we've  
11 become familiar with now and are continuing to refine as  
12 we work with Atmos to develop future forecasts. We  
13 currently approve all supplier and pipeline invoices for  
14 payment.

15 We approve all hedging activity and  
16 implementation. We also approve all the daily and monthly  
17 purchase plans, so that each and every day, based on the  
18 requirements of the customers in Missouri and throughout  
19 the Midstates, we get a daily report from Atmos indicating  
20 the anticipated requirements and whether incremental  
21 purchases need to be made, and we approve and sign off on  
22 those as well as the monthly plan. We are also beginning  
23 to calculate the mark-to-market settlement as well as just  
24 the overall mark-to-market positions for the hedging  
25 program. And we, as I mentioned, have a fully-staffed gas

1 control center at this time.

2 So, in terms of the progress, what we're currently  
3 doing that, we will envision getting us off the CSAs is to  
4 continue our shadowing process. I mentioned the 24/7 gas  
5 control shadowing that we're doing currently. We're also  
6 shadowing the monthly planning process. The RFP process  
7 is also something that we've been involved in for this  
8 winter and will continue to utilize Atmos as a resource as  
9 we construct the RFPs for the next summer refill period  
10 and subsequent winter periods.

11 We also work closely with Atmos on the asset  
12 management arrangement. We've put those in place for this  
13 winter, and we will continue to work with them up -- right  
14 up through the CSA end period. I mentioned the  
15 forecasting. We've worked with Atmos again on developing  
16 the peak day forecast and servicing territories. We made  
17 a recent filing with the Missouri Commission on that  
18 showing each of the design days for the individual service  
19 territories. We're working with the folks that handle the  
20 transportation, customers' understanding the cash help  
21 mechanism, and understanding how the school transportation  
22 program works as well.

23 Invoice reconciliation, as I mentioned, we do sign  
24 off on those. We do not do the initial pass at it.  
25 That's done by Atmos, and we review it and provide our

1 approval. Hedging, as I mentioned, we are participating  
2 in the hedging workshop that's now currently undertaken by  
3 the Commission. And we'll continue to work with Atmos and  
4 use the Gelber and Associates' guidance to implement  
5 hedging activity going forward.

6 As far as the PGA and ACA, we've been involved in  
7 each of the dockets trying to understand the requirements  
8 of the Commission Staff and understanding the specific  
9 data that's being requested so that, when we take over  
10 that particular process, we'll know exactly how and what  
11 to provide to Commission Staff. And what's been very  
12 beneficial, I have to say, is that we continue to have  
13 weekly calls with our Atmos counterparts to ensure that  
14 the information for each of the processes that I've  
15 mentioned, gas control, gas supply, is being transferred  
16 and that any questions that we have are answered and any  
17 questions that Atmos may have of us are answered.

18 So, that particular communication process has been  
19 working very well and will continue to do that right up  
20 until day 1 -- or I should say until the end of the CSA  
21 period.

22 That's all I have.

23 JUDGE PRIDGIN: Mr. Dority -- thank you. Any  
24 further questions?

25 MR. DORITY: I have no questions.

1           Your Honor, I would note that Mr. Robertson, I  
2 think, has some closing comments that he would like to  
3 offer. I don't know if Mr. Berlin or Mr. Poston have  
4 questions at this time.

5           JUDGE PRIDGIN: Let me inquire. Mr. Berlin, Mr.  
6 Poston, any questions?

7           MR. POSTON: No questions.

8           MR. BERLIN: No questions, Judge. Thank you.

9           JUDGE PRIDGIN: All right. Thank you. All right.  
10 You may step down.

11           (Whereupon, the Witness left the Witness stand.)

12           JUDGE PRIDGIN: And, Mr. Dority, you had one more  
13 witness; is that correct?

14           MR. DORITY: Yes. I think Mr. Robertson has  
15 closing comments. He can either make it from the table  
16 or, if you don't mind, perhaps, from the podium.

17           JUDGE PRIDGIN: Wherever he's comfortable. Thank  
18 you.

19           MR. ROBERTSON: Can I do this slide? I guess I  
20 would just like to sum up by recalling the Commission to  
21 some of the commitments that were made in the initial  
22 application for approval, and there are probably five  
23 points that I would like to address. And, perhaps, if  
24 there's a theme for my closing remarks is, I would like to  
25 be, perhaps, is that commitment made, commitment honored,

1 if you will.

2 First on the list is financial capability. I  
3 think the completion of the financing needed not only for  
4 the acquisition of the assets from Atmos was completed, I  
5 think, on a tract of terms, but I hope that the concerns  
6 or cautions, perhaps, that were expressed by Staff with  
7 respect to access of working capital have been adequately  
8 addressed, and we believe that the organization is well  
9 positioned to continue to meet the needs of, certainly,  
10 Midstates, but, to be frank, across our organization  
11 across the country.

12 Second of all, I hope that the experience of  
13 Liberty Utilities as an owner and operator of the utility  
14 systems has been established to the satisfaction both of  
15 Staff and of the Commission, and I think our record of  
16 safety, both in terms of meeting and adequately passing  
17 the safety audits here in Missouri, is evidence of that.  
18 But, perhaps, more importantly, I think across the third  
19 of a million customers that we currently serve, an  
20 additional hundred or so customers that we hope to serve  
21 in 2013, that the efficiency of the organization has been  
22 established to the satisfaction of the Commission.

23 One of the commitments that we made in our  
24 application, and I think it's the hallmark of Liberty  
25 Utilities' approach to business, is transparency,

1 particularly in respect to regulatory relationships. I  
2 think having people like David Swain and Vic Edwards  
3 located in-state, if you will, within easy access of the  
4 Commission is our approach to doing business. And, while  
5 I certainly made the personal commitment to attend on a  
6 quarterly basis in front of -- in front of the Staff or  
7 the Commission as they saw appropriate to report on the  
8 progress, I think Staff wisely suggested that, well, they  
9 might like to see my smiling face, to be frank, it was the  
10 access to the people who actually knew something,  
11 including David Swain and Vic Edwards that they were  
12 seeking, and, hopefully, we have provided that access and  
13 continue to do so going forward.

14 We made the commitment that during the regulatory  
15 application and data request period that Liberty Utilities  
16 was focused on reinvestment as necessary in the system  
17 from a prudent perspective. I hope that the access to  
18 capital and the financial capability of the Liberty  
19 Utilities to make good on that commitment is, without  
20 question, in terms of the minds of the Staff, perhaps in a  
21 manner different from different utilities. And I don't  
22 speak, obviously, of Atmos, but we don't have our states  
23 compete, if you will, to access to capital to the access  
24 that David Swain feels there are projects to complete any  
25 of that state that capital will not have deny and have



1 access to it not to compete with California and Missouri  
2 for that capital.

3 I think that's, again, perhaps, the hallmark of  
4 Liberty's approach the business. The emphasis is local  
5 presence. Mr. Pasieka's three words sum up our business;  
6 local, caring approach with our customers, perhaps, the  
7 regulators, but also as importantly our employees. Those  
8 are how we think about and guide our business decisions in  
9 everything we do.

10 I think we were pleased that day 1 kind of came  
11 and went seamlessly, if you will, from our customers'  
12 perspective, perhaps, from the regulators' perspective,  
13 and while I would like to have Liberty Utilities take  
14 credit for it, I think that would be not giving credit  
15 where credit is due. I think we inherited an enthusiastic  
16 work force who were committed to doing a good job, and  
17 they certainly deserve the credit. I think the support of  
18 Atmos should certainly be commended, and I think they have  
19 shown incredible integrity and responsibility in terms  
20 ensuring that.

21 And, lastly, I think the constructive relationship  
22 we have built with Staff certainly needs to receive credit  
23 where credit's due. In some respect, it felt a little odd  
24 not being able to get and introduce myself and our  
25 organization to the Commission in advance of the

1 transaction receiving approval, but I would like to think  
2 that it was the relationship, the trusting relationship,  
3 to be frank, that we built with all the interveners in the  
4 process, including Staff, that gave them and the  
5 Commission comfort that we could hold this, if you will,  
6 almost introductory meeting four or five months into our  
7 watch, if you will.

8           And, so -- but having said that, I would like to  
9 take this opportunity to thank the Commission for the  
10 opportunity to present on the record both our business  
11 approach and the success I would like to think we've had  
12 to-date and, again, reiterate the commitment to the extent  
13 that the Commission feels that periodic updates are on the  
14 record are something you would like to do, I would, of  
15 course, avail myself and the rest of the organization to  
16 do that.

17           Thanks.

18           JUDGE PRIDGIN: Mr. Robertson, thank you very  
19 much. We appreciate it.

20           Mr. Dority, anything further from Liberty or  
21 Atmos?

22           MR. DORITY: I just would mention, Judge, that we  
23 do have hard copies of the Powerpoints presentation that I  
24 will be providing copies to the bench for the  
25 Commissioners and yourself, and I will also distribute to

1 counsel. We could either have it marked as an exhibit for  
2 the Court Reporter, or I would be happy to file an  
3 electronic copy, whichever you will prefer. Perhaps both.

4 JUDGE PRIDGIN: I don't know if the parties have a  
5 preference.

6 MR. POSTON: No.

7 JUDGE PRIDGIN: If you file efis, we can view it  
8 electronically and save some paper that way.

9 MR. DORITY: Be happy to do that. Thank you for  
10 your attention today.

11 JUDGE PRIDGIN: Mr. Berlin.

12 MR. BERLIN: Judge, noting that the Commissioners  
13 are unable to be here today, I would like to offer them  
14 copies of what was filed in Staff's memorandum in support  
15 called Appendix 1. This is a two-page road map, if you  
16 will, that will show all of the information flows and the  
17 key critical points of which what we are doing here today  
18 is part of.

19 So, what I would like to do is hand this out.  
20 Everybody's seen this before. Again, this two-page  
21 document shows the responsible party, the requirement that  
22 is to be done, the due date, and the receiving party.

23 And, so, this is a document that Liberty staff and  
24 Commission staff and Public Counsel are working with to  
25 track the progress of the transition, and I think it gives

1 a good overview of the progress and the mechanism that we  
2 have in place to ensure that Liberty is able to accomplish  
3 their stated goal of the seamless transition.

4 JUDGE PRIDGIN: Mr. Berlin, thank you very much.  
5 Anything further from Staff, Mr. Berlin?

6 MR. BERLIN: No, your Honor.

7 JUDGE PRIDGIN: Thank you.

8 Mr. Poston, anything further?

9 MR. POSTON: No. Thank you.

10 JUDGE PRIDGIN: All right. Is there anything  
11 further from the parties?

12 MR. DORITY: No, Judge.

13 JUDGE PRIDGIN: All right.

14 Hearing nothing, let me on behalf of the  
15 Commission thank everyone for your attendance and your  
16 participation, especially those who have traveled a long  
17 way to be here.

18 As you'll notice, you know, we've put some good  
19 technology to use. The Commissioners will be able to  
20 review this video at that time that's a little more  
21 convenient for them. I apologize for them not being on  
22 the bench with me today. They were previously engaged in  
23 an agenda meeting, and sometimes these discussions take a  
24 long time as they did today.

25 But please don't mistake their physical absence as

1 being a lack of interest. That's simply not the case.

2 If there's nothing further from the parties?

3 (No response.)

4 JUDGE PRIDGIN: All right. Thank you very much.

5 That will conclude this On-The-Record presentation. We

6 are off the record.

7 (Adjournment.)

8 (Whereupon, the record ended at 12:36 p.m.)

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25

|    |                                   |    |
|----|-----------------------------------|----|
| 1  | I N D E X                         |    |
| 2  | Opening Statement by Mr. Dority   | 13 |
| 3  | Witnesses:                        |    |
| 4  | IAN ROBERTSON                     |    |
| 5  | Examination by Mr. Dority         | 16 |
|    | Examination by Judge Pridgin      | 24 |
| 6  |                                   |    |
|    | DAVID PASIEKE                     |    |
| 7  |                                   |    |
|    | Examination by Mr. Dority         | 26 |
| 8  | Examination by Mr. Berlin         | 43 |
| 9  | DAVID SWAIN                       |    |
| 10 | Examination by Mr. Dority         | 46 |
|    | Examination by Mr. Berlin         | 57 |
| 11 | Further Examination by Mr. Dority | 59 |
| 12 | CHICO DaFONTE                     |    |
| 13 | Examination by Mr. Dority         | 60 |
| 14 | Closing Remarks by Mr. Robertson  | 62 |
| 15 | Reporter's Certificate            | 78 |
| 16 |                                   |    |
| 17 |                                   |    |
| 18 |                                   |    |
| 19 |                                   |    |
| 20 |                                   |    |
| 21 |                                   |    |
| 22 |                                   |    |
| 23 |                                   |    |
| 24 |                                   |    |
| 25 |                                   |    |



TRANSCRIPT OF PROCEEDINGS 11/28/2012

|                        |                         |                        |                        |                       |
|------------------------|-------------------------|------------------------|------------------------|-----------------------|
| <b>A</b>               | 19:4,13,22              | <b>ad-lib</b> 36:22    | <b>amount</b> 58:2     | 19:6 21:14            |
| <b>ability</b> 56:10   | <b>acting</b> 17:18     | <b>ad-libbing</b> 35:8 | <b>annual</b> 53:7     | 32:14                 |
| <b>able</b> 19:10 20:9 | <b>active</b> 36:10     | <b>Affairs</b> 14:21   | <b>answer</b> 57:2     | <b>April</b> 32:14,18 |
| 20:14 21:24            | 52:2                    | 14:24                  | <b>answered</b>        | 35:19,23 37:7         |
| 32:16 35:1             | <b>activities</b> 20:19 | <b>AGA</b> 59:19       | 68:16,17               | 41:7,7 43:3           |
| 37:14,25               | <b>activity</b> 33:15   | <b>agencies</b> 60:2   | <b>anticipate</b>      | <b>area</b> 57:13,19  |
| 39:21 40:1,3           | 64:13 65:20             | <b>agency</b> 48:20    | 32:22                  | 58:3 61:14            |
| 41:7 44:11,16          | 66:15 68:5              | 59:18                  | <b>anticipated</b>     | <b>areas</b> 16:25    |
| 47:21 48:14            | <b>actuarials</b> 31:6  | <b>agenda</b> 75:23    | 66:20                  | 27:7 29:3             |
| 48:15 49:18            | <b>add</b> 44:3 55:2    | <b>ago</b> 12:16 18:3  | <b>anyway</b> 35:11    | 47:2 49:25            |
| 52:19 55:18            | <b>added</b> 23:24      | 20:23 27:16            | <b>apologize</b> 75:21 | 50:3 55:4             |
| 56:23 58:15            | 29:20 45:1              | 50:15 51:8             | <b>appearance</b>      | 56:8                  |
| 72:24 75:2,19          | <b>adding</b> 56:4      | 56:6                   | 11:9 12:13             | <b>arena</b> 29:24    |
| <b>above-entitled</b>  | 58:23                   | <b>agreed</b> 32:11    | <b>appearing</b>       | 38:25                 |
| 78:7                   | <b>addition</b> 32:25   | <b>agreement</b>       | 11:13,24               | <b>Arizona</b> 27:17  |
| <b>absence</b> 75:25   | <b>additional</b>       | 13:19,25 14:2          | <b>Appendix</b>        | 27:19 45:4,12         |
| <b>absolutely</b> 22:7 | 19:22 20:1              | 25:15 32:9,10          | 74:15                  | <b>Arkansas</b>       |
| 43:24 44:22            | 21:2 23:23,24           | 65:19                  | <b>applicability</b>   | 19:25 66:5,8          |
| <b>ACA</b> 68:6        | 39:9 44:8               | <b>ahead</b> 34:18     | 22:8                   | <b>arrangement</b>    |
| <b>accept</b> 25:6     | 45:1 55:3               | 35:22 50:13            | <b>application</b>     | 67:12                 |
| <b>accepted</b> 59:23  | 58:23,24                | 50:15                  | 9:12 13:24             | <b>ASIKA</b> 26:7     |
| <b>access</b> 20:20    | 63:23 70:20             | <b>aids</b> 41:5       | 16:21 27:4             | <b>asked</b> 32:20    |
| 21:6 22:16             | <b>Additionally</b>     | <b>aim</b> 25:6        | 33:3 69:22             | 50:1 55:22            |
| 23:3,8,23              | 19:21                   | <b>Algonquin</b>       | 70:24 71:15            | <b>asking</b> 33:2    |
| 32:6 38:24             | <b>address</b> 16:5,7   | 14:15 16:10            | <b>appreciate</b>      | <b>aspects</b> 17:4   |
| 70:7 71:3,10           | 26:17 46:15             | 16:17 17:2,4           | 73:19                  | 46:25 47:12           |
| 71:12,17,23            | 48:15 60:24             | 17:13,16,20            | <b>approach</b>        | <b>assertions</b>     |
| 71:23 72:1             | 61:1 69:23              | 17:24 18:2,13          | 22:23 70:25            | 20:11                 |
| <b>accomplish</b>      | <b>addressed</b>        | 18:18 20:13            | 71:4 72:4,6            | <b>asset</b> 67:11    |
| 75:2                   | 25:14 57:2              | 20:21 21:3,5           | 73:11                  | <b>assets</b> 9:14    |
| <b>account</b> 39:18   | 70:8                    | 22:4                   | <b>appropriate</b>     | 18:10 19:20           |
| <b>accountability</b>  | <b>addressing</b>       | <b>align</b> 63:25     | 71:7                   | 20:7,8,10             |
| 27:1 45:9              | 16:25 27:8              | <b>allocated</b> 18:23 | <b>approval</b> 19:5   | 21:11,25 23:2         |
| <b>accounting</b>      | 57:15 61:15             | <b>allocation</b>      | 19:24 20:13            | 23:25 25:18           |
| 64:17                  | <b>adequate</b> 22:22   | 18:23 24:18            | 22:15 25:19            | 31:9 44:25            |
| <b>accuracy</b> 36:3   | <b>adequately</b>       | 24:21,24 25:3          | 65:23 66:2             | 45:10 63:16           |
| <b>acquired</b> 19:17  | 70:7,16                 | <b>allocations</b>     | 68:1 69:22             | 63:16 70:4            |
| 20:17 27:16            | <b>adjoining</b> 28:8   | 31:7                   | 73:1                   | <b>assigned</b> 11:5  |
| 28:10 54:6             | <b>Adjournment</b>      | <b>allowed</b> 36:25   | <b>approve</b> 24:24   | <b>assist</b> 17:10   |
| <b>acquiring</b> 32:3  | 76:7                    | 65:24 66:4             | 25:5 66:13,15          | 32:12                 |
| <b>acquisition</b>     | <b>admin</b> 29:25      | <b>allows</b> 29:1     | 66:16,21               | <b>associated</b>     |
| 19:16,19,24            | <b>administrator</b>    | <b>alluded</b> 55:23   | <b>approved</b>        | 28:16 33:15           |
| 20:1,7,9               | 31:7                    | <b>alongside</b>       | 13:19 24:21            | 40:17 41:9            |
| 21:11 23:1             | <b>adoption</b> 14:3    | 52:10                  | <b>approving</b>       | 42:4 58:1             |
| 25:1 28:10             | <b>advance</b> 31:1     | <b>Ameren</b> 39:2     | 13:20 14:2,6           | <b>Associates</b>     |
| 65:4 70:4              | 34:18 72:25             | <b>American</b>        | <b>approximately</b>   | 65:19 68:4            |
| <b>acquisitions</b>    |                         | 65:17                  | 18:8,11 19:5           | <b>assume</b> 24:20   |



