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State Corporation Commission
of Kansas

PUBLIC VERSION

BEFORE THE
KANSAS CORPORATION COMMISSION

DIRECT TESTIMONY OF DAVID E. DISMUKES, PH.D.

ON BEHALF OF

KANSAS ELECTRIC POWER COOPERATIVE, INC.

IN THE MATTER OF THE APPLICATION OF GREAT PLAINS ENERGY INCORPORATED, KANSAS CITY POWER & LIGHT COMPANY, AND WESTAR ENERGY, INC. FOR APPROVAL OF THE MERGER OF WESTAR ENERGY, INC. AND GREAT PLAINS ENERGY INCORPORATED

January 29, 2018

PUBLIC VERSION

TABLE OF CONTENTS

I. Introduction

Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is David E. Dismukes. My business address is 5800 One Perkins Place Drive, Suite 5-F, Baton Rouge, Louisiana, 70808.

Q. WOULD YOU PLEASE STATE YOUR OCCUPATION AND CURRENT PLACE OF EMPLOYMENT?

A. I am a Consulting Economist with the Acadian Consulting Group ("ACG").

Q. PLEASE DESCRIBE ACG AND ITS AREAS OF EXPERTISE.

A. ACG is a research and consulting firm that specializes in the analysis of regulatory, economic, financial, accounting, statistical, and public policy issues associated with regulated and energy industries. ACG is a Louisiana-registered partnership, formed in 1995, and is located in Baton Rouge, Louisiana.

Q. DO YOU HOLD ANY ACADEMIC POSITIONS?

A. Yes. I am a full Professor, Executive Director, and Director of Policy Analysis at the Center for Energy Studies, Louisiana State University ("LSU"). I am also a full Professor in the Department of Environmental Sciences and the Director of the Coastal Marine Institute in the College of the Coast and Environment at LSU. I also serve as an Adjunct Professor in the E. J. Ourso College of Business Administration (Department of Economics), and I am a member of the graduate research faculty at LSU.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the Kansas Electric Power Cooperative, Inc. ("KEPCo") to provide an expert opinion before the Kansas Corporation Commission ("KCC" or "the Commission") on the proposed merger of Westar Energy, Inc. ("Westar") by Great Plains Energy Incorporated ("GPE"), collectively referred to as the "Joint Applicants." My opinions will be limited to examining the financial risk associated with the proposed merger, examining the adequacy of the proposed merger commitments offered by the Joint Applicants to mitigate that financial risk, and examining how the Joint Applicants' filing and merger commitments address the Commission's merger standards, primarily those standards addressing financial risk issues. I will also address issues related to the Joint Applicant's proposal to make substantial capital investments during the period 2018-2022 in order, among other things, to replace capacity they are retiring and offer potential merger commitments to address KEPCo's concerns about the impacts this large investment could have on the Joint Applicant's regulated cost of service.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KANSAS CORPORATION COMMISSION?

A. Yes, I have testified before the KCC in the prior GPE-Westar merger proposal filed in 16-KCPE-593-ACQ ("Previous Transaction"). Exhibit DED-1 is my academic vitae, which includes a list of my publications, presentations, pre-filed expert witness testimony in other jurisdictions, expert reports, expert legislative testimony, and affidavits.

Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

A. The remainder of my testimony is organized into the following sections:

- Section 2: Summary of Findings and Recommendations
- Section 3: KEPCo Overview
- Section 4: Commission Merger Review Standards
- Section 5: Financial Risks of the Merger
- Section 6: Proposed Ring-fencing Measures
- Section 7: Overview of Joint Applicants' Plant Retirements and Projected Capital Expenditures
- Section 8: Ratemaking Provisions
- Section 9: Conclusions and Recommendations

II. Summary of Findings and Recommendations

Q. PLEASE SUMMARIZE THE CONCERNS YOU HAVE ABOUT THE FINANCIAL RISKS ASSOCIATED WITH THIS MERGER.

A. The Joint Applicants would have the Commission believe that this transaction is virtually risk free given its noticeably lower levels of debt and the statement that there is no planned control premium associated with the execution of this merger. However, the Revised Transaction includes a number of financial nuances designed, in part, to unwind some of the same troublesome financial arrangements associated with the Previous Transaction. The nature of the future financial actions needed to complete this transaction is uncertain, its execution details are not specific, the capital structure rebalancing plan will span a multi-year period, will be subject to market, regulatory and policy changes, and will, in fact, likely have some control premium implications for shareholders on a forward-going basis, and could have considerable implications for the cost of service for the Joint Applicants' regulated utilities and ultimately ratepayers, including many rural retail ratepayers that are served by KEPCo's distribution cooperative owners. The financial arrangements of this transaction will revolve, in very large part, around a capital rebalancing proposal that will be funded from a variety of sources that includes dividends paid to the new parent company by its regulated operations: the same funding source for the problematic debt financing proposal associated with the Joint Applicants' Previous Transaction. The Commission will, therefore, continue to need strong financial and ring-fencing commitments to insulate ratepayers from these numerous financial uncertainties and outcomes.

