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Witness:	John J. Reed
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Sponsoring Party:	Great Plains Energy Incorporated, Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, and Westar Energy, Inc.
Case No.:	EM-2018-0012
Date Testimony Prepared:	August 31, 2017

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EM-2018-0012

DIRECT TESTIMONY

OF

JOHN J. REED

ON BEHALF OF

GREAT PLAINS ENERGY INCORPORATED,
KANSAS CITY POWER & LIGHT COMPANY,
KCP&L GREATER MISSOURI OPERATIONS COMPANY,
AND WESTAR ENERGY, INC.

August 2017

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DIRECT TESTIMONY

OF

JOHN J. REED

Case No. EM-2018-0012

I. INTRODUCTION AND PURPOSE

Q. Please state your name and business address.

A. My name is John J. Reed. I am Chairman and Chief Executive Officer of Concentric Energy Advisors, Inc. ("Concentric") and CE Capital, Inc., which has its headquarters at 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts 01752.

Q. On whose behalf are you submitting this testimony?

A. I am testifying on behalf of Great Plains Energy Incorporated ("GPE") and its wholly-owned subsidiaries, Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO"), and Westar Energy, Inc. and Kansas Gas and Electric Company (together referred to herein as "Westar"). GPE, KCP&L, GMO and Westar are collectively referred to herein as "Applicants" who are filing an Application seeking approval of the Missouri Public Service Commission ("Commission") for the merger of GPE and Westar (the "Merger").

Q. Please describe your educational background and professional experience in the energy and utility industries.

A. I have more than 40 years of experience in the energy industry and have worked as an executive in, and consultant and economist to, the energy industry. Over the past 29 years, I have directed the energy consulting services of Concentric, Navigant Consulting, and

Reed Consulting Group. I have served as Vice Chairman and co-CEO of the nation's largest publicly-traded consulting firm and as Chief Economist for the nation's largest gas utility. I have provided regulatory policy and regulatory economics support to more than 100 energy and utility clients and have provided expert testimony on regulatory, economic, and financial matters on more than 150 occasions before the Federal Energy Regulatory Commission ("FERC"), Canadian regulatory agencies, state utility regulatory agencies, various state and federal courts, and before arbitration panels in the United States and Canada. As an industry expert, I have been involved in numerous utility transactions over the past 20 years, including mergers, divestitures, asset acquisitions, and reorganizations. Recently, I have advised clients involved in utility transactions in Arizona, Connecticut, Delaware, the District of Columbia, Hawaii, Kansas, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Washington, and Wisconsin. I have appeared as an expert witness in several jurisdictions on the topics of merger policy standards, acquisition financing plans, merger benefits analyses, affiliate codes of conduct, impacts on competition and energy markets, and merger-related commitments or conditions. I am a graduate of the Wharton School of Business at the University of Pennsylvania, and previously attended the University of Kansas. My background is presented in more detail in Schedule JJR-1: Résumé and Testimony Listing.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to:

- Review the Commission's standard for evaluating merger applications;

- Evaluate the reasonableness of the transaction value from the perspective of the market value of each of Westar's and GPE's equity;
- Evaluate the Merger benefits that will be realized by customers and the local economy; and
- Discuss the financial and ring-fencing commitments that have been proposed by the Applicants to ensure that utility customers are insulated from the possibility of incremental financial risk as a result of the Merger in the context of other transactions in the industry.

Q. How is the remainder of your Testimony organized?

A. Following this introduction, my testimony is organized in the following sections:

- **Section II** provides a summary of my Testimony and my key conclusions;
- **Section III** reviews the Commission's standard for evaluating mergers;
- **Section IV** reviews the Merger terms and the reasonableness of the transaction value;
- **Section V** discusses the range of customer benefits that will result from the Merger and how they compare to other mergers nationally;
- **Section VI** discusses the Applicants' proposed financial ring-fencing commitments;
- **Section VII** presents my analysis on the impact of the Merger on the local economy; and
- **Section VIII** provides my conclusions.

Q. Are you sponsoring any schedules as part of your Testimony?

A. Yes. As part of my Testimony, I am sponsoring the following schedules:

Schedule JJR-1: Résumé and Testimony Listing

Schedule JJR-2: Economic Impacts of Merger

II. OVERVIEW AND KEY CONCLUSIONS

Q. Please begin by briefly describing the proposed Merger.

A. As discussed in greater detail by Messrs. Bassham and Ruelle, following the April 19, 2017 Order issued by the Kansas Corporation Commission ("KCC") in Docket No. 16-KCPE-593-ACQ rejecting the transaction presented to this Commission in EM-2017-0226, et al. ("Initial Transaction") ("KCC's Initial Transaction Order"), the Applicants sought a solution that preserves the operational goals of combining GPE and Westar, while addressing the KCC's reasons for rejecting the Initial Transaction. The resulting Merger is comprised of the following key elements:

- Each of GPE and Westar will exchange their common stock for common stock in a newly formed holding company ("Holdco" or the "combined Company"). The common stock exchange ratios between "old" shares and "new" shares will be 1:1 for Westar and 1:0.5981 for GPE.
- Following the closing of the transaction the combined company will be owned approximately 52.5 percent by Westar's shareholders and approximately 47.5 percent by GPE's shareholders.
- No transaction debt will be incurred, no control premium will be paid, and no cash will be exchanged, and the combined Company will maintain a balanced capital structure and be bound by comprehensive financial and ring-fencing commitments.
- Following the closing of the Merger, all of Westar's and GPE's retail electric customers will be provided with $50 million in guaranteed upfront bill credits. In

addition, initial net Merger savings will be reflected in the cost of service of KCP&L and GMO in rate cases that will be filed and pending at the time of the expected Order in this application. Going forward, customers will benefit from Merger savings through general rate cases and by delaying the filing of general rate cases. Net Merger savings are estimated to be approximately $28 million in 2018 and will grow to approximately $160 million per year by 2022.[1]

- These savings will be achieved with no involuntary severance of employees or reduction in wages or benefits and the current Kansas City, Missouri and Topeka, Kansas headquarters will be maintained.
- The combined Company will be led by a balanced combination of Westar and GPE executives including Messrs. Ruelle, Bassham, senior executives from each company, and independent directors.
- The Applicants also propose many other Merger Commitments and Conditions, including those committing to service reliability and call center performance, to ensure that customers benefit from the Merger and are protected from potential risks of the Merger.

Q. What is your overall reaction to the Merger?

A. The proposed combination of GPE and Westar, two relatively small utilities in adjacent service territories with a common regulatory experience and a strong track record of partnering together, will create value for all stakeholders and enable the utilities to do more combined than either could do on its own. The Merger will improve growth prospects, provide benefits of scale (improved credit profile and lower capital costs, greater

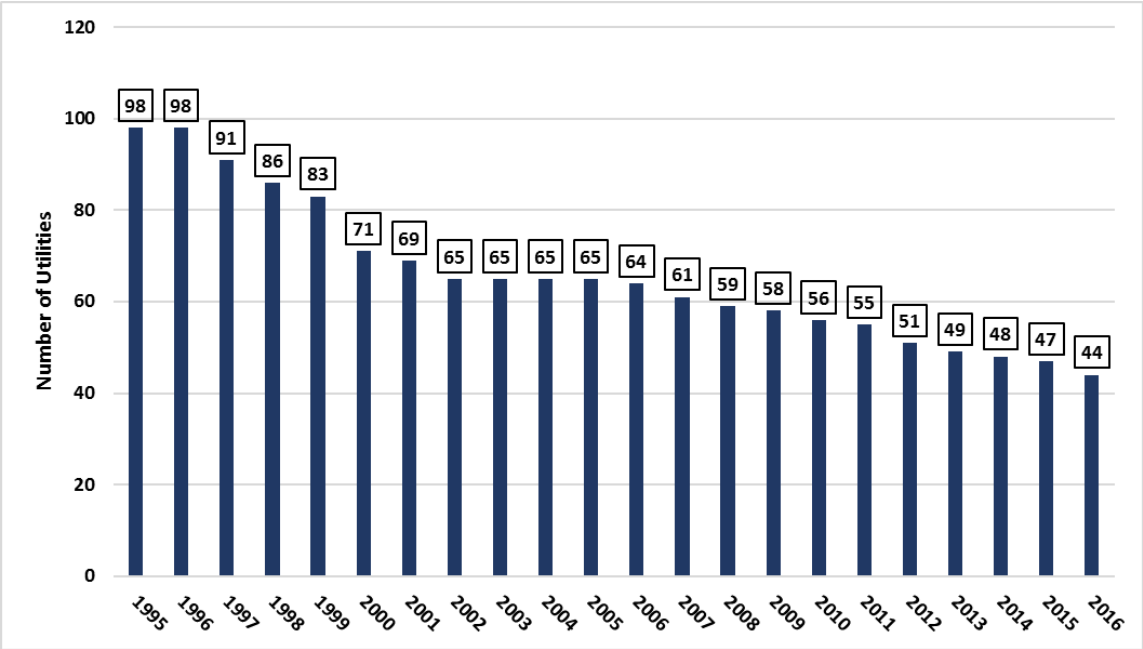
[1] Busser Direct Testimony.

efficiencies), diversify regulatory risk, create opportunities for substantial savings, and will better position the combined Company to weather future industry challenges. These companies have demonstrated their commitment to merge through their unprecedented restructuring of this business combination, for the best positioning of the utilities for the future and to achieve significant Merger savings for customers.

Q. Has there been a trend of consolidation in the electric utility industry?

A. Yes. Lower demand growth, even flat sales, throughout the industry and the need to invest and reinvest in necessary plant and equipment has prompted a large number of electric utilities to combine over the years. In particular, small and midsize utilities combine to achieve scale and improve capital market access, better positioning themselves financially for upcoming industry developments and allowing them to compete for capital with larger utilities. As shown in the Figure below, EEI reports that the number of investor-owned electric utilities has declined by 55% since December of 1995 to only 44 investor-owned electric utility companies today.

Figure 1: U.S. Investor-Owned Electric Utilities, 1995-2016[2]



Q. How does the Merger fit within the type of utility combinations that commonly occur?

A. Generally, there are two broad categories of utility combinations: those undertaken by strategic acquirers and those undertaken by financial acquirers, such as infrastructure funds, private equity companies and institutional investors. The Merger is clearly a strategic combination of two companies with over a century of experience in owning and operating electric utilities and with the long-term intent of continuing to own and operate utilities. This is different from a transaction that is driven by private equity or institutional capital entities with an interest in having a financial portfolio position filled by a utility equity holding. Such acquisitions by financial acquirers have often been accomplished through shorter holding periods, multiple levels of leverage, and complex organizational structures intended to enhance shareholder returns.

[2] EEI 2016 Financial Review, Annual Report of the U.S. Investor-Owned Electric Utility Industry, at 47.

Within the category of strategic mergers, there are two broad models: (1) operational integration, in which management and operational functions are merged; and (2) confederation, in which the utilities largely maintain their own operational status. The proposed Merger is a classic example of the operational integration model that one sees in utility mergers with overlapping or adjacent service territories. Mergers built around operational integration tend to be more transformative, and derive most of their benefits through merger savings and expense reductions. Mergers built around the confederation model tend to produce benefits through financial strength, diversification of markets and regulatory jurisdictions, and some economies of scale.

Q. How does the Merger compare to other mergers built around the operational integration model?

A. It compares very favorably, which reflects the detailed Merger savings analysis and integration planning that the Applicants have undertaken, and the very significant cost reductions that are achievable in a merger between two such similar and adjacent utilities. The Merger integration work was initiated in the Initial Transaction and has continued through the regulatory proceeding and renegotiation. It provides a far more detailed and well-formed assessment of Merger savings and blueprint for integration than generally is available at this stage of a business combination.

Q. How does the proposed Merger compare to other transactions structured as mergers of equals ("MOE")?

A. As discussed later in my testimony, this Merger compares well to other MOEs in terms of customer benefits, financial terms, governance and integration. GPE and Westar have a

very high level of fit, familiarity and financial compatibility that will all contribute to making this MOE successful.

Q. What are your key conclusions regarding the proposed Merger?

A. This consolidation will produce benefits for customers, investors, host communities, and other stakeholders, and provide both protections and opportunities for employees. The Applicants have shown a clear commitment to safe, affordable, and reliable service and to promoting the interests of the communities and states that they serve. This proposed Merger meets or exceeds industry norms for utility mergers in terms of customer benefits, financing, price, economic benefits, employee protection, pre-merger activities, regulatory safeguards, and financial safeguards.

By entering into a 100 percent stock transaction, at an exchange ratio intended to reflect no control premium, the Merger eliminates the cash market premium, the need for transaction-related debt and the "high" purchase price that existed in the Initial Transaction. The combined Company will ultimately have a balanced capital structure and the capital structure of the utilities will be unchanged. The credit rating agencies have found the Merger to be clearly positive from a credit perspective, and commented on the benefits to customers.

The Merger will provide guaranteed customer benefits in the form of the $50 million upfront bill credits to retail electric customers, reductions to the cost of service of KCP&L and GMO in rate cases that will be filed and pending at the time of the expected Order in this application, and will delay and reduce the frequency of future rate cases. The Merger will provide clear and tangible immediate and long-term benefits to customers,

offers customers the same level of financial and service quality protections as the Initial Transaction but with much less risk.

I am confident the Merger meets or exceeds the Commission's standard for evaluating mergers.

III. THE COMMISSION'S STANDARD

Q: What is your understanding of the standard applied by the Commission in evaluating a proposed merger?

A: It is my understanding that the Commission will apply the "not detrimental to the public interest" standard, as that standard has evolved through application to Missouri mergers.

The applicability to the standard to the current Merger derives from a July 31, 2001 *Order Approving Stipulation and Agreement and Closing File*, approving KCP&L's application to reorganize and establish GPE as a publicly traded holding company, with KCPL becoming a wholly-owned subsidiary of GPE.[3] The referenced Stipulation and Agreement provides for a review of the proposed Merger and specifies further that the Commission would apply a "no detriment to the public" standard to any proposed merger filed in accordance with the July 31, 2001 order.

> GPE agrees that it will not, directly or indirectly, acquire or merge with a public utility or the affiliate of a public utility, where such affiliate has a controlling interest in a public utility unless GPE has requested prior approval for such transaction from the Commission and the Commission has found that no detriment to the public would result from the transaction. In addition, GPE agrees that it will not allow itself to be acquired by a public utility, or the affiliate of a public utility, where such affiliate has a controlling interest in a public utility, unless GPE has requested prior approval for such a transaction from the Commission and the Commission has found that no detriment to the public would result from the transaction.[4]

[3] Order Approving Stipulation and Agreement and Closing File in Case No. EM-2001-464, July 31, 2001.
[4] Id., Section 7 of the Stipulation and Agreement.

This is consistent with the standard that the Commission has applied in all recent merger cases.

Q: How has the standard been applied?