TRANSCRIPT OF PROCEEDINGS 11/28/2012

|   |   |   |   |   |
|---|---|---|---|---|
| <b>Atmos</b> 9:12<br>10:12 11:22<br>12:1 13:13,21<br>14:24,25<br>19:20 20:2,5<br>20:17 21:12<br>21:22 23:25<br>28:8 29:10,14<br>29:16,22<br>30:16 31:3,21<br>32:8,17,19<br>33:7,17 34:12<br>35:2,16,18,22<br>36:6,24,24<br>37:6,16 39:3<br>39:3,25 40:13<br>40:22 41:8,19<br>41:23 42:11<br>43:2 47:21<br>50:6,15 51:8<br>51:11 53:18<br>55:7,11,20<br>57:16 58:20<br>62:11,12,21<br>63:5 64:6,23<br>65:5,8,11,19<br>66:9,12,19<br>67:8,11,15,25<br>68:3,13,17<br>70:4 71:22<br>72:18 73:21   | <b>August</b> 13:25<br>14:9 31:5<br>33:18,18,23<br>36:8 49:22<br><b>Authority</b> 9:13<br><b>autonomously</b><br>29:1<br><b>avail</b> 73:15<br><b>available</b> 15:2<br>22:22 61:19<br><b>average</b> 62:15<br><b>aware</b> 22:19<br><b>a.m</b> 8:18 11:8 | <b>behalf</b> 11:13,16<br>11:19,21,25<br>14:12 22:7<br>75:14<br><b>believe</b> 20:4,20<br>23:7,13,15,21<br>25:14,23 28:1<br>28:21 39:8<br>43:5,16 45:22<br>49:11 59:12<br>61:9 70:8<br><b>belong</b> 42:23<br><b>bench</b> 73:24<br>75:22<br><b>beneficial</b><br>68:12<br><b>benefit</b> 21:16<br>21:18,23<br>30:25 31:1,10<br><b>benefits</b> 30:18<br>30:22<br><b>Berlin</b> 10:3<br>11:12,13,15<br>13:16 15:3,6<br>15:9,10 24:10<br>24:14,15<br>25:12,17,21<br>43:11,12,12<br>43:14 45:5,18<br>45:19 57:5,6<br>57:7 59:4,5<br>69:3,5,8<br>74:11,12 75:4<br>75:5,6 77:8<br>77:10<br><b>best</b> 28:3 49:19<br><b>better</b> 58:13<br>62:23 63:21<br>63:25<br><b>big</b> 36:17<br><b>bill</b> 30:9 36:5<br>37:13,15 38:1<br>39:15,18,21<br>39:22 40:3<br>42:20 48:24<br><b>billing</b> 27:10<br>33:14 35:12 | 36:1 39:19<br>44:14<br><b>billion</b> 18:9<br>38:23<br><b>bills</b> 36:2 37:17<br>40:2,2 42:13<br><b>bit</b> 19:13 27:9<br>28:13 33:14<br>34:21,22 35:9<br>35:10 36:23<br>44:19 49:1<br>62:23 63:7<br><b>black</b> 42:1<br><b>blanket</b> 66:3<br><b>Boards</b> 65:18<br><b>Bob</b> 49:8 52:10<br><b>bob.berlin@...</b><br>10:5<br><b>book</b> 49:14<br><b>bought</b> 44:24<br><b>Boulevard</b> 9:23<br>61:1<br><b>box</b> 10:4,9<br>39:14<br><b>brand</b> 17:23,24<br><b>branded</b> 42:13<br><b>branding</b> 36:7<br><b>breakdown</b><br>58:15<br><b>breakfast</b><br>33:23<br><b>brief</b> 12:19<br>17:13<br><b>briefly</b> 16:14<br>16:24<br><b>bring</b> 28:22<br>44:8 45:1<br>47:21 52:16<br>56:7,8 65:25<br><b>brings</b> 29:23<br><b>Bristol</b> 16:7<br>26:18<br><b>brought</b> 29:25<br>51:12 55:12<br><b>budget</b> 44:2<br><b>building</b> 11:7<br>23:16 32:4 | 41:18<br><b>buildings</b> 36:7<br><b>built</b> 20:4<br>23:14 30:13<br>40:9,11,15<br>52:11 54:19<br>55:24 72:22<br>73:3<br><b>business</b> 12:1<br>13:13 16:5,6<br>17:22,24 18:2<br>18:4,8,10,12<br>18:14 19:2,25<br>22:9,13,24<br>26:17 46:25<br>47:13 53:4<br>54:24 60:24<br>60:25 70:25<br>71:4 72:4,5,8<br>73:10<br><b>businesses</b> 17:3<br>18:14 22:10<br><b>Butler</b> 55:5,6<br><b>button</b> 36:21 |
|   | <b>B</b>  |   |   |   |
| <b>back</b> 13:24<br>27:16 28:7<br>29:15,22,25<br>32:16 33:6<br>41:12,18,19<br>42:18 44:23<br>51:18 54:18<br>55:21,25 64:8<br><b>background</b><br>19:13<br><b>backup</b> 54:12<br>59:2 65:11<br><b>balances</b> 42:4<br><b>bank</b> 39:17<br><b>banking</b> 23:22<br><b>based</b> 40:10<br>66:17<br><b>basic</b> 48:19<br><b>basically</b> 40:11<br>62:11 63:15<br><b>basis</b> 39:22,23<br>51:4 53:7,24<br>57:22 71:6<br><b>Batey</b> 29:21<br>31:22 51:6,7<br>51:14,18,23<br>59:19<br><b>baton</b> 32:17<br><b>bears</b> 20:3 22:2<br><b>beginning</b><br>66:22<br><b>begins</b> 64:20 |   |   |   |   |
|   |   |   |   | <b>C</b>  |
| <b>Atmos's</b> 14:3<br>65:16,25<br><b>attached</b> 33:3<br><b>attend</b> 71:5<br><b>attendance</b><br>75:15<br><b>attention</b> 74:10<br><b>Attorney</b> 10:3<br>10:8<br><b>Attorneys</b><br>10:14<br><b>audience</b> 30:2<br>31:18<br><b>audits</b> 34:20<br>49:7,21,24<br>70:17   |   |   |   | <b>C</b> 10:1 11:1<br>78:1,1<br><b>cake</b> 34:1<br><b>calculate</b> 66:23<br><b>calculated</b> 45:2<br><b>California</b><br>27:19 40:12<br>56:19 72:1<br><b>call</b> 12:6 15:12<br>24:6 26:3<br>30:11 35:24<br>44:13 46:6<br>48:8 60:14<br><b>called</b> 16:10<br>21:2 32:10<br>33:16 38:21<br>63:14 66:9<br>74:15<br><b>calling</b> 35:11<br>35:19<br><b>calls</b> 44:12                                  |

|   |  |  |   |   |
|---|--|--|---|---|
| 68:13<br><b>CAM</b> 25:13,18<br><b>Canada</b> 16:7<br>18:5 26:19,22<br>27:23<br><b>Canadian</b> 21:1<br><b>cancel</b> 33:11<br><b>cancellation</b><br>33:10<br><b>capability</b> 17:7<br>21:10 44:16<br>70:2 71:18<br><b>capable</b> 19:10<br><b>capacity</b> 16:9<br>21:10 26:21<br>46:19 61:4<br><b>capital</b> 20:21<br>21:7,22 22:3<br>22:25 23:5,5<br>23:8,19,20,23<br>24:2 70:7<br>71:18,23,25<br>72:2<br><b>caption</b> 78:8<br><b>card</b> 39:22<br><b>care</b> 36:14<br>48:16 50:10<br>58:25<br><b>caring</b> 72:6<br><b>Carolina</b> 29:23<br><b>Caruthersville</b><br>52:4 56:7<br><b>case</b> 11:3 12:6<br>13:24 16:22<br>24:25 25:5,18<br>27:5 28:11<br>41:21 53:16<br>76:1<br><b>cash</b> 67:20<br><b>cast</b> 50:7,10<br><b>casting</b> 66:9<br><b>catholic</b> 53:3<br>54:23<br><b>cause</b> 42:1 78:7<br><b>cautions</b> 70:6<br><b>CCR</b> 9:22,22<br>78:17 | <b>center</b> 30:11<br>67:1<br><b>centers</b> 38:6<br>40:1<br><b>centralized</b><br>30:11 62:1<br><b>CEO</b> 14:15<br><b>Certain</b> 9:14<br>9:15<br><b>certainly</b> 15:1<br>22:2 23:23<br>25:6 50:9<br>52:8 62:23<br>63:2 70:9<br>71:5 72:17,18<br>72:22<br><b>certificate</b> 66:4<br>77:15<br><b>Certified</b> 78:4<br><b>certify</b> 78:6<br><b>cetera</b> 41:5<br>43:1<br><b>change</b> 14:4,6<br>36:4,4<br><b>changed</b> 42:14<br><b>changes</b> 33:2,4<br>50:3<br><b>charge</b> 35:1<br><b>charged</b> 53:13<br><b>chart</b> 29:6<br>31:16 35:6<br>39:1 64:3<br><b>charts</b> 35:9<br>37:9<br><b>check</b> 39:16<br><b>checked</b> 36:15<br><b>checks</b> 42:4<br><b>Chico</b> 14:18<br>31:19 60:13<br>60:17,25<br>77:12<br><b>Chief</b> 16:11,14<br><b>choose</b> 50:19<br>50:22<br><b>church</b> 22:12<br><b>Circle</b> 16:7<br>26:18 | <b>circulated</b><br>18:24 24:19<br><b>city</b> 8:9 9:8,24<br>10:4,9,16<br>11:7 32:2,7<br>55:13 78:13<br><b>clarifying</b> 57:6<br><b>class</b> 38:25<br><b>cleanse</b> 40:24<br>41:1<br><b>clicker's</b> 15:18<br><b>close</b> 15:18<br>30:24 31:5<br>56:11<br><b>closely</b> 40:22<br>64:6 67:11<br><b>closer</b> 62:7<br><b>closing</b> 14:8<br>69:2,15,24<br>77:14<br><b>Cogsdale</b> 37:3<br>38:8,8,18<br>41:16,21<br><b>coin</b> 36:13<br><b>Cole</b> 78:3,14<br><b>combined</b><br>51:25<br><b>come</b> 15:17<br>31:3,4 36:22<br>40:25 46:7<br>48:8 49:14<br>54:16 60:16<br>62:12<br><b>comes</b> 29:10<br>37:18 55:23<br><b>comfort</b> 54:20<br>73:5<br><b>comfortable</b><br>69:17<br><b>coming</b> 19:7<br>41:12 53:18<br><b>commended</b><br>72:18<br><b>comments</b> 15:3<br>15:6 55:25<br>69:2,15<br><b>commission</b> 8:3 | 9:2 10:2<br>11:11,14<br>13:20 14:11<br>35:5 44:19<br>67:17 68:3,8<br>68:11 69:20<br>70:15,22 71:4<br>71:7 72:25<br>73:5,9,13<br>74:24 75:15<br><b>Commissione...</b><br>73:25 74:12<br>75:19<br><b>Commission's</b><br>61:10<br><b>commitment</b><br>20:25 69:25<br>69:25 71:5,14<br>71:19 73:12<br><b>commitments</b><br>20:10 69:21<br>70:23<br><b>committed</b><br>72:16<br><b>commodity</b><br>45:16<br><b>common</b> 21:3<br><b>communicati...</b><br>42:20<br><b>communicati...</b><br>68:18<br><b>community</b><br>36:11 38:4<br><b>companies</b><br>13:11 58:3<br><b>company</b> 16:10<br>17:18,25<br>18:13 22:18<br>48:8,19 51:22<br>53:18,19 55:7<br>55:20 56:1<br>58:5,19<br><b>compete</b> 71:23<br>72:1<br><b>complaints</b><br>36:15 42:25<br><b>complete</b> 50:17 | 71:24<br><b>completed</b><br>19:14 21:12<br>36:1 41:11<br>70:4<br><b>completely</b><br>18:14,21 22:5<br>64:25 65:11<br><b>completion</b><br>19:5,15 20:23<br>70:3<br><b>complexity</b><br>36:18<br><b>compliance</b><br>29:20,24 49:2<br>51:7 58:22<br><b>compliance-t...</b><br>58:3<br><b>compliant</b> 35:4<br>49:5<br><b>comply</b> 25:7<br><b>complying</b> 25:2<br><b>concept</b> 24:25<br><b>concern</b> 48:15<br>49:25 50:3<br><b>concerned</b><br>63:21<br><b>concerns</b> 55:19<br>57:2 70:5<br><b>conclude</b> 76:5<br><b>concluded</b> 43:5<br><b>concludes</b> 24:4<br>57:1<br><b>conclusion</b><br>19:7 20:7<br>21:4 42:6<br><b>conducts</b> 17:21<br><b>confidence</b><br>24:1<br><b>confident</b><br>58:24<br><b>confirm</b> 23:4<br>23:21<br><b>confusion</b><br>42:14<br><b>conjunction</b><br>14:8 |
|---|--|--|---|---|

