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Witness: Darryl T. Sagel  
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File No.: GR-2019-0077  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. GR-2019-0077**

**SURREBUTTAL TESTIMONY**

**OF**

**DARRYL T. SAGEL**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**D/B/A AMEREN MISSOURI**

**St. Louis, Missouri  
July, 2019**

**\*\*DENOTES CONFIDENTIAL INFORMATION\*\***

Ameren Exhibit No 6-P  
Date 8-15-19 Reporter CDT  
File No GR-2019-0077

**P**

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**SURREBUTTAL TESTIMONY**

**OF**

**DARRYL T. SAGEL**

**FILE NO. GR-2019-0077**

1           **Q.     Please state your name and business address.**

2           A.     Darryl T. Sagel, Union Electric Company d/b/a Ameren Missouri ("Ameren  
3 Missouri" or "Company"), One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri  
4 63103.

5           **Q.     Are you the same Darryl T. Sagel that filed rebuttal testimony in this**  
6 **proceeding?**

7           A.     Yes, I am.

8                           **I.     PURPOSE OF TESTIMONY**

9           **Q.     What is the purpose of your surrebuttal testimony in this proceeding?**

10          A.     My surrebuttal testimony in this proceeding responds to the rebuttal  
11 testimony of Jeffrey Smith, submitted on behalf of the Missouri Public Service  
12 Commission Staff ("Staff"), and the rebuttal testimony of Robert Schallenberg, submitted  
13 on behalf of the Office of Public Counsel ("OPC").

14          **Q.     Are you sponsoring any schedules in connection with your testimony?**

15          A.     Yes, I am sponsoring, and have attached to my surrebuttal testimony, the  
16 following schedule, which has been prepared under my direction:

- 17                 • Schedule DTS-S1 – UBS Research: Regulatory Jurisdictional Rankings

1                   **II. RESPONSE TO STAFF WITNESS JEFFREY SMITH'S**  
2                   **REBUTTAL TESTIMONY REGARDING RECOMMENDED**  
3                   **ALLOWED CAPITAL STRUCTURE**

4           **Q. Mr. Smith suggests that the risk profiles of Ameren Missouri and**  
5 **Ameren Illinois are not substantively different to justify a higher equity ratio for**  
6 **Ameren Missouri, Smith Rebuttal, pg. 3. Do you agree?**

7           A. No. As I discussed in my rebuttal testimony, the respective capital  
8 structures for Ameren Missouri and Ameren Illinois are managed independently, based on,  
9 among other factors, relative business risk. In the case of Ameren Illinois, maintenance of  
10 a lower common equity ratio relative to Ameren Missouri is currently reasonable based on  
11 Ameren Illinois' lower business risk profile.

12           Ameren Illinois solely operates lower-risk electric transmission and distribution  
13 businesses and natural gas delivery businesses while Ameren Missouri operates a  
14 vertically-integrated electric business and a modest natural gas delivery business. It is  
15 noteworthy that equity and debt investors in the public utilities sector and the rating  
16 agencies that rate public utility companies and their respective debt securities assign higher  
17 risk to the generation component of operations relative to electric transmission and  
18 distribution operations and gas delivery operations.

19           Furthermore, Ameren Missouri owns and operates a single-unit nuclear plant, the  
20 Callaway Nuclear Generating Station. While Ameren Missouri has successfully operated  
21 Callaway since 1984, such ownership is similarly perceived by investors and the rating  
22 agencies as adding incremental risk to Ameren Missouri relative to other utilities, such as  
23 Ameren Illinois, which own no nuclear generation.