A: By way of an example that I believe is representative of how the standard has been applied, the Commission's Order on Rehearing in the Ameren/CIPS case includes the following discussion of the "not detrimental to the public interest" standard:

> Section 393.190.1 does not contain a standard to guide the Commission in the exercise of its discretion; that standard is provided by the Commission's own rules. An applicant for such authority must state in its application "[t]he reason the proposed sale of the assets is not detrimental to the public interest." (Commission Rule 4 CSR 240-2.060(7)(D)). A court has said of Section 393.190.1, that "[t]he obvious purpose of this provision is to ensure the continuation of adequate service to the public served by the utility." (State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W.2d 466, 468 (Mo. App., 1980)). To that end, the Commission has previously considered such factors as the applicant's experience in the utility industry; the applicant's history of service difficulties; the applicant's general financial health and ability to absorb the proposed transaction; and the applicant's ability to operate the assets safely and efficiently. (See In the Matter of the Joint Application of Missouri Gas Energy, et al., Case No. GM-94-252 (Report and Order, issued October 12, 1994), 3 Mo. P.S.C.3rd 216, 220).[5]

The Report and Order in the Aquila/Great Plains Energy case also discusses other important elements of the standard as it has evolved over time:

> Consequently, the Commission may not withhold its approval of the proposed transaction unless the Applicants fail in their burden to demonstrate that the transaction is not detrimental to the public interest, and detriment is determined by performing a balancing test where attendant benefits are weighed against direct or indirect effects of the transaction that would diminish the provision of safe or adequate service or that would tend to make rates less just or reasonable.[6]

[5] Report and Order, In the Matter of the Application of Union Electric Company, d/b/a AmerenUE, for an Order Authorizing the Sale, Transfer and Assignment of Certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements to Central Illinois Public Service Company, d/b/a AmerenCIPS, and, in Connection Therewith, Certain Other Related Transactions, Case No. EO-2004-0108, Order on Rehearing Issued February 10, 2005, effective February 20, 2005.

[6] Report and Order at 232, In re Merger of Aquila, Inc. with a Subsidiary of Great Plains Energy Inc., No. EM-2007-0374 (July 1, 2008).

Thus, (1) the Commission may not withhold its approval unless the applicants fail in their burden of proof that the transaction is not in the public interest, and (2) there is a balancing of benefits against the potential diminishment of the safe or adequate service or result in rates that are not just and reasonable.

IV. REASONABLENESS OF PURCHASE PRICE

Q. Is there a purchase price provided for in the Amended and Restated Merger Agreement?

A. Not explicitly. Pursuant to the Amended Merger Agreement, Westar and GPE will merge through the creation of Holdco. As noted by Mr. Bryant, GPE shareholders will receive 0.5981 shares in the newly-formed Company in exchange for each existing share of GPE stock, while Westar shareholders will receive one share in the combined Company for each share of Westar stock.

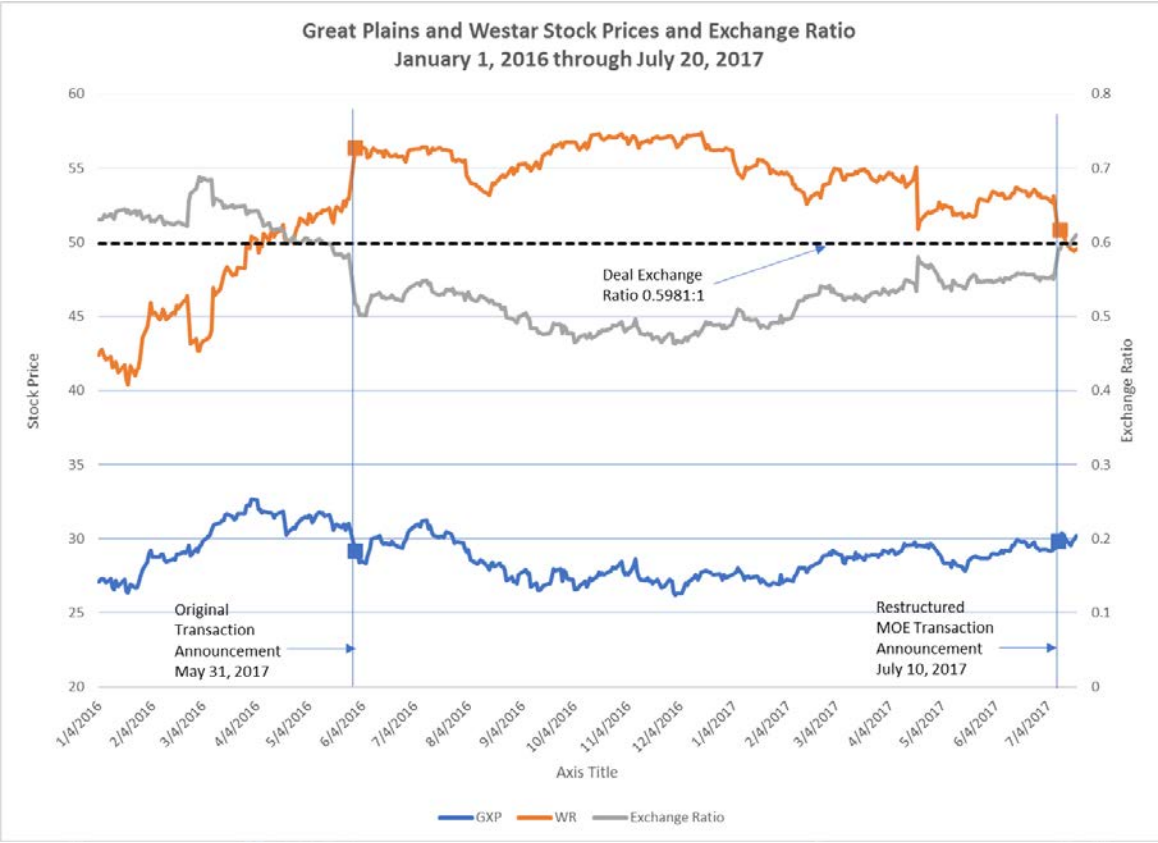
Underlying this exchange ratio is an implied price of each company's common stock. The combined Company will have an equity value of approximately $14 billion, which is simply the sum of the equity market capitalization of the two companies (*i.e.*, $6.3 billion for Great Plains and $7.6 billion for Westar[7]) immediately prior to the announcement of the Merger. Of course, the final equity value will depend on the relative trading values of the GPE and Westar shares at the closing of the Merger, though I expect that each company's shares will continue to trade very near to the exchange ratio, relative to each other, since the Merger has effectively locked in those relative valuations.

[7] Source: Goldman Sachs, Presentation to the board of directors of Great Plains Energy, July 9, 2017, at 7.

Q. Does the exchange ratio reflect a fair exchange based on relative trading values for GPE and Westar stock unaffected by the Initial Transaction?

A. Yes, it does. As discussed in detail in the testimonies of Messrs. Bryant and Somma, the exchange ratio was the result of arms'-length negotiations, informed by GPE's and Westar's respective advisors' analyses of the value of each company's common stock undisturbed by the Initial Transaction. In Figure 2 below, I have plotted the stock prices for both GPE and Westar (the blue and orange lines) on the left vertical axis, and the implied exchange ratio on the right vertical axis (grey line). I have also drawn the deal exchange ratio of 0.5981 (the dotted line). As the figure shows, the exchange ratio fairly reflects the pre-merger undisturbed trading values for the shares exchanged.

Figure 2: Great Plains/Westar Historical Exchange Ratio



Source: Yahoo! Finance

The exchange ratio has been analyzed by Lazard Freres & Co. LLC, Goldman Sachs & Co. LLC, and Guggenheim Securities, LLC for the purpose of issuing fairness opinions of the exchange ratio to GPE's and Westar's shareholders. The fairness opinions considered prevailing stock prices, earnings prospects, peer-group valuation multiples and several other factors, and all three firms found the ratio to be fair. I have reviewed these opinions, and I concur with their conclusions. In addition, the boards of directors of both companies unanimously found the ratios to be fair, and both sets of shareholders will be given the opportunity to vote on the proposed Merger.

Q. Do the exchange ratios for each of Westar's and GPE's common equity include a control premium?

A. No. The Applicants established the exchange ratio with the general intent that there would be no embedded control premium (a premium paid above the fair-trading value of the stock). The exchange ratio in a stock-for-stock transaction is very much akin to a foreign exchange transaction. When two foreign exchange traders swap dollars for euros, neither party receives a premium from the exchange. The exchange ratio is merely set to lock in the exchange and general parity between the two companies' stock values, such that there would be no control premium.

Q. Will the Merger create accounting "goodwill"?

A. Yes. It will result in the booking of goodwill, but not the creation of any goodwill beyond the amount reflected in prevailing share prices. As explained by Mr. Busser, for accounting purposes, Westar has been determined to be the accounting acquirer and GPE will be the accounting acquiree. Even though no cash will change hands and no control premium will be paid, Generally Accepted Accounting Principles ("GAAP") require that, as the acquiree,

the difference between the underlying net book value of GPE's assets and the market value of GPE equity at the time of the exchange be recorded as Merger-related goodwill on the books of Holdco. Merger-related goodwill is expected to be approximately $1.52 billion based on the trading values of the Westar stock. The goodwill generated is essentially a non-cash accounting memorialization of the amount by which the GPE equity value at close exceeds its net book value. Merger-related goodwill will have no impact on the utilities, their capital structures, cost of service or customers' rates. Mr. Ives testifies to the Applicants' commitment that there will be no impact on customer rates resulting from Merger-related goodwill.

Q. Does the fact that goodwill is created by the Merger have any impact on the value being exchanged through the Merger?

A. No. The booking of goodwill is simply an accounting procedure. It has no impact on the exchange ratio or equity value for the transaction. Shareholders neither pay nor receive the goodwill. Goodwill simply sits on the books of Holdco. As discussed by Mr. Busser, the Applicants commit that goodwill will remain on the books at Holdco, and will not ever be reflected in utility rates. From an accounting requirements standpoint, goodwill is subject to annual impairment tests, and as Mr. Ives affirms in his testimony, the Applicants commit that were there ever to be any future impairment of goodwill it would not flow through to customer rates.

Q. Will the combined Company's anticipated dividend policy result in an increase in the dividend to either Westar or GPE shareholders?

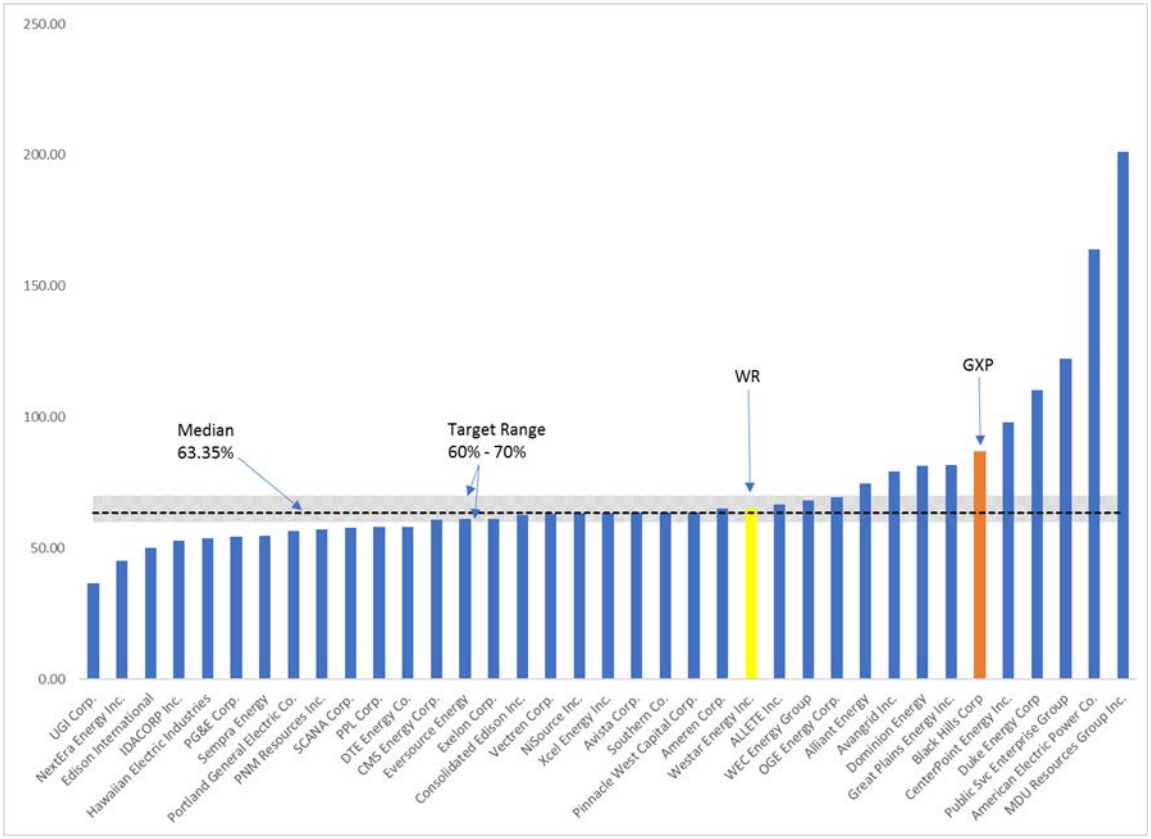
A. Yes. As discussed by Mr. Somma, the combined Company's initial dividend policy targets a dividend payout ratio of 60-70% in order to establish dividends at such a level that at the

exchange ratio GPE's current dividend would be sustained and GPE's shareholders would be kept whole. This will result in an increase in the dividend for Westar's shareholders. This change has no effect on the utilities' costs or customer rates.

Q. Will the dividend policy pose any financial risk to the going-forward entity?

A. No. The target payout ratio of between 60% and 70% is very much in accordance with industry norms. As shown in the figure below, from a selection of publicly-traded utilities with market capitalizations in excess of $3 billion, the median dividend payout ratio is 63.35%.

Figure 3: Dividend Payout Ratios (Last Twelve Months) – Utilities with Market Caps > $3 Billion



Source: SNL Financial, LTM dividend payout ratios are calculated based on last 12 mos. dividends distributed to shareholders as a percent of earnings.