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|  |  |  |  |  |
|--|--|--|--|--|
| <b>Connection</b><br>9:15  | <b>contribution</b><br>13:21   | 12:22,23<br>43:18 61:12  | <b>cross-defaults</b><br>18:17   | 77:1   |
| <b>connections</b><br>19:6   | <b>control</b> 54:1,2<br>54:2,17,21  | 61:13 69:13<br>78:10   | <b>CSA</b> 32:10<br>67:14 68:20  | <b>DaFonte</b> 14:18<br>31:19 60:13<br>60:14,15,17<br>60:23,25 61:3<br>61:9 62:6<br>77:12  |
| <b>consequences</b><br>22:23   | 61:7,23 62:3<br>62:18 65:2,4<br>65:6,10 67:1<br>67:5 68:15   | <b>correctly</b> 26:6<br>48:23 52:1  | <b>CSAs</b> 32:13<br>33:2,5,12<br>67:3   | <b>daily</b> 66:16,19  |
| <b>conservative</b><br>21:7  | <b>controlled</b><br>54:13   | <b>cost</b> 18:23<br>21:21 23:9<br>24:18,21,24<br>25:2   | <b>CSRs</b> 41:16  | <b>data</b> 33:1 35:3<br>39:9,9 40:24<br>41:12,12,15<br>65:4 68:9<br>71:15   |
| <b>consider</b> 14:13<br>17:17   | <b>convenient</b><br>75:21   | <b>costs</b> 18:22   | <b>current</b> 64:4  | <b>date</b> 14:8 27:16<br>33:18 45:11<br>49:10 52:15<br>74:22  |
| <b>consistent</b><br>34:11 39:25   | <b>converging</b><br>41:5,20   | <b>counsel</b> 10:7<br>11:10,16,19<br>12:5,12 14:25<br>25:10 74:1,24   | <b>currently</b> 19:2<br>21:18,21 22:1<br>27:22 31:8<br>34:10,25<br>38:13 42:9,11<br>43:2 45:3<br>62:13 63:6<br>65:5,8 66:9<br>66:13 67:2,5<br>68:2 70:19                        | <b>dating</b> 44:23  |
| <b>constraints</b><br>22:23  | <b>conversion</b><br>28:8 34:19<br>35:5 36:17<br>40:7,10,15<br>44:10   | <b>counterparts</b><br>64:7,23 65:8<br>68:13   | <b>customer</b> 27:10<br>28:2 29:3,17<br>30:4 33:14<br>34:10,11 37:4<br>37:6,13,18<br>38:9,20 42:10<br>42:14,16,21<br>47:12 48:8,15  | <b>David</b> 14:16,17<br>26:3,10,18<br>29:9 32:5<br>34:21 46:6,9<br>46:16 47:20<br>49:6 51:23,25<br>52:3 53:13<br>55:2 71:2,11<br>71:24 77:6,9                         |
| <b>construct</b> 67:9  | <b>conversions</b><br>40:11  | <b>Country</b> 78:3,14   | <b>customers</b> 19:3<br>19:11,24 20:2<br>20:16 23:20<br>27:22,25 30:8<br>35:11,12,19<br>37:25 38:16<br>47:14 48:3<br>49:20 63:22<br>63:22 66:18<br>67:20 70:19<br>70:20 72:6,11 | <b>day</b> 28:12 31:1<br>33:16,16,17<br>34:2,3,3,5<br>36:8 37:12<br>42:2 44:13<br>48:19 50:12<br>52:14 54:5<br>64:18,24<br>65:11,12,23<br>66:8,17 67:16<br>68:20 72:10 |
| <b>constructive</b><br>20:5 23:14<br>72:21                                   | <b>convert</b> 37:5<br>38:16 41:7,25   | <b>couple</b> 20:22<br>28:1 31:17<br>33:20 34:17<br>35:15 37:3,9<br>39:6 40:6<br>43:12 44:3,4<br>44:12,14<br>59:12 | <b>course</b> 19:14<br>28:5 40:9<br>47:12 53:10<br>73:15   | <b>day-to-day</b><br>46:24 47:10<br>48:5 52:9<br>57:22 58:21<br>58:25 64:7   |
| <b>consulted</b><br>40:13  | <b>converted</b><br>42:24 65:13  | <b>country</b> 70:11   | <b>Court</b> 26:12<br>74:2 78:4  | <b>deal</b> 38:1   |
| <b>contact</b> 12:2  | <b>cooperation</b><br>32:19,22 35:4  | <b>County</b> 78:3,14  | <b>cover</b> 53:24   |  |
| <b>contact</b> 12:2  | <b>copies</b> 73:23,24<br>74:14  | <b>couple</b> 20:22<br>28:1 31:17<br>33:20 34:17<br>35:15 37:3,9<br>39:6 40:6<br>43:12 44:3,4<br>44:12,14<br>59:12 | <b>covering</b> 47:2   |  |
| <b>context</b> 24:25<br>25:5   | <b>copy</b> 74:3   | <b>course</b> 19:14<br>28:5 40:9<br>47:12 53:10<br>73:15   | <b>cream</b> 34:1  |  |
| <b>contingency</b><br>44:17  | <b>core</b> 39:19  | <b>Court</b> 26:12<br>74:2 78:4  | <b>create</b> 28:25  |  |
| <b>continue</b> 23:18<br>34:9 47:15<br>67:4,8,13<br>68:3,12,19<br>70:9 71:13 | <b>corner</b> 55:6   | <b>cover</b> 53:24   | <b>credit</b> 39:22<br>72:14,14,15<br>72:17,22   |  |
| <b>continued</b><br>23:12 50:6<br>65:18                                      | <b>Corp</b> 9:13,14<br>10:12 11:25<br>13:12 16:11<br>16:18 17:3,4<br>17:14,17,21<br>18:2,19 20:14<br>20:21 21:6<br>22:5 61:6 | <b>course</b> 19:14<br>28:5 40:9<br>47:12 53:10<br>73:15   | <b>credit's</b> 72:23  |  |
| <b>continuing</b><br>32:10 66:11   | <b>corporate</b><br>28:17 36:12  | <b>cover</b> 53:24   | <b>critical</b> 19:10<br>74:17   |  |
| <b>contract</b> 39:11<br>66:6,7  | <b>corporation</b><br>9:13 10:12<br>11:22,23<br>13:14 17:8   | <b>covering</b> 47:2   | <b>cross-collater...</b><br>18:17 22:8   |  |
| <b>contractor</b><br>54:15 57:9<br>59:1                                      | <b>correct</b> 12:7,17   | <b>cream</b> 34:1  |  |  |
| <b>contractors</b><br>57:23  |  | <b>create</b> 28:25  |  |  |
| <b>contracts</b> 65:13<br>65:14,15,17<br>65:18                               |  | <b>credit</b> 39:22<br>72:14,14,15<br>72:17,22   | <b>customer's</b><br>36:3  |  |
| <b>contractual</b><br>58:17  |  | <b>credits</b> 34:15   | <b>cut</b> 64:25 65:11   |  |
|  |  | <b>credit's</b> 72:23  | <b>cycle</b> 44:2  |  |
|  |  | <b>critical</b> 19:10<br>74:17   | <b>cycles</b> 36:1<br>41:1 44:14   |  |
|  |  | <b>cross-collater...</b><br>18:17 22:8   | <hr/> <b>D</b> <hr/>   |  |
|  |  |  | <b>D</b> 9:18 11:1   |  |

|                        |                        |                        |                         |                       |
|------------------------|------------------------|------------------------|-------------------------|-----------------------|
| <b>deals</b> 57:24     | 60:1 71:21,21          | <b>dollars</b> 18:9    | 53:22 65:21             | <b>enable</b> 56:25   |
| <b>debt</b> 21:12,20   | <b>differs</b> 24:23   | 20:24 21:2             | <b>early</b> 37:5       | <b>enablement</b>     |
| 21:21 22:6             | <b>direct</b> 16:21    | 23:6 50:7,16           | <b>easy</b> 71:3        | 37:3 38:20            |
| <b>debts</b> 34:15     | 27:3 58:4              | 50:17                  | <b>economic</b> 63:16   | <b>enablers</b> 38:7  |
| <b>decisions</b> 72:8  | <b>directly</b> 14:11  | <b>door</b> 37:24      | <b>Edwards</b> 14:20    | <b>enabling</b> 40:1  |
| <b>dedicated</b> 30:1  | 28:4 35:2              | <b>Dority</b> 10:13    | 30:2 31:19              | <b>ended</b> 33:22    |
| 30:12                  | <b>Director</b> 14:18  | 10:15 11:24            | 34:25 71:2,11           | 76:8                  |
| <b>defined</b> 33:16   | 14:21                  | 12:1,2,4,8,19          | <b>effective</b> 14:8   | <b>ENERGY</b>         |
| <b>degree</b> 52:17    | <b>directories</b>     | 12:23,25 13:3          | 48:4,12                 | 10:12                 |
| 54:25                  | 42:23                  | 13:7,9,10,10           | <b>effectively</b>      | <b>Energy</b> 9:12,13 |
| <b>delivered</b> 32:21 | <b>discussed</b>       | 15:5,11,12,24          | 21:20 48:10             | 9:14 10:12            |
| <b>deliveries</b> 64:1 | 22:15 43:25            | 15:25 16:1             | <b>efficiency</b>       | 11:22,22,25           |
| <b>delve</b> 63:10     | <b>discussing</b> 30:6 | 17:12 23:11            | 70:21                   | 13:12,13              |
| <b>demand</b> 63:4     | <b>discussion</b>      | 24:7,9 25:23           | <b>efficient</b> 47:10  | 14:18 19:17           |
| 66:8                   | 31:25 49:18            | 26:2,13,14,15          | 47:15 49:19             | 29:10 30:16           |
| <b>demonstrate</b>     | <b>discussions</b>     | 43:9,10 45:24          | <b>efis</b> 74:7        | 31:3,21 32:17         |
| 20:20                  | 20:12 23:22            | 45:25 46:4,5           | <b>eight</b> 56:3       | 32:20 33:7,17         |
| <b>demonstrates</b>    | 49:25 75:23            | 46:12,13               | <b>either</b> 24:20,25  | 34:12 35:2,17         |
| 64:3                   | <b>dispatch</b> 64:8   | 59:10,11 60:4          | 39:22 69:15             | 36:6 37:17            |
| <b>deny</b> 71:25      | <b>dispatched</b>      | 60:11,12,20            | 74:1                    | 39:3 40:13,22         |
| <b>department</b>      | 48:9                   | 60:21,22 63:1          | <b>electric</b> 19:16   | 41:19 51:8            |
| 56:24                  | <b>dispatches</b>      | 68:23,25               | 23:3 61:11              | 61:5 65:17            |
| <b>depth</b> 54:14,19  | 63:16                  | 69:12,14               | <b>electrical</b> 17:23 | <b>engaged</b> 75:22  |
| 55:22,25 59:2          | <b>distribute</b>      | 73:20,22 74:9          | <b>electricity</b>      | <b>Engineer</b> 51:7  |
| <b>Deputy</b> 14:24    | 73:25                  | 75:12 77:2,5           | 17:19                   | <b>engineering</b>    |
| <b>describe</b> 16:15  | <b>distribution</b>    | 77:7,10,11,13          | <b>electronic</b> 74:3  | 29:20,24              |
| 16:24                  | 17:18 18:10            | <b>Doug</b> 14:24      | <b>electronically</b>   | <b>enjoy</b> 21:18    |
| <b>deserve</b> 72:17   | 19:20,25 20:1          | <b>draw</b> 56:15,23   | 74:8                    | <b>ensure</b> 22:16   |
| <b>design</b> 67:18    | 20:10,16               | 61:25                  | <b>elements</b> 30:5,6  | 22:21 23:9            |
| <b>designed</b> 64:14  | 59:21                  | <b>drive</b> 55:10     | <b>embraced</b>         | 42:5 47:10            |
| <b>desk</b> 45:6       | <b>diversified</b>     | 58:8,15                | 42:21                   | 48:14 52:15           |
| <b>detail</b> 34:22    | 17:17                  | <b>drop</b> 23:6       | <b>Emera</b> 21:2       | 53:13,15 54:8         |
| 40:8 53:2              | <b>division</b> 26:23  | <b>due</b> 72:15,23    | <b>emergency</b>        | 54:14 68:13           |
| <b>detailed</b> 39:10  | <b>DNA</b> 36:15       | 74:22                  | 55:24                   | 75:2                  |
| 40:21 48:5,6           | <b>dockets</b> 68:7    | <b>duly</b> 15:21      | <b>emphasis</b> 72:4    | <b>ensuring</b> 72:20 |
| 54:24                  | <b>document</b> 41:4   | 26:10 46:9             | <b>employed</b> 16:9    | <b>enter</b> 12:12    |
| <b>details</b> 63:10   | 41:4 49:16             | 60:17                  | 16:10 26:21             | <b>entered</b> 14:3,7 |
| <b>develop</b> 51:15   | 74:21,23               | <b>d/b/a</b> 10:12     | 46:18 61:3,5            | 18:4 49:25            |
| 63:6 66:12             | <b>doing</b> 11:25     | 14:4                   | <b>employee</b> 43:22   | <b>enthusiastic</b>   |
| <b>developing</b>      | 13:12 33:5             |                        | <b>employees</b>        | 72:15                 |
| 18:4 67:15             | 42:9,20 43:2           | <b>E</b>               | 27:23 28:11             | <b>entries</b> 11:9   |
| <b>development</b>     | 47:24 48:19            | <b>E</b> 10:1,1 11:1,1 | 30:22,24                | <b>entry</b> 12:3     |
| 52:7                   | 49:18 50:21            | 77:1 78:1,1            | 31:10 33:19             | <b>environment</b>    |
| <b>dialing</b> 33:6    | 54:13,25               | <b>earlier</b> 31:22   | 33:23,25 34:5           | 21:19 22:1            |
| <b>dials</b> 42:17     | 64:10 67:3,5           | 36:19,23               | 43:16 50:19             | 37:24                 |
| <b>different</b> 24:20 | 71:4 72:16             | 43:15 47:20            | 51:24 52:16             | <b>envision</b> 67:3  |
| 24:23 39:13            | 74:17                  | 48:2 49:7              | 56:4,11 72:7            | <b>equipment</b>      |

|  |  |   |  |   |
|--|--|---|--|---|
| 53:25 54:6,7<br>58:13,14<br><b>especially</b> 51:1<br>75:16<br><b>essentially</b><br>35:12 39:12<br>40:9,17,21<br>41:11 64:22<br><b>established</b><br>70:14,22<br><b>et</b> 41:5 42:25<br><b>etched</b> 34:4<br><b>event</b> 56:17<br><b>eventually</b><br>64:11<br><b>Everybody's</b><br>74:20<br><b>evidence</b> 70:17<br><b>EViews</b> 66:10<br><b>exactly</b> 30:23<br>30:23 41:14<br>42:6 68:10<br><b>Examination</b><br>16:1 24:17<br>26:15 43:14<br>46:13 57:7<br>59:11 60:22<br>77:5,5,7,8,10<br>77:10,11,13<br><b>example</b> 40:2<br>56:6 57:23<br>59:19<br><b>excess</b> 23:19<br>27:21 38:23<br><b>Excuse</b> 33:12<br><b>executed</b> 65:16<br><b>Executive</b><br>16:11,14<br><b>exhibit</b> 74:1<br><b>exist</b> 23:20<br><b>existing</b> 38:2<br>62:11<br><b>expand</b> 44:15<br><b>expect</b> 47:14<br>65:10<br><b>expected</b> 44:15<br>48:13 | <b>experience</b><br>29:11,17,24<br>31:21 44:13<br>47:22 60:1<br>62:16 63:14<br>70:12<br><b>experienced</b><br>62:14<br><b>experiencing</b><br>36:4<br><b>explain</b> 44:19<br>47:1<br><b>expressed</b> 70:6<br><b>extensive</b> 22:15<br><b>extent</b> 18:21<br>25:4 73:12<br><b>extra</b> 44:11,16<br><b>eye</b> 42:1<br><b>e-bill</b> 39:20<br><hr/> <p style="text-align:center"><b>F</b></p> <hr/> <b>F</b> 60:25 78:1<br><b>face</b> 71:9<br><b>faces</b> 31:17<br><b>facilities</b> 45:13<br><b>fact</b> 23:2 24:3<br>30:7<br><b>factory</b> 58:16<br><b>fairly</b> 34:3<br>38:23 40:21<br><b>fall</b> 53:1<br><b>familiar</b> 47:25<br>50:25 51:9,14<br>52:18 66:11<br><b>far</b> 56:16 58:21<br>62:10 63:20<br>68:6<br><b>fashion</b> 63:17<br><b>father's</b> 32:2<br><b>feature</b> 38:4<br><b>February</b> 14:1<br><b>feeds</b> 64:16<br><b>feel</b> 37:10<br>56:23 63:21<br><b>feels</b> 71:24<br>73:13<br><b>feet</b> 45:6 | <b>felt</b> 72:23<br><b>FERC</b> 65:23<br>66:3<br><b>field</b> 36:10<br><b>figure</b> 40:23<br><b>file</b> 9:14 16:20<br>27:3 36:16<br>66:3 74:2,7<br><b>filed</b> 12:16<br>13:16,24 14:1<br>74:14<br><b>filing</b> 14:4<br>67:17<br><b>final</b> 42:2<br><b>finally</b> 66:6<br><b>finance</b> 21:24<br>31:20<br><b>financial</b> 17:4,5<br>17:7 18:15<br>20:14 21:10<br>34:14,14,17<br>38:25 46:25<br>70:2 71:18<br><b>financially</b><br>19:9 56:2<br><b>financing</b><br>18:18 20:19<br>21:12,13 22:6<br>29:25 70:3<br><b>find</b> 24:1 42:18<br>52:12 62:19<br><b>finding</b> 41:13<br><b>finish</b> 50:13<br><b>finished</b> 31:16<br><b>firm</b> 66:6 78:5<br><b>first</b> 27:16<br>28:17 33:17<br>34:5 44:12,13<br>44:24 61:21<br>61:23 70:2<br><b>fiscal</b> 21:7<br><b>Fischer</b> 10:14<br>10:15 12:2,2<br>13:11<br><b>Fiserve</b> 38:21<br>38:21 39:5,8<br>39:11,25 | 41:18<br><b>fit</b> 44:20 52:19<br><b>fitting</b> 58:8<br><b>fittings</b> 58:13<br><b>five</b> 55:10<br>69:22 73:6<br><b>fix</b> 55:11<br><b>fixing</b> 41:13<br><b>flavor</b> 40:7<br><b>Flipping</b> 19:12<br><b>flow</b> 54:2<br><b>flows</b> 74:16<br><b>fluctuate</b> 44:5<br>44:6<br><b>focus</b> 18:6<br><b>focused</b> 71:16<br><b>folks</b> 38:18<br>40:14 49:8<br>62:12 67:19<br><b>follow</b> 48:10<br><b>follows</b> 15:22<br>26:11 37:13<br>46:10 60:18<br><b>followup</b> 25:9<br><b>force</b> 17:25<br>72:16<br><b>forecast</b> 63:6,8<br>67:16<br><b>forecasting</b><br>63:5,25 67:15<br><b>forecasts</b> 66:12<br><b>foregoing</b><br>78:10<br><b>formal</b> 33:10<br>60:12<br><b>forth</b> 78:8<br><b>forward</b> 26:8<br>31:11 33:9,13<br>38:5 46:8<br>60:16 63:4<br>68:5 71:13<br><b>found</b> 49:24<br>53:9 62:16<br><b>four</b> 58:10 73:6<br><b>frame</b> 37:5<br><b>frank</b> 70:10<br>71:9 73:3 | <b>free</b> 49:15<br><b>front</b> 71:6,6<br><b>full</b> 41:22 78:10<br><b>fully</b> 18:24 31:4<br>35:4<br><b>fully-populat...</b><br>31:16<br><b>fully-staffed</b><br>65:6 66:25<br><b>full-time</b> 43:22<br><b>function</b> 34:24<br>54:17<br><b>functional</b> 29:3<br><b>functionings</b><br>43:3<br><b>functions</b> 28:7<br>30:20 42:10<br>43:2 44:8<br>48:21 52:19<br>61:7 62:3<br>64:8,9,21<br><b>fund</b> 23:8<br><b>funded</b> 31:4<br><b>further</b> 12:25<br>15:7 20:25<br>25:9,22 43:8<br>43:9 45:24<br>59:8,11 60:6<br>68:24 73:20<br>75:5,8,11<br>76:2 77:11<br><b>future</b> 66:12<br><hr/> <p style="text-align:center"><b>G</b></p> <hr/> <b>G</b> 11:1<br><b>gas</b> 13:21 17:19<br>19:16,20 20:1<br>20:15 22:18<br>22:20,20,21<br>23:4 29:11<br>45:7,16 48:19<br>50:12 51:24<br>53:4 54:2<br>58:1 60:2<br>61:7,7,12,22<br>61:22 62:2,3<br>62:4,18 63:19 |
|--|--|---|--|---|