1           Finally, Ameren Illinois' electric transmission and distribution businesses and  
2 natural gas delivery businesses operate under regulatory frameworks that are more  
3 business-friendly than Ameren Missouri. In the case of Ameren Illinois' electric  
4 transmission business, the regulatory framework includes an allowed return on equity  
5 ("ROE") of 10.82% (including a 50 basis point adder for participation in the Midcontinent  
6 Independent System Operator, Inc. regional transmission organization), forward-looking  
7 test years with annual reconciliation, and construction work in progress ("CWIP") in rate  
8 base. For Ameren Illinois' natural gas operations, the regulatory framework includes an  
9 allowed ROE of 9.87%, a forward test year approach, an infrastructure rider for qualifying  
10 capital investments made between rate cases, and revenue decoupling for residential and  
11 small non-residential customers. Ameren Illinois' electric distribution regulatory  
12 framework includes formula ratemaking, revenue decoupling and a constructive energy  
13 efficiency policy approach. In contrast, the Missouri ratemaking framework, while  
14 demonstrating improvement following the passage in 2018 of Senate Bill 564 and the  
15 related implementation of partial plant-in-service accounting, still utilizes a historic test  
16 year approach, exposing Ameren Missouri to regulatory lag, thereby resulting in a higher  
17 degree of regulatory risk.

18           **Q.     Are there independent sources that provide support for your statement**  
19 **that Ameren Illinois' business risk position is lower than Ameren Missouri's business**  
20 **risk position?**

21           A.     Yes. I would specifically point to recent commentary from the rating  
22 agencies that issue credit ratings and credit opinions on Ameren Missouri and Ameren  
23 Illinois. In addition, another independent agency, Regulatory Research Associates, Inc.

1 ("RRA"), currently ranks Missouri's regulatory environment as worse than Illinois'  
2 regulatory environment.

3 **Q. How do Ameren Missouri's credit ratings compare to Ameren Illinois'**  
4 **credit ratings?**

5 A. Both Ameren Missouri and Ameren Illinois have issuer credit ratings from  
6 Standard and Poor's Ratings Services ("S&P") and Moody's Investor Services ("Moody's").  
7 S&P, which generally utilizes a consolidated approach to rating Ameren Corporation  
8 (parent), Ameren Missouri, and Ameren Illinois, currently rates both Ameren Missouri and  
9 Ameren Illinois BBB+. In contrast, Moody's utilizes a "building block" rating approach to  
10 evaluate Ameren Corporation (parent), Ameren Missouri, and Ameren Illinois, and issuer  
11 ratings are developed individually for Ameren Missouri and Ameren Illinois. Based on  
12 this methodology, Ameren Missouri is currently rated one notch lower (Baa1) than Ameren  
13 Illinois (A3).

14 **Q. Is there evidence that Moody's believes Ameren Missouri's generation**  
15 **position adds risk to its overall credit profile and contributes to its lower credit rating**  
16 **than Ameren Illinois?**

17 A. Yes. As highlighted in its most recent credit opinion, dated March 29, 2019,  
18 Ameren Missouri's *Rating Methodology and Scorecard Factors* indicates a "Generation  
19 and Fuel Diversity" Score indicative of a Ba rating, lower than the Baa1 actual rating  
20 assigned to Ameren Missouri. This suggests that Ameren Missouri's generation mix on  
21 balance detracts from Ameren Missouri's rating. It is notable that Ameren Illinois'  
22 comparable "Generation and Fuel Diversity" Score is not applicable since Ameren Illinois

1 owns no generation and therefore generation has no bearing on its A3 issuer rating.

2 Furthermore, in the same Ameren Missouri report, Moody's states:

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15       **Q.     Is there evidence that Moody's views Ameren Missouri's regulatory**  
16 **environment as less supportive than Ameren Illinois' regulatory environment?**

17       A.     Yes. In its most recent March 29, 2019 credit opinion on Ameren Missouri,  
18 Moody's notes the following:

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18 **Q. How does RRA rank the Missouri and Illinois regulatory environment?**

19 A. RRA operates as an independent research organization that provides  
20 research and consultation services to investment, corporate, and regulatory communities  
21 regarding public utility regulation and critical regulatory issues and actions in the electric  
22 and gas utility sectors.