Q. Have benefits been quantified that support the Merger value?

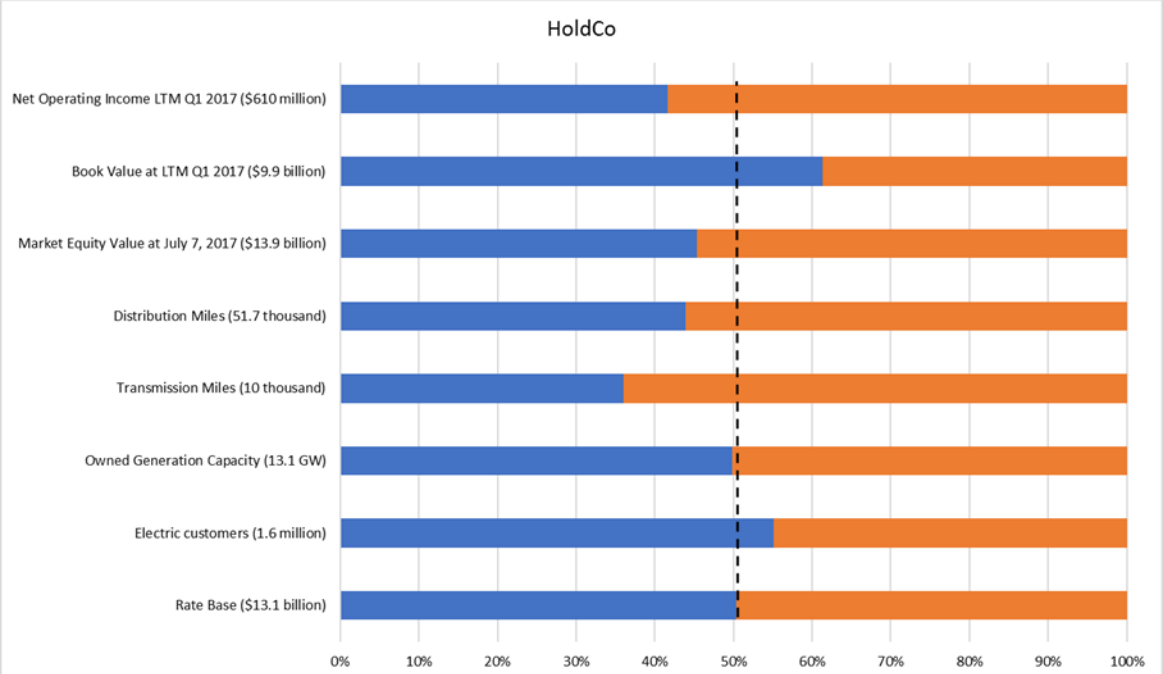
A. Yes. In addition to the $50 million of upfront bill credits customers will receive, the Merger will provide substantial future synergy savings. As more fully described in the testimony of Mr. Busser, GPE and Westar have continued to work to refine their Merger savings analyses and develop an integration plan since mid-2016. This work is now largely complete. As discussed by Mr. Busser, Merger savings of $555 million (net of costs to achieve) will be realized in the first five years of the Merger. Detailed integration plans reflect cost savings of $28 million in 2018 and growing to $160 million per year from 2022 and beyond. These savings will be reflected in the cost of service beginning with the 2018 rate cases that are planned to be filed in the near future, and in subsequent rate cases thereafter.

Q. Is this Merger generally consistent with other recent MOEs?

A. Yes. MOE transactions are typically tax-free, stock-for-stock exchanges, with low or no market premiums. Ownership of the combined entity is proportional to the exchange of shares. It is common that the board of directors and management is split relatively evenly between the merged companies. Most often, the MOE business combination effectuates the combination of two very similar enterprises. It is most successfully accomplished when the companies are of similar size, have similar capitalizations (debt and equity percentages), and have similar dividend policies (dividend payout ratios) such that the firms can be combined as seamlessly as possible, with a fair representation of ownership interests and without substantial and abrupt changes to the policies or financial structure of either company. These combinations, particularly where they occur in adjacent service territories, provide the best opportunities for efficiency savings and synergies, as two

similar firms combine to form one larger and stronger firm. The benefits of scale, and of more diversified markets and regulatory jurisdictions, are viewed as being beneficial for both bondholders and stockholders, and contribute to the post-Merger company having a stronger financial profile. This translates into better access to capital markets, on more favorable terms. Figure 4 below details what each company brings into the Merger and provides a visual depiction of how balanced and similar these companies are.

Figure 4: Relative Contribution to the Combined Company



	Rate Base ($13.1 billion)	Electric customers (1.6 million)	Owned Generation Capacity (13.1 GW)	Transmission Miles (10 thousand)	Distribution Miles (51.7 thousand)	Market Equity Value at July 7, 2017 ($13.9 billion)	Book Value at LTM Q1 2017 ($9.9 billion)	Net Operating Income LTM Q1 2017 ($610 million)
GPE	6.6	860,100	6,524	3,600	22,700	6.3	6.1	254
Westar	6.5	701,000	6,573	6,400	29,000	7.6	3.8	356

As Figure 4 demonstrates, the contribution that each GPE and Westar brings to the combined Company is balanced very near to 50/50, making these two companies well-suited for an MOE transaction and providing several common areas of focus for pursuing efficiencies and economies of scale.

Q. Are there other recent utility transactions that you consider to be comparable to this Merger?

A. The three most comparable transactions in the recent past, are the NU/Nstar merger, which closed in April 2012, the Duke/Progress merger, which closed in July 2012, and the WEC/Integrys merger, which closed in June 2015. All three represented mergers between utilities with adjacent or nearby service territories, common regulatory jurisdictions, and comparable financial strength. The NU/NSTAR was a merger of the largest utility system in New England, Northeast Utilities, operating in Connecticut, New Hampshire and Massachusetts and an energy distribution company in Massachusetts, NSTAR. That deal was structured as effectively a no-premium merger based on the average closing share price of each company for the preceding 20 days. The deal resulted in a combined utility with a market cap of approximately $11 billion, 3 million electric customers, and 500,000 natural gas customers.

The Duke/Progress merger was also a stock-for-stock transaction. Duke Energy was one of the largest electric power holding companies with 4 million customers in Indiana, Kentucky, Ohio, North Carolina and South Carolina. Progress Energy had 3.1 million customers in South Carolina, North Carolina and Florida and $10 billion in revenues. The deal value was reported to be $13.7 billion in total equity value, and with the assumption of $12.2 billion in debt, the transaction had a value of $25.9 billion. On the announcement date, it was estimated to provide a 4.0% premium over pre-announcement values for Progress's investors.

Lastly, the WEC/Integrys merger closed in June 2015, though not a merger of equals in terms of size, it involved the merger of two utility holding companies with

adjacent service territories (Wisconsin, Illinois, Michigan and Minnesota), and substantial stock consideration (74%) was part of the deal. Upon completion of the transaction, Integrys shareholders owned 28% of the combined company. The companies committed to reflect the merger savings for customers, net of costs to achieve, in all post-merger rate cases. The WEC/Integrys transaction provided an estimated 17.3% premium to Integrys shareholders on the merger announcement date. The merger ultimately received approval from all four state commissions, as well as the FERC.

Table 1: Comparable Merger Transactions

On Announcement date ($millions)	NU/NSTAR	Duke/Progress	WEC/Integrys	Westar/GXP[8]
Deal Closed Date	April 2012	July 2012	June 2015	TBD
Equity Premium[9]	0%	4.0%	17.3%	0%
Transaction Value/ Target EBITDA	8.5x	8.0x	10.0x	9.8x
Transaction Value / Assets	88.8%	74.5%	78.5%	86.5%
Customer Bill Credits	$46 million	None	None	$50 million
Total Electric Customers of Merged Entities	3.5 million	7.1 million	4.3 million	1.6 million

Source: SNL Financial except as noted.

As the Table above shows, like the other three comparable mergers shown, the Merger's transaction value is highly supported by the asset value of the combined Company at 86.5%, and by its pro forma EBITDA multiple of 9.8x. The GPE/Westar Merger is truly a merger of equals, with two utilities that are as well-suited as they can be to an MOE business combination. As I indicated previously, this balance and commonality between the two utilities provides an excellent platform to achieve efficiency savings. The Applicants' offering of $50 million in upfront bill credits to all customers is evidence of

[8] Amounts are based on Fairness Opinion estimates and pro-forma financials for GPE developed by Goldman Sachs provided in the Presentation to the Board of Directors of Great Plains Energy (July 9, 2017).

[9] This is the intended premium over market prices on the announcement date.

the Applicants' confidence that Merger savings will be achieved. Only one of the three comparable mergers made a similar commitment to customers, and that was far smaller on a per-customer basis.

Q. What are your conclusions with respect to the Merger's transaction value?

A. My analyses have led me to conclude that the exchange ratio and implicit purchase price are reasonable. The transaction value fairly reflects the prevailing market value of GPE and Westar at the time of the Merger's announcement, without a control premium for either firm. The targeted dividend payout ratio of 60 to 70% and the increase to Westar shareholders' dividend to achieve this ratio are in line with industry norms, are reasonable and appropriate. The transaction value is in line with other similar transactions with respect to the book values of assets being acquired and the earnings potential of the combined company. The balanced contribution of assets and utility operations between GPE and Westar makes the MOE stock-for-stock transaction an excellent solution to address the concerns expressed in the KCC's Initial Transaction Order. The added benefit of this Merger is that it will create a stronger combined Company financially than could have occurred on a standalone basis by either company, with substantial opportunities to find efficiencies in common operations and scale. The proposed Merger is supported by the detailed integration plans and estimates of Merger savings that will accrue to customers as a result of the transaction.

V. BENEFITS TO CUSTOMERS

Q. Please summarize how the Merger will benefit customers.

A. As described more fully in the testimony of Messrs. Ives and Busser, the Merger will create significant immediate, near- and long-term benefits to customers. All retail electric customers will share in up-front bill credits of $50 million. Initial Merger savings achieved in the test year will nearly immediately be reflected in the cost of service of KCP&L and GMO in rate cases that are expected to be filed and pending at the time of the expected Order in this application. Going forward, customers will benefit from Merger savings through normal rate cases in the form of reductions to the operating companies' respective costs of service and/or the avoidance of rate increases that, but for the Merger, would have been required. Mr. Ives has shown that this Merger is expected to result in nearly $3.5 billion in net synergy savings over the first 20 years, with approximately 81% of those savings ($3.0 billion) being realized by customers directly through reductions in the cost of service and the remainder benefiting customers by delaying rate cases which could otherwise be filed. Finally, customers will benefit from the combined Company's enhanced access to capital markets and more favorable business risk profile.

Q. What is the benefit of offering upfront customer bill credits?

A. The bill credits provide customers with up-front certainty that benefits from the Merger are tangible and immediate. The $50 million in bill credits exceed the estimated Merger savings that will be created in 2018 and demonstrate the Applicants' commitment to customer benefits and confidence in the savings the Merger will produce.

Q. How do the Merger savings compare to benchmarks from similar merger transactions?

A. Reviewing the three comparable transactions, NU/NSTAR, Duke/Progress and WEC/Integrys, only the NU/NSTAR merger provided upfront bill credits. With respect to synergy savings, in the NU/NSTAR merger, the companies committed to a rate freeze until December 1, 2014, and net merger savings of $784 million over a ten-year period. Like this Merger, the NU/NSTAR companies developed a net benefit analysis, providing management's best estimate for savings or cost-avoidance opportunities in the transaction. The Connecticut Public Utility Regulatory Authority found the transaction to be in the public interest. It concluded:

> In summary, the Authority finds the Transaction to be in the public interest. This is evident from the CT Settlement provisions for a $25 million rate credit and a distribution rate freeze until December 1, 2014, among other provisions. The Transaction produces an increase in financial strength from combining two regional utility holding companies both having electric and gas operations. Potential synergy savings from the net benefit analysis will accrue over ten years. Management of the two utility holding companies will remain local and NU management has a long-standing commitment to Connecticut. This management has proven expertise in conservation and load management. Finally there is a potential for technological benefits that will accrue to ratepayers in the future through implementing best practices between the two utility holding companies. [10]

In the WEC/Integrys merger, although it was affirmed that synergy savings would benefit customers in future rates, there was no specificity as to the amount of such savings or how they would be accomplished, other than an expectation to achieve a 3 to 5% reduction in non-fuel O&M and maintenance expense. Ultimately, the Wisconsin Commission found that WEC Energy and Wisconsin Utilities should reflect merger savings in rates, net of the

[10] PURA Order, Docket No. 12-01-07 (April 2, 2012) at 31.

cost to achieve those savings, and provide a detailed analysis of the transition costs for which they sought recovery.[11]

In the Duke/Progress merger, synergy savings of $650 million were identified and guaranteed for fuel-related cost savings.[12] Unlike KCP&L, GMO and Westar, all of whom are parties to the Southwest Power Pool ("SPP") and already reflect savings from SPP's joint dispatch in rates, neither Duke nor Progress was a party to a power pool with similar joint dispatch. As a result, joint dispatch was a specific benefit of that transaction.

In general, the Merger compares very favorably to these three far larger merger transactions. None provide as high a degree of immediate benefits for customers, nor do they provide a similar magnitude of synergy savings over the long-term. This Merger is expected to produce a higher level of customer benefits in both the short-term and long-term.

Q. What is the track record of other mergers of utilities in adjacent service territories for achieving initial benefits estimates?

A. I have observed that mergers involving the combination of two very similar companies in adjacent service territories tend to exceed initial estimates by significant margins and provide a greater range of benefits than were envisioned (or could be quantified) at the time of the merger's announcement. For example, in the Boston Edison/Commonwealth Electric merger in 1999, the post-merger company reported that it was able to achieve lower overall utility O&M expense in 2010, than was experienced in 1999 (the year before the merger and 11 years earlier), despite inflation during the period, while nearly doubling utility plant net investment during the same period, and increasing investments in energy

[11] PSCW Order, Docket No. 9400-YO-100 (May 21, 2015) at 20.
[12] PSC SC Order Approving Joint Dispatch Agreement, Docket No. 2011-158-E-ORDER NO. 2012-517 at 29-33.

efficiency, renewable generation, and transmission expansion. These benefits were accomplished without involuntary lay-offs or increasing distribution rates, despite increases in inflation of nearly 2.2 percent annually.[13] In that testimony, the Company reported:

> The D.T.E. 04-2 compliance filing demonstrated that NSTAR achieved or exceeded the forecasted merger-related savings for the BEC/CES Merger in almost every cost area. For example, the three-year (2000-2002) forecast of O&M savings in the D.T.E. 99-19 Study was $130 million, with the actual savings achieved totaling $235 million. Similarly, forecast capital savings were $57 million, with actual capital savings achieved totaling $79 million. In total, the actual net cost savings represented approximately 147 percent of the forecast amount. Thus, the D.T.E. 99-19 Study was demonstrated to be a reasonable, appropriately conservative basis for a pre-merger determination by the Department that net benefits would result for customers.[14]

The newly formed company in the NU/NSTAR merger (Eversource), which I have studied in this testimony, originally estimated merger benefits of $784 million arising from the merger. However, again, those initial estimates were exceeded. In its interim merger integration filing, the company reported:

> The Merger Integration Report shows that Eversource is projecting to exceed the merger-savings forecast developed for the Net Benefits Analysis. Specifically, the Net Benefits Analysis estimated net merger-related savings for the ten years following the merger to be approximately $784 million on an enterprise-wide basis. The Merger Savings Summary Table, below, shows that the cumulative net savings projection is currently calculated to be $1,032.4 million on an enterprise-wide basis, over the 10-year period following the merger, 2012 through 2022. The projected savings of

[13] Supplemental Testimony of James J. Judge and David R. McHale, MA D.P.U. 10-170, Exhibit JP-1 (Supplemental) April 8, 2010 at 7-8.

[14] Ibid, at 11-12.