|  |   |   |   |   |
|--|---|---|---|---|
| 64:11,15 65:2<br>65:2,6,10,25<br>66:4,5,7,25<br>67:4 68:15,15<br><b>Gelber</b> 65:19<br>68:4<br><b>general</b> 14:25<br>64:17<br><b>generating</b><br>18:9<br><b>generation</b><br>17:18,24 18:5<br>18:6<br><b>Gentry</b> 9:22<br>78:4,17<br><b>Georgia</b> 20:10<br>23:25<br><b>getting</b> 62:20<br>67:3<br><b>give</b> 38:24 40:6<br>41:22 47:8<br>54:20<br><b>Given</b> 78:13<br><b>gives</b> 19:12<br>74:25<br><b>giving</b> 72:14<br><b>glad</b> 50:9<br><b>GM-2012-0037</b><br>9:14 11:4<br><b>go</b> 26:6 31:15<br>32:24 35:8<br>42:2 44:7<br>53:2,6 54:7<br>56:19 58:14<br>63:4<br><b>goal</b> 35:18<br>48:12 75:3<br><b>goals</b> 50:25<br><b>goes</b> 37:13,13<br>42:17<br><b>going</b> 12:16<br>30:7 36:21<br>37:2 38:3<br>41:17 42:1<br>55:2,5,15<br>60:2 68:5<br>71:13 | <b>Goldy</b> 29:16<br>31:22<br><b>good</b> 11:2<br>12:11 13:10<br>16:2,3 25:8<br>25:16,20<br>31:10 32:20<br>35:23 36:25<br>37:10,10<br>38:18 46:14<br>49:1 53:10<br>56:24 71:19<br>72:16 75:1,18<br><b>Government</b><br>14:21<br><b>Governor</b> 11:7<br><b>Granite</b> 19:17<br><b>great</b> 35:3<br>36:20 51:17<br>52:14 53:2,15<br><b>grew</b> 51:19<br><b>Grid</b> 19:18<br><b>group</b> 52:11<br>62:2,14,15<br>65:6<br><b>groups</b> 61:25<br><b>grow</b> 19:5<br><b>growing</b> 52:17<br><b>grown</b> 18:8<br>19:9 27:18<br><b>growth</b> 23:18<br>63:9<br><b>guess</b> 69:19<br><b>guidance</b> 65:20<br>68:4<br><b>guide</b> 72:8<br><b>guy</b> 31:21<br><b>guys</b> 40:23<br>45:12<br><hr/> <b>H</b> <hr/> <b>hallmark</b> 70:24<br>72:3<br><b>hallmarks</b><br>23:15<br><b>Hampshire</b><br>19:17 23:4 | 27:21 56:16<br>56:18 61:2,6<br><b>hand</b> 15:20<br>74:19<br><b>handball</b> 50:8<br><b>handle</b> 44:12<br>44:17 53:21<br>67:19<br><b>handoff</b> 32:17<br><b>Hannibal</b> 52:3<br><b>happened</b><br>56:17<br><b>happens</b> 31:4<br>54:21<br><b>happy</b> 32:22<br>57:2 64:22<br>65:3 74:2,9<br><b>hard</b> 73:23<br><b>harmonize</b><br>45:13<br><b>Harrisburg</b><br>34:1<br><b>head</b> 24:11<br><b>headquartered</b><br>31:25 38:22<br><b>headquarters</b><br>29:2 32:4<br><b>health</b> 29:4<br>30:11,12<br><b>hear</b> 14:11<br><b>heard</b> 52:16<br><b>hearing</b> 12:9<br>12:15 14:22<br>19:21 75:14<br><b>hedges</b> 65:15<br><b>hedging</b> 61:11<br>63:1,4 64:13<br>65:20 66:15<br>66:24 68:1,2<br>68:5<br><b>held</b> 11:6 13:18<br><b>help</b> 32:11<br>51:21 52:22<br>54:15 55:12<br>56:8 57:19<br>67:20<br><b>helped</b> 59:23 | <b>helpful</b> 47:24<br><b>helping</b> 48:21<br>50:24<br><b>hiccup</b> 53:14<br><b>hidden</b> 21:16<br><b>high</b> 34:9,9<br>36:3 37:1<br>46:16 64:3<br><b>higher</b> 21:21<br>44:14<br><b>highlight</b> 23:13<br><b>highlighted</b><br>62:25<br><b>highlighting</b><br>20:3<br><b>high-level</b> 40:7<br><b>Hill</b> 65:24<br><b>Hines</b> 51:23<br><b>hire</b> 28:22 41:4<br>43:19 55:15<br><b>hired</b> 28:13<br>31:13 43:16<br>51:20<br><b>hires</b> 29:13<br>31:12<br><b>hiring</b> 41:16<br><b>historic</b> 21:22<br><b>historical</b> 27:15<br>35:3<br><b>history</b> 13:24<br>59:13<br><b>hit</b> 56:6<br><b>hold</b> 18:8 24:9<br>73:5<br><b>Honor</b> 15:4<br>26:2 69:1<br>75:6<br><b>honored</b> 69:25<br><b>hope</b> 19:7 21:4<br>70:5,12,20<br>71:17<br><b>hopefully</b> 19:6<br>49:18 71:12<br><b>hotlinked</b><br>37:16<br><b>hour</b> 55:13<br>58:8 | <b>hours</b> 55:11<br>58:10<br><b>HR</b> 29:4<br><b>Human</b> 56:24<br><b>Hume</b> 65:24<br><b>hundred</b> 21:2<br>23:6 56:4<br>70:20<br><b>hurricane</b><br>56:18<br><b>hydroelectric</b><br>18:7<br><hr/> <b>I</b> <hr/> <b>Ian</b> 14:15 15:12<br>15:21 16:6<br>33:20 55:25<br>77:4<br><b>IBEW</b> 12:5,9<br><b>ice</b> 34:1<br><b>Illinois</b> 19:19<br>20:8,17 21:9<br>21:11,18,24<br>23:2,21 27:20<br>33:25 46:21<br>47:4 58:1,6<br><b>implement</b><br>51:16 63:3,18<br>68:4<br><b>implementati...</b><br>66:16<br><b>implemented</b><br>50:3 62:19<br>65:3<br><b>implementing</b><br>64:10<br><b>importance</b><br>22:11<br><b>important</b> 28:2<br>28:21 51:8,17<br><b>importantly</b><br>70:18 72:7<br><b>improve</b> 62:22<br>63:11<br><b>inadvertently</b><br>42:17,17<br><b>incentive</b> 30:18 |
|--|---|---|---|---|

|                        |                         |                        |                       |                        |
|------------------------|-------------------------|------------------------|-----------------------|------------------------|
| <b>incident</b> 56:14  | <b>inspections</b>      | 55:16                  | <b>joyous</b> 50:12   | <b>kicked</b> 34:5     |
| <b>include</b> 14:15   | 49:10 51:3              | <b>invoice</b> 62:18   | <b>Judge</b> 9:18     | <b>kind</b> 28:15      |
| 47:11                  | <b>inspection-ty...</b> | 64:9,15 67:23          | 11:2,5,12,15          | 44:17 48:11            |
| <b>including</b>       | 53:11                   | <b>invoices</b> 66:13  | 11:20,24 12:4         | 48:24 72:10            |
| 16:18 17:6             | <b>installed</b> 65:21  | <b>involved</b> 48:3   | 12:11,15,23           | <b>knew</b> 55:12      |
| 18:7 23:25             | 66:8                    | 52:7,9 59:17           | 12:24 13:3,8          | 71:10                  |
| 71:11 73:4             | <b>institutional</b>    | 59:19 67:7             | 13:9,17 15:5          | <b>know</b> 24:9       |
| <b>incredible</b>      | 20:25                   | 68:6                   | 15:9,11,14,19         | 38:16,17               |
| 72:19                  | <b>ins-and-outs</b>     | <b>involvement</b>     | 15:21,23,25           | 39:18 44:3,4           |
| <b>incremental</b>     | 38:17                   | 59:14                  | 24:7,11,14,16         | 44:5 45:6              |
| 28:13 29:14            | <b>intact</b> 30:19     | <b>involving</b> 61:11 | 24:17 25:8,16         | 49:11 50:12            |
| 31:15 66:20            | <b>integrity</b> 59:22  | <b>in-state</b> 71:3   | 25:20,24 26:5         | 55:6,23 65:3           |
| <b>Independence</b>    | 72:19                   | <b>Iowa</b> 19:19      | 26:8,10,14            | 68:10 69:3             |
| 55:13                  | <b>intend</b> 43:19     | 20:8,16 21:9           | 43:7,11 45:19         | 74:4 75:18             |
| <b>independent</b>     | 62:24                   | 21:11,18,23            | 45:22 46:1,4          |                        |
| 18:4,13                | <b>intent</b> 45:13     | 23:2,21 27:20          | 46:5,7,9,11           | <b>L</b>               |
| <b>indicated</b> 43:15 | <b>intention</b> 48:2   | 33:22 46:21            | 47:1 57:4             | <b>lack</b> 76:1       |
| <b>indicating</b> 35:6 | <b>intentional</b>      | 47:4                   | 59:5,8 60:5,8         | <b>land</b> 32:3       |
| 39:1 42:12             | 47:17,24                | <b>iron</b> 50:8,11    | 60:11,12,15           | <b>large</b> 38:21     |
| 43:1 62:25             | 50:18,22                | <b>issue</b> 33:10     | 60:17,19              | 53:18                  |
| 64:4 66:19             | <b>interaction</b>      | 55:12 66:2             | 61:15 68:23           | <b>largest</b> 20:25   |
| <b>indication</b> 64:2 | 59:14                   | <b>issues</b> 22:14    | 69:5,8,9,12           | <b>Larry</b> 10:13     |
| <b>individual</b>      | <b>interactions</b>     | 38:1 53:10             | 69:17 73:18           | 12:1 13:10             |
| 29:21 31:6             | 17:5 18:16              | <b>items</b> 20:22     | 73:22 74:4,7          | <b>lastly</b> 72:21    |
| 63:7 67:18             | 23:12                   | 43:13 53:12            | 74:11,12 75:4         | <b>Law</b> 9:18 10:3   |
| <b>individuals</b>     | <b>interest</b> 21:14   | <b>I-charts</b> 40:6   | 75:7,10,12,13         | 10:8,14 11:5           |
| 28:4 30:15,17          | 21:19 22:1              |                        | 76:4 77:5             | <b>lead</b> 25:19      |
| 31:17 40:19            | 49:4 76:1               | <b>J</b>               | <b>July</b> 14:5,7    | <b>leadership</b> 28:9 |
| 44:11 59:17            | <b>interfaces</b>       | <b>Jackson</b> 32:1    | 19:6,18               | 32:5 45:15             |
| <b>industry</b> 60:2   | 41:18                   | 33:24,24               | <b>jurisdiction</b>   | <b>leading</b> 35:1    |
| 62:16                  | <b>internal</b> 57:21   | 46:17                  | 18:25                 | <b>Leaf</b> 44:25      |
| <b>informal</b> 13:4   | <b>internally</b> 59:1  | <b>JAMES</b> 10:14     | <b>J.P</b> 23:4       | <b>learned</b> 63:2    |
| <b>information</b>     | <b>interstate</b> 66:1  | <b>Jefferson</b> 8:9   |                       | <b>ledger</b> 64:17    |
| 12:2 37:4,7            | 66:5                    | 9:8,24 10:4,9          | <b>K</b>              | <b>left</b> 26:1 46:3  |
| 38:9 68:14             | <b>interveners</b>      | 10:16 11:7             | <b>Kansas</b> 55:13   | 60:10 69:11            |
| 74:16                  | 73:3                    | 32:6 78:14             | 57:17 65:25           | <b>left-hand</b> 42:12 |
| <b>informational</b>   | <b>introduce</b>        | <b>Jim</b> 12:1 13:11  | <b>keep</b> 13:4 53:5 | <b>Leonberger</b>      |
| 41:17                  | 12:18,25                | <b>job</b> 52:14 53:15 | <b>Kentucky</b>       | 49:8 52:10             |
| <b>inherited</b> 30:15 | 72:24                   | 72:16                  | 58:19                 | <b>Leonberger's</b>    |
| 72:15                  | <b>introduced</b>       | <b>jobs</b> 28:6,14    | <b>Keokuk</b> 33:21   | 51:2                   |
| <b>initial</b> 67:24   | 51:6                    | 29:14 31:15            | <b>key</b> 14:11      | <b>lessons</b> 63:2    |
| 69:21                  | <b>introductory</b>     | 41:5                   | 27:24 28:1,6          | <b>level</b> 34:9,9,11 |
| <b>inquire</b> 69:5    | 73:6                    | <b>join</b> 29:23      | 28:7 29:3,13          | 36:3 37:1              |
| <b>insight</b> 17:3,7  | <b>invest</b> 50:16     | <b>joint</b> 9:12      | 30:6 31:17,23         | 54:20 64:3             |
| 47:8                   | <b>invested</b> 50:7    | 13:24 16:21            | 37:1 38:19            | <b>levels</b> 36:19    |
| <b>inspection</b> 53:6 | 50:16                   | 27:4                   | 64:18 74:17           | <b>leverage</b> 28:9   |
| 53:8                   | <b>investment</b>       | <b>jointly</b> 11:22   | <b>keys</b> 33:17     | <b>Liberty</b> 9:13,14 |