Q. ARE THE JOINT APPLICANTS' FINANCIAL AND RING-FENCING COMMITMENTS ADEQUATE?

A. No. The Joint Applicants have offered what they refer to as a number of "financing and ring-fencing commitments." However, the Joint Applicants state that comprehensive ring-fencing measures, like the ones KEPCo proposed in the Original Transaction, are not needed because the current transaction involves far less debt and leveraging relative to the original merger proposal. For instance, the Joint Applicants have stated that "[w]hile the structure and financing of the Merger does not create conditions which might necessitate ring-fencing, the Applicants have nonetheless proposed comprehensive financial and ring-fencing measures which are intended to address issues raised regarding the initial transaction."[1] The Joint Applicants further state that their proposed "commitments and conditions are intended to alleviate concerns from the initial transaction which, while not applicable to the Merger, may nonetheless be raised, and clearly assure the Commission that the Merger will benefit customers, cannot have an adverse impact on the operating utilities, and support a finding that the Merger is in the public interest."[2] However, as I will discuss later in my testimony, there are still a number of other risks associated with this transaction that could impact the Joint Applicants' regulated utilities' cost of service, and those risks should be mitigated through the adoption of ring-fencing measures comparable to the ones KEPCo originally proposed in the last proceeding.

Q. PLEASE SUMMARIZE YOUR PROPOSED ENHANCED FINANCIAL AND RING-FENCING COMMITMENTS.

A. If the Commission approves the proposed merger, it should require the adoption of an extensive set of enhanced financial and ring-fencing commitments. I have provided a detailed list as Exhibit DED-2 in my testimony, and will discuss each in more detail in my conclusions. However, in summary, I am proposing 18 financial and ring-fencing commitments, some of which are the same or modified and

[1] KCP&L's Response to KEPCo 2-34.
[2] *Id.*

strengthened versions of those proposed by the Joint Applicants and are consistent with the proposals made by KEPCo in the last proceeding.

Q. ARE YOU RECOMMENDING ANY OTHER PROPOSED MERGER COMMITMENTS?

A. Yes. As a result of the merger, the Joint Applicants' intend to accelerate the retirement of five of Westar's generation plants representing a capacity of approximately 780 MW 5 – 10 years earlier than absent a merger. Over the period of 2018 to 2022 the Joint Applicants note that they will also be making a number of resource additions to offset these retirements in order to meet their Southwest Power Pool ("SPP") reserve requirements. Many of these resource additions include a number of generation-related plant additions that could substantially impact the Joint Applicants' regulated cost of service. The Joint Applicants argue that these retirements and capital investments will be a cost-effective way to meet that SPP capacity reserve obligation. However, as KEPCo witness Garrett Cole testifies: (1) that is not proven by Applicants' testimony or the Integrated Resource Planning ("IRP") they conducted because of the numerous flaws and inherent limitations of that IRP; and (2) the only way to ensure that the accelerated retirements and capital expenditures are the least-cost alternative is to subject those plans to a valid and rigorous IRP process which includes a competitive market solicitation process to help select the solution to a capacity need. Thus, I am recommending that the Commission require the Joint Applicants to use a competitive bidding process for the combined Company's future resource acquisitions. This competitive bidding commitment, for new resources, should be a component of the overall enhanced Integrated Resource Planning ("IRP") commitments being recommended by Mr. Cole.

III. <u>KEPCo Overview</u>

Q. BRIEFLY DESCRIBE KEPCO.

A. KEPCo is a non-profit generation and transmission cooperative, organized in 1975, that serves 19 rural electric cooperative member systems and over 300,000 rural Kansas retail customers. KEPCo is responsible for supplying the full power and energy requirements at the designated delivery points of its 19 distribution cooperative members. KEPCo was organized for the purpose of providing its member distribution systems affordable, reliable electric energy from a diverse portfolio of generation resources. KEPCo's owned and purchase power resources include nuclear, solar, hydroelectric power, coal, natural gas, and wind capacity.[3]

Q. DOES KEPCO CO-OWN ANY GENERATING RESOURCES WITH WESTAR OR GPE?

A. Yes. KEPCo has generation joint ownership and wholesale power relationships with both Westar and GPE subsidiary, KCP&L. KEPCo is a joint owner and operator of the 1,166 MW nuclear-powered Wolf Creek Generating Station ("Wolf Creek") with Westar and KCP&L, a GPE subsidiary. The plant generates nuclear energy to power more than 800,000 homes. KEPCo owns six percent of the Wolf

[3] KEPCo 2016 Annual Report, at p. 1. *available at* https://www.kepco.org/sites/kepco/files/images/Annual%20Report/AR-2016.pdf.

Creek unit, while Westar and KCP&L each own 47 percent.[4] If the merger is consummated, therefore, 94 percent of the plant will be owned and controlled by the merged entity, thus changing the ownership and operational dynamics of the plant considerably. In addition, KEPCo is a joint owner with KCP&L, the Missouri Joint Municipal Electric Utility Commission ("MJMEUC"), and Empire District Electric Company ("EDE") of the Iatan 2 Generating Plant ("Iatan 2") in Platte County, Missouri, an 850 MW super-critical coal-fired power plant. KCP&L owns approximately 55 percent of Iatan 2, KCP&L-GMO owns 18 percent, KEPCo owns approximately four percent, with MJMEUC and EDE owning 24 percent.[5]

Q. PLEASE EXPLAIN KEPCO'S WHOLESALE POWER CONTRACTS WITH WESTAR.

A. KEPCo is currently under a 38-year cost-based partial requirements contract with Westar that extends through December 31, 2045. The contract contains cost-based formula rates and is referred to as a Generation Formula Rate Agreement (or "GFR Agreement"). The GFR contract provisions require an annual rate review of these cost-based rates.