> $1,032.4 million are net of $125.9 million of merger-related costs …[15]

Similarly, in the WEC/Integrys Merger, non-fuel O&M savings were originally estimated at 3 to 5%, however, in its most recent accounting of savings from the merger, the WEC Energy Group reported that actual synergy savings of 6.5% have been achieved through 2018.[16]

Q. Is it common for mergers to be accompanied by a detailed post-merger integration plan, and detailed savings analysis?

A. No, frequently this is not the case. For example, in reviewing major utility mergers that have occurred since 2004, of 27 mergers reviewed, 18 mergers were approved without the filing of a comprehensive synergy study supporting the merger. For those 18 examples, drivers other than synergy savings were the primary reasons for the merger.[17]

There are many reasons for companies to merge and synergies are not always the primary driver. Moody's reports that the rationale for utility industry consolidation may be motivated by many compelling factors, (1) building scale and scope; (2) spreading fixed costs over larger asset platforms; (3) capturing operating efficiencies; (4) diversification of business and operating risks and geographic and weather exposure; (5) combining complementary operations; (6) generating financing efficiencies/access to capital markets; (7) growth in earnings; (8) addressing rising operating costs; (9) meeting demand for infrastructure-related capital expenditures; and (10) better management of larger projects.[18]

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[15] Northeast Utilities/NSTAR Merger, D.P.U. 10-170-2016, Merger Integration 2016 Annual Interim Report (September 30, 2016) at 3.

[16] WEC Energy Group presentation to the PSC of Wisconsin, Ref. #300746 (January 23, 2017) at 1.

[17] Examples of these types of mergers include the Fortis acquisition of UNS Energy Corp., the Berkshire Hathaway subsidiary, MidAmerican Energy Holdings Co. ("MidAmerican"), acquisition of Nevada Power; the Puget Holdings LLC acquisition of Puget Energy; the TECO Energy acquisition of New Mexico Gas; the Laclede Group, Inc. acquisition of Alabama Gas Corporation; and the AGL Resources acquisition of NICOR Inc.

[18] Moody's Investors Service, "A Rating Agency Perspective on the Utility Industry," June 25, 2012 at 24.

The MOE deal structure for utilities with adjacent service territories allows the companies to realize benefits from scale, financial strength, growth, operating efficiencies and capital access at much more favorable levels and terms than either company could achieve independently.

Q. What are your conclusions with respect to benefits to customers and how this Merger compares to similar merger transactions?

A. The proposed Merger provides substantial immediate and long-term benefits. In addition to the immediate bill credits of $50 million and reductions in the cost of service of KCP&L and GMO in their upcoming rate cases, the Merger is expected to generate savings sufficient to defer or reduce the need for rate increases, and Merger savings will be reflected in rates paid by customers via future rate proceedings. The benefits calculated by Mr. Ives of nearly $3.5 billion, with nearly $3 billion realized by customers directly in the form of a lower cost of service, are substantially greater than any of the comparable mergers I have reviewed.

As Mr. Busser describes in his testimony, the merger savings provided in the Initial Transaction have now been replaced with the results of the extensive Integration Planning effort that has been ongoing since mid-2016 which has developed substantial analytical evidence identifying savings to be achieved through the Merger integration. Further, as Mr. Ives describes in his testimony, the Applicants have made significant service quality, community and social commitments to keep jobs in Missouri and Kansas, provide safe, efficient and reliable service, and support charitable and low-income programs.

The Merger will provide substantial benefits, even greater than the Initial Transaction, while involving no control premium, and a commitment by the combined

Company to exclude from rates any impact associated with the accounting goodwill generated by the Merger. In my opinion, which is supported by the favorable opinions of the equity and credit rating analysts, customers will be much better off with the Merger than they would be absent the Merger.

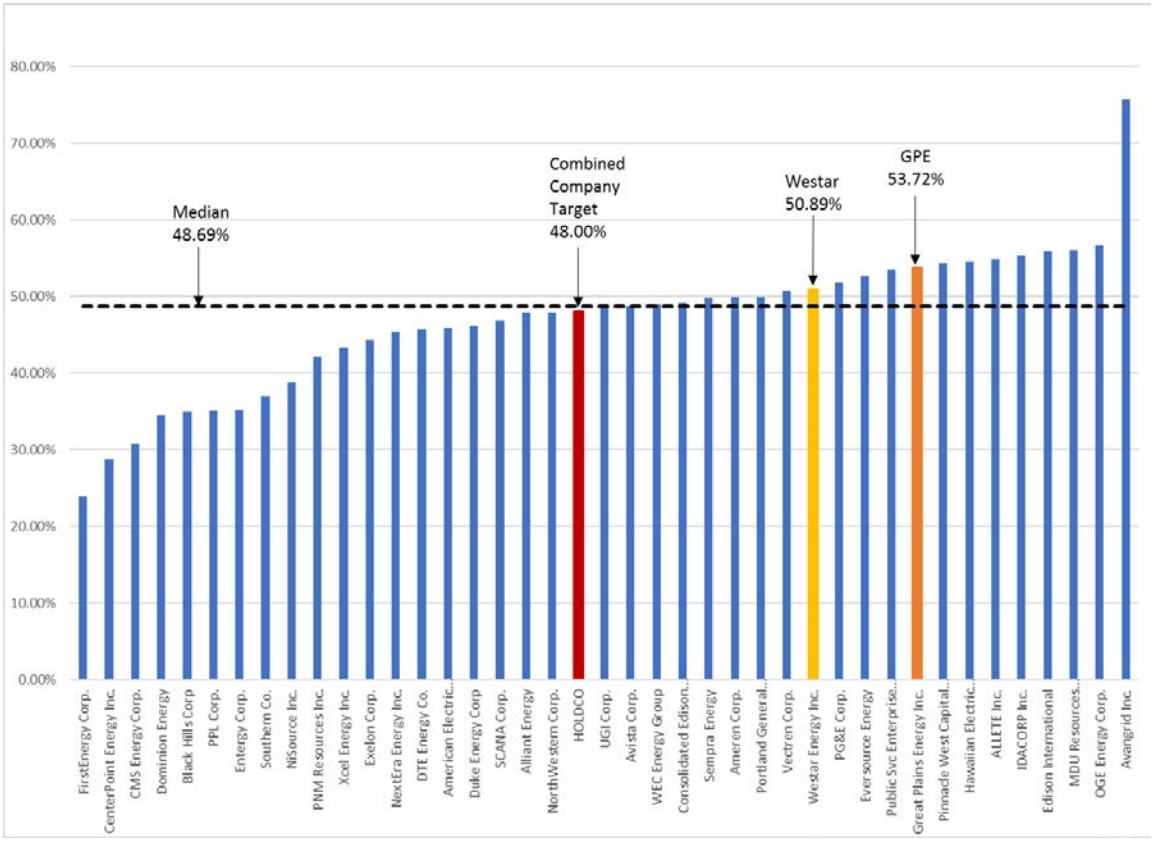
The wide spectrum of benefits that will stem from this Merger demonstrate that the Merger will benefit consumers. Those benefits include (1) those that are quantified and will begin to benefit customers shortly after closing (the $50 million bill credit and Merger savings reflected in the near-term KCP&L and GMO rate cases), (2) Merger savings reflected in customer rates directly and used to defer rate cases which would otherwise be necessary, and (3) the non-quantifiable benefits such as the ability of company management to seize new opportunities, to combine complementary operational strengths, and the commitments that have been made to the community and to employees.

VI. FINANCIAL PLANS AND REGULATORY COMMITMENTS

Q. How will Holdco's post-Merger capital structure compare with industry peer companies?

A. As discussed in the testimony of Mr. Somma, the long-term capital structure of the combined Company, post-merger, will consist of approximately 48 percent common equity and 52 percent long-term debt, which is generally consistent with the balanced capital structures of Great Plains and Westar used for ratemaking, pre-Merger. Below is a graph of publicly-traded utility consolidated equity ratios for the fiscal year ending 2016.

Figure 5: Publicly-Traded Utility Equity Ratios with Market Caps. >$3 billion



Data provided by SNL Peer Analytics for FY 2016, total book capitalization equals current portion of long term debt, long term debt, preferred equity, and common equity (common equity includes minority interests).

As Figure 5 shows, the forecasted post-Merger combined Company target consolidated capital is estimated to move to approximately 48 percent equity and 52 percent long-term debt is representative of most publicly-traded utilities with median consolidated common equity ratios at 48.69 percent. Further, the combined Company's targeted equity ratio is similar to the capital structures embedded in the current retail rates of GMO of approximately 51%, KCP&L of 49% (MO), KCP&L of 50% (KS), and Westar of 53%. Finally, there is no change to the capital structures of the utilities as a result of the Merger.

Q. Please define the term "ring-fencing" and describe the financing and ring-fencing commitments offered in the Merger.

A. "Ring-fencing" is a term used to refer to financial conditions (*e.g.*, securities restrictions, dividend restrictions, and capital availability covenants) and related governance conditions (*e.g.*, restrictions on the ability to pledge assets) that are intended to financially isolate and protect one entity from its parent and other affiliates. In the context of utility regulation, ring-fencing is a tool used by regulators to isolate the financial risks of the utility, and to protect utility customers. Ring-fencing encompasses a range of measures; the specific measures employed, if any, vary by utility transaction. Ring-fencing commitments are also discussed in the testimonies of Mr. Ives.

Q. Why have the Applicants committed to ring-fencing provisions in the Merger?

A. Notwithstanding the fact that the Applicants have structured the new Merger specifically to alleviate financial risks with the Initial Transaction, the financial and ring-fencing commitments were designed largely in response to the financing of the Initial Transaction and the significant increase in associated leverage. The commitments were intended to ring-fence the activities of the operating utilities from the potential impact on customers of GPE's financial condition. The Applicants have nonetheless retained most of the commitments to provide additional assurances to the Commission that the financial condition of Holdco cannot have any adverse impact on the operating utilities and the separation between the utilities and the holding company will be preserved for financial purposes.

Q. How do the Applicants' proposed ring-fencing measures compare to the most recent merger approvals in Missouri?

A. The proposed ring-fencing measures are generally consistent with if not stronger than those contained in the Algonquin Power & Utilities acquisition of Empire District Electric Company ("Algonquin/Empire") and the Laclede acquisition of Missouri Gas Energy ("Laclede/MGE").

The Commission approved the Algonquin/Empire transaction on September 7, 2016, in Case No. EM-2016-0213. In the merger conditions that accompanied the approval of this transaction the focus was on preserving credit quality, a balanced capital structure and avoiding any adverse impact on the overall cost of capital. The applicants also offered similar commitments with respect to liens, encumbrances, and pledging of assets, that they will not commingle assets and that separate legal entity structures will be maintained. The financial and ring-fencing commitments offered to the Commission in this proposed Merger include provisions that are very similar to those approved by the Commission in the Algonquin/Empire transaction, yet the proposed Merger goes much farther.

The Laclede/MGE transaction, as approved by the Commission, provided ringfencing measures that protected ratepayers in the event of a credit rating downgrade, that prohibited any increase in the cost of capital resulting from the transaction from being included in the utility's revenue requirement, that prohibited Laclede from using the utility's credit for any activities of its affiliates, and that insulated the utility from any bankruptcy of its affiliates. The Merger offers ringfencing protections that are stronger and broader than those contained in the Laclede/MGE transaction.

Q. How do the Applicants' proposed ring-fencing measures compare to those adopted in other recent merger approvals across the country?

A. The proposed ring-fencing measures are consistent with those that have been adopted in most of the other recent utility merger approvals across the U.S. However, it is important to note that the structure of this transaction is different than many those other mergers, and, as a result, has already alleviated many of the concerns that have given rise to regulators relying heavily on ring-fencing measures. There have been mergers with more significant ring-fencing commitments, where there have been good reasons for concern over the extent and riskiness of unregulated operations at the parent or with respect to highly-leveraged buyouts and the risks they pose to the financial condition of the parent company. In these cases, regulators have required very strong assurances that customers will not be impacted by the utility parent's activities or financial condition. However, in the case of this all-stock MOE, the combination is truly positive in terms of financial strength. The Applicants are creating a stronger whole than could be otherwise achieved by the sum of its parts; and in this particular case, the combination involves very similar utilities with adjacent service territories, and with no added financial risk. Even with a financially stronger post-merger entity, the Applicants are offering significant financial protections that protect customers, which go well beyond the ring-fencing commitments typically required in MOE transactions.

Q. Have you reviewed the ring-fencing measures offered in the three comparable mergers you identified earlier in your testimony?

A. Yes. Below I have provided a high-level review of the various ring-fencing protections offered in each of the comparable mergers. I have grouped these ring-fencing protections

consistent with the ring-fencing categories listed in Appendix H to the Application and have offered an indication of whether protections in comparable transactions were similar, stronger, weaker, or non-existent, when compared to this Merger. For point of clarity, if the table shows "weaker", that means that particular transaction offered less robust protections for customers than the Applicants do here.

Table 2: Ring-fencing Comparison of Similar Transactions to Proposed Merger

Ring-Fencing Category	NU/NSTAR	Duke/Progress	WEC/Integrys
Governance	Similar	Similar	Weaker
Financial Integrity	None	Similar	None
Capital Structure	None	Weaker	Weaker
Separate Debt	None	Similar	Weaker
Asset Conveyance	None	Weaker	None
Separation of Assets	None	Similar	None
Other Separation (Pledging of Assets)	None	Similar	Weaker
Separate Credit Rating	None	Similar	None
Credit Rating Downgrade	None	Similar	None
Cost of Capital	None	None	None

As Table 2 shows, the financial and ring-fencing commitments offered in this Merger far exceed those which are typically offered in utility MOEs or largely stock-based mergers of utilities with adjacent service territories. As shown in Table 2, there are no instances in which these other mergers offered a level of protection in any category that was superior to the protections proposed by Applicants in this Merger. Though the

Duke/Progress merger had stronger ring-fencing commitments than the other two mergers, it appears to be more the exception than the rule, since both the NU/NSTAR and WEC/Integrys mergers offered far fewer ring-fencing commitments. Regardless and again, none of the above mergers had ring-fencing protections that offer a superior level of protection than those offered by the Applicants in this Merger.

Q. Please describe the other key regulatory commitments associated with the Merger.

A. As Mr. Ives details in his testimony and schedules, the Applicants are offering a total of 48 commitments associated with this proposed Merger, several of which offer key protections to customers against any negative rate impact arising from the proposed Merger. These key regulatory and ratemaking commitments will ensure that customers receive only benefits from the proposed Merger and no additional costs or negative impacts, as unlikely as these negative aspects of the transaction are.

Q. Were similar regulatory commitments made in the NU/NSTAR, Duke/Progress and WEC/Integrys mergers?

A. Yes. Generally, all the referenced transactions prohibited the recovery of goodwill, acquisition premium, or transaction costs through rates, but like this proposed Merger, have allowed the recovery of transition costs to the extent that they do not exceed customer benefits, or can be shown to produce savings that exceeded the costs. None of the mergers allowed push down accounting for the goodwill or acquisition premiums generated by the transactions. Each merger had different requirements for identifying and reporting and tracking transaction costs and transition costs.

Q. Please provide your conclusions on the proposed Merger commitments.

A. The Merger before this Commission is a traditional merger of equals in adjacent service territories. Similar transactions have offered far fewer customer protections in terms of financial and ring-fencing commitments and protections regarding merger-related costs in general. Merger commitments are put in place to mitigate risk and to protect customers from a potential detriment. The restructured transaction removes the potential detriment inherent in the Initial Transaction by avoiding the control premium and the creation of new debt, and strengthens the benefits for customers by adding upfront bill credits and rigorous analysis around the quantification and timing of Merger savings. The Applicants have chosen to retain the majority of the merger commitments put forward in the Initial Transaction even though the detriment they were proposed to mitigate has been eliminated. The public interest scales have moved definitively in favor of this amended Merger.