1           As part of its research, RRA ranks each state regulatory jurisdiction based on a  
2 nine-point scale. RRA maintains three principal rating categories for regulatory climates:  
3 Above Average, Average, and Below Average. Within the principal rating categories, the  
4 numbers 1, 2, and 3 indicate relative position, with the designation 1 indicating a stronger  
5 rating, 2 indicating a mid-range rating, and 3 a weaker rating. Within this framework,  
6 "Above Average / 1" is the best possible ranking, while "Below Average / 3" is the worst  
7 possible ranking. The evaluations are assigned from an investor perspective and indicate  
8 the relative regulatory risk associated with the ownership of securities issued by the  
9 jurisdiction's utilities. The evaluation reflects RRA's assessment of the probable level and  
10 quality of the earnings to be realized by the state's utilities as a result of regulatory,  
11 legislative, and court actions.

12           Currently, RRA ranks Missouri "Average / 3," which is lower than Illinois'  
13 comparable rating of "Average / 2." RRA specifically states that "Missouri regulation is  
14 somewhat more restrictive than average from an investor perspective", while "Illinois  
15 regulation is relatively balanced from an investor perspective." I would also note that RRA  
16 changed its ranking of Missouri in June 2019 from "Below Average / 1", primarily as a  
17 result of the passage of Senate Bill 564.

18           **Q.     Mr. Smith suggests that a more reasonable allowed capital structure**  
19 **for Ameren Missouri would be similar to Ameren Illinois, which caps the common**  
20 **equity ratio at 50%. Do you agree?**

21           A.     No. Based on the differences in risk profile between Ameren Missouri and  
22 Ameren Illinois I described above, I believe it is more reasonable for Ameren Missouri to  
23 maintain a higher common equity ratio than Ameren Illinois.

1           In addition, and as highlighted in my rebuttal testimony, Mr. Smith's approach  
2 would set rates based not on what the Missouri Public Service Commission (the  
3 "Commission") has determined to be the discrete financing needs and requirements of  
4 Ameren Missouri, but based on what utilities and/or their regulators in other jurisdictions  
5 have decided should be done to meet the financial requirements of their distinct operations.  
6 This approach disregards protection or insulation of Ameren Missouri from the activities  
7 of its affiliates, and is inconsistent with the Commission's obligation to make decisions for  
8 Missouri utilities, rather than delegating the task out to other regulators.

9           I would also further reference my rebuttal testimony which refutes Mr. Smith's  
10 notion that Illinois legislation caps Ameren Illinois' equity ratio at 50%. Rather, the Future  
11 Energy Jobs Act, Illinois legislation that become effective June 1, 2017, established that  
12 an equity ratio up to and including 50% will be deemed reasonable. However, the  
13 legislation does not preclude Ameren Illinois from filing for a capital structure that uses an  
14 equity ratio greater than 50% if Ameren Illinois were able to justify such a capital structure  
15 (i.e., if its risk profile increased).

16           **Q. Mr. Smith intimates – Smith Rebuttal, Pg. 2 - that as a result of the**  
17 **passage of Senate Bill 564 ("SB 564"), equity investors are placing a premium on**  
18 **Ameren's stock due to lower business risk at Ameren Missouri. How do you respond?**

19           A. While I agree that the passage of SB 564 and the related implementation of  
20 partial plant-in-service accounting has reduced Ameren Missouri business risk relative to  
21 the framework in place prior to the legislation, I do not believe that such passage is solely  
22 responsible for Ameren trading at a premium.

1           Mr. Smith does not identify which metric he is relying upon to support his assertion  
2 that investors are placing a premium on Ameren's stock due to lower business risk at  
3 Ameren Missouri, nor does he indicate the comparison set. He only references unnamed  
4 research analyst reports to support his case.