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[4] Westar, 2016 Form 10-K, at p. 10. *available at* http://investors.westarenergy.com/phoenix.zhtml?c=89455&p=irol-irhome; GPE, Form 10-K, p. 7 *available at* http://www.greatplainsenergy.com/financial-filings/sec-filings?field_nir_sec_form_group_target_id%5B%5D=471&field_nir_sec_date_filed_value=2016&items_per_page=10#views-exposed-form-widget-sec-filings-table.

[5] Staff Motion to Open Construction Audit and Prudence Review Investigation Case, *In re KCP&L Application for Approval of Electric Service Charges*, File No. ER-2009-0089, *In re KCP&L-GMO Application for Approval of Electric Service Charges,* File No. ER-2009-0090, *In re Staff construction audit and prudence review investigation of the Iatan 1 AQCS, Iatan common plant, and Iatan 2 generating plant projects of KCP&L*, Case No. E_-2010-____, p. 7 (Missouri Public Service Commission Mar. 12, 2010) *available at* https://www.efis.psc.mo.gov/ mpsc/DocketSheet.html.

Q. DOES THE GFR AGREEMENT REPRESENT A SIZABLE AMOUNT OF KEPCO'S CAPACITY REQUIREMENTS?

A. Yes. The GFR represents over 30 percent of KEPCo's capacity and energy requirements.[6] The GFR Agreement does not allow KEPCo to acquire new resources, either in the form of newly-constructed or purchased generating facilities or new power purchase agreements, other than negligible amounts (1 MW nameplate). This GFR agreement, coupled with the ownership and operational relationship KEPCo has with Westar in the Wolf Creek Unit, ties KEPCo to Westar for more than 50 percent of its 450 MW capacity requirements.

Q. DOES KEPCO HAVE ANY OTHER IMPORTANT LONGER-TERM RESOURCE RELATIONSHIPS WITH WESTAR?

A. Yes. KEPCo is a transmission-dependent utility, purchasing cost-based transmission service, principally over the transmission systems of Westar Energy and KCP&L, under the SPP Open Access Transmission Tariff ("OATT"). KEPCo takes wholesale transmission service under what is referred to as the Transmission Formula Rate ("TFR") agreement that is a cost-of-service based rate that is reviewed annually per the terms defined in the SPP OATT.

Q. HOW WILL KEPCO BE AFFECTED BY THE PROPOSED MERGER?

A. The GFR Agreement is a cost-based purchase power contract. If Westar's post-merger costs increase, as a result of the assumption of new levels of risk or

[6] In 2017, a year in which Wolf Creek had no scheduled refueling outages or significant forced outages, Westar supplied KEPCo less than 27 percent of its energy. However, Wolf Creek will have refueling outages in two of every three years.

additional costs, or having new levels of risk imposed on it through its new relationship with GPE, then those costs will be passed along directly to KEPCo, its member distribution cooperatives, and ultimately to their Kansas members. Likewise, KEPCo, like other transmission-dependent utilities in the region, takes wholesale transmission service under a cost-based TFR included in the SPP OATT. Therefore, if Westar's and KCP&L's transmission service costs were to increase, due to changes such as a higher post-merger overall cost of capital, then KEPCo's transmission rates would also increase as a result of the merger.

Q. DO KEPCO'S CONCERNS STOP WITH JUST THESE COST-BASED GENERATION AND TRANSMISSION AGREEMENTS?

A. No, as noted earlier, KEPCo holds ownership shares with Westar, as well as KCP&L, in the Wolf Creek unit. The existing (pre-merger) Wolf Creek operating agreement requires any decision to receive a greater than 50 percent ownership interest vote in order to pass. This arrangement will effectively change post-merger, since any major decision requiring an ownership vote will be approved by the unilateral vote of GPE's subsidiaries (because Westar and KCP&L each own 47 percent, and KEPCo owns six percent of the Wolf Creek unit). As a result, if the merger is consummated, KEPCo will lose its voting power rendering it virtually powerless to influence any decision that the post-merger combined entity makes regarding the Wolf Creek plant. A rigorous and transparent IRP process would ensure that any decision to prematurely retire Wolf Creek, i.e., retire the unit before the end of its current operating license, and to replace it with other resources would be fully vetted before this Commission before those actions could be taken. If, for example, the Joint Applicants could not demonstrate to the satisfaction of this Commission that a premature retirement of Wolf Creek was in the best interest of Kansas ratepayers, such action would not be permitted.

Q. ARE THE CONCERNS YOU IDENTIFY ABOUT THIS POTENTIAL MERGER, AND THE IMPACT THEY MAY HAVE ON FUTURE COSTS, LIMITED TO JUST KEPCO ALONE?

A. No, these concerns extend to all Kansas customers, retail and wholesale. A change in the operational and financial conditions of GPE, Westar, and KCP&L could easily translate into higher costs and ultimately higher rates for Kansas retail customers. Although the Joint Applicants have made some movement in their financial integrity commitments since their last merger rejection, there are still a number of improvements that need to be made to these financial integrity commitments. Further, this specific merger includes a number of terms and conditions that differ considerably from the one rejected by the Commission in 2017. These new and unique merger terms and conditions raise a number of additional questions leading to the need for merger commitments that ensure protection of customers, retail and wholesale alike.