VII. IMPACT ON THE LOCAL ECONOMY

Q. If the proposed Merger closes, will it produce benefits for the regional economy?

A. Yes. The combination of the rate credits and other economic activity generated by the Merger is expected to produce approximately $331 million in direct local economic activity and $176 million in incremental gross regional product ("GRP") within the local economy[19] between 2018 and 2030. This estimate of economic activity also accounts for the effect of reductions in spending that result from Merger savings, which are described in the testimony and schedules of witness Mr. Busser.[20] See Schedule JJR-2 for a summary of the estimated economic impacts resulting from the Merger.

[19] I have modeled the Missouri and Kansas state economies together in a single regional economy for the purposes of the IMPLAN assessment.

[20] IMPLAN-Online, described below in this section of my testimony, considers the effect the Merger will have on several hundred industrial sectors of the economy in its calculation of economic impacts.

Q. Please describe the analysis you undertook to reach these conclusions regarding the likely impacts of the proposed Merger on the economies of Missouri and Kansas.

A. In order to examine the economic effect the Merger will have on Missouri and Kansas, I modeled the Merger's net effects on an annual basis using a macroeconomic input/output model developed and maintained by IMPLAN ("IMPLAN Online" or "IMPLAN").

IMPLAN models analyze how dollars injected into different sectors of the economy are subsequently spent and re-spent in other sectors, generating what is known as "economic multiplier" effects. The model recognizes that not all dollars associated with activities that result from the Merger will produce economic impacts in the local economy by virtue of geographic and economic "leakage." In other words, our modeling assumes that a portion of economic effect will occur outside this two-state region. In subsequent rounds of spending, income generated will also be taxed at the federal level, resulting in an additional source of leakage.

Q. Please describe the key inputs and assumptions that you used in constructing your IMPLAN analysis.

A. The economic and financial features of the Merger formed the basis of my analysis. I examined the categories of expense reductions Mr. Busser describes in his testimony, and determined the net benefits that flow into the two-state region each year. The annual benefit reflects that the Merger will have two partially offsetting streams of economic effects: first, lower regional spending as a result of operational savings, and second, lower electric rates as a consequence of the utility having a lower revenue requirement. The net effect of these two sets of impacts is positive in every year because all of the benefits flow

to residents within the two-state area, while not all of the spending reductions occur in that region.

I modeled the combination of these net benefits and the one-time bill credit of $50 million in IMPLAN as income enhancement to households and businesses. The economic impacts are much like the effects of local or state governments finding ways to provide the same or better services at a lower cost. Efficiencies achieved result in lower government spending at the outset, which reduces economic activity, but these savings are reflected in lower levels of taxation in the longer term. Essentially, my economic modeling of the Merger treats the utilities as the equivalent of a government operating with a balanced budget.

Q. Are there economic benefits associated with the Merger that your model does not capture?

A. Yes, there are two such benefits. The model does not reflect any economic benefits associated with stock ownership in GPE, Westar or the new Holdco. It also does not capture any "business attraction" economic benefits associated with lower electric rates. These benefits, if they could be quantified, would be in addition to those that I have reflected in my analysis.

Q. What assumptions were used in modeling these economic impacts?

A. Concentric used the most recent macroeconomic input-output data available from IMPLAN, which is from 2015. As modeled, I have assumed that the upfront bill credits and other benefits will be spread equally across the two-state region. We assume that the

bill credits and subsequent rate reductions are allocated between households and business customers based on the breakdown of GPE and Westar customer segmentation.[21]

The IMPLAN model includes 536 industrial sectors in the Missouri and Kansas economy. All of these industrial sectors were aggregated into a single industrial sector with a spending pattern based on the weighted spending patterns of the individual components in order to model the impact of the bill credits and rate-related benefits that will accrue to commercial and industrial customers.

In addition, we analyzed the Merger savings (both expense and employment reductions) inside and outside the two-state region. Our division of the location affected by these spending reductions was informed by discussions with GPE personnel and reflects that all employment, generation, and inventory savings will occur within the two-state region and that other operating and maintenance expense reductions will be split 33% / 67%, with the larger share of these reductions occurring outside the region.

Q. Did you make any assumption about how Merger savings flow into the local economy?

A. Yes, I did. For the purpose of illustrating the economic impact of the Merger, I modeled the effects of the Merger under the assumption of a "total benefits" scenario. That is, I assumed that savings achieved through synergies translate directly into economic benefits for the various segments of the economy. Under this approach, whether the savings are used to defer rate cases or to reduce rates does not alter the benefit seen by the economy.

[21] For purposes of modeling in IMPLAN, I assumed that the bill credit would be allocated to all customers by the number of customers in residential and non-residential rate classes. The benefits for customers through lower rates are assumed to be allocated on the basis of consumption by residential and non-residential customers. These allocations were made based on data the two companies published in their respective 2016 FERC Form 1 filings.

Q. What does the IMPLAN model report as "direct impacts"?

A. Direct impacts are defined as the dollar value of changes in spending by producers and consumers as a result of a financial stimulus. In this case, the direct impacts refer to the economic activity that is generated from the bill credits and lower rates that result from a lower cost of service. The net benefits associated with the Merger are estimated to produce approximately $331 million in the local economy between 2018 and 2030, resulting in an equivalent $331 million in local economic output.[22] The economic activity generated by the Merger would create approximately $176 million in new GRP in the two-state region, which represents household spending on goods and services (i.e., not taxed, saved, or spent on goods and services outside of the states) by employees of the businesses at which customers spend their benefit dollars (i.e., direct impacts) as well as these businesses' suppliers (i.e., indirect impacts).

Q. What are reported by the model as "indirect impacts"?

A. Indirect impacts refer to inter-industry or supply chain impacts resulting from an economic event. The electric rate benefits the Merger will generate will lead to additional spending by the Applicants' electric customers in the two-state economy, leading to further spending by local businesses in order to produce the goods and services the customers will purchase. The indirect impacts are those that result from spending by the local companies within the two-state economy from whom the customers purchase goods or services using rate savings and other benefit dollars. The indirect impact is estimated to be an additional $141 million in local economic activity over ten years, of which $75 million represents new GRP.

[22] In an input-output model like IMPLAN, inputs equal outputs. The end date of 2030 is the limit of what IMPLAN can currently model.

Q. What are the "induced impacts" reported by the IMPLAN model?

A. Induced impacts are defined as the impacts of household spending by the people holding the net change in jobs generated by the activities that are incorporated in the model. In this case, the induced effect represents the change in household spending on goods and services in the Missouri-Kansas region (i.e., not taxed, saved, or spent on goods and services outside of the area) by employees of the businesses at which customers spend their bill credit and rate savings dollars (i.e., direct impacts) as well as these businesses' suppliers (i.e., indirect impacts).

The induced impact of the Merger is expected estimated to be $144 million through 2030, of which $81 million is incremental GRP.

Q. What are your conclusions regarding the regional economic benefits you modeled?

A. As a result of bill credits and Merger savings that will lead to lower electric rates, I estimate that the Missouri-Kansas economy will see an increase in economic activity of approximately $617 million between 2018 and 2030 as a direct result of the Merger. This beneficial impact is spread across personal spending, industrial output, and taxes.

Q. What are your conclusions regarding the economic benefits of the proposed Merger?

A. The benefits of the Merger to the residents of Missouri are broad and substantial. All of these factors contribute to a conclusion that the Merger is not detrimental to the public interest. The Merger will be beneficial on an overall basis to state and local economies and to communities in the areas served by the resulting public utility operations in the state.

VIII. CONCLUSIONS

Q. Please summarize your key conclusions.

A. The Applicants have proposed a Merger that has been under consideration, in one form or another, for decades, and that is a very traditional consolidation of two adjacent, well-performing utilities that can do more together than either could do on its own. This consolidation will produce benefits for customers, investors, host communities, and other stakeholders, and provide both protections and opportunities for employees. The Applicants have shown a clear commitment to safe, affordable, and reliable service and to promoting the interests of the communities and states that they serve. This proposed Merger meets or exceeds industry norms for utility mergers in terms of customer benefits, financing, price, economic benefits, employee protection, pre-merger activities, regulatory safeguards, and financial safeguards.

Looking at this Merger as a balance of risks and benefits, both sides of the equation have been improved in the restructured transaction. On the benefit side of the equation, bill credits provide $50 million of up-front and certain benefits, and the Merger Integration Plan has de-risked savings estimates. On the cost/risk side of the equation, the Applicants have eliminated virtually all risks by restructuring the Merger as an MOE, while maintaining a high level of ring-fencing, financial and ratemaking protections for customers. The balancing of positives and negatives has shifted by a large amount, with the enhancement of customer benefits and the elimination of risk. This Merger should not be a "close call" in the balancing of risks and benefits. When the Merger is assessed against the Commission's standard of evaluating mergers, I can confidently conclude that the

Merger is not detrimental to the public interest in Missouri. In my opinion, the proposed Merger should be approved.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.	)))	Docket No. EM-2018-0012

AFFIDAVIT OF JOHN J. REED

STATE OF MASSACHUSETTS)
) **ss**
COUNTY OF MIDDLESEX)

John J. Reed, being first duly sworn on his oath, states:

1. My name is John J. Reed and my business address is Concentric Energy Advisors, 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts 01752. I have been retained to serve as an expert witness to provide testimony on behalf of Great Plains Energy Incorporated and Kansas City Power & Light Company.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Great Plains Energy Incorporated, Kansas City Power & Light Company, and KCP&L Greater Missouri Operations Company consisting of forty-two (42) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

John J. Reed

Subscribed and sworn before me this 29 day of August 2017.

Notary Public

My commission expires: April 22, 2022

WENDY L. PRESTON
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
April 22, 2022

John J. Reed
Chairman and Chief Executive Officer

John J. Reed is a financial and economic consultant with more than 35 years of experience in the energy industry. Mr. Reed has also been the CEO of an NASD member securities firm, and Co-CEO of the nation's largest publicly traded management consulting firm (NYSE: NCI). He has provided advisory services in the areas of mergers and acquisitions, asset divestitures and purchases, strategic planning, project finance, corporate valuation, energy market analysis, rate and regulatory matters and energy contract negotiations to clients across North and Central America. Mr. Reed's comprehensive experience includes the development and implementation of nuclear, fossil, and hydroelectric generation divestiture programs with an aggregate valuation in excess of $20 billion. Mr. Reed has also provided expert testimony on financial and economic matters on more than 150 occasions before the FERC, Canadian regulatory agencies, state utility regulatory agencies, various state and federal courts, and before arbitration panels in the United States and Canada. After graduation from the Wharton School of the University of Pennsylvania, Mr. Reed joined Southern California Gas Company, where he worked in the regulatory and financial groups, leaving the firm as Chief Economist in 1981. He served as executive and consultant with Stone & Webster Management Consulting and R.J. Rudden Associates prior to forming REED Consulting Group (RCG) in 1988. RCG was acquired by Navigant Consulting in 1997, where Mr. Reed served as an executive until leaving Navigant to join Concentric as Chairman and Chief Executive Officer.

REPRESENTATIVE PROJECT EXPERIENCE

Executive Management

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

Financial and Economic Advisory Services

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

Litigation Support and Expert Testimony

Provided expert testimony on more than 200 occasions in administrative and civil proceedings on a wide range of energy and economic issues. Clients in these matters have included gas distribution utilities, gas pipelines, gas producers, oil producers, electric utilities, large energy consumers, governmental and regulatory agencies, trade associations, independent energy project developers, engineering firms, and gas and power marketers. Testimony has focused on issues ranging from broad regulatory and economic policy to virtually all elements of the utility ratemaking process. Also frequently testified regarding energy contract interpretation, accepted energy industry practices, horizontal and vertical market power, quantification of damages, and management prudence. Has been active in regulatory contract and litigation matters on virtually all interstate pipeline systems serving the U.S. Northeast, Mid-Atlantic, Midwest, and Pacific regions.

Also served on FERC Commissioner Terzic's Task Force on Competition, which conducted an industry-wide investigation into the levels of and means of encouraging competition in U.S. natural gas markets and served on a "Blue Ribbon" panel established by the Province of New Brunswick regarding the future of natural gas distribution service in that province.

Resource Procurement, Contracting and Analysis

On behalf of gas distributors, gas pipelines, gas producers, electric utilities, and independent energy project developers, personally managed or participated in the negotiation, drafting, and regulatory support of hundreds of energy contracts, including the largest gas contracts in North America, electric contracts representing billions of dollars, pipeline and storage contracts, and facility leases.

These efforts have resulted in bringing large new energy projects to market across North America, the creation of hundreds of millions of dollars in savings through contract renegotiation, and the regulatory approval of a number of highly contested energy contracts.

Strategic Planning and Utility Restructuring

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

PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2002 – Present)
Chairman and Chief Executive Officer

CE Capital Advisors (2004 – Present)
Chairman, President, and Chief Executive Officer

Navigant Consulting, Inc. (1997 – 2002)
President, Navigant Energy Capital (2000 – 2002)
Executive Director (2000 – 2002)
Co-Chief Executive Officer, Vice Chairman (1999 – 2000)
Executive Managing Director (1998 – 1999)
President, REED Consulting Group, Inc. (1997 – 1998)

REED Consulting Group (1988 – 1997)
Chairman, President and Chief Executive Officer

R.J. Rudden Associates, Inc. (1983 – 1988)
Vice President

Stone & Webster Management Consultants, Inc. (1981 – 1983)
Senior Consultant
Consultant

Southern California Gas Company (1976 – 1981)
Corporate Economist
Financial Analyst
Treasury Analyst

EDUCATION AND CERTIFICATION

B.S., Economics and Finance, Wharton School, University of Pennsylvania, 1976
Licensed Securities Professional: NASD Series 7, 63, 24, 79 and 99 Licenses

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BOARDS OF DIRECTORS (PAST AND PRESENT)

Concentric Energy Advisors, Inc.
Navigant Consulting, Inc.
Navigant Energy Capital
Nukem, Inc.
New England Gas Association
R. J. Rudden Associates
REED Consulting Group

AFFILIATIONS

American Gas Association
Energy Bar Association
Guild of Gas Managers
International Association of Energy Economists

National Association of Business Economists
New England Gas Association
Society of Gas Lighters

ARTICLES AND PUBLICATIONS

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

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Alaska Public Utilities Commission				
Chugach Electric	12/86	Chugach Electric	Docket No. U-86-11	Cost Allocation
Chugach Electric	6/87	Enstar Natural Gas Company	Docket No. U-87-2	Tariff Design
Chugach Electric	12/87	Enstar Natural Gas Company	Docket No. U-87-42	Gas Transportation
Chugach Electric	11/87 2/88	Chugach Electric	Docket No. U-87-35	Cost of Capital
Alberta Utilities Commission				
Alberta Utilities (AltaLink, EPCOR, ATCO, ENMAX, FortisAlberta, Alta Gas)	1/13	Alberta Utilities	Application 1566373, Proceeding ID 20	Stranded Costs
Arizona Corporation Commission				
Tucson Electric Power	7/12	Tucson Electric Power	Docket No. E-01933A-12-0291	Cost of Capital
UNS Energy and Fortis Inc.	1/14	UNS Energy, Fortis Inc.	Docket No. E-04230A-00011 and Docket No. E-01933A-14-0011	Merger
California Energy Commission				
Southern California Gas Co.	8/80	Southern California Gas Co.	Docket No. 80-BR-3	Gas Price Forecasting
California Public Utility Commission				
Southern California Gas Co.	3/80	Southern California Gas Co.	TY 1981 G.R.C.	Cost of Service, Inflation
Pacific Gas Transmission Co.	10/91 11/91	Pacific Gas & Electric Co.	App. 89-04-033	Rate Design
Pacific Gas Transmission Co.	7/92	Southern California Gas Co.	A. 92-04-031	Rate Design