5           Ameren does track its stock price performance over time relative to identified  
6 corporate peers and the PHLX Utility Sector Index (the "UTY"). In addition, we track  
7 Ameren's forward price-to-earnings ("P/E") multiple relative to peers and the UTY over  
8 time given that we believe that public utility sector equity investors rely predominantly on  
9 this metric to inform their investment decisions. Currently, Ameren's stock does trade at a  
10 next-12-month ("NTM") P/E multiple premium to the average of identified peer regulated  
11 companies, as well as the UTY. However, notably, Ameren's stock also happened to trade  
12 at a NTM P/E multiple premium to these two comparable sets in the months prior to  
13 passage of SB 564. Therefore, it is not reasonable to suggest that investors are placing a  
14 premium on Ameren's stock due specifically to legislative changes in Missouri and their  
15 impact on business risk. Ameren's stock has indeed performed well in the lead-up to, and  
16 following passage of, SB 564, though I would attribute that performance more to investors  
17 eliminating the historic discount ascribed to Missouri jurisdictional activities as a result of  
18 the enhanced growth opportunity created following the passage of SB 564 rather than such  
19 investors assigning a premium to the inherent business risks of the jurisdiction. Currently,  
20 I believe that Ameren's NTM P/E multiple premium is still due predominantly to its  
21 activities in Illinois and Federal Energy Regulatory Commission-regulated transmission.

22           It is noteworthy that equity analysts that publish research on Ameren's stock also  
23 tend to focus on Ameren's P/E multiple relative to their identified peer sets. Based on

1 equity research that I reviewed recently, many analysts, in establishing their price targets,  
2 do suggest that Ameren's stock warrants a P/E multiple premium, though they attribute  
3 such a suggested premium to Ameren's higher-than average earnings-per-share ("EPS")  
4 growth rate within generally constructive jurisdictions. However, only a couple of analysts  
5 specifically cite Ameren Missouri as distinctly warranting a premium, and that premium is  
6 justified based on investment and growth prospects in the state, rather than its fundamental  
7 business risk position. For instance, I would highlight recent research from UBS included  
8 as Schedule DTS-S1, which advises that Missouri is a Tier 3 regulatory jurisdiction (out of  
9 five tiers, with Tier 1 the best and Tier 5 the worst) as compared to the Federal Energy  
10 Regulatory Commission, which is a Tier 1 jurisdiction and Illinois, which is a Tier 2  
11 jurisdiction. Such rankings, similar to aforementioned state regulatory rankings from RRA,  
12 suggest that Missouri is not, in fact, a premium jurisdiction from an investment standpoint  
13 as Mr. Smith proposes.

14 **Q. Mr. Smith reiterates assertions from his testimony in the Staff Cost of**  
15 **Service Report submitted in this proceeding that Ameren Missouri's capital structure**  
16 **is not appropriate for ratemaking purposes due to Ameren's increased holding**  
17 **company leverage, and that rates should instead be based on a recommended 50%**  
18 **cap on Ameren Missouri's common equity ratio. Do you agree?**

19 A. I strongly disagree with Mr. Smith's position and believe that my rebuttal  
20 testimony in this proceeding, and supported by Ms. Weber's direct testimony in this  
21 proceeding, still adequately reflects my position that Ameren Missouri's actual capital  
22 structure is appropriate and reasonable for purposes of setting rates in this proceeding. As  
23 listed in the Table 1 below, at the true-up date of May 31, 2019, Ameren Missouri's actual

1 capital structure was 46.941% long-term debt, 1.014% preferred stock, and 52.045%  
2 common equity.

**Table 1**

(\$ in millions)

**As of May 31, 2019**

	<u>Amount</u>	<u>Percent of Total</u>
Long-Term Debt	\$3,790	46.941%
Short-Term Debt	\$0	0.000%
Preferred Stock	\$82	1.014%
Common Equity	<u>\$4,202</u>	<u>52.045%</u>
	<b>\$8,073</b>	<b>100.000%</b>

3 **III. RESPONSE TO OPC WITNESS ROBERT SCHALLENBERG**  
4 **REBUTTAL TESTIMONY REGARDING AFFILIATE TRANSACTIONS**

5 **Q. To what portion of Mr. Schallenberg's rebuttal testimony do you intend**  
6 **to respond?**

7 A. My testimony relates to Mr. Schallenberg's recommendation that Ameren  
8 Missouri should not be allocated costs related to Ameren Corporation (parent) Board of  
9 Directors and shareholder services activities. My colleague, Laura Moore, is responding  
10 to other issues raised by Mr. Schallenberg in his rebuttal testimony related to affiliate  
11 transactions.