IV. Commission Merger Review Standards

Q. PLEASE EXPLAIN THE COMMISSION'S MERGER APPROVAL STANDARDS.

A. Kansas statutes do not contain a specific standard for mergers. Therefore, at its August 4, 2016 business meeting, the Commission expressed its desire to reiterate its longstanding merger standards to ensure a consistent approach in what was, at the time, three pending merger dockets.[7] In 2016, the Commission reaffirmed its long-standing criteria for evaluating whether a proposed merger promotes the public interest[8] noting that these criteria continue to be based upon:

(a) The effect of the transaction on consumers, including:

(i) the effect of the proposed transaction on the financial condition of the newly created entity as compared to the financial condition of the stand-alone entities if the transaction did not occur;

(ii) reasonableness of the purchase price, including whether the purchase price was reasonable in light of the savings that can be demonstrated from the merger and whether the purchase price is within a reasonable range;

(iii) whether ratepayer benefits resulting from the transaction can be quantified;

(iv) whether there are operational synergies that justify payment of a premium in excess of book value; and

(v) the effect of the proposed transaction on the existing competition.

(b) The effect of the transaction on the environment.

(c) Whether the proposed transaction will be beneficial on an overall basis to state and local economies and to communities in the area served by the resulting public utility operations in the state. Whether the proposed transaction will likely create labor dislocations that may be particularly harmful to local communities, or the state generally, and whether measures can be taken to mitigate the harm.

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[7] *See* Order on Merger Standards at ¶ 2, *In re Acquisition of Westar by GPE,* Docket No. 16-KCPE-593-ACQ (issued Aug. 9, 2016).

[8] *See id.* at ¶ 5.

> (d) Whether the proposed transaction will preserve the jurisdiction of the KCC and the capacity of the KCC to effectively regulate and audit public utility operations in the state.
>
> (e) The effect of the transaction on affected public utility shareholders.
>
> (f) Whether the transaction maximizes the use of Kansas energy resources.
>
> (g) Whether the transaction will reduce the possibility of economic waste.
>
> (h) What impact, if any, the transaction has on the public safety.[9]

Q. DOES A MERGER HAVE TO MEET ALL OF THE COMMISSION'S MERGER STANDARDS IN ORDER TO BE APPROVED?

A. No. The Commission's merger standards are used as a guide to evaluate various factors of a merger or acquisition and are not construed as a strict list to which transactions must adhere. The Commission expressed its intentions in its rejection of the Previous Transaction stating:

> The merger standards serve as factors to evaluate whether a proposed merger is in the public interest, rather than a strict checklist. Therefore an application does not need to satisfy each and every standard, but needs to satisfy enough standards to demonstrate it advances the public interest.[10]

Q. DID THE COMMISSION'S REJECTION OF THE INITIAL TRANSACTION FOCUS ON PARTICULAR MERGER STANDARDS?

A. Yes. The Commission's rejection of the Previous Transaction appears to have been rooted primarily in the concerns it had about its considerable financial risks.

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[9] *Id.*

[10] Order at ¶ 37, *In re Acquisition of Westar by GPE,* Docket No. 16-KCPE-593-ACQ, Docket No. 16-KCPE-593-ACQ (issued Apr. 19, 2017)

While the Commission expressed a number of other regulatory and policy concerns about the proposed merger, it was particularly vexed by the financial size of the transaction, its highly leveraged nature, and the degree to which the combined company's financial position would be weakened, post-merger.[11] The Commission's rejection clearly noted that the Applicants failed to show quantifiable merger and operational synergies that would justify such a large purchase price, which itself was supported by a considerable level of operating company level debt.[12] The Commission ultimately concluded that the transaction was too risky[13] and not in the public interest.[14]

Q. HAS THE ISSUE OF INSULATING CUSTOMERS FROM THE FINANCIAL RISKS OF A PROPOSED MERGER ARISEN BEFORE WITH OTHER STATE REGULATORS?

A. Yes. Today, many regulatory reviews of proposed mergers attempt to establish some modicum of financial benefits for ratepayers, while ensuring that utility customers are not overly-exposed to significant amounts of affiliate risk. This is why ring-fencing commitments are such important components of many current utility merger regulatory evaluations.[15]

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[11] *See id.* at ¶ 24.
[12] *See id.* at ¶ 56.
[13] *See id.* at ¶ 92.
[14] *See id.* at ¶ 94.
[15] The following illustrative state regulatory proceedings have addressed the importance of ring-fencing provisions in merger review: Kansas Corporation Commission, *In re Acquisition of Westar by GPE*, Docket No. 16-KCPE-593-ACQ; Maryland Public Service Commission, *In re Merger of Exelon Corporation and Constellation Energy Group, Inc.*, Case No. 9271; Public Service Commission of the District of Columbia, *In re Joint Application of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power*

Q. WHAT DO YOU MEAN BY "RING-FENCING?"

A. Ring-fencing is a process by which the operations of one company within a larger corporation or holding company can be financially insulated, or protected, from the actions of the parent or other affiliates. Ring-fencing can be comprised of a number of different individual financial measures and commitments. In general, these ring-fencing measures, if appropriately designed, should lead to a considerable degree of financial separation and independence by mandating that the merging company: issue its own debt; maintain its own credit ratings; and continue to keep separate books and provide independent annual and quarterly financial reports. Ring-fenced utilities usually do not utilize a common cash pool with the parent, and do not support, nor are supported by, the debt of the parent or any other affiliates. These financial measures, collectively, are thought to place a financially-protective "ring" around the merged utility (or utilities) for as long as the measures are in place, which can span several years, and usually cannot be removed or modified without some regulatory approval.