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Colorado Public Utilities Commission				
AMAX Molybdenum	2/90	Commission Rulemaking	Docket No. 89R-702G	Gas Transportation
AMAX Molybdenum	11/90	Commission Rulemaking	Docket No. 90R-508G	Gas Transportation
Xcel Energy	8/04	Xcel Energy	Docket No. 031-134E	Cost of Debt
Public Service Company of Colorado	6/17	Public Service Company of Colorado	Docket No. 17AL-0363G	Return on Equity
CT Dept. of Public Utilities Control				
Connecticut Natural Gas	12/88	Connecticut Natural Gas	Docket No. 88-08-15	Gas Purchasing Practices
United Illuminating	3/99	United Illuminating	Docket No. 99-03-04	Nuclear Plant Valuation
Southern Connecticut Gas	2/04	Southern Connecticut Gas	Docket No. 00-12-08	Gas Purchasing Practices
Southern Connecticut Gas	4/05	Southern Connecticut Gas	Docket No. 05-03-17	LNG/Trunkline
Southern Connecticut Gas	5/06	Southern Connecticut Gas	Docket No. 05-03-17PH01	LNG/Trunkline
Southern Connecticut Gas	8/08	Southern Connecticut Gas	Docket No. 06-05-04	Peaking Service Agreement
District of Columbia PSC				
Potomac Electric Power Company	3/99 5/99 7/99	Potomac Electric Power Company	Docket No. 945	Divestiture of Gen. Assets & Purchase Power Contracts
Federal Energy Regulatory Commission				
Safe Harbor Water Power Corp.	8/82	Safe Harbor Water Power Corp.		Wholesale Electric Rate Increase
Western Gas Interstate Company	5/84	Western Gas Interstate Company	Docket No. RP84-77	Load Forecast Working Capital
Southern Union Gas	4/87 5/87	El Paso Natural Gas Company	Docket No. RP87-16-000	Take-or-Pay Costs

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Connecticut Natural Gas	11/87	Penn-York Energy Corporation	Docket No. RP87-78-000	Cost Allocation/Rate Design
AMAX Magnesium	12/88 1/89	Questar Pipeline Company	Docket No. RP88-93-000	Cost Allocation/Rate Design
Western Gas Interstate Company	6/89	Western Gas Interstate Company	Docket No. RP89-179-000	Cost Allocation/Rate Design, Open-Access Transportation
Associated CD Customers	12/89	CNG Transmission	Docket No. RP88-211-000	Cost Allocation/Rate Design
Utah Industrial Group	9/90	Questar Pipeline Company	Docket No. RP88-93-000, Phase II	Cost Allocation/Rate Design
Iroquois Gas Trans. System	8/90	Iroquois Gas Transmission System	Docket No. CP89-634-000/001; CP89-815-000	Gas Markets, Rate Design, Cost of Capital, Capital Structure
Boston Edison Company	1/91	Boston Edison Company	Docket No. ER91-243-000	Electric Generation Markets
Cincinnati Gas and Electric Co., Union Light, Heat and Power Company, Lawrenceburg Gas Company	7/91	Texas Gas Transmission Corp.	Docket No. RP90-104-000, RP88-115-000, RP90-192-000	Cost Allocation/Rate Design Comparability of Service
Ocean State Power II	7/91	Ocean State Power II	ER89-563-000	Competitive Market Analysis, Self-dealing
Brooklyn Union/PSE&G	7/91	Texas Eastern	RP88-67, et al	Market Power, Comparability of Service
Northern Distributor Group	9/92 11/92	Northern Natural Gas Company	RP92-1-000, et al	Cost of Service
Canadian Association of Petroleum Producers and Alberta Pet. Marketing Comm.	10/92 7/97	Lakehead Pipe Line Co. L.P.	IS92-27-000	Cost Allocation, Rate Design
Colonial Gas, Providence Gas	7/93 8/93	Algonquin Gas Transmission	RP93-14	Cost Allocation, Rate Design

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Iroquois Gas Transmission	94	Iroquois Gas Transmission	RP94-72-000	Cost of Service and Rate Design
Transco Customer Group	1/94	Transcontinental Gas Pipeline Corporation	Docket No. RP92-137-000	Rate Design, Firm to Wellhead
Pacific Gas Transmission	2/94 3/95	Pacific Gas Transmission	Docket No. RP94-149-000	Rolled-In vs. Incremental Rates, Rate Design
Tennessee GSR Group	1/95 3/95 1/96	Tennessee Gas Pipeline Company	Docket Nos. RP93-151-000, RP94-39-000, RP94-197-000, RP94-309-000	GSR Costs
PG&E and SoCal Gas	8/96 9/96	El Paso Natural Gas Company	RP92-18-000	Stranded Costs
Iroquois Gas Transmission System, L.P.	97	Iroquois Gas Transmission System, L.P.	RP97-126-000	Cost of Service, Rate Design
BEC Energy - Commonwealth Energy System	2/99	Boston Edison Company/ Commonwealth Energy System	EC99-33-000	Market Power Analysis – Merger
Central Hudson Gas & Electric, Consolidated Co. of New York, Niagara Mohawk Power Corporation, Dynegy Power Inc.	10/00	Central Hudson Gas & Electric, Consolidated Co. of New York, Niagara Mohawk Power Corporation, Dynegy Power Inc.	Docket No. EC01-7-000	Market Power 203/205 Filing
Wyckoff Gas Storage	12/02	Wyckoff Gas Storage	CP03-33-000	Need for Storage Project
Indicated Shippers/Producers	10/03	Northern Natural Gas	Docket No. RP98-39-029	Ad Valorem Tax Treatment
Maritimes & Northeast Pipeline	6/04	Maritimes & Northeast Pipeline	Docket No. RP04-360-000	Rolled-In Rates
ISO New England	8/04 2/05	ISO New England	Docket No. ER03-563-030	Cost of New Entry
Transwestern Pipeline Company, LLC	9/06	Transwestern Pipeline Company, LLC	Docket No. RP06-614-000	Business Risk

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Portland Natural Gas Transmission System	6/08	Portland Natural Gas Transmission System	Docket No. RP08-306-000	Market Assessment, Natural Gas Transportation, Rate Setting
Portland Natural Gas Transmission System	5/10 3/11 4/11	Portland Natural Gas Transmission System	Docket No. RP10-729-000	Business Risks, Extraordinary and Non-recurring Events Pertaining to Discretionary Revenues
Morris Energy	7/10	Morris Energy	Docket No. RP10-79-000	Affidavit re: Impact of Preferential Rate
Gulf South Pipeline	10/14	Gulf South Pipeline	Docket No. RP15-65-000	Business Risk, Rate Design
BNP Paribas Energy Trading, GP South Jersey Resource Group, LLC	2/15	Transcontinental Gas Pipe Line Corporation	Docket No. RP06-569-008 and RP07-376-005	Regulatory Policy, Incremental Rates, Stacked Rate
Tallgrass Interstate Gas Transmission, LLC	10/15 12/15	Tallgrass Interstate Gas Transmission, LLC	Docket No. RP16-137-000	Market Assessment, Rate Design, Rolled-in Rate Treatment
Florida Public Service Commission				
Florida Power and Light Co.	10/07	Florida Power & Light Co.	Docket No. 070650-EI	Need for New Nuclear Plant
Florida Power and Light Co.	5/08	Florida Power & Light Co.	Docket No. 080009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/09	Florida Power & Light Co.	Docket No. 080677-EI	Benchmarking in Support of ROE
Florida Power and Light Co.	3/09 5/09 8/09	Florida Power & Light Co.	Docket No. 090009-EI	New Nuclear Cost Recovery, Prudence

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Florida Power and Light Co.	3/10 5/10 8/10	Florida Power & Light Co.	Docket No. 100009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/11 7/11	Florida Power & Light Co.	Docket No. 110009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/12 7/12	Florida Power & Light Co.	Docket No. 120009-EI	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/12 8/12	Florida Power & Light Co.	Docket No. 120015-EI	Benchmarking in Support of ROE
Florida Power and Light Co.	3/13 7/13	Florida Power & Light Co.	Docket No. 130009	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/14	Florida Power & Light Co.	Docket No. 140009	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	3/15 7/15	Florida Power & Light Co.	Docket No. 150009	New Nuclear Cost Recovery, Prudence
Florida Power and Light Co.	10/15	Florida Power and Light Co.	Docket No. 150001	Recovery of Replacement Power Costs
Florida Power and Light Co.	3/16	Florida Power & Light Co.	Docket No. 160021-EI	Benchmarking in Support of ROE
Florida Senate Committee on Communication, Energy and Utilities				
Florida Power and Light Co.	2/09	Florida Power & Light Co.		Securitization
Hawai'i Public Utility Commission				
Hawaiian Electric Light Company, Inc.	6/00	Hawaiian Electric Light Company, Inc.	Docket No. 99-0207	Standby Charge

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
NextEra Energy, Inc. Hawaiian Electric Companies	4/15 8/15 10/15	Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., NextEra Energy, Inc.	Docket No. 2015-0022	Merger Application
Illinois Commerce Commission				
Renewables Suppliers (Algonquin Power Co., EDP Renewables North America, Invenergy, NextEra Energy Resources)	3/14	Renewables Suppliers	Docket No. 13-0546	Application for Rehearing and Reconsideration, Long-term Purchase Power Agreements
WE Energies Corporation	8/14 12/14 2/15	WE Energies/Integrys	Docket No. 14-0496	Merger Application
Indiana Utility Regulatory Commission				
Northern Indiana Public Service Company	10/01	Northern Indiana Public Service Company	Cause No. 41746	Valuation of Electric Generating Facilities
Northern Indiana Public Service Company	1/08 3/08	Northern Indiana Public Service Company	Cause No. 43396	Asset Valuation
Northern Indiana Public Service Company	8/08	Northern Indiana Public Service Company	Cause No. 43526	Fair Market Value Assessment
Indianapolis Power & Light Company	12/14	Indianapolis Power & Light Company	Cause No. 44576	Asset Valuation
Indianapolis Power & Light Company	12/16	Indianapolis Power & Light Company	Cause No. 44893	Rate Recovery for New Plant Additions, Valuation of Electric Generating Facilities

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Iowa Utilities Board				
Interstate Power and Light	7/05	Interstate Power and Light and FPL Energy Duane Arnold, LLC	Docket No. SPU-05-15	Sale of Nuclear Plant
Interstate Power and Light	5/07	City of Everly, Iowa	Docket No. SPU-06-5	Municipalization
Interstate Power and Light	5/07	City of Kalona, Iowa	Docket No. SPU-06-6	Municipalization
Interstate Power and Light	5/07	City of Wellman, Iowa	Docket No. SPU-06-10	Municipalization
Interstate Power and Light	5/07	City of Terril, Iowa	Docket No. SPU-06-8	Municipalization
Interstate Power and Light	5/07	City of Rolfe, Iowa	Docket No. SPU-06-7	Municipalization
Kansas Corporation Commission				
Great Plains Energy Kansas City Power and Light Company	1/17	Great Plains Energy, Kansas City Power & Light Company, and Westar Energy	Docket No. 16-KCPE-593-ACQ	Merger Standards, Acquisition Premium, Ring-Fencing, Public Interest Standard
Maine Public Utility Commission				
Northern Utilities	5/96	Granite State and PNGTS	Docket No. 95-480, 95-481	Transportation Service and PBR
Maryland Public Service Commission				
Eastalco Aluminum	3/82	Potomac Edison	Docket No. 7604	Cost Allocation
Potomac Electric Power Company	8/99	Potomac Electric Power Company	Docket No. 8796	Stranded Cost & Price Protection
AltaGas Ltd./WGL Holdings	4/17	AltaGas Ltd./WGL Holdings	Docket No. ____	Merger Standards, Public Interest Standard
Mass. Department of Public Utilities				
Haverhill Gas	5/82	Haverhill Gas	Docket No. DPU #1115	Cost of Capital
New England Energy Group	1/87	Commission Investigation		Gas Transportation Rates

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Energy Consortium of Mass.	9/87	Commonwealth Gas Company	Docket No. DPU-87-122	Cost Allocation/Rate Design
Mass. Institute of Technology	12/88	Middleton Municipal Light	DPU #88-91	Cost Allocation/Rate Design
Energy Consortium of Mass.	3/89	Boston Gas	DPU #88-67	Rate Design
PG&E Bechtel Generating Co./ Constellation Holdings	10/91	Commission Investigation	DPU #91-131	Valuation of Environmental Externalities
Coalition of Non-Utility Generators		Cambridge Electric Light Co. & Commonwealth Electric Co.	DPU 91-234 EFSC 91-4	Integrated Resource Management
The Berkshire Gas Company Essex County Gas Company Fitchburg Gas and Elec. Light Co.	5/92	The Berkshire Gas Company Essex County Gas Company Fitchburg Gas & Elec. Light Co.	DPU #92-154	Gas Purchase Contract Approval
Boston Edison Company	7/92	Boston Edison	DPU #92-130	Least Cost Planning
Boston Edison Company	7/92	The Williams/Newcorp Generating Co.	DPU #92-146	RFP Evaluation
Boston Edison Company	7/92	West Lynn Cogeneration	DPU #92-142	RFP Evaluation
Boston Edison Company	7/92	L'Energia Corp.	DPU #92-167	RFP Evaluation
Boston Edison Company	7/92	DLS Energy, Inc.	DPU #92-153	RFP Evaluation
Boston Edison Company	7/92	CMS Generation Co.	DPU #92-166	RFP Evaluation
Boston Edison Company	7/92	Concord Energy	DPU #92-144	RFP Evaluation
The Berkshire Gas Company Colonial Gas Company Essex County Gas Company Fitchburg Gas and Electric Company	11/93	The Berkshire Gas Company Colonial Gas Company Essex County Gas Company Fitchburg Gas and Electric Co.	DPU #93-187	Gas Purchase Contract Approval
Bay State Gas Company	10/93	Bay State Gas Company	Docket No. 93-129	Integrated Resource Planning
Boston Edison Company	94	Boston Edison	DPU #94-49	Surplus Capacity
Hudson Light & Power Department	4/95	Hudson Light & Power Dept.	DPU #94-176	Stranded Costs
Essex County Gas Company	5/96	Essex County Gas Company	Docket No. 96-70	Unbundled Rates