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|                           |                        |                       |                       |                        |
|---------------------------|------------------------|-----------------------|-----------------------|------------------------|
| 10:12,12                  | 35:9,10 36:23          | <b>M</b>              | <b>mass</b> 19:10     | <b>Midwest</b> 9:23    |
| 11:22,25 12:1             | 44:14,19               | <b>M 10:14</b>        | <b>materials</b> 41:5 | 78:5                   |
| 12:18 13:12               | 61:21 62:7,23          | <b>Madison</b> 10:15  | <b>matter</b> 9:12    | <b>mid-sized</b>       |
| 13:13 14:5,5              | 63:7 72:23             | <b>maintain</b> 36:25 | 54:21                 | 38:10                  |
| 14:12,16,17               | 75:20                  | 62:11                 | <b>mean</b> 25:6      | <b>migrated</b> 43:4   |
| 14:19,22                  | <b>live</b> 30:10 42:2 | <b>majority</b> 32:5  | <b>meant</b> 24:20    | <b>Mike</b> 29:21      |
| 16:19 17:6,23             | <b>local</b> 27:25     | <b>making</b> 44:11   | 25:1                  | 31:22 51:6,7           |
| 18:12,19 19:8             | 28:9,22 30:8           | 47:12,25              | <b>measurement</b>    | 53:12 55:2             |
| 21:12 22:5,7              | 30:9 31:25             | 48:22 52:18           | 54:22                 | 59:19                  |
| 22:16 23:7,18             | 36:13 37:23            | 53:23 55:20           | <b>mechanism</b>      | <b>million</b> 19:3    |
| 24:6 26:22                | 55:18 58:19            | <b>manage</b> 20:15   | 67:21 75:1            | 21:2,13 23:6           |
| 30:20,25 34:6             | 72:4,6                 | 28:20 64:7,23         | <b>meet</b> 50:24     | 50:7,16,17             |
| 34:6,20,25                | <b>locally</b> 30:5    | <b>managed</b> 30:5   | 70:9                  | 70:19                  |
| 35:14,20,21               | <b>located</b> 20:16   | <b>management</b>     | <b>meeting</b> 70:16  | <b>mind</b> 62:6       |
| 36:5,24 38:5              | 29:5 32:6              | 18:15,20 21:8         | 73:6 75:23            | 69:16                  |
| 38:15 40:4,4              | 71:3                   | 30:1 45:9             | <b>members</b> 33:20  | <b>minds</b> 71:20     |
| 41:9 42:13,15             | <b>locates</b> 48:19   | 52:5 61:7             | <b>memorandum</b>     | <b>minus</b> 44:5      |
| 42:15 43:4                | <b>lock</b> 39:12,14   | 64:11 67:12           | 12:16 13:15           | <b>minutes</b> 37:3    |
| 46:20 56:10               | <b>long</b> 13:6 31:25 | <b>Manager</b> 51:7   | 74:14                 | <b>misses</b> 53:15    |
| 56:13 58:10               | 52:25 53:11            | <b>managing</b>       | <b>memories</b> 34:4  | <b>Missouri</b> 8:1,9  |
| 61:5,8 64:20              | 59:13 75:16            | 42:24 45:12           | <b>mention</b> 51:4   | 9:1,8,14,22            |
| 65:13 70:13               | 75:24                  | 62:2 64:25            | 73:22                 | 10:2 11:7,14           |
| 70:24 71:15               | <b>long-term</b>       | <b>mandate</b> 50:14  | <b>mentioned</b>      | 13:22 19:19            |
| 71:18 72:13               | 51:24                  | <b>manner</b> 42:19   | 13:17 19:22           | 20:8,16 21:8           |
| 73:20 74:23               | <b>look</b> 38:5 48:6  | 47:16 48:16           | 21:4 22:2             | 21:11,17,23            |
| 75:2                      | 49:12,15 50:1          | 49:6 71:21            | 47:11,20 49:6         | 23:2 27:20             |
| <b>libertyutilitie...</b> | 54:22 63:8,10          | <b>manual</b> 18:23   | 50:18 52:23           | 28:7 29:5,8            |
| 37:14                     | 63:13 64:18            | 24:18,22,24           | 61:23,25 63:1         | 32:1 38:11             |
| <b>Liberty's</b> 44:19    | <b>looking</b> 29:18   | 25:3                  | 65:21 66:25           | 43:17,23               |
| 72:4                      | 31:6 39:21             | <b>map</b> 74:15      | 67:4,14,23            | 44:20 46:17            |
| <b>light</b> 49:17        | 41:21 43:21            | <b>mapping</b> 53:3   | 68:1,15               | 46:21 47:3,23          |
| <b>Likewise</b> 66:3      | 44:7,15 49:17          | <b>MARC</b> 10:8      | <b>messed</b> 35:9    | 50:11 51:25            |
| <b>line</b> 23:5 48:19    | 53:1                   | <b>March</b> 13:20    | <b>met</b> 48:12      | 55:14 56:7             |
| <b>link</b> 39:12         | <b>looks</b> 35:9      | 14:3 20:24            | 53:22                 | 59:14 62:1,4           |
| 40:25 53:3                | <b>lot</b> 38:10 42:4  | 37:5 41:21            | <b>meter</b> 48:22    | 66:18 67:17            |
| <b>list</b> 20:18 39:7    | 53:19 58:2             | 42:7 64:19            | <b>meter's</b> 48:22  | 70:17 72:1             |
| 53:11 70:2                | 60:1                   | 65:9                  | <b>methodology</b>    | 78:2,14                |
| <b>listed</b> 64:21       | <b>lots</b> 36:6 41:9  | <b>marc.poston...</b> | 40:10,22,23           | <b>mistake</b> 75:25   |
| <b>listeners</b> 19:8     | 42:3,3                 | 10:10                 | <b>mic</b> 13:6       | <b>MO</b> 9:24 10:4,9  |
| 21:5                      | <b>low</b> 21:19 22:1  | <b>Mark</b> 11:18     | <b>microphone</b>     | 10:16                  |
| <b>listening</b> 49:3     | <b>lowest</b> 23:9     | 14:23                 | 62:7                  | <b>model</b> 38:5      |
| <b>Litigation</b> 9:23    | <b>Luann</b> 29:16     | <b>marked</b> 74:1    | <b>Midstates</b> 9:13 | 63:14,15,17            |
| 78:5                      | 31:22                  | <b>marks</b> 19:15    | 9:14 10:12            | <b>moderate-siz...</b> |
| <b>little</b> 19:3,12     | <b>lunch</b> 33:24     | <b>mark-to-mar...</b> | 11:23,25              | 19:9                   |
| 27:9 28:13                | <b>lwdority@sp...</b>  | 66:23,24              | 13:12 20:7            | <b>money</b> 39:17     |
| 29:7 33:14                | 10:17                  | <b>Martin</b> 14:23   | 62:5 63:18            | <b>monitor</b> 48:9    |
| 34:21,22 35:7             |                        | 15:1                  | 66:19 70:10           | <b>month</b> 13:23     |



|  |   |   |  |  |
|--|---|---|--|--|
| <p>51:3<br/> <b>monthly</b> 39:23<br/>         66:16,22 67:6<br/> <b>months</b> 22:21<br/>         32:14 34:17<br/>         35:15 36:2<br/>         41:22 73:6<br/> <b>Morgan</b> 23:5<br/> <b>morning</b> 11:2<br/>         12:10 13:10<br/>         14:15,22,25<br/>         16:2,3,25<br/>         17:11 27:8<br/>         45:3 46:14<br/>         47:2 48:25<br/>         60:13 61:15<br/> <b>morning's</b><br/>         13:17 14:10<br/> <b>move</b> 35:7<br/>         51:18<br/> <b>moved</b> 33:25<br/> <b>moving</b> 31:11<br/>         33:9,13 45:8<br/>         52:14<br/> <b>Mueller</b> 58:5<br/> <b>Murray</b> 58:19</p> <hr/> <p style="text-align: center;"><b>N</b></p> <hr/> <p><b>N</b> 10:1 11:1<br/>         77:1<br/> <b>NAESB</b> 65:17<br/> <b>name</b> 14:4,6<br/>         16:4,6 26:16<br/>         29:21 36:9<br/>         46:15 60:24<br/>         60:25 65:16<br/> <b>names</b> 29:6<br/>         31:18 59:12<br/> <b>nation</b> 56:15<br/>         59:24<br/> <b>National</b> 19:18<br/> <b>natural</b> 13:21<br/>         17:19 19:16<br/>         19:20 20:1,15<br/>         22:18,20,20<br/>         23:4 61:11<br/>         65:25</p> | <p><b>nature</b> 63:9,24<br/> <b>navigate</b> 37:15<br/> <b>nearly</b> 65:14<br/> <b>necessary</b> 15:2<br/>         22:17 23:8<br/>         54:10 71:16<br/> <b>need</b> 22:24<br/>         44:3 53:23<br/>         54:1,6,14,19<br/>         56:22 57:21<br/>         58:7,14 66:21<br/> <b>needed</b> 21:7<br/>         23:16 50:3<br/>         53:19,24<br/>         54:16 66:2<br/>         70:3<br/> <b>needs</b> 20:15<br/>         22:18 35:2<br/>         70:9 72:22<br/> <b>NEFTI</b> 66:6<br/> <b>net</b> 28:13 43:22<br/> <b>new</b> 19:16 23:4<br/>         27:20 31:12<br/>         31:13 36:7<br/>         41:8 42:15,15<br/>         43:16,16,22<br/>         52:15,16,24<br/>         56:16,17,18<br/>         61:1,6<br/> <b>nine</b> 32:14<br/> <b>non-regulated</b><br/>         17:23 18:13<br/>         22:13<br/> <b>non-strategic</b><br/>         39:19<br/> <b>North</b> 19:17<br/>         29:22 46:16<br/> <b>Northeastern</b><br/>         61:1<br/> <b>Northern</b> 65:17<br/> <b>notable</b> 20:22<br/>         21:14<br/> <b>note</b> 14:20,23<br/>         25:12 28:15<br/>         34:10,16 35:6<br/>         39:2,3 69:1<br/> <b>noted</b> 13:15</p> | <p><b>notes</b> 78:11<br/> <b>noteworthy</b><br/>         52:23<br/> <b>notice</b> 75:18<br/> <b>notices</b> 33:10<br/> <b>notification</b><br/>         35:13<br/> <b>noting</b> 74:12<br/> <b>novate</b> 65:15<br/> <b>November</b> 8:8<br/>         9:7 11:6<br/> <b>number</b> 19:4<br/>         20:18 28:6<br/>         35:14,16,17<br/>         35:18,20,21<br/>         35:22,25<br/>         38:12 40:19<br/>         40:20 42:15<br/>         42:17 43:25<br/>         44:4,23 45:2<br/> <b>numbers</b> 35:13<br/>         42:22</p> <hr/> <p style="text-align: center;"><b>O</b></p> <hr/> <p><b>O</b> 11:1<br/> <b>Oakville</b> 16:7<br/>         26:19 28:18<br/> <b>object</b> 24:21<br/> <b>objectives</b> 25:7<br/>         61:19 62:10<br/> <b>obvious</b> 32:6<br/> <b>obviously</b><br/>         19:18 24:5<br/>         25:6 31:18<br/>         48:16,21 53:3<br/>         53:17 55:14<br/>         55:19 56:11<br/>         64:24 71:22<br/> <b>October</b> 49:22<br/> <b>odd</b> 72:23<br/> <b>odorize</b> 53:4<br/> <b>offer</b> 69:3<br/>         74:13<br/> <b>offered</b> 14:10<br/> <b>offering</b> 20:24<br/> <b>office</b> 10:7 11:7<br/>         11:16,19</p> | <p>28:17 30:9<br/>         33:21 39:15<br/>         45:4 49:15<br/>         58:8 64:8<br/>         78:13<br/> <b>Officer</b> 16:12<br/>         16:14<br/> <b>officers</b> 14:12<br/> <b>offices</b> 30:8<br/>         31:24 36:11<br/>         37:23,24 49:9<br/> <b>Okay</b> 25:8,20<br/>         33:12 35:6<br/>         36:23 44:18<br/>         45:17 47:5<br/>         59:3<br/> <b>old</b> 35:15 41:8<br/>         42:17,18<br/>         45:11<br/> <b>ones</b> 21:8<br/> <b>One-Call</b> 48:20<br/>         48:21 59:14<br/>         59:18<br/> <b>one-time</b> 39:22<br/> <b>ongoing</b> 59:21<br/>         64:5<br/> <b>online</b> 37:16<br/>         39:21<br/> <b>onsite</b> 58:9<br/> <b>Ontario</b> 16:7<br/>         26:19<br/> <b>On-The-Rec...</b><br/>         8:8 9:7 11:3<br/>         13:16 76:5<br/> <b>open</b> 30:8<br/>         49:14,17<br/> <b>opened</b> 37:25<br/> <b>opening</b> 37:22<br/>         38:6 77:2<br/> <b>operate</b> 18:25<br/>         21:19 23:16<br/>         24:3 28:22<br/>         29:1 33:8<br/>         41:3 51:13<br/>         62:3<br/> <b>operated</b> 18:14<br/> <b>operating</b></p> | <p>17:14,22,24<br/>         22:4,19,24<br/>         27:19,22 28:5<br/>         31:14 41:2<br/>         49:6<br/> <b>operation</b><br/>         16:17 51:4<br/>         52:2,4,9,17<br/>         52:19 54:1,2<br/>         54:8,20<br/> <b>operational</b><br/>         27:24 37:12<br/>         37:12 48:17<br/> <b>operations</b><br/>         17:21 18:20<br/>         23:9 24:2<br/>         29:4,19 44:20<br/>         46:24 47:10<br/>         47:15 52:5<br/>         58:21,25<br/> <b>operator</b> 70:13<br/> <b>opportunities</b><br/>         39:4 61:18<br/> <b>opportunity</b><br/>         14:11 23:6<br/>         41:22 51:17<br/>         56:22 62:22<br/>         73:9,10<br/> <b>opposed</b> 30:10<br/>         36:6<br/> <b>optimization</b><br/>         63:12,15<br/> <b>order</b> 13:20,20<br/>         14:2,6 31:13<br/>         35:7 48:7<br/>         53:4,10<br/> <b>organization</b><br/>         19:10 29:1,2<br/>         29:8,10,13,25<br/>         30:14,16,17<br/>         44:21 70:8,10<br/>         70:21 72:25<br/>         73:15<br/> <b>organizational</b><br/>         27:10 29:6<br/>         31:16<br/> <b>organizations</b></p> |
|--|---|---|--|--|