Q. HAS THE KCC ADDRESSED RING-FENCING IN THE PAST?

A. Yes. The Commission, after the 2005 Congressional repeal of the Public Utilities Holding Companies Act ("PUHCA"), examined the use of ring-fencing in order to protect regulated utilities from affiliate abuse and cross-subsidization. After several years of discussion among the Commission, its Staff, and parties, the Commission chose not to adopt affiliate transactions or ring-fencing rules but instead, to require

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Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC for Authorization and Approval of Proposed Merger Transaction, Formal Case 1119.

utilities to provide Staff with increased access to certain types of information noting that:

> The policy of this Commission is to effectively protect utility customers from the potential harm caused by non-utility business losses incurred by the utility and to prevent non-utility businesses from being subsidized by the utility business.[16]

Q. IS THE GPE-WESTAR MERGER CHARACTERIZED BY ANY UNIQUE ASPECTS THAT MAY REQUIRE ADDITIONAL RATEMAKING AND RING-FENCING PROTECTIONS?

A. Yes. The Joint Applicants have proposed a stock-for-stock merger of equals ("MOE") transaction after their Previous Transaction was rejected by the Commission as not being in the public interest. The proposed merger is a more complex reorganization than the Previous Transaction which will lead to a combined company with a "higher than optimal" equity capitalization[17] and an initial post-closing credit rating that will be lower than Westar's credit rating.[18] Additionally, as part of the Previous Transaction, the Joint Applicants have already incurred substantial transaction costs.[19] Although the Joint Applicants have stated they will not recover these transaction costs in a future rate proceeding, additional protections should be made to ensure that ratepayers will not be impacted.[20] As

[16] Order Scheduling Comments and Prehearing Conference at ¶ 18, *In re Investigation of Affiliate and Ring-Fencing Rules Applicable to all Kansas Electric and Gas Public Utilities*, Docket No. 06-GIMX-181-GIV (Apr. 23, 2010).
[17] Direct Testimony of Anthony Somma, 12:10-11.
[18] Second Errata to Application, p. 5.
[19] *See* KCP&L's Response to KEPCo 2-26, Attachment KEPCo_20170928-KEPCo_2_26-Att-QKEPCo 2-26_Transaction Costs 08312017.xlsx.
[20] Direct Testimony of Darrin Ives, 11:21.

a result of the proposed revised transaction, customers will be subjected to the effects associated with this high level of equity capitalization, a lower rated holding company, and costs associated with both the current transaction and the defunct Previous Transaction, all of which may result in higher rates. Therefore, if this proposed transaction is to be approved it is extremely important that the approval be conditioned on financial integrity commitments, particularly ring-fencing commitments, as well as ratemaking commitments that need to be implemented in order to protect ratepayers from the negative consequences of this proposed transaction.

Q. ARE THE JOINT APPLICANTS' RING-FENCING COMMITMENTS SIMILAR TO THOSE APPROVED IN OTHER RECENT MERGERS?

A. Yes, for the most part, the ring-fencing measures as proposed by the Joint Applicants appear to be similar to ring-fencing measures approved in other recent merger transactions. However, although the Joint Applicants have offered a number of financial integrity commitments, some of which have similarities with other merger proceedings around the Country, as well as some ring-fencing commitments that KEPCo proposed in the Previous Transaction, the Commission should be mindful that (1) in some areas, the Joint Applicants' commitments have been weakened relative to what they agreed to in the Previous Transaction and (2) that the unique nature of the current proposed merger may require additional ring-fencing protections to ensure that Kansas customers are protected. I will discuss those in more detail later in my testimony.

Q. DO RING-FENCING COMMITMENTS LEAD TO ANY NET MERGER-RELATED BENEFITS?

A. No, the ring-fencing measures proposed by the Joint Applicants in this proceeding, as well as the financial integrity commitments that I propose later in my testimony, provide no net incremental benefit to customers, rather they are simply risk mitigation measures. These risk mitigation measures protect customers from the potential harm that could arise from a merger, but do not represent a merger-related benefit of any kind, much less one that is over and beyond what would arise for Westar on a stand-alone basis. Thus, if the Commission is seeking to identify positive net incremental benefits in order to justify approval of this merger, the financial risk mitigation proposed in this case provides no such positive net benefits. These financial risk mitigation commitments, however, are critically-important to ensure that Kansas customers are not negatively impacted by the merger should the Commission move forward with merger approval. It is imperative that the Commission strengthen the financial protections offered by the Joint Applicants if it is inclined to approve the merger.

V. <u>Financial Risks of the Merger</u>

Q. PLEASE EXPLAIN HOW THE JOINT APPLICANTS HAVE RESTRUCTURED THE CURRENT TRANSACTION?

A. After the rejection of the Previous Transaction by the Commission, the Joint Applicants renegotiated the terms and structure of the merger in an effort to reduce or eliminate some of the concerns the Commission originally had with the structure of the Previous Transaction.[21] The Joint Applicants' currently-proposed merger has been referred to as the "Revised Merger Transaction," and has also been characterized as a "stock-for-stock" MOE, negotiated in such a fashion that neither company would be paying or receiving a premium as a result of this transaction.[22] The Joint Applicants state that the currently-proposed merger is structured as a tax-free exchange of stock, with no transaction debt, no exchange of cash, nor any other financial considerations.[23] Under the terms of the Revised Merger Transaction, the Joint Applicants have established an exchange ratio in which GPE's shareholders will receive 0.5981 shares in the newly-formed company (Holdco) in exchange for each existing share of GPE stock, while Westar shareholders will receive one share in the newly-formed company in exchange for each Westar share.[24]

Q. WHAT WILL BE THE EQUITY VALUE OF THE COMBINED COMPANY IF THE MERGER IS CONSUMMATED?

A. The Joint Applicants estimate that the equity value of the combined company will be close to $14 billion based on the market capitalization and equity valuations that existed prior to the Previous Transaction (i.e., the "undisturbed value"). At this point, the estimated value is simply the sum of the pre-merger, stand-alone values of the two companies (GPE at $6.3 billion, Westar at $7.6 billion).[25] However, the

[21] Joint Applicants' Petition at ¶ 8.
[22] *Id.* at ¶ 9.
[23] Direct Testimony of Kevin Bryant, 7:3-4.
[24] *Id.* at 7:4-9.
[25] Direct Testimony of Anthony Somma, 5:19-22.