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Boston Edison Company	8/97	Boston Edison Company	D.P.U. No. 97-63	Holding Company Corporate Structure
Berkshire Gas Company	6/98	Berkshire Gas Mergeco Gas Co.	D.T.E. 98-87	Merger Approval
Eastern Edison Company	8/98	Montaup Electric Company	D.T.E. 98-83	Marketing for Divestiture of its Generation Business
Boston Edison Company	98	Boston Edison Company	D.T.E. 97-113	Fossil Generation Divestiture
Boston Edison Company	2/99	Boston Edison Company	D.T.E. 98-119	Nuclear Generation Divestiture
Eastern Edison Company	12/98	Montaup Electric Company	D.T.E. 99-9	Sale of Nuclear Plant
NStar	9/07 12/07	NStar, Bay State Gas, Fitchburg G&E, NE Gas, W. MA Electric	DPU 07-50	Decoupling, Risk
NStar	6/11	NStar, Northeast Utilities	DPU 10-170	Merger Approval
Mass. Energy Facilities Siting Council				
Mass. Institute of Technology	1/89	M.M.W.E.C.	EFSC-88-1	Least-Cost Planning
Boston Edison Company	9/90	Boston Edison	EFSC-90-12	Electric Generation Markets
Silver City Energy Ltd. Partnership	11/91	Silver City Energy	D.P.U. 91-100	State Policies, Need for Facility
Michigan Public Service Commission				
Detroit Edison Company	9/98	Detroit Edison Company	Case No. U-11726	Market Value of Generation Assets
Consumers Energy Company	8/06 1/07	Consumers Energy Company	Case No. U-14992	Sale of Nuclear Plant
WE Energies	12/11	Wisconsin Electric Power Co	Case No. U-16830	Economic Benefits/Prudence
Consumer Energy Company	7/13	Consumers Energy Company	Case No. U-17429	Certificate of Need, Integrated Resource Plan

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
WE Energies	8/14 3/15	WE Energies/Integrys	Case No. U-17682	Merger Application
Minnesota Public Utilities Commission				
Xcel Energy/No. States Power	9/04	Xcel Energy/No. States Power	Docket No. G002/GR-04-1511	NRG Impacts
Interstate Power and Light	8/05	Interstate Power and Light and FPL Energy Duane Arnold, LLC	Docket No. E001/PA-05-1272	Sale of Nuclear Plant
Northern States Power Company d/b/a Xcel Energy	11/05	Northern States Power Company	Docket No. E002/GR-05-1428	NRG Impacts on Debt Costs
Northern States Power Company d/b/a Xcel Energy	09/06 10/06 11/06	NSP v. Excelsior	Docket No. E6472/M-05-1993	PPA, Financial Impacts
Northern States Power Company d/b/a Xcel Energy	11/06	Northern States Power Company	Docket No. G002/GR-06-1429	Return on Equity
Northern States Power	11/08 05/09	Northern States Power Company	Docket No. E002/GR-08-1065	Return on Equity
Northern States Power	11/09 6/10	Northern States Power Company	Docket No. G002/GR-09-1153	Return on Equity
Northern States Power	11/10 5/11	Northern States Power Company	Docket No. E002/GR-10-971	Return on Equity
Northern States Power Company d/b/a Xcel Energy	1/16	Northern States Power Company	Docket No. E002/GR-15-826	Industry Perspective
Missouri House Committee on Energy and the Environment				
Ameren Missouri	3/16	Ameren Missouri	HB 2816	Performance Based Ratemaking

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Missouri Public Service Commission				
Missouri Gas Energy	1/03 04/03	Missouri Gas Energy	Case No. GR-2001-382	Gas Purchasing Practices, Prudence
Aquila Networks	2/04	Aquila-MPS, Aquila L&P	Case Nos. ER-2004-0034 HR-2004-0024	Cost of Capital, Capital Structure
Aquila Networks	2/04	Aquila-MPS, Aquila L&P	Case No. GR-2004-0072	Cost of Capital, Capital Structure
Missouri Gas Energy	11/05 2/06 7/06	Missouri Gas Energy	Case Nos. GR-2002-348 GR-2003-0330	Capacity Planning
Missouri Gas Energy	11/10 1/11	KCP&L	Case No. ER-2010-0355	Natural Gas DSM
Missouri Gas Energy	11/10 1/11	KCP&L GMO	Case No. ER-2010-0356	Natural Gas DSM
Laclede Gas Company	5/11	Laclede Gas Company	Case No. CG-2011-0098	Affiliate Pricing Standards
Union Electric Company d/b/a Ameren Missouri	2/12 8/12	Union Electric Company	Case No. ER-2012-0166	ROE, Earnings Attrition, Regulatory Lag
Union Electric Company d/b/a Ameren Missouri	6/14	Noranda Aluminum Inc.	Case No. EC-2014-0223	Ratemaking, Regulatory and Economic Policy
Union Electric Company d/b/a Ameren Missouri	1/15 2/15	Union Electric Company	Case No. ER-2014-0258	Revenue Requirements, Ratemaking Policies
Missouri Senate Committee on Commerce, Consumer Protection, Energy and the Environment				
Ameren Missouri	3/16	Ameren Missouri	SB 1028	Performance Based Ratemaking

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Montana Public Service Commission				
Great Falls Gas Company	10/82	Great Falls Gas Company	Docket No. 82-4-25	Gas Rate Adjustment Clause
Nat. Energy Board of Canada				
Alberta-Northeast	2/87	Alberta Northeast Gas Export Project	Docket No. GH-1-87	Gas Export Markets
Alberta-Northeast	11/87	TransCanada Pipeline	Docket No. GH-2-87	Gas Export Markets
Alberta-Northeast	1/90	TransCanada Pipeline	Docket No. GH-5-89	Gas Export Markets
Independent Petroleum Association of Canada	1/92	Interprovincial Pipe Line, Inc.	RH-2-91	Pipeline Valuation, Toll
The Canadian Association of Petroleum Producers	11/93	Transmountain Pipe Line	RH-1-93	Cost of Capital
Alliance Pipeline L.P.	6/97	Alliance Pipeline L.P.	GH-3-97	Market Study
Maritimes & Northeast Pipeline	97	Sable Offshore Energy Project	GH-6-96	Market Study
Maritimes & Northeast Pipeline	2/02	Maritimes & Northeast Pipeline	GH-3-2002	Natural Gas Demand Analysis
TransCanada Pipelines	8/04	TransCanada Pipelines	RH-3-2004	Toll Design
Brunswick Pipeline	5/06	Brunswick Pipeline	GH-1-2006	Market Study
TransCanada Pipelines Ltd.	12/06 4/07	TransCanada Pipelines Ltd.: Gros Cacouna Receipt Point Application	RH-1-2007	Toll Design
Repsol Energy Canada Ltd	3/08	Repsol Energy Canada Ltd	GH-1-2008	Market Study
Maritimes & Northeast Pipeline	7/10	Maritimes & Northeast Pipeline	RH-4-2010	Regulatory Policy, Toll Development
TransCanada Pipelines Ltd	9/11 5/12	TransCanada Pipelines Ltd.	RH-3-2011	Business Services and Tolls Application
Trans Mountain Pipeline LLC	6/12 1/13	Trans Mountain Pipeline LLC	RH-1-2012	Toll Design

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
TransCanada Pipelines Ltd	8/13	TransCanada Pipelines Ltd	RE-001-2013	Toll Design
NOVA Gas Transmission Ltd	11/13	NOVA Gas Transmission Ltd	OF-Fac-Gas-N081-2013-10 01	Toll Design
Trans Mountain Pipeline LLC	12/13	Trans Mountain Pipeline LLC	OF-Fac-Oil-T260-2013-03 01	Economic and Financial Feasibility and Project Benefits
Energy East Pipeline Ltd.	10/14	Energy East Pipeline	Of-Fac-Oil-E266-2014-01 02	Economic and Financial Feasibility and Project Benefits
NOVA Gas Transmission Ltd	5/16	NOVA Gas Transmission Ltd	GH-003-2015	Certificate of Public Convenience and Necessity
New Brunswick Energy and Utilities Board				
Atlantic Wallboard/JD Irving Co	1/08	Enbridge Gas New Brunswick	MCTN #298600	Rate Setting for EGNB
Atlantic Wallboard/Flakeboard	9/09 6/10 7/10	Enbridge Gas New Brunswick	NBEUB 2009-017	Rate Setting for EGNB
Atlantic Wallboard/Flakeboard	1/14	Enbridge Gas New Brunswick	NBEUB Matter 225	Rate Setting for EGNB
NH Public Utilities Commission				
Bus & Industry Association	6/89	P.S. Co. of New Hampshire	Docket No. DR89-091	Fuel Costs
Bus & Industry Association	5/90	Northeast Utilities	Docket No. DR89-244	Merger & Acquisition Issues
Eastern Utilities Associates	6/90	Eastern Utilities Associates	Docket No. DF89-085	Merger & Acquisition Issues
EnergyNorth Natural Gas	12/90	EnergyNorth Natural Gas	Docket No. DE90-166	Gas Purchasing Practices
EnergyNorth Natural Gas	7/90	EnergyNorth Natural Gas	Docket No. DR90-187	Special Contracts, Discounted Rates
Northern Utilities, Inc.	12/91	Commission Investigation	Docket No. DR91-172	Generic Discounted Rates

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Public Service Co. of New Hampshire	7/14	Public Service Co. of NH	Docket No. DE 11-250	Prudence
Public Service Co. of New Hampshire	7/15 11/15	Public Service Co. of NH	Docket No. 14-238	Restructuring and Rate Stabilization
New Jersey Board of Public Utilities				
Hilton/Golden Nugget	12/83	Atlantic Electric	B.P.U. 832-154	Line Extension Policies
Golden Nugget	3/87	Atlantic Electric	B.P.U. No. 837-658	Line Extension Policies
New Jersey Natural Gas	2/89	New Jersey Natural Gas	B.P.U. GR89030335J	Cost Allocation/Rate Design
New Jersey Natural Gas	1/91	New Jersey Natural Gas	B.P.U. GR90080786J	Cost Allocation/Rate Design
New Jersey Natural Gas	8/91	New Jersey Natural Gas	B.P.U. GR91081393J	Rate Design, Weather Normalization Clause
New Jersey Natural Gas	4/93	New Jersey Natural Gas	B.P.U. GR93040114J	Cost Allocation/Rate Design
South Jersey Gas	4/94	South Jersey Gas	BRC Dock No. GR080334	Revised Levelized Gas Adjustment
New Jersey Utilities Association	9/96	Commission Investigation	BPU AX96070530	PBOP Cost Recovery
Morris Energy Group	11/09	Public Service Electric & Gas	BPU GR 09050422	Discriminatory Rates
New Jersey American Water Co.	4/10	New Jersey American Water Co.	BPU WR 1040260	Tariff Rates and Revisions
Electric Customer Group	1/11	Generic Stakeholder Proceeding	BPU GR10100761 and ER10100762	Natural Gas Ratemaking Standards and pricing
New Mexico Public Service Commission				
Gas Company of New Mexico	11/83	Public Service Co. of New Mexico	Docket No. 1835	Cost Allocation/Rate Design
Southwestern Public Service Co., New Mexico	12/12	SPS New Mexico	Case No. 12-00350-UT	Rate Case, Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
PNM Resources	12/13 10/14 12/14	Public Service Co. of New Mexico	Case No. 13-00390-UT	Nuclear Valuation/In Support of Stipulation
New York State Public Service Commission				
Iroquois Gas Transmission	12/86	Iroquois Gas Transmission System	Case No. 70363	Gas Markets
Brooklyn Union Gas Company	8/95	Brooklyn Union Gas Company	Case No. 95-6-0761	Panel on Industry Directions
Central Hudson, ConEdison and Niagara Mohawk	9/00	Central Hudson, ConEdison and Niagara Mohawk	Case No. 96-E-0909 Case No. 96-E-0897 Case No. 94-E-0098 Case No. 94-E-0099	Section 70, Approval of New Facilities
Central Hudson, New York State Electric & Gas, Rochester Gas & Electric	5/01	Joint Petition of NiMo, NYSEG, RG&E, Central Hudson, Constellation and Nine Mile Point	Case No. 01-E-0011	Section 70, Rebuttal Testimony
Rochester Gas & Electric	12/03	Rochester Gas & Electric	Case No. 03-E-1231	Sale of Nuclear Plant
Rochester Gas & Electric	1/04	Rochester Gas & Electric	Case No. 03-E-0765 Case No. 02-E-0198 Case No. 03-E-0766	Sale of Nuclear Plant; Ratemaking Treatment of Sale
Rochester Gas and Electric and NY State Electric & Gas Corp	2/10	Rochester Gas & Electric NY State Electric & Gas Corp	Case No. 09-E-0715 Case No. 09-E-0716 Case No. 09-E-0717 Case No. 09-E-0718	Depreciation Policy
National Fuel Gas Corporation	9/16 9/16	National Fuel Gas Corporation	Case No. 16-G-0257	Ring-fencing Policy
Nova Scotia Utility and Review Board				
Nova Scotia Power	9/12	Nova Scotia Power	Docket No. P-893	Audit Reply
Nova Scotia Power	8/14	Nova Scotia Power	Docket No. P-887	Audit Reply

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Nova Scotia Power	5/16	Nova Scotia Power	2017-2019 Fuel Stability Plan	Used and Useful Ratemaking
NSP Maritime Link ("NSPML")	12/16 2/17 5/17	NSP Maritime Link ("NSPML")	NSPML Interim Cost Assessment Application	Used and Useful Ratemaking
Oklahoma Corporation Commission				
Oklahoma Natural Gas Company	6/98	Oklahoma Natural Gas Company	Case PUD No. 980000177	Storage Issues
Oklahoma Gas & Electric Company	5/05 9/05	Oklahoma Gas & Electric Company	Cause No. PUD 200500151	Prudence of McLain Acquisition
Oklahoma Gas & Electric Company	3/08	Oklahoma Gas & Electric Company	Cause No. PUD 200800086	Acquisition of Redbud Generating Facility
Oklahoma Gas & Electric Company	8/14 1/15	Oklahoma Gas & Electric Company	Cause No. PUD 201400229	Integrated Resource Plan
Ontario Energy Board				
Market Hub Partners Canada, L.P.	5/06	Natural Gas Electric Interface Roundtable	File No. EB-2005-0551	Market-based Rates for Storage
Ontario Power Generation	9/13 2/14 5/14	Ontario Power Generation	EB-2013-0321	Prudence Review of Nuclear Project Management Processes
Pennsylvania Public Utility Commission				
ATOC	4/95	Equitrans	Docket No. R-00943272	Rate Design, Unbundling
ATOC	3/96 4/96	Equitrans	Docket No. P-00940886	Rate Design, Unbundling
Rhode Island Public Utilities Commission				
Newport Electric	7/81	Newport Electric	Docket No. 1599	Rate Attrition