12 **Q. Are Ameren (parent) Board of Director costs and investor services**  
13 **costs appropriately charged to Ameren Missouri?**

14 A. Yes they are. Mr. Schallenberg provides no credible basis in his testimony  
15 to support exclusion of these expenses from Ameren Missouri's cost of service other than  
16 stating that the holding company entirely owns Ameren Missouri (i.e., Ameren Missouri

1 has no independent shareholders) and that Ameren Missouri has no independent Board of  
2 Directors.

3           Currently, Board of Director expenses are allocated across each of Ameren's  
4 subsidiaries using the general allocator. This is an entirely appropriate allocation method  
5 because the Board of Directors exists to serve all of the Ameren business units, not just the  
6 holding company. Shareholder listing requirements for any public company necessitate  
7 certain governance procedures be undertaken, including the formation of a Board of  
8 Directors with a quorum of independent directors. Board of Director expenses are normal  
9 and customary costs of service, and absent the holding company structure (e.g., if Ameren  
10 Missouri were a stand-alone public company), there would be a Board of Directors, and  
11 associated costs, for Ameren Missouri. The Board of Directors provide oversight and  
12 guidance across many important aspects of Ameren Missouri's business, including  
13 monitoring and assessing its operational and financial performance, supporting budget  
14 analysis, and evaluating long-term capital planning. Given the importance of Ameren's  
15 Board of Directors to the successful operations of Ameren Missouri, there is no reasonable  
16 basis for the exclusion of such costs from Ameren Missouri's revenue requirement.

17           Similarly, as a publicly-traded company, Ameren relies upon its shareholders to  
18 support ongoing funding of its equity requirements. While Ameren has not been a frequent  
19 issuer of equity securities in recent years, having access to equity capital at all times to  
20 support subsidiary funding needs, including Ameren Missouri's, is a critical element to  
21 maintaining financial strength and solid credit ratings. Since Ameren (parent) owns 100%  
22 of the stock of Ameren Missouri, and because Ameren, as a policy, does not fund equity  
23 capital into Ameren Missouri with short-term or long-term debt, Ameren Missouri has no

1 ability to raise equity capital on its own and therefore must depend upon Ameren (parent)  
2 to provide access to requisite equity capital. Shareholder services expenses are normal and  
3 customary costs of service for any publicly-traded company, and absent the holding  
4 company structure (e.g., if Ameren Missouri were a stand-alone public company), there  
5 would be shareholder service requirements, and associated costs, for Ameren Missouri.  
6 Given the importance of Ameren's shareholder services to Ameren Missouri's financial  
7 position, there is no reasonable basis for the exclusion of such costs from Ameren  
8 Missouri's revenue requirement.

9 **IV. RESPONSE TO OPC WITNESS ROBERT SCHALLENBERG**

10 **REBUTTAL TESTIMONY REGARDING CAPITAL STRUCTURE**

11 **Q. Mr. Schallenberg raises two issues regarding Ameren Missouri's**  
12 **proposed capital structure. His first issue mentions the discrepancy between the**  
13 **amount of long-term debt as of June 30, 2018 identified in Ameren Missouri witness**  
14 **Brenda Weber's testimony versus the amount of long-term debt as of that same date**  
15 **recorded in Ameren Missouri's second quarter 10-Q filing with the Securities and**  
16 **Exchange Commission ("SEC"). Can you explain what causes the difference between**  
17 **the two amounts?**

18 **A.** The long-term debt referenced in Ms. Weber's direct testimony is based  
19 upon the methodology historically used and affirmed by the Commission to calculate  
20 Ameren Missouri's regulatory capital structure. Specifically, Ms. Weber's calculation  
21 applies various adjustments to the SEC-reported long-term debt balance, including  
22 eliminating amounts outstanding under Ameren Missouri's capital lease obligations  
23 (Audrain and Penno Creek Chapter 100 Tax Arrangements) and losses incurred associated

1 with reacquired debt. Table 2 below provides a reconciliation of the balance of long-term  
2 debt shown in the SEC Form 10-Q filing with the regulatory balance of long-term debt  
3 identified in Ms. Weber's testimony.