Joint Applicants clearly recognize that the specific valuation will differ since both companies' stock will continue to trade up to the closing date of the merger.[26]

Q. HOW HAVE THE JOINT APPLICANTS CHARACTERIZED THE RISK ASSOCIATED WITH THIS REVISED MERGER TRANSACTION?

A. The Joint Applicants assert that the entire set of financial terms associated with this transaction, including its purchase price, acquisition premium, and the degree of leverage with which it is financed, is entirely different, and, more importantly, less risky, than the Previous Transaction.[27] According to the Joint Applicants, the structure and financing of the Revised Transaction make ring-fencing measures unnecessary, but nonetheless the Joint Applicants are including a set of financial integrity commitments, or ring-fencing measures, that are "intended to alleviate concerns from the initial transaction."[28]

Q. DO YOU AGREE WITH THE JOINT APPLICANTS' ASSERTION THAT THE REVISED TRANSACTION MAKES A COMPREHENSIVE SET OF RING-FENCING MEASURES UNNECESSARY?

A. No. Although the Joint Applicants' have restructured the transaction on a MOE basis and they have removed a considerable amount of leverage-related risk associated with the Previous Transaction, there are still a number of financial risks and other financial "unknowns" and "uncertainties" for which the Commission and other parties need to be concerned. So, while the Joint Applicants have,

[26] *Id.* at 5:22 through 6:3.
[27] Direct Testimony of John Reed, 11:1-3 and 37:2-11.
[28] KCP&L's Response to KEPCo 2-34.

admittedly, reduced one set of risks associated with the Previous Transaction, there are other, newer concerns that continue to support the need for strong ring-fencing measures that are directly comparable with the ones KEPCo proposed for the Previous Transaction.

Q. WHAT DO YOU MEAN BY "NEW" FINANCIAL RISKS AND UNCERTAINTIES?

A. The Revised Transaction includes a number of new terms and conditions that warrant further consideration and monitoring. For instance, the Revised Transaction will require, among other actions, a considerable "capital structure rebalancing" that will occur in the future, and is designed, in very large part, to "unwind" some of the financial arrangements needed to support the Previous Transaction. Capital structure rebalancing is a term that refers to the realigning of the ratio of assets or the debt to equity in an entity's portfolio. This capital structure rebalancing, while described in general terms by the Joint Applicants, has a number of ambiguities and uncertainties particularly when it comes to execution specifics (like specific timing). This rebalancing, because it is equity-related and intended to result in a Holdco capital structure more in-line with the average investor-owned electric utility's capital structure, does have the possibility of impacting the future capital structure, and the overall cost of service, for the Joint Applicants' regulated utilities, even if this rebalancing occurs at the Holdco and not the regulated operating company level. For instance, the Joint Applicants have recognized that the Commission could utilize the consolidated holding company capital structure for ratemaking purposes.[29] If this were to occur, it could impact the overall cost of service since, at least initially, this capital structure is anticipated to be "less balanced" than most regulated IOUs because of the excessive amount of debt. Thus, appropriate ring-fencing should be adopted to assure that anything that could negatively impact future utility cost of service is avoided, even if the debt-ratings of the Joint Applicants' regulated utilities go unchanged due to the avoidance of a considerable amount of new transaction-related debt-financing, and even if the nature of this restructuring arises at the HoldCo level and not specifically at the individual utility operating company level. I will discuss this, as well as a number of other challenges in the Revised Transaction's financial structure, in more detail, in the following subsections of my testimony.

A. Capital Structure

Q. PLEASE EXPLAIN THE ANTICIPATED POST-MERGER CAPITAL STRUCTURE.

A. The Revised Transaction will result in a combined company (HoldCo) capital structure comprised of 59 percent common equity and 41 percent long-term debt. This post-transaction equity share is considerably large relative to a more balanced capital structure, a fact not lost on the Joint Applicants who readily admit that this will need to be modified post-closure.[30] This large equity share is, according to the Joint Applicants, a financial outcome or "hold-over" from the financial

[29] Westar's Response to KEPCo 6-11.
[30] Direct Testimony of Anthony Somma, 6:6-10.

arrangements made by GPE to support the Previous Transaction.[31] At transaction closing, the combined company will have more than $1.25 billion in cash on its balance sheet that was originally raised (from the issuance of GPE equity) to support the Previous Transaction.[32]

Q. IS THIS CAPITAL STRUCTURE CONSISTENT WITH MOST INVESTOR-OWNED ELECTRIC UTILITIES?

A. No, the capital structure of an electric IOU is typically more balanced, and hovers around a 50/50 debt-to-equity ratio with a slight bias towards a slightly higher debt share. For instance, according to the Edison Electric Institute ("EEI") 2016 Financial Review, investor-owned electric utilities had an average capital structure of 43.2 percent equity and 55.4 percent debt.[33] The Joint Applicants' have also noted that the capital structure upon closing is not usual, and has more equity than is "optimal."[34]