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
South County Gas	9/82	South County Gas	Docket No. 1671	Cost of Capital
New England Energy Group	7/86	Providence Gas Company	Docket No. 1844	Cost Allocation/Rate Design
Providence Gas	8/88	Providence Gas Company	Docket No. 1914	Load Forecast, Least-Cost Planning
Providence Gas Company and The Valley Gas Company	1/01 3/02	Providence Gas Company and The Valley Gas Company	Docket No. 1673 and 1736	Gas Cost Mitigation Strategy
The New England Gas Company	3/03	New England Gas Company	Docket No. 3459	Cost of Capital
Texas Public Utility Commission				
Southwestern Electric	5/83	Southwestern Electric		Cost of Capital, CWIP
P.U.C. General Counsel	11/90	Texas Utilities Electric Company	Docket No. 9300	Gas Purchasing Practices, Prudence
Oncor Electric Delivery Company	8/07	Oncor Electric Delivery Company	Docket No. 34040	Regulatory Policy, Rate of Return, Return of Capital and Consolidated Tax Adjustment
Oncor Electric Delivery Company	6/08	Oncor Electric Delivery Company	Docket No.35717	Regulatory policy
Oncor Electric Delivery Company	10/08 11/08	Oncor, TCC, TNC, ETT, LCRA TSC, Sharyland, STEC, TNMP	Docket No. 35665	Competitive Renewable Energy Zone
CenterPoint Energy	6/10 10/10	CenterPoint Energy/Houston Electric	Docket No. 38339	Regulatory Policy, Risk, Consolidated Taxes
Oncor Electric Delivery Company	1/11	Oncor Electric Delivery Company	Docket No. 38929	Regulatory Policy, Risk
Cross Texas Transmission	8/12 11/12	Cross Texas Transmission	Docket No. 40604	Return on Equity
Southwestern Public Service	11/12	Southwestern Public Service	Docket No. 40824	Return on Equity
Lone Star Transmission	5/14	Lone Star Transmission	Docket No. 42469	Return on Equity, Debt, Cost of Capital

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
CenterPoint Energy Houston Electric, LLC	6/15	CenterPoint Energy Houston Electric, LLC	Docket No. 44572	Distribution Cost Recovery Factor
NextEra Energy, Inc.	10/16 2/17	Oncor Electric Delivery Company LLC, NextEra Energy	Docket No. 46238	Merger Application, Ring-fencing
Texas Railroad Commission				
Western Gas Interstate Company	1/85	Southern Union Gas Company	Docket 5238	Cost of Service
Atmos Pipeline Texas	9/10 1/11	Atmos Pipeline Texas	GUD 10000	Ratemaking Policy, risk
Atmos Pipeline Texas	1/17 4/17	Atmos Pipeline Texas	GUD 10580	Ratemaking Policy, ROE, Rate Design Policy
Texas State Legislature				
CenterPoint Energy	4/13	Association of Electric Companies of Texas	SB 1364	Consolidated Tax Adjustment Clause Legislation
Utah Public Service Commission				
AMAX Magnesium	1/88	Mountain Fuel Supply Company	Case No. 86-057-07	Cost Allocation/Rate Design
AMAX Magnesium	4/88	Utah P&L/Pacific P&L	Case No. 87-035-27	Merger & Acquisition
Utah Industrial Group	7/90 8/90	Mountain Fuel Supply	Case No. 89-057-15	Gas Transportation Rates
AMAX Magnesium	9/90	Utah Power & Light	Case No. 89-035-06	Energy Balancing Account
AMAX Magnesium	8/90	Utah Power & Light	Case No. 90-035-06	Electric Service Priorities

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Questar Gas Company	12/07	Questar Gas Company	Docket No. 07-057-13	Benchmarking in Support of ROE
Vermont Public Service Board				
Green Mountain Power	8/82	Green Mountain Power	Docket No. 4570	Rate Attrition
Green Mountain Power	12/97	Green Mountain Power	Docket No. 5983	Cost of Service
Green Mountain Power	7/98 9/00	Green Mountain Power	Docket No. 6107	Rate Development
Wisconsin Public Service Commission				
WEC & WICOR	11/99	WEC	Docket No. 9401-YO-100 Docket No. 9402-YO-101	Approval to Acquire the Stock of WICOR
Wisconsin Electric Power Company	1/07	Wisconsin Electric Power Co.	Docket No. 6630-EI-113	Sale of Nuclear Plant
Wisconsin Electric Power Company	10/09	Wisconsin Electric Power Co.	Docket No. 6630-CE-302	CPCN Application for Wind Project
Northern States Power Wisconsin	10/13	Xcel Energy (dba Northern States Power Wisconsin)	Docket No. 4220-UR-119	Fuel Cost Adjustments
Wisconsin Electric Power Company	11/13	Wisconsin Electric Power Co.	Docket No. 6630-FR-104	Fuel Cost Adjustment
WE Energy	8/14 1/15 3/15	WE Energy/Integrys	Docket No. 9400-YO-100	Merger Approval

American Arbitration Association				
Michael Polsky	3/91	M. Polsky vs. Indeck Energy		Corporate Valuation, Damages
ProGas Limited	7/92	ProGas Limited v. Texas Eastern		Gas Contract Arbitration
Attala Generating Company	12/03	Attala Generating Co v. Attala Energy Co.	Case No. 16-Y-198-00228-03	Power Project Valuation, Breach of Contract, Damages
Nevada Power Company	4/08	Nevada Power v. Nevada Cogeneration Assoc. #2		Power Purchase Agreement
Sensata Technologies, Inc./EMS Engineered Materials Solutions, LLC	1/11	Sensata Technologies, Inc./EMS Engineered Materials Solutions, LLC v. Pepco Energy Services	Case No. 11-198-Y-00848-10	Change in Usage Dispute/Damages
Canadian Arbitration Panel				
Hydro-Québec	4/15 5/16 7/16	Hydro-Fraser et al v. Hydro-Québec		Electric Price Arbitration
Commonwealth of Massachusetts, Appellate Tax Board				
NStar Electric Company	8/14	NStar Electric Company		Valuation Methodology
Western Massachusetts Electric Company	2/16	Western Massachusetts Electric Company v. Board of Assessors of The City of Springfield	Docket No. 315550 Docket No. 319349	Valuation Methodology
Commonwealth of Massachusetts, Suffolk Superior Court				
John Hancock	1/84	Trinity Church v. John Hancock	C.A. No. 4452	Damages Quantification
Court of Common Pleas of Philadelphia County, Civil Division				
Sunoco Marketing & Terminals L.P.	11/16	Sunoco Marketing & Terminals, L.P. v. South Jersey Resources Group	Case No. 150302520	Damages Quantification

State of Colorado District Court, County of Garfield				
Questar Corporation, et al	11/00	Questar Corporation, et al.	Case No. 00CV129-A	Partnership Fiduciary Duties
State of Delaware, Court of Chancery, New Castle County				
Wilmington Trust Company	11/05	Calpine Corporation vs. Bank of New York and Wilmington Trust Company	C.A. No. 1669-N	Bond Indenture Covenants
Illinois Appellate Court, Fifth Division				
Norweb, PLC	8/02	Indeck No. America v. Norweb	Docket No. 97 CH 07291	Breach of Contract, Power Plant Valuation
Independent Arbitration Panel				
Alberta Northeast Gas Limited	2/98	ProGas Ltd., Canadian Forest Oil Ltd., AEC Oil & Gas		
Ocean State Power	9/02	Ocean State Power vs. ProGas Ltd.	2001/2002 Arbitration	Gas Price Arbitration
Ocean State Power	2/03	Ocean State Power vs. ProGas Ltd.	2002/2003 Arbitration	Gas Price Arbitration
Ocean State Power	6/04	Ocean State Power vs. ProGas Ltd.	2003/2004 Arbitration	Gas Price Arbitration
Shell Canada Limited	7/05	Shell Canada Limited and Nova Scotia Power Inc.		Gas Contract Price Arbitration
International Court of Arbitration				
Wisconsin Gas Company, Inc.	2/97	Wisconsin Gas Co. vs. Pan-Alberta	Case No. 9322/CK	Contract Arbitration
Minnegasco, A Division of NorAm Energy Corp.	3/97	Minnegasco vs. Pan-Alberta	Case No. 9357/CK	Contract Arbitration
Utilicorp United Inc.	4/97	Utilicorp vs. Pan-Alberta	Case No. 9373/CK	Contract Arbitration

IES Utilities	97	IES vs. Pan-Alberta	Case No. 9374/CK	Contract Arbitration
Mitsubishi Heavy Industries, Ltd., and Mitsubishi Nuclear Energy Systems, Inc.	12/15 2/16	Southern California Edison Company, Edison Material Supply LLC, San Diego Gas & Electric Co., and the City of Riverside vs. Mitsubishi Heavy Industries, Ltd., and Mitsubishi Nuclear Energy Systems, Inc.	Case No. 19784/AGF/RD	Damages Arising Under a Nuclear Power Equipment Contract
State of New Jersey, Mercer County Superior Court				
Transamerica Corp., et al.	7/07 10/07	IMO Industries Inc. vs. Transamerica Corp., et al.	Docket No. L-2140-03	Breach-Related Damages, Enterprise Value
State of New York, Nassau County Supreme Court				
Steel Los III, LP	6/08	Steel Los II, LP & Associated Brook, Corp v. Power Authority of State of NY	Index No. 5662/05	Property Seizure
Province of Alberta, Court of Queen's Bench				
Alberta Northeast Gas Limited	5/07	Cargill Gas Marketing Ltd. vs. Alberta Northeast Gas Limited	Action No. 0501-03291	Gas Contracting Practices
State of Rhode Island, Providence City Court				
Aquidneck Energy	5/87	Laroche vs. Newport		Least-Cost Planning
State of Texas, Hutchinson County Court				
Western Gas Interstate	5/85	State of Texas vs. Western Gas Interstate Co.	Case No. 14,843	Cost of Service
State of Utah, Third District Court				
PacifiCorp & Holme, Roberts & Owen, LLP	1/07	USA Power & Spring Canyon Energy vs. PacifiCorp. et al.	Civil No. 050903412	Breach-Related Damages

U.S. Bankruptcy Court, District of New Hampshire				
EUA Power Corporation	7/92	EUA Power Corporation	Case No. BK-91-10525-JEY	Pre-Petition Solvency
U.S. Bankruptcy Court, District of New Jersey				
Ponderosa Pine Energy Partners, Ltd.	7/05	Ponderosa Pine Energy Partners, Ltd.	Case No. 05-21444	Forward Contract Bankruptcy Treatment
U.S. Bankruptcy Court, No. District of New York				
Cayuga Energy, NYSEG Solutions, The Energy Network	09/09	Cayuga Energy, NYSEG Solutions, The Energy Network	Case No. 06-60073-6-sdg	Going Concern
U.S. Bankruptcy Court, So. District of New York				
Johns Manville	5/04	Enron Energy Mktg. v. Johns Manville; Enron No. America v. Johns Manville	Case No. 01-16034 (AJG)	Breach of Contract, Damages
U.S. Bankruptcy Court, Northern District of Texas				
Southern Maryland Electric Cooperative, Inc., and Potomac Electric Power Company	11/04	Mirant Corporation, et al. v. SMECO	Case No. 03-4659; Adversary No. 04-4073	PPA Interpretation, Leasing
Consolidated Edison Company	2/08 6/08	Consolidated Edison Company v. United States	No. 04-0033C	SNF Expert Report
Vermont Yankee Nuclear Power Corporation	6/08	Vermont Yankee Nuclear Power Corporation	No. 03-2663C	SNF Expert Report
U. S. District Court, Boulder County, Colorado				
KN Energy, Inc.	3/93	KN Energy vs. Colorado GasMark, Inc.	Case No. 92 CV 1474	Gas Contract Interpretation
U. S. District Court, Northern California				
Pacific Gas & Electric Co./PGT PG&E/PGT Pipeline Exp. Project	4/97	Norcen Energy Resources Limited	Case No. C94-0911 VRW	Fraud Claim

U. S. District Court, District of Connecticut				
Constellation Power Source, Inc.	12/04	Constellation Power Source, Inc. v. Select Energy, Inc.	Civil Action 304 CV 983 (RNC)	ISO Structure, Breach of Contract
U.S. District Court, Northern District of Illinois, Eastern Division				
U.S. Securities and Exchange Commission	4/12	U.S. Securities and Exchange Commission v. Thomas Fisher, Kathleen Halloran, and George Behrens	Case No. 07 C 4483	Prudence, PBR
U. S. District Court, Massachusetts				
Eastern Utilities Associates & Donald F. Pardus	3/94	NECO Enterprises Inc. vs. Eastern Utilities Associates	Civil Action No. 92-10355-RCL	Seabrook Power Sales
U. S. District Court, Montana				
KN Energy, Inc.	9/92	KN Energy v. Freeport MacMoRan	Docket No. CV 91-40-BLG-RWA	Gas Contract Settlement
U.S. District Court, New Hampshire				
Portland Natural Gas Transmission and Maritimes & Northeast Pipeline	9/03	Public Service Company of New Hampshire vs. PNGTS and M&NE Pipeline	Docket No. C-02-105-B	Impairment of Electric Transmission Right-of-Way
U. S. District Court, Southern District of New York				
Central Hudson Gas & Electric	11/99 8/00	Central Hudson v. Riverkeeper, Inc., Robert H. Boyle, John J. Cronin	Civil Action 99 Civ 2536 (BDP)	Electric Restructuring, Environmental Impacts
Consolidated Edison	3/02	Consolidated Edison v. Northeast Utilities	Case No. 01 Civ. 1893 (JGK) (HP)	Industry Standards for Due Diligence
Merrill Lynch & Company	1/05	Merrill Lynch v. Allegheny Energy, Inc.	Civil Action 02 CV 7689 (HB)	Due Diligence, Breach of Contract, Damages

U. S. District Court, Eastern District of Virginia				
Aquila, Inc.	1/05 2/05	VPEM v. Aquila, Inc.	Civil Action 304 CV 411	Breach of Contract, Damages
U. S. District Court, Western District of Virginia				
Washington Gas Light Company	8/15 9/15	Washington Gas Light Company v. Mountaineer Gas Company	Civil Action No. 5:14-cv-41	Nominations and Gas Balancing, Lost and Unaccounted for Gas, Damages
U. S. District Court, Portland Maine				
ACEC Maine, Inc. et al.	10/91	CIT Financial vs. ACEC Maine	Docket No. 90-0304-B	Project Valuation
Combustion Engineering	1/92	Combustion Eng. vs. Miller Hydro	Docket No. 89-0168P	Output Modeling; Project Valuation
U.S. Securities and Exchange Commission				
Eastern Utilities Association	10/92	EUA Power Corporation	File No. 70-8034	Value of EUA Power
U.S. Tax Court in Illinois				
Exelon Corporation	4/15 6/15	Exelon Corporation, as Successor by Merger to Unicom Corporation and Subsidiaries et al. v. Commission of Internal Revenue	Docket Nos. 29183-13, 29184-13	Valuation of Analysis of Lease Terms and Quantify Plant Values
Council of the District of Columbia Committee on Consumer and Regulatory Affairs				
Potomac Electric Power Co.	7/99	Potomac Electric Power Co.	Bill 13-284	Utility Restructuring

Economic impact of the Merger

ImpactType	Value Added/ Gross Regional Product [1]	Output [2]
Direct Effect	$175.6	$331.2
Indirect Effect	$74.6	$141.4
Induced Effect	$80.5	$144.4
Sum:	**$330.7**	**$616.9**
Multiplier:		1.86

[1] This column contains IMPLAN's projection of "Value
[2] Output represents the value of industry production.