|  |  |  |   |   |
|--|--|--|---|---|
| 28:14<br><b>originally</b> 33:3<br><b>outcome</b> 63:3<br><b>outside</b> 54:11<br>57:8<br><b>outsource</b><br>39:19<br><b>overall</b> 16:16<br>27:1 66:24<br><b>Oversee</b> 46:24<br><b>oversight</b> 16:16<br>17:2<br><b>overview</b> 17:13<br>61:16,22 75:1<br><b>owner</b> 27:15<br>70:13<br><b>ownership</b> 45:9  | 61:10<br><b>participating</b><br>68:1<br><b>participation</b><br>48:20 75:16<br><b>particular</b> 25:2<br>28:11 38:4<br>41:20 47:2<br>54:11 57:15<br>68:10,18<br><b>particularly</b><br>71:1<br><b>parties</b> 14:1<br>74:4 75:11<br>76:2<br><b>partners</b> 18:3<br><b>parts</b> 40:20<br><b>party</b> 74:21,22<br><b>Pasieka</b> 14:16<br>26:3,5,10,18<br>26:20 27:3,12<br>43:7,15 46:1<br>47:20 49:6<br><b>Pasieka's</b> 72:5<br><b>PASIEKE</b> 77:6<br><b>pass</b> 67:24<br><b>passing</b> 70:16<br><b>pay</b> 30:9,18<br>37:15,25 39:4<br>39:21 40:1,3<br>58:12<br><b>payment</b> 66:14<br><b>peak</b> 67:16<br><b>pending</b> 19:4<br>19:23<br><b>pension</b> 30:18<br>31:1,3,7,7,9<br>31:11<br><b>people</b> 31:13<br>33:8 36:9<br>41:6 42:9<br>47:8,21,25<br>49:12 50:12<br>50:19,22 51:1<br>51:2 52:13,22<br>53:1 54:17<br>55:4,17,19 | 56:7,20 58:19<br>59:22 71:2,10<br><b>percent</b> 21:15<br>34:11 35:21<br>35:21 36:19<br><b>perform</b> 47:16<br>48:21 52:19<br><b>performing</b><br>34:25 42:11<br><b>period</b> 67:9,14<br>68:21 71:15<br><b>periodic</b> 73:13<br><b>periods</b> 67:10<br><b>person</b> 30:10<br>45:15 55:15<br>58:24<br><b>personal</b> 71:5<br><b>personally</b> 78:6<br><b>perspective</b><br>18:16,20<br>31:11 32:15<br>34:16 38:15<br>40:17 41:15<br>41:15 49:3<br>71:17 72:12<br>72:12<br><b>PGA</b> 68:6<br><b>ph</b> 29:16<br><b>philosophy</b><br>27:24 36:12<br><b>phone</b> 12:6<br>30:10<br><b>phoned</b> 35:16<br><b>phrase</b> 36:13<br><b>physical</b> 75:25<br><b>physically</b> 12:5<br><b>pick</b> 31:24 58:9<br>58:16 62:7<br><b>picked</b> 32:1<br>45:10<br><b>picture</b> 35:17<br>37:23<br><b>piece</b> 32:3<br>49:16<br><b>pieces</b> 37:2<br><b>pipeline</b> 22:23<br>58:3 64:15 | 65:14 66:13<br><b>place</b> 37:19<br>47:9,9,18<br>48:11 49:2,4<br>50:14 51:10<br>51:11,20<br>52:22,24,25<br>53:20 54:4,8<br>54:18 57:23<br>58:12,13<br>59:24 61:17<br>65:16 66:7<br>67:12 75:2<br>78:8,12<br><b>plan</b> 40:15,18<br>41:10 65:9<br>66:22<br><b>planning</b> 15:1<br>40:21 62:17<br>67:6<br><b>plans</b> 66:17<br><b>platform</b> 38:14<br>38:15 41:2,8<br>41:8,17,21<br><b>platforms</b><br>32:23 38:20<br>40:24,25<br><b>platform's</b><br>38:12<br><b>players</b> 50:24<br><b>please</b> 11:10,11<br>11:17 15:20<br>16:4,5 17:11<br>26:4,8,16,17<br>26:25 27:12<br>46:6,8,15<br>47:6 60:16,23<br>60:24 61:20<br>75:25<br><b>pleased</b> 23:1<br>52:20 72:10<br><b>plus</b> 44:5,7<br><b>podium</b> 13:5<br>69:16<br><b>point</b> 41:14<br>42:7 45:11<br>46:5 64:18,19 | <b>points</b> 18:1<br>28:2 69:23<br>74:17<br><b>policies</b> 28:19<br>51:9,11,13<br>52:8,23<br><b>populated</b><br>29:12<br><b>portfolio</b> 23:24<br>63:12,15<br><b>portion</b> 22:17<br><b>positioned</b> 70:9<br><b>positions</b> 43:22<br>66:24<br><b>positively</b> 20:6<br><b>possible</b> 63:17<br><b>Post</b> 39:15<br><b>Poston</b> 10:8<br>11:18,18,20<br>15:3,6,8<br>24:10,11,13<br>25:11 45:20<br>45:21 59:6,7<br>69:3,6,7 74:6<br>75:8,9<br><b>potential</b> 22:22<br><b>potentially</b><br>21:20 38:2<br><b>power</b> 14:15<br>16:11,17 17:2<br>17:4,13,17,20<br>18:2,4,13,14<br>18:18 20:13<br>20:21 21:1,3<br>21:5 22:4,8<br><b>Powerpoint</b><br>12:21 17:10<br><b>Powerpoints</b><br>73:23<br><b>practices</b> 61:11<br><b>prefer</b> 74:3<br><b>preference</b><br>74:5<br><b>preferred</b><br>20:23<br><b>presence</b> 72:5<br><b>present</b> 12:5 |
| <b>P</b>   |  |  |   |   |
| <b>P</b> 10:1,1 11:1<br><b>package</b> 37:4,7<br>38:9 65:6<br><b>page</b> 19:12<br>42:22<br><b>pages</b> 53:11<br><b>Pamela</b> 9:22<br>78:4,17<br><b>paper</b> 49:16<br>74:8<br><b>paradigm</b><br>22:20<br><b>parallel</b> 37:17<br>41:3 64:22<br>65:7<br><b>pardon</b> 19:1<br><b>part</b> 22:19<br>25:17 28:8<br>32:4,8 33:11<br>33:22 34:19<br>36:11,14<br>38:11 48:14<br>51:15,21 52:5<br>52:21 53:3,6<br>54:23 55:14<br>56:14 57:12<br>74:18<br><b>participated</b> |  |  |   |   |

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|  |  |   |  |  |
|--|--|---|--|--|
| 14:25 73:10<br>78:6<br><b>presentation</b><br>8:8,18 9:7<br>11:3,5 13:16<br>14:10 17:1<br>34:22 73:23<br>76:5<br><b>presentations</b><br>12:21<br><b>presenter</b><br>60:13<br><b>presenters</b><br>14:14<br><b>presently</b> 52:15<br><b>presentment</b><br>39:20<br><b>preside</b> 11:5<br><b>President</b><br>14:16,17<br>26:23 28:23<br>28:23 29:9<br>46:20<br><b>Presiding</b> 9:18<br><b>pressed</b> 21:25<br><b>pressures</b> 54:3<br><b>pretty</b> 30:24<br>36:17 58:19<br><b>previous</b> 16:20<br>23:3 55:7<br><b>previously</b> 27:3<br>47:11 75:22<br><b>Pridgin</b> 9:18<br>11:2,4,15,20<br>11:24 12:4,11<br>12:15,24 13:3<br>13:8,9 15:5,9<br>15:11,14,19<br>15:22,23 24:7<br>24:11,14,16<br>24:17 25:8,16<br>25:20,24 26:5<br>26:8,11 43:7<br>43:11 45:19<br>45:22 46:1,4<br>46:7,9,11<br>47:1 57:4 | 59:5,8 60:5,8<br>60:11,15,18<br>60:19 68:23<br>69:5,9,12,17<br>73:18 74:4,7<br>74:11 75:4,7<br>75:10,13 76:4<br>77:5<br><b>primarily</b><br>52:21<br><b>primary</b> 17:14<br>17:21 18:6<br>64:20<br><b>principal</b> 26:24<br>46:22<br><b>print</b> 39:18,20<br><b>prior</b> 32:17<br>51:13 54:5<br>65:12<br><b>probable</b> 49:23<br><b>probably</b> 20:3<br>29:7 31:12,14<br>39:19 44:6,7<br>69:22<br><b>problem</b> 55:9<br>58:15<br><b>procedural</b><br>13:23<br><b>procedures</b><br>28:19 51:10<br>51:11,13 52:7<br>52:24<br><b>proceed</b> 12:17<br>15:4 17:11<br>27:13 46:4<br>47:6 61:20<br><b>proceeding</b><br>13:12,17<br><b>proceedings</b><br>8:6 9:6 78:7,9<br><b>process</b> 20:13<br>22:15 25:13<br>25:19 30:7<br>31:2 32:3<br>33:8,11 34:13<br>40:9 41:4,25<br>42:3,5 47:20 | 49:4,16 51:15<br>52:21 53:6<br>61:22 63:11<br>63:12 64:4,5<br>64:10,16 67:4<br>67:6,6 68:10<br>68:18 73:4<br><b>processed</b><br>48:23<br><b>processes</b> 47:9<br>48:1,11 49:13<br>53:8 54:7<br>62:11,13,14<br>62:17,21<br>64:24 68:14<br><b>procurement</b><br>14:19 62:17<br>64:8<br><b>products</b> 38:24<br>41:19<br><b>program</b> 30:20<br>31:1 66:10,25<br>67:22<br><b>programmed</b><br>35:24<br><b>programs</b><br>59:23 63:20<br><b>progress</b> 27:11<br>41:9 61:18<br>65:12 67:2<br>71:8 74:25<br>75:1<br><b>progressing</b><br>65:9<br><b>project</b> 50:17<br><b>projectory</b><br>23:19<br><b>projects</b> 71:24<br><b>pronounce</b><br>26:6<br><b>proper</b> 47:16<br><b>properties</b><br>40:12 47:3,4<br><b>protection</b> 53:3<br>54:23<br><b>proud</b> 50:5,9<br>51:20 53:16 | <b>proven</b> 38:8,14<br>52:24<br><b>provide</b> 24:5<br>25:18 32:9,11<br>38:24 47:13<br>58:12 59:2<br>61:21 63:24<br>65:20 67:25<br>68:11<br><b>provided</b> 12:3<br>23:5 35:13<br>39:10 50:2<br>71:12<br><b>provider</b> 38:22<br><b>provides</b> 54:12<br><b>providing</b><br>14:13 17:2,6<br>17:13 39:10<br>55:24 61:16<br>73:24<br><b>provisions</b><br>13:18<br><b>prudent</b> 71:17<br><b>PSC</b> 42:24<br>52:10<br><b>public</b> 8:3 9:2<br>10:2,7,7<br>11:14,16,19<br>11:19 21:25<br>74:24<br><b>pulled</b> 29:22<br><b>purchase</b> 44:24<br>66:17<br><b>purchases</b><br>64:12,14<br>66:21<br><b>purpose</b> 58:23<br><b>pursuant</b> 18:23<br><b>push</b> 36:21<br><b>put</b> 31:17 40:5<br>49:2 50:14<br>54:11 55:5,15<br>58:7 66:6<br>67:12 75:18<br><b>putting</b> 47:17<br>59:24<br><b>P.C</b> 10:15 | <b>p.m</b> 76:8<br><b>P.O</b> 10:4,9<br><hr/> <b>Q</b> <hr/> <b>quality</b> 37:1<br>41:15<br><b>quarterly</b> 71:6<br><b>question</b> 25:10<br>57:6 71:20<br><b>questions</b> 12:6<br>15:2 23:11,17<br>24:10,12,13<br>24:14 25:9<br>30:21 45:21<br>45:23 53:22<br>55:21 57:3,5<br>59:7 68:16,17<br>68:24,25 69:4<br>69:6,7,8<br><b>quick</b> 24:16<br><b>quickly</b> 13:23<br><b>quite</b> 32:21,24<br>34:8 41:12<br>42:20 48:6<br>58:24 59:17<br><hr/> <b>R</b> <hr/> <b>R</b> 10:1 11:1<br>78:1<br><b>raise</b> 15:20<br><b>raised</b> 22:14<br>23:12,17 39:9<br><b>rate</b> 21:15,19<br>22:1 24:25<br>25:5<br><b>ratepayers</b><br>21:17,23<br>23:10<br><b>rates</b> 14:23<br>63:9<br><b>reach</b> 49:19<br><b>read</b> 48:22<br><b>reading</b> 48:22<br><b>ready</b> 13:4,8<br>15:4,24 26:13<br>46:12 60:20<br><b>real</b> 24:16 |
|--|--|---|--|--|

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|                        |                         |                       |                         |                       |
|------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| <b>realize</b> 62:13   | 27:2,15,17,18           | <b>renewable</b> 18:6 | 66:18,20 68:7           | <b>retainer</b> 54:11 |
| <b>really</b> 22:10    | <b>regulation</b>       | <b>rep</b> 29:18      | <b>reside</b> 28:18     | 58:7,12               |
| 33:13 56:23            | 38:23 54:23             | <b>repairs</b> 23:21  | <b>resided</b> 51:19    | <b>revenues</b> 38:22 |
| 61:23                  | <b>regulator</b> 55:9   | <b>repatriated</b>    | <b>Resorts</b> 44:25    | <b>review</b> 25:5    |
| <b>reason</b> 51:9     | <b>regulators</b> 72:7  | 29:15                 | <b>resource</b> 55:17   | 49:16 67:25           |
| <b>rebranded</b> 36:9  | 72:12                   | <b>repatriation</b>   | 56:23 67:8              | 75:20                 |
| <b>recalling</b> 69:20 | <b>regulatory</b> 9:18  | 28:6                  | <b>resources</b>        | <b>reviewed</b> 25:3  |
| <b>recap</b> 13:23     | 11:4 14:21,24           | <b>repeatable</b>     | 18:22 53:19             | 40:8,19               |
| <b>receive</b> 72:22   | 19:4,23 20:12           | 40:16                 | 53:20,23                | <b>reviewing</b>      |
| <b>received</b> 65:23  | 22:15 23:15             | <b>repeating</b> 22:3 | 55:22 56:2,3            | 48:20                 |
| <b>receiving</b> 73:1  | 28:3 29:4               | <b>replacement</b>    | 56:15,24                | <b>RFP</b> 67:6       |
| 74:22                  | 30:1 34:23              | 50:8                  | 57:17,21                | <b>RFPs</b> 67:9      |
| <b>recognize</b> 29:6  | 36:15 45:14             | <b>replaces</b> 21:20 | 58:23                   | <b>Rich</b> 31:20     |
| 59:13                  | 46:25 47:16             | <b>replicated</b>     | <b>respect</b> 19:8     | 65:24                 |
| <b>recognizing</b>     | 71:1,14                 | 30:19                 | 70:7 71:1               | <b>right</b> 12:15,24 |
| 14:6                   | <b>reinforcing</b>      | <b>report</b> 65:3    | 72:23                   | 13:3 15:20            |
| <b>reconciliation</b>  | 22:3                    | 66:19 71:7            | <b>respond</b> 15:2     | 26:5 31:1,4           |
| 62:18 64:9             | <b>reinvestment</b>     | <b>REPORTED</b>       | 55:18 56:25             | 33:12 35:20           |
| 67:23                  | 21:7 71:16              | 9:21                  | <b>response</b> 12:14   | 35:25 37:19           |
| <b>record</b> 11:3,12  | <b>reiterate</b> 73:12  | <b>Reporter</b> 12:3  | 13:2 50:2               | 37:19 41:23           |
| 15:4 16:5              | <b>related</b> 9:15     | 74:2 78:5             | 55:24 60:7              | 42:1 44:1,22          |
| 26:17 46:15            | 48:18                   | <b>Reporter's</b>     | 76:3                    | 48:22,24              |
| 60:24 70:15            | <b>relates</b> 22:12    | 77:15                 | <b>responsibilities</b> | 52:22 53:21           |
| 73:10,14 76:6          | <b>relations</b> 38:18  | <b>reporting</b>      | 16:13,17                | 54:25 57:18           |
| 76:8                   | <b>relationship</b>     | 34:23 35:5            | 26:24 46:23             | 59:16 60:8,15         |
| <b>records</b> 49:13   | 20:5,6 23:14            | 48:11                 | 64:20 65:10             | 67:13 68:19           |
| 49:17 53:5,9           | 34:23 45:14             | <b>reports</b> 42:25  | <b>responsibility</b>   | 69:9,9 75:10          |
| <b>refer</b> 20:8      | 49:12 58:5              | <b>representative</b> | 72:19                   | 75:13 76:4            |
| <b>reference</b> 57:25 | 72:21 73:2,2            | 12:9                  | <b>responsible</b>      | <b>right-hand</b>     |
| <b>referenced</b>      | <b>relationships</b>    | <b>represented</b>    | 23:9 61:6               | 43:1                  |
| 59:13                  | 28:3 71:1               | 11:21 13:11           | 74:21                   | <b>rigorous</b> 42:3  |
| <b>refill</b> 67:9     | <b>relative</b> 35:11   | <b>represents</b>     | <b>responsibly</b>      | <b>road</b> 74:15     |
| <b>refinance</b> 21:24 | 36:17 45:7              | 21:16                 | 19:11 20:15             | <b>Robert</b> 10:3    |
| <b>refine</b> 66:11    | <b>relatively</b> 57:13 | <b>reprogrammed</b>   | 23:17                   | 11:13 43:12           |
| <b>reflect</b> 11:13   | <b>relevant</b> 50:24   | 35:24                 | <b>responsive</b>       | <b>Robertson</b>      |
| <b>regard</b> 25:12    | <b>reliability</b>      | <b>reputation</b>     | 27:25 36:14             | 14:15 15:13           |
| <b>regarding</b>       | 51:21                   | 52:11                 | <b>rest</b> 29:13 34:6  | 15:17,21 16:6         |
| 13:15                  | <b>reliable</b> 53:14   | <b>request</b> 33:1,1 | 73:15                   | 16:8 17:9             |
| <b>regardless</b>      | <b>reliably</b> 19:11   | 39:9,9 71:15          | <b>restore</b> 56:9     | 24:8 25:22            |
| 37:18 45:15            | <b>relied</b> 57:17     | <b>requested</b> 68:9 | <b>result</b> 28:5      | 69:1,14,19            |
| <b>regional</b> 28:23  | <b>rely</b> 57:12       | <b>require</b> 54:25  | 36:16,25                | 73:18 77:4,14         |
| 28:23 31:24            | <b>remarks</b> 24:4     | <b>required</b> 32:7  | 49:20                   | <b>Robertson's</b>    |
| 32:4 36:11             | 57:1 69:24              | 57:22 62:3            | <b>results</b> 34:8     | 55:25                 |
| <b>regular</b> 39:23   | 77:14                   | <b>requirement</b>    | 37:9 48:24              | <b>Rodriguez</b>      |
| <b>regulated</b>       | <b>remember</b> 52:1    | 74:21                 | <b>retain</b> 51:17     | 31:20                 |
| 17:22 18:12            | 53:21                   | <b>requirements</b>   | <b>retained</b> 54:10   | <b>role</b> 16:13     |
| 19:2,19 22:12          | <b>remind</b> 42:9      | 35:5 48:13            | 54:15                   | 26:25 46:23           |