Q. HOW DO THE JOINT APPLICANTS PLAN TO BALANCE THIS CAPITAL STRUCTURE?

A. The Joint Applicants indicate that they will "rebalance the combined Company's capital structure after closing by repurchasing common stock in order to achieve and maintain a more balanced capital structure typical both for utility holding

[31] Direct Testimony of Kevin Bryant, 9:15-18.
[32] *Id.* at 8:23 to 9:2.
[33] EEI, 2016 Financial Review, Annual Report of the U.S. Investor-Owned Electric Utility Industry, p. 11 *available at* http://www.eei.org/resourcesandmedia/industrydataanalysis/industryfinancialanalysis/finreview/Documents/FinancialReview_2016.pdf.
[34] Direct Testimony of Anthony Somma, 6:6-7.

companies and regulated utilities."[35] The Joint Applicants plan to repurchase the first round of shares in 2018-2019 and the second share repurchase is anticipated to occur in 2019-2020.[36] The Joint Applicants state that they will use the cash from dividends paid to HoldCo by the operating utilities to repurchase the shares. However, the Joint Applicants noted that "the actual amount will depend on market conditions, changes in tax policy or other factors that may influence the size and timing of share repurchases."[37]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY ESTIMATES ON THESE REBALANCING COSTS?

A. Yes. The Joint Applicants currently estimate that the share repurchases will be **[redacted]** in 2018-2019 and **[redacted]** in 2019-2020.[38] These repurchases will be partially-funded through dividend payments from the operating companies.[39] In addition to these regulated utility dividend payments, the first set of share repurchases, likely to occur in the 2018-2019 period, will use about $1.245 billion of cash on hand from GPE that was generated from the Previous Transaction's financial arrangements.[40] The second set of share repurchases are scheduled to occur in 2019-2020. During this second phase of the capital structuring rebalancing, the combined company will be required to issue about $1.1 billion of debt given the lack of

[35] *Id.* at 6:7-10.
[36] Westar's Response to CURB 16 (CONFIDENTIAL).
[37] Direct Testimony of Anthony Somma, 13:1-3.
[38] Westar's Response to CURB 16 (CONFIDENTIAL).
[39] *Id.* at Attachment CURB 16.xlsx (CONFIDENTIAL).
[40] *Id.* at Attachment CURB 16.xlsx (CONFIDENTIAL).

available cash from the first phase of the rebalancing process.[41] The issuance of **[redacted]** of debt currently has an estimated transaction cost of **[redacted]**[42] The Joint Applicants state that all transaction costs related to the share repurchase have been embedded in the actual number of shares repurchased and assumed in the share repurchase price.[43]

Q. DO YOU HAVE ANY CONCERNS ABOUT THIS CAPITAL STRUCTURE REBALANCING?

A. Yes. Admittedly, the Joint Applicants are correct that the revised nature of this transaction has reduced overall holding company leverage and that the purchase price and premiums from the Revised Transaction are considerably different from the Previous Transaction. But, the fact that this transaction is much less "pricey," and involves considerably less debt, should not distract from the fact that there will be a number of post-closure financial actions that will have to be made by the successor parent company and that these financial actions could have implications for the parent company's regulated utilities. Consider, for instance, that the stock buy-back, or rebalancing plan, will occur in two parts, in a general but not specific time period. While it may be admittedly difficult to lay out the timing specifics at this point, the fact that there are some ambiguities on how this rebalancing could arise, as well as ambiguities associated with the market conditions at the time of the rebalancing, represent risks that may impact regulated ratepayers, regardless

[41] Direct Testimony of Anthony Somma, 12:21-23.
[42] Westar's Response to CURB 16 (CONFIDENTIAL).
[43] *Id.* (CONFIDENTIAL).

of the fact that the rebalancing has been sold as not requiring exceptional levels of debt, like the Previous Transaction. Thus, I continue to recommend the relatively firm, and unambiguous financial and ring-fencing commitments offered by KEPCo in the regulatory proceedings associated with the Previous Transaction.

Q. DO YOU HAVE ANY OTHER CONCERNS ABOUT THIS CAPITAL STRUCTURE REBALANCING?

A. Yes. Ratepayers are not extricated from financial risk just because this transaction has less debt than what was proposed in the Previous Transaction. Consider that in this stock rebalancing proposal, the Joint Applicants have explicitly acknowledged that they will be utilizing dividends provided by their regulated operations. Further, there will be an additional $1.1 billion in debt associated with this rebalancing, contrary to the fact that this rebalancing action has been characterized as being relatively equity-focused. Lastly, the transaction costs appear to be embedded into the financial structure of the second phase of the stock rebalancing and the Joint Applicants have not indicated how they will account for these transaction costs or assure they will not be passed along, in any form, to their regulated customers. So, again, while the nature of this transaction is, admittedly, very different than what was proposed in 2017, the new details raise a number of financial questions and uncertainties that need to be insured against with strong financial and ring-fencing commitments like the ones KEPCo proposed in the past proceeding.

Q. WHAT HAVE THE JOINT APPLICANTS CLAIMED REGARDING THE CONTROL PREMIUM ASSOCIATED WITH THIS TRANSACTION?

A. The Joint Applicants state that the "purchase price implicit in the exchange of common stock between the companies reflects arm's-length negotiations with the general intent to exchange shares at the unaffected market value of the equity of both GPE and Westar with no control premium."[44]

Q. WHAT IS A CONTROL PREMIUM?

A. A control premium is the amount that a purchaser or acquirer is willing to pay above the current market price of a publicly traded entity in order to obtain a controlling interest in that entity. The purchaser is willing to pay a price above market price in order to entice shareholders to sell their shares.