**Table 2**

(\$ in millions)

<b>As of June 30, 2018</b>	
	<u>Balance</u>
<b>SEC Form 10-Q Balances:</b>	
Current maturities of long-term debt	\$ 534
Long-term debt, net	<u>3,668</u>
Total long-term debt	\$ 4,202
<b>Regulatory adjustments:</b>	
Capital leases	\$ (276)
Loss on reacquired debt	<u>(60)</u>
Regulatory total long-term debt (per Ms. Weber's direct testimony)	\$ 3,867

4 **Q. Mr. Schallenberg's second issue relates to a question whether Ameren**  
5 **Missouri's equity balance reflects an element of Ameren (parent) debt funding. How**  
6 **do you respond?**

7 A. As I indicated in my rebuttal testimony in this proceeding, Ameren does  
8 not, as a policy, infuse common equity into Ameren Missouri with proceeds from long-  
9 term or short-term debt issuances. Rather, Ameren common equity infusions have been  
10 specifically funded by Ameren common equity issuances to third-party investors. The most  
11 recent infusion of common equity into Ameren Missouri by Ameren, in September 2009  
12 in the amount of \$436 million, was sourced directly from an external Ameren common  
13 stock offering in September 2009. The only other cash transfers from Ameren to Ameren  
14 Missouri since that September 2009 infusion have been modest non-discretionary tax-  
15 related contributions. These contributions are a function of a consolidating tax-allocation  
16 agreement among Ameren (parent) and its subsidiaries, including Ameren Missouri, and



1 the contributions are typically promptly returned by Ameren Missouri to Ameren (parent)  
2 through subsequent dividend distributions, such that there is no net impact on Ameren  
3 Missouri's equity balance.

4 **Q. Mr. Schallenberg notes that in recent SEC filings (10-K and 10-Q), the**  
5 **combined equity balances of Ameren Missouri and Ameren Illinois exceed Ameren**  
6 **(parent) equity balances, while Ameren's consolidated debt exceed the combined debt**  
7 **balances of Ameren Missouri and Ameren Illinois. Can you explain these differences?**

8 A. Since year-end 2017, based on financials contained in quarterly and annual  
9 SEC filings, the combined equity balances of Ameren Missouri and Ameren Illinois have  
10 exceeded Ameren (parent) equity balances. This was not the case in SEC filings prior to  
11 the 2017 10-K. There are three key factors that have disproportionately impacted Ameren's  
12 (parent) equity ratio relative to the equity ratios of its regulated subsidiaries over the past  
13 several years.

14 First, Ameren (parent) took significant non-cash charges related to the revaluation  
15 of deferred taxes resulting from a December 2017 change in federal law that decreased the  
16 federal corporate income tax rate (the benefit of which was proportionately passed through  
17 to Ameren Missouri and Ameren Illinois customers). These charges totaled \$154 million  
18 in 2017 and an additional \$13 million in 2018, with a disproportionate amount of the  
19 charges impacting Ameren's (parent) retained earnings as opposed to Ameren Missouri's  
20 and Ameren Illinois' retained earnings.

21 Second, Ameren Illinois' equity capital position has been recently supported by  
22 capital contributions from Ameren (parent) funded with short-term and long-term Ameren  
23 (parent) debt.

1 And, third, Ameren (parent) has declared and paid dividends to its common  
2 shareholders over the past several years at levels that are well in excess of the combined  
3 dividend distributions received from Ameren Missouri and Ameren Illinois. This is a  
4 function of these two subsidiaries reinvesting significant operating cash flow and retained  
5 earnings into their long-term regulated assets.