|  |   |  |  |  |
|--|---|--|--|--|
| <p>roles 53:1<br/> <b>Ron</b> 11:4 51:23<br/> 51:25 52:4<br/> 53:13 55:2<br/> <b>RONALD</b> 9:18<br/> <b>room</b> 12:9<br/> 14:22 22:19<br/> <b>roots</b> 27:15<br/> <b>rotation</b> 65:7<br/> <b>round</b> 41:11<br/> <b>route</b> 39:16<br/> <b>run</b> 30:2 32:13<br/> 34:12 45:3<br/> 54:1<br/> <b>running</b> 64:22</p> <hr/> <p style="text-align: center;"><b>S</b></p> <p><b>S</b> 9:22 10:1,3<br/> 11:1,13 78:4<br/> 78:17<br/> <b>safe</b> 47:10,15<br/> 49:6 54:8<br/> <b>safely</b> 54:1<br/> <b>safest</b> 49:19<br/> <b>safety</b> 29:4<br/> 30:12,13<br/> 34:20 48:18<br/> 49:8,13 51:21<br/> 52:10 58:3<br/> 70:16,17<br/> <b>salary</b> 31:11<br/> <b>sale</b> 25:17<br/> <b>Salem</b> 61:1<br/> <b>sales</b> 64:12,14<br/> <b>sat</b> 50:25<br/> <b>satisfaction</b><br/> 70:14,22<br/> <b>saturation</b> 21:3<br/> <b>save</b> 74:8<br/> <b>saw</b> 24:11 71:7<br/> <b>says</b> 36:5<br/> <b>schedule</b> 34:18<br/> 48:7 50:14<br/> <b>scheduled</b><br/> 32:13<br/> <b>scheduling</b><br/> 62:17 64:9</p> | <p><b>Schneider</b><br/> 51:24 52:4<br/> <b>school</b> 67:21<br/> <b>scope</b> 56:13<br/> <b>screen</b> 17:16<br/> <b>seamless</b> 14:14<br/> 32:12 42:5,19<br/> 48:4 75:3<br/> <b>seamlessly</b><br/> 40:25 41:7<br/> 72:11<br/> <b>second</b> 24:9<br/> 32:24 35:8<br/> 41:11 70:12<br/> <b>section</b> 33:13<br/> 65:23<br/> <b>see</b> 17:16 18:11<br/> 19:1 20:18<br/> 28:5,11 29:7<br/> 30:4 31:19<br/> 33:9 37:8<br/> 39:1,11 42:11<br/> 43:8 48:18<br/> 49:4,21 63:11<br/> 64:4,19 71:9<br/> <b>seeing</b> 36:9<br/> <b>seeking</b> 71:12<br/> <b>seen</b> 36:4 74:20<br/> <b>Sell</b> 9:14<br/> <b>selling</b> 13:21<br/> <b>send</b> 39:14<br/> <b>Sendo</b> 63:14<br/> <b>senior</b> 9:18<br/> 45:15 51:6<br/> <b>separate</b> 18:21<br/> 22:6 25:13<br/> <b>separately</b><br/> 18:15<br/> <b>separation</b><br/> 22:12<br/> <b>series</b> 30:21<br/> 35:13 41:1<br/> <b>seriously</b> 22:13<br/> 30:12<br/> <b>serve</b> 19:11<br/> 70:19,20<br/> <b>served</b> 28:3</p> | <p>33:24<br/> <b>serves</b> 19:2<br/> <b>service</b> 8:3 9:2<br/> 10:2 11:14<br/> 21:25 23:10<br/> 27:10 28:3<br/> 29:3,17 30:4<br/> 32:10 33:14<br/> 34:10,11 36:2<br/> 36:19 37:6,7<br/> 38:2,3,9,21<br/> 42:10 47:12<br/> 48:7 52:1<br/> 54:12 57:13<br/> 62:4,5 63:7<br/> 63:19,23<br/> 65:24,25<br/> 67:18<br/> <b>services</b> 9:23<br/> 32:11 33:6<br/> 38:25 39:7,13<br/> 39:14 47:13<br/> 61:17,18 62:1<br/> 63:23,25 78:5<br/> <b>servicing</b> 67:16<br/> <b>serving</b> 33:23<br/> <b>set</b> 28:18,19<br/> 41:1 51:12<br/> 78:8<br/> <b>sets</b> 55:6<br/> <b>settlement</b><br/> 66:23<br/> <b>seven</b> 50:13<br/> 55:1 56:3<br/> <b>SGA</b> 59:20,22<br/> <b>shadowing</b><br/> 64:5 67:4,5,6<br/> <b>shake</b> 24:11<br/> <b>shape</b> 31:10<br/> 35:23<br/> <b>share</b> 20:23<br/> <b>shareholder</b><br/> 21:1<br/> <b>sharing</b> 18:22<br/> <b>sheet</b> 78:8<br/> <b>sheets</b> 14:7<br/> <b>short</b> 24:2</p> | <p><b>shortchange</b><br/> 23:20<br/> <b>shortly</b> 28:24<br/> <b>short-term</b><br/> 22:17<br/> <b>show</b> 74:16<br/> <b>showed</b> 33:21<br/> <b>showing</b> 19:15<br/> 64:2 67:18<br/> <b>shown</b> 64:24<br/> 72:19<br/> <b>shows</b> 39:17<br/> 74:21<br/> <b>side</b> 42:10,12<br/> 43:1 44:7<br/> 49:8 55:8<br/> 64:6 65:2<br/> <b>sign</b> 66:21<br/> 67:23<br/> <b>signage</b> 42:25<br/> <b>signed</b> 30:25<br/> <b>significant</b> 21:1<br/> <b>significantly</b><br/> 42:21<br/> <b>signs</b> 36:8<br/> <b>Silver</b> 44:25<br/> <b>similar</b> 62:14<br/> 62:18 65:2<br/> <b>simply</b> 76:1<br/> <b>sir</b> 15:19,19,23<br/> 15:24 16:9,20<br/> 25:24 26:12<br/> 46:8,11,19<br/> 60:16,19 61:4<br/> 61:20<br/> <b>situation</b> 56:25<br/> 57:16<br/> <b>six</b> 55:10<br/> <b>size</b> 36:18<br/> 56:13<br/> <b>sizeable</b> 38:23<br/> <b>slide</b> 18:11 19:1<br/> 19:12,15<br/> 20:18 36:22<br/> 69:19<br/> <b>slow</b> 50:20<br/> <b>small</b> 38:10</p> | <p>57:13 58:12<br/> <b>smart</b> 58:11<br/> <b>smiling</b> 71:9<br/> <b>smoothly</b> 32:24<br/> <b>socialized</b><br/> 18:24 24:19<br/> 25:1<br/> <b>software</b> 63:5<br/> 65:5 66:9,10<br/> <b>solid</b> 37:10<br/> 40:16 41:13<br/> 47:13<br/> <b>somebody</b><br/> 54:18 55:10<br/> 55:17<br/> <b>somewhat</b><br/> 21:16<br/> <b>sophisticated</b><br/> 54:24<br/> <b>sorry</b> 38:20<br/> 44:5<br/> <b>sort</b> 34:4,5 40:6<br/> <b>source</b> 66:5,7<br/> <b>sources</b> 18:6<br/> <b>space</b> 39:2<br/> <b>speak</b> 62:7<br/> 71:22<br/> <b>speaking</b> 21:9<br/> <b>speaks</b> 20:6<br/> <b>special</b> 33:19<br/> 34:3<br/> <b>specialty</b> 54:25<br/> 55:4<br/> <b>specific</b> 27:7<br/> 29:5 31:12<br/> 55:21 56:14<br/> 58:7 68:8<br/> <b>specifically</b><br/> 21:9 29:15<br/> 30:21 50:23<br/> 51:5 57:20,24<br/> <b>spend</b> 49:1<br/> <b>split</b> 18:10<br/> <b>ss</b> 78:2<br/> <b>stabilize</b> 56:9<br/> <b>staff</b> 10:2 11:10<br/> 11:14 12:16</p> |
|--|---|--|--|--|

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|  |   |  |   |   |
|--|---|--|---|---|
| 18:24 20:12<br>23:12,14<br>24:24 25:4,7<br>30:6 33:2,7<br>37:22 39:8<br>40:8 41:24<br>44:16 51:1<br>52:10 53:22<br>68:8,11 70:6<br>70:15 71:6,8<br>71:20 72:22<br>73:4 74:23,24<br>75:5<br><b>staffs</b> 24:20,20<br><b>Staff's</b> 74:14<br><b>stage</b> 19:23<br>20:4<br><b>stakeholders</b><br>28:1<br><b>Stan</b> 22:16<br><b>stand</b> 13:5<br>15:12,15<br>22:10 26:1,3<br>28:24 46:3,6<br>60:10,14<br>69:11<br><b>standard</b> 40:16<br><b>standards</b><br>28:18 65:18<br><b>standpoint</b><br>48:17 49:14<br><b>star</b> 64:11<br><b>start</b> 18:3 31:6<br>33:10 34:6<br>37:6 63:9<br><b>started</b> 29:17<br>33:21 35:15<br>41:16 50:7<br><b>Starting</b> 8:18<br><b>starts</b> 40:21<br><b>state</b> 8:1 9:1<br>14:17 16:4<br>19:17 22:12<br>24:2,3 25:2,4<br>26:16 28:7<br>29:5,9,11,15<br>29:19,22 30:1 | 31:14 32:5<br>40:1 43:22<br>44:9,20 46:15<br>47:22 50:11<br>51:18,24 55:7<br>55:9 57:12<br>59:15,18<br>60:23 71:25<br>78:2,14<br><b>stated</b> 48:2<br>75:3<br><b>statement</b><br>12:20 77:2<br><b>states</b> 17:20<br>18:5 24:23<br>27:2,19 28:4<br>28:8,21,22,25<br>29:12 40:13<br>47:23 56:3,12<br>56:21 71:22<br><b>station</b> 39:4<br><b>statistical</b><br>66:10<br><b>status</b> 25:13<br><b>stay</b> 13:5<br><b>stellar</b> 52:12<br><b>Stenotype</b> 78:9<br>78:11<br><b>step</b> 25:24 26:8<br>46:2 60:9<br>69:10<br><b>stipulation</b><br>13:19,25 14:2<br>25:15<br><b>stopping</b> 54:16<br>57:24 58:4,5<br>58:21<br><b>store</b> 22:20,21<br><b>strategic</b> 38:19<br><b>strategy</b> 28:18<br>63:4<br><b>Street</b> 46:16<br><b>strengths</b> 56:1<br><b>strong</b> 20:20<br>21:6<br><b>structure</b> 21:22<br>27:10 28:15 | 28:25 29:8<br><b>structures</b> 22:3<br><b>stuffers</b> 42:20<br><b>subject</b> 16:25<br>19:21,23 27:7<br>61:14<br><b>submission</b><br>25:18<br><b>submitted</b><br>16:22<br><b>subsequent</b><br>20:9 67:10<br><b>subsidiaries</b><br>16:18 17:6,8<br>17:15,22 22:4<br><b>subsidiary</b> 17:3<br><b>substantial</b><br>22:24<br><b>success</b> 73:11<br><b>successful</b><br>14:14 40:11<br>50:2<br><b>successfully</b><br>30:25 34:20<br>36:1 37:14<br><b>suggested</b> 50:4<br>71:8<br><b>suite</b> 9:24<br>10:15 38:24<br><b>sum</b> 69:20 72:5<br><b>summer</b> 22:21<br>67:9<br><b>supervision</b><br>52:6<br><b>supervisors</b><br>52:3,16<br><b>supervisory</b><br>65:4<br><b>supplier</b> 66:13<br><b>supply</b> 22:22<br>61:7,22 62:2<br>64:1,5,7,16<br>65:2 68:15<br><b>support</b> 16:21<br>27:4 29:2,4<br>36:24 55:8<br>57:9 58:17 | 59:1 62:1,21<br>72:17 74:14<br><b>supportive</b><br>20:5<br><b>supposed</b> 41:2<br><b>sure</b> 30:11<br>32:16 36:22<br>39:17 40:15<br>41:1,23 44:11<br>47:12,25 48:2<br>48:12,22 49:3<br>49:5 52:18<br>53:20,23,25<br>54:3,7,15,19<br>55:17 62:9<br><b>surrounding</b><br>29:12 56:8,12<br>56:21<br><b>surveys</b> 53:3<br><b>Swain</b> 14:17<br>28:23 29:9<br>31:18 34:21<br>44:1,6 45:5<br>45:10 46:6,7<br>46:9,14,16,18<br>47:5 57:4,11<br>59:12 60:3,8<br>61:24 71:2,11<br>71:24 77:9<br><b>Swain's</b> 32:5<br><b>sworn</b> 13:1<br>15:14,20,21<br>26:9,10 46:8<br>46:9 60:16,17<br><b>syndicate</b> 23:22<br><b>system</b> 34:17<br>35:3 38:11,17<br>40:7 41:25<br>47:11 48:23<br>50:8 51:16<br>54:8,13,17<br>56:8,9 59:15<br>64:11,11 65:4<br>65:22 71:16<br><b>systems</b> 27:18<br>27:23 28:20<br>32:12,13 33:7 | 34:14,14<br>44:23 45:1<br>70:14<br><hr/> <b>T</b> <hr/> <b>T</b> 78:1,1<br><b>table</b> 69:15<br><b>tag</b> 36:13<br><b>take</b> 22:13<br>30:11 32:16<br>32:17 38:3<br>39:13,21 40:2<br>40:2 48:16<br>58:25 63:2,17<br>65:10 68:9<br>72:13 73:9<br>75:23<br><b>taken</b> 50:10<br>61:17<br><b>takes</b> 63:15<br><b>talk</b> 28:12<br>32:24 34:21<br>37:2 45:15<br>50:23 52:12<br>61:24<br><b>talked</b> 31:22<br>36:18,23<br>37:21 38:8<br>42:16,25 48:1<br>52:8 59:2<br><b>talking</b> 24:18<br>27:9 42:12<br>44:2 49:2<br>57:8<br><b>tap</b> 54:16<br><b>tapping</b> 57:24<br>58:4,5,21<br><b>tariff</b> 14:7<br><b>tariffs</b> 14:4<br><b>team</b> 29:23<br>30:2 32:1,5<br>45:5 47:17<br>52:6 62:21<br><b>teams</b> 28:9<br>30:13<br><b>technical</b> 32:23<br><b>technicians</b> |
|--|---|--|---|---|