6 The result of these three primary factors, as shown in Table 3 below, has been a  
7 greater pace of increase in the equity balances of Ameren Missouri and Ameren Illinois  
8 relative to Ameren (parent).

**Table 3**

(\$ in millions)

	As of December 31,			% Change
	2016	2017	2018	2016-2018
<b>SEC Form 10-K Balances:</b>				
Ameren (parent) Common Equity	\$ 7,103	\$ 7,184	\$ 7,631	7.4%
Ameren Missouri / Ameren Illinois Common Equity	6,982	7,249	7,861	12.6%
<i>Difference</i>	\$ 121	\$ (65)	\$ (230)	

9 Mr. Schallenberg is also correct that Ameren's consolidated long-term debt balance  
10 exceeds the combined long-term debt balances of Ameren Missouri and Ameren Illinois.  
11 I would note that, in addition to comprising Ameren Missouri's and Ameren Illinois' long-  
12 term debt balance, the Ameren consolidated long-term debt balance includes \$700 million  
13 of Ameren holding company long-term debt, which has been used to refinance \$425  
14 million of holding company debt that historically supported Ameren Energy Resources  
15 Company activities prior to its divestiture in 2013, and to support financing of Ameren  
16 Illinois and Ameren Transmission Company of Illinois ("ATXI") capital investment  
17 activities. As indicated previously, none of this holding company debt has been used for  
18 capital contributions to Ameren Missouri. Furthermore, Ameren's consolidated long-term

Surrebuttal Testimony of  
Darryl T. Sagel

1 debt balance includes \$450 million of ATXI senior notes that have directly supported  
2 ATXI's electric transmission development program.

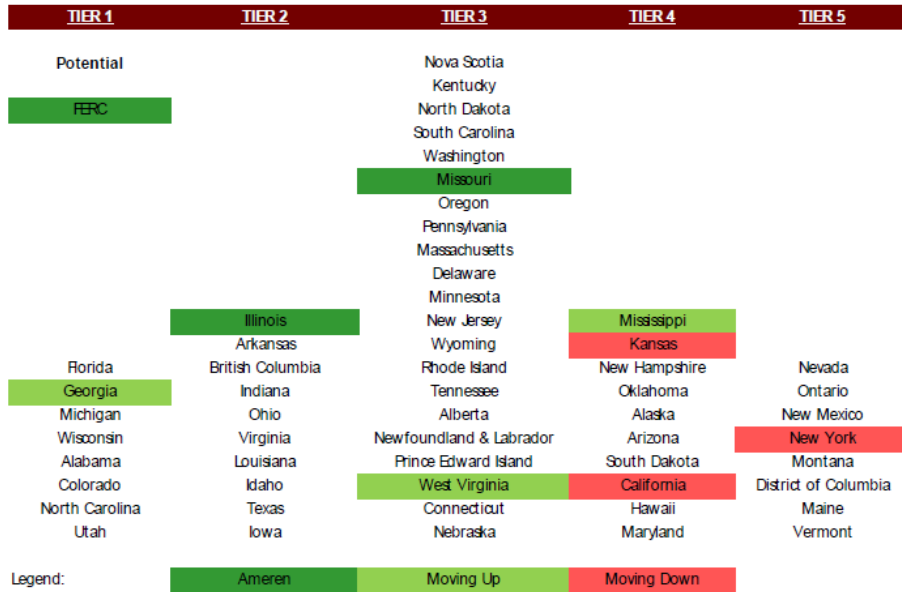
3 **Q. Does this conclude your surrebuttal testimony?**

4 **A. Yes, it does.**



# Regulatory Jurisdictional Rankings – Location Matters

Our current rankings are below, including Canadian provinces that regulate the subsidiaries of publicly traded utilities.



Source: Canadian Provincial Regulatory Websites, S&P Global Market Intelligence, FactSet, JD Power, UBS estimates