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|  |  |  |   |  |
|--|--|--|---|--|
| 55:1<br><b>technology</b><br>37:2 38:7,19<br>40:10,14 41:6<br>41:8 42:3<br>75:19<br><b>telephone</b><br>42:22<br><b>tell</b> 50:20,21<br><b>tender</b> 21:14<br><b>tenure</b> 34:7<br><b>terms</b> 18:17<br>21:13 65:12<br>67:2 70:5,16<br>71:20 72:19<br><b>terrific</b> 34:8<br>58:2<br><b>territories</b> 62:5<br>63:8,19 67:16<br>67:19<br><b>territory</b> 62:4<br>65:24 66:1<br><b>test</b> 41:1<br><b>tested</b> 38:14<br>40:18<br><b>testified</b> 15:22<br>26:11 46:10<br>60:18<br><b>testify</b> 15:1,15<br>49:1<br><b>testifying</b> 14:12<br><b>testimony</b><br>16:21 20:11<br>27:4 43:6<br>44:1<br><b>testing</b> 37:8,9<br>41:12,12,15<br><b>Texas</b> 27:20<br>45:4,12<br><b>thank</b> 11:12,15<br>11:18,20,24<br>12:4,11 13:7<br>13:9 15:5,8<br>15:10,23,25<br>16:8,20 17:9<br>17:11,12 24:7<br>24:15 25:11 | 25:20,23,24<br>26:12,14,20<br>27:12,14 43:7<br>43:10,13<br>45:18,19,21<br>45:22,25 46:1<br>46:2,5,11<br>47:5,7 57:4<br>59:4,5,7 60:3<br>60:5,8,12,19<br>60:21 61:20<br>62:9 68:23<br>69:8,9,17<br>73:9,18 74:9<br>75:4,7,9,15<br>76:4<br><b>Thanks</b> 73:17<br><b>theme</b> 27:25<br>69:24<br><b>thereof</b> 78:8<br><b>Therewith</b> 9:15<br><b>thing</b> 39:24<br>42:8 56:12<br>58:11 61:23<br><b>things</b> 28:2<br>31:23 37:21<br>39:5,6,11<br>41:13,13,24<br>42:24 48:5,17<br>48:18,25 50:1<br>50:5 52:25<br>53:5,12,17,21<br>53:24 54:3,6<br>58:22 63:9,24<br><b>think</b> 15:17<br>20:3,6,22<br>21:4,15,22<br>22:2,9 28:14<br>33:9 35:7<br>36:17 41:24<br>42:6,8 44:23<br>45:2 50:24<br>52:12,23<br>55:21,24 57:1<br>57:1,20,24<br>69:2,14 70:3<br>70:5,15,18,24 | 71:2,8 72:3,8<br>72:10,14,15<br>72:17,18,21<br>73:1,11 74:25<br><b>thinking</b> 44:10<br><b>third</b> 19:3<br>70:18<br><b>third-party</b><br>40:14<br><b>thought</b> 40:5<br>45:4 51:16<br>58:6<br><b>three</b> 18:1 36:1<br>36:2 47:23<br>52:13 58:10<br>59:16 72:5<br><b>tick</b> 19:14<br><b>tie</b> 64:14<br><b>tier</b> 28:15<br><b>time</b> 8:18 21:10<br>23:1,3 24:6<br>26:2 33:9<br>35:18 37:5,22<br>42:7 49:1<br>52:25 64:21<br>65:22 67:1<br>69:4 75:20,24<br>78:7,11<br><b>timely</b> 48:10,16<br><b>today</b> 17:1 18:8<br>21:19 30:3<br>31:20 37:11<br>39:25 42:9<br>47:7 50:19<br>51:10,12,13<br>55:23 59:24<br>74:10,13,17<br>75:22,24<br><b>told</b> 41:24<br><b>top</b> 29:9 36:5<br><b>tornado</b> 56:6<br><b>total</b> 43:21 45:1<br><b>tough</b> 29:7<br><b>to-date</b> 27:11<br>31:12 34:8<br>61:17 73:12<br><b>to-month</b> 51:4 | <b>track</b> 32:16<br>35:22 37:4<br>41:20 42:7<br>64:12,13<br>74:25<br><b>tracking</b> 34:10<br>34:15<br><b>tract</b> 70:5<br><b>traffic</b> 37:23<br><b>train</b> 41:3<br><b>trained</b> 33:8<br><b>training</b> 41:4<br>55:16 58:18<br><b>transaction</b><br>14:8 21:17<br>28:12 29:14<br>31:5 32:8<br>33:15,22<br>36:16 37:20<br>73:1<br><b>Transactions</b><br>9:15<br><b>transcript</b> 8:6<br>9:6 78:11<br><b>transfer</b> 31:8<br><b>transferred</b><br>31:2 34:24<br>68:15<br><b>transition</b><br>14:14 27:11<br>28:6 32:12,15<br>32:23 33:16<br>34:16 48:4<br>49:9 51:14<br>52:14 53:9<br>54:5 55:14,20<br>61:17,22 64:4<br>66:1 74:25<br>75:3<br><b>transmission</b><br>17:19<br><b>transparency</b><br>23:15 70:25<br><b>transparent</b><br>49:12<br><b>transport</b> 66:4<br><b>transportation</b> | 63:20,23 66:2<br>66:7 67:20,21<br><b>traveled</b> 75:16<br><b>tremendous</b><br>62:20<br><b>tried</b> 38:14<br><b>trucks</b> 36:9<br><b>true</b> 78:10<br><b>Truman</b> 9:23<br><b>trust</b> 23:16<br><b>trusting</b> 73:2<br><b>try</b> 13:4 62:11<br>63:3,18<br><b>trying</b> 68:7<br><b>turn</b> 20:9<br><b>turned</b> 34:13<br>34:17<br><b>turning</b> 41:16<br><b>two</b> 17:14,21<br>18:1 19:14,22<br>20:23 22:4<br>28:15 34:20<br>37:17 41:22<br>45:1 49:7,9<br>49:21 51:24<br>59:23<br><b>two-page</b> 74:15<br>74:20<br><b>type</b> 58:16<br><b>types</b> 58:22 |
| <b>U</b>   |  |  |   |  |
| <b>Uh-huh</b> 57:10<br><b>ultimately</b><br>39:16 41:3,5<br>64:16<br><b>unable</b> 74:13<br><b>unanimous</b><br>13:19,25<br><b>understand</b><br>12:8 22:11<br>57:16 62:23<br>63:7 68:7<br><b>understanding</b><br>17:10 59:15<br>67:20,21 68:8<br><b>understood</b>   |  |  |   |  |

TRANSCRIPT OF PROCEEDINGS 11/28/2012

|  |  |  |   |  |
|--|--|--|---|--|
| <b>undertaken</b><br>20:19 22:7<br>68:2  | 22:20 23:16<br>27:15,17<br>28:20,20            | 40:4   | 40:23 42:5<br>56:21,22 57:2<br>59:24 63:2,10<br>68:3,10   | <b>wherewithal</b><br>20:14  |
| <b>underway</b><br>25:14   | 29:11 33:9<br>34:12 38:9<br>39:2 45:7<br>70:13 | <b>want</b> 12:6<br>24:24 37:15<br>41:14 42:7<br>51:4 61:21,24                                       | <b>we're</b> 27:22<br>28:4 30:7<br>31:15 32:2,21<br>33:6 34:10<br>35:7,20 36:10<br>36:13 37:8,11<br>41:13,14,21<br>42:6,9,12,20<br>42:24 44:10<br>44:15 48:15<br>49:5,5 51:20<br>52:17,20<br>53:16 55:2,4<br>55:15 58:24<br>62:1,20 64:6<br>65:22 67:2,5<br>67:5,19   | <b>whichever</b><br>15:16 74:3   |
| <b>unique</b> 38:4   | <b>utilize</b> 63:22<br>67:8                   | <b>wanted</b> 42:8   | <b>wants</b> 44:8   | <b>win</b> 36:17   |
| <b>United</b> 17:20<br>18:5 27:2,19<br>28:21   | <b>utilizes</b> 63:6                           | <b>warm</b> 22:21  | <b>wastewater</b><br>44:25  | <b>wind</b> 18:7   |
| <b>update</b> 14:13  | <b>utilizing</b> 14:4<br>38:13 39:5<br>63:5    | <b>watch</b> 73:7  | <b>water</b> 17:19<br>19:25 27:17<br>40:12 44:20<br>44:24 45:10<br>45:12,16   | <b>winter</b> 67:8,10<br>67:13   |
| <b>updates</b> 73:13   | <b>utterly</b> 22:6                            | <b>way</b> 23:9 24:2<br>29:18 34:12<br>41:2 42:18<br>44:6 53:4<br>54:12 55:25<br>56:19 74:8<br>75:17 | <b>we've</b> 27:17<br>28:10,13<br>29:12,15,20<br>29:22,24<br>30:19 31:12<br>32:1,1,20<br>33:5 34:8,13<br>34:19 35:3<br>36:1,15 37:11<br>37:21 38:8,15<br>38:17 39:10<br>40:18 41:11<br>41:17 42:2,21<br>42:23 47:17<br>47:19,24 48:1<br>48:13 50:1,5<br>50:10,20,25<br>52:8 54:9,14<br>54:18 56:24<br>58:18,18,20<br>59:1 62:12,12<br>62:16 63:13<br>65:23 66:8,10<br>67:7,12,15<br>68:6 73:11<br>75:18 | <b>Wisconsin</b><br>38:22  |
| <b>usage</b> 63:25   | <b>U.S</b> 27:23                               | <b>wealth</b> 29:23  |   | <b>wise</b> 58:6   |
| <b>USDI</b> 58:1   |  | <b>wean</b> 35:15<br>37:6  |   | <b>wisely</b> 71:8   |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  | <b>V</b>                                       | <b>website</b> 37:11<br>37:15,19<br>42:16,18   |   | <b>wishes</b> 12:12  |
| <b>useful</b> 40:5   | <b>vendor</b> 38:18<br>38:21 39:8,16<br>54:11  | <b>websites</b> 37:17  |   | <b>withstanding</b><br>22:22   |
| <b>uses</b> 65:5 66:9  | <b>vendors</b> 39:20<br>40:15                  | <b>week</b> 13:16<br>31:9  |   | <b>witness</b> 13:5<br>15:12,15,21<br>16:1 24:17<br>26:1,1,3,10<br>26:15 43:14<br>45:24,25 46:3<br>46:3,9,13<br>57:7 59:9,11<br>60:6,10,10,17<br>60:22 69:11<br>69:11,13         |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 | <b>versa</b> 22:9                              | <b>weekly</b> 68:13  |   | <b>witnesses</b> 12:19<br>12:20,25 24:5<br>77:3  |
| <b>updates</b> 73:13   | <b>vetted</b> 40:18                            | <b>weeks</b> 20:23   |   | <b>Wonderware</b><br>65:5,22   |
| <b>usage</b> 63:25   | <b>Vic</b> 71:2,11                             | <b>welcome</b> 13:5  |   | <b>word</b> 24:19  |
| <b>USDI</b> 58:1   | <b>vice</b> 22:9                               | <b>well-known</b><br>39:2  |   | <b>words</b> 72:5  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  | <b>Vice-President</b><br>14:23                 | <b>went</b> 33:24<br>49:10,21 53:8<br>72:11  |   | <b>work</b> 29:21<br>35:1 36:7<br>40:22,23 48:9<br>48:19 50:6<br>51:2,3 54:12<br>54:13 55:1,4<br>56:20,21<br>57:22 58:2,4<br>59:18,20 60:2<br>66:12 67:11<br>67:13 68:3<br>72:16 |
| <b>useful</b> 40:5   | <b>Victor</b> 14:20<br>30:2 31:19<br>34:25     | <b>weren't</b> 31:14   |   | <b>worked</b> 29:18<br>51:7,19 52:3  |
| <b>uses</b> 65:5 66:9  | <b>video</b> 75:20                             | <b>West</b> 9:23   |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 | <b>view</b> 74:7                               | <b>western</b> 57:12   |   |  |
| <b>updates</b> 73:13   | <b>violations</b><br>49:23,23                  | <b>we'll</b> 19:5<br>28:12 35:23<br>36:22 39:5,13<br>39:24 40:22                                     |   |  |
| <b>usage</b> 63:25   | <b>vital</b> 52:5                              |  |   |  |
| <b>USDI</b> 58:1   | <b>volume</b> 8:10<br>9:8 44:13                |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  | <b>W</b>                                       |  |   |  |
| <b>useful</b> 40:5   | <b>W</b> 10:13                                 |  |   |  |
| <b>uses</b> 65:5 66:9  | <b>waiting</b> 12:5                            |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 | <b>walk</b> 30:9<br>37:25 40:3                 |  |   |  |
| <b>updates</b> 73:13   | <b>walk-in</b> 37:23                           |  |   |  |
| <b>usage</b> 63:25   | <b>Walther</b> 14:24                           |  |   |  |
| <b>USDI</b> 58:1   | <b>Wal-Mart</b> 40:3                           |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |
| <b>use</b> 13:5 38:7<br>62:13 68:4<br>75:19  |  |  |   |  |
| <b>useful</b> 40:5   |  |  |   |  |
| <b>uses</b> 65:5 66:9  |  |  |   |  |
| <b>utilities</b> 10:12<br>13:13,22 14:5<br>14:12,16,17<br>14:18,19<br>16:11,18,19<br>17:2,4,6,14<br>17:17,20,23<br>18:2,12,18,19<br>19:9 20:13,21<br>21:6,8,12<br>22:5,5,7,16<br>23:4,7,18,24<br>24:6 26:22<br>27:2 34:6,21<br>34:25 35:14<br>36:6 38:5,10<br>38:13 39:18<br>40:4 41:9<br>42:13 43:4<br>46:20 56:11<br>56:19 61:5,8<br>61:12 70:13<br>70:25 71:15<br>71:19,21<br>72:13 |  |  |   |  |
| <b>updates</b> 73:13   |  |  |   |  |
| <b>usage</b> 63:25   |  |  |   |  |
| <b>USDI</b> 58:1   |  |  |   |  |



TRANSCRIPT OF PROCEEDINGS 11/28/2012

|   |  |   |  |
|---|--|---|--|
| 52:4 62:12<br>67:15<br><b>working</b> 22:18<br>22:24 23:5,5<br>23:8,19 28:4<br>31:8 32:2<br>37:17 38:20<br>44:1 51:23<br>52:10,15 64:6<br>65:7,7,22<br>67:19 68:19<br>70:7 74:24<br><b>works</b> 67:22<br><b>workshop</b><br>61:10 63:1,3<br>68:2<br><b>world</b> 38:25<br><b>world-class</b><br>40:16<br><b>worth</b> 18:9<br><b>worthy</b> 28:15<br><b>write</b> 59:23<br><b>written</b> 12:3<br><b>wrong</b> 12:18 | <b>\$5</b> 38:23<br><hr/> <b>#</b><br><b>#426</b> 78:17<br><hr/> <b>1</b><br><b>1</b> 14:9 28:12<br>31:1 33:16,16<br>34:3 36:8<br>37:12 41:21<br>42:7 44:13<br>52:14 54:5<br>65:23 66:8<br>68:20 72:10<br>74:15<br><b>1st</b> 64:19 65:9<br><b>10</b> 21:14<br><b>101</b> 10:15<br><b>108</b> 28:11<br>30:15<br><b>11</b> 11:8 61:1<br><b>11:00</b> 8:18<br><b>12:36</b> 76:8<br><b>13</b> 31:21 77:2<br><b>14</b> 27:16 31:13<br>31:15 43:16<br>43:19<br><b>14th</b> 13:20 14:3<br><b>146</b> 39:9<br><b>15</b> 31:15<br><b>16</b> 77:5<br><b>17th</b> 14:1<br><b>17,000</b> 19:24<br><b>19th</b> 40:17<br><b>1977</b> 38:12<br><b>1998</b> 38:16 | 19:14,18<br>50:16<br><b>2013</b> 37:22<br>38:6 45:8<br>50:10,17 56:4<br>70:21<br><b>210</b> 64:18<br><b>22nd</b> 49:22<br><b>2230</b> 10:9<br><b>23rd</b> 14:7<br><b>2370</b> 46:16<br><b>24</b> 77:5<br><b>24/7</b> 65:7 67:4<br><b>25</b> 18:3 27:18<br><b>26</b> 77:7<br><b>2600</b> 45:2<br><b>2635</b> 45:2<br><b>270</b> 64:24<br>65:11<br><b>28</b> 8:8 9:7<br>43:21<br><b>28th</b> 11:6<br><b>284</b> 66:3<br><b>2845</b> 16:7<br><b>2865</b> 26:18 | <hr/> <b>5</b><br><b>50/50</b> 18:11<br><b>526-7779</b> 10:5<br><b>529</b> 56:3<br><b>54</b> 35:21<br><b>565</b> 27:22<br><b>57</b> 77:10<br><b>573</b> 9:25 10:5<br>10:10,16<br><b>59</b> 77:11<br><hr/> <b>6</b><br><b>60</b> 77:13<br><b>62</b> 77:14<br><b>636-6758</b> 10:16<br><b>636-7551</b> 9:25<br><b>65101</b> 10:16<br><b>65102</b> 10:4,9<br><b>65109</b> 9:24<br><hr/> <b>7</b><br><b>7F</b> 65:23<br><b>751-5558</b> 10:10<br><b>78</b> 77:15<br><hr/> <b>8</b><br><b>800</b> 35:13,14,16<br>35:17,18,20<br>35:21,25<br><hr/> <b>9</b><br><b>90</b> 34:11 36:19 |
| <hr/> <b>X</b><br><b>X</b> 77:1<br><hr/> <b>Y</b>   | <hr/> <b>2</b><br><b>2</b> 8:10 9:8<br><b>2nd</b> 14:5<br><b>20</b> 27:18 62:15<br><b>20th</b> 41:7 49:22<br><b>2005</b> 44:23<br><b>201</b> 9:24<br><b>2011</b> 13:25<br><b>2012</b> 8:8 9:7<br>11:6 14:1,3,7   | <hr/> <b>3</b><br><b>3rd</b> 31:5 33:18<br>33:18,23 36:8<br><b>30</b> 65:14<br><b>300</b> 38:13<br><b>34</b> 29:11<br><b>3432</b> 9:23<br><b>360</b> 10:4<br><hr/> <b>4</b><br><b>4-and-a-half</b><br>21:15<br><b>40</b> 29:16<br><b>40-some</b> 52:1<br><b>400</b> 10:15<br><b>426</b> 9:22<br><b>43</b> 77:8<br><b>430,000</b> 19:6<br><b>430-some-odd</b><br>27:21<br><b>46</b> 35:20 77:10  |  |
| <hr/> <b>\$</b><br><b>\$120</b> 20:24<br><b>\$225</b> 21:13   |  |   |  |