Q. COULD A CONTROL PREMIUM ARISE FROM THIS CAPITAL STRUCTURE REBALANCING?

A. Yes, but this will likely materialize in the future, and not, as the Joint Applicants have made clear, at the transaction close. The Joint Applicants explicitly note that no control premium will occur as a result of the negotiated exchange ratio and, on its face, that does appear to be the case since this transaction is based upon a stock swap between the two companies. However, while this lack of control premium may be true regarding the initial stock swap, it would appear unlikely that the stock repurchasing activities envisioned in the rebalancing plan will not result

[44] Direct Testimony of Kevin Bryant, 5:11-13.

in some form of enhanced valuation, relative to the undisturbed stock price, in the future.

Q. HOW WILL THE REPURCHASE OF SHARES POTENTIALLY INCREASE THE COMBINED COMPANY'S SHARE PRICE?

A. A share repurchase program is used by a company to buy back its own shares from the market usually in order to enhance shareholder value. The repurchasing of shares by the company reduces the amount of shares in the market available for purchase, thus increasing market value and the earnings for shareholders. The Joint Applicants' plans to repurchase its own shares should have the same impact as any other share repurchase program. The repurchase of the shares will increase the share price and earnings for the existing post-swap shareholders as well as result in gains for future shareholders, post-restructuring, which can be illustrative of a type of control premium.

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILED INFORMATION ON THEIR SHARE REPURCHASING PLANS?

A. No. There are not a large number of specifics about the Joint Applicants' plans to repurchase their shares other than the timeline anticipated to make the repurchases. What is known is that this repurchasing program is anticipated to cover an extended time duration of two to three years. There are a number of policy and market uncertainties that could impact how the share repurchasing program is actually executed with recent changes in federal tax law being one of those possible changes. Yet the Joint Applicants have provided very few details regarding the impact that these uncertainties may have in their share repurchase plans and the rebalancing of their capital structure.[45]

Q. HAVE THE JOINT APPLICANTS ATTEMPTED TO QUANTIFY THE SHARE PRICE APPRECIATION THAT MAY ARISE FROM THE CAPITAL REBALANCING PROGRAM?

A. No. The Joint Applicants have not quantified the share price appreciation that may arise from the rebalancing program. However, the Joint Applicants have stated that "[t]heoretically, yes," the capital rebalancing program could result in share price appreciation but note that "market conditions or market reactions cannot be accurately predicted."[46]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY ANALYSES THAT EVALUATED OR IDENTIFIED ANY OBSTACLES OTHER THAN NORMAL MARKET RISKS AND FACTORS THAT MAY IMPACT THEIR REBALANCING OF THE CAPITAL STRUCTURE?

A. No. The Joint Applicants have stated that they have no analyses evaluating or identifying obstacles that it may encounter in their plans to rebalance the capital structure.[47]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILS ON HOW THE RECENTLY PASSED TAX LEGISLATION THE TAX CUTS AND JOBS ACT OF

[45] Westar's Response to KEPCo 2-15.
[46] Westar's Response to KEPCo 13-06.
[47] Westar's Response to KEPCo 2-15.

2017 (“TCJA”) WILL INFLUENCE THE SIZE AND TIMING OF THE SHARE REPURCHASES?

A. Only very recently. Until recently the Joint Applicants indicated, when queried on this topic, that they were still evaluating the impact that the recently passed TCJA policy will have on the timing and size of the share repurchases.[48] However, in a January 9, 2018 update to their financial model, Joint Applicants did estimate the impacts that the recently passed tax legislation will have on the combined Company’s financials. According to this update, while no changes will be made to the size and timing of the 2018-2019 share repurchases, it does appear that the Company has **[redacted][49] [redacted][50] [redacted]**

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILS ON WHETHER OR NOT IT WILL USE ANY OF THEIR CORPORATE INCOME TAX SAVINGS TO REPURCHASE SHARES?

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[48] Westar’s Response to KEPCo 13-08; Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97, 131 Stat. 2054 (Dec. 22, 2017).

[49] KCP&L’s response to KCC-106S (CONFIDENTIAL), Attachment KCC_20171215-106S-Att-RM.FM.180108.JointPlanning.BASE.

[50] *Id.* (CONFIDENTIAL).

A. Yes. The Joint Applicants note that they will not use any of the corporate income tax savings to repurchase shares.[51] The Joint Applicants state that they will "follow direction from the Commission in regards to handling the customer impact of tax reform."[52] The Joint Applicants further state that "it is anticipated that income tax savings that directly lower customer revenue requirements will be deferred into a regulatory liability and passed onto customers.[53]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY INFORMATION ON WHAT CAPITAL STRUCTURE WILL BE USED IN ANY FUTURE RATE CASES?

A. No. The Joint Applicants have not provided any information on the capital structure that will be used for ratemaking purposes. The Joint Applicants have only stated that the capital structures of Westar and KCP&L will not be impacted by the merger.[54] However, the Joint Applicants have noted elsewhere that if the Commission were to determine that the use of the consolidated company's capital structure would be appropriate to use for ratemaking, then "the cost of the holding company debt should be excluded since the holding company debt is not an obligation of any of the operating utilities; instead, the cost of the individual utility's debt portfolio should be applied to the debt component of the capital structure to compute the utility's cost of debt."[55] No other change in the capital structure that

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[51] Westar's Response to KEPCo 13-08.
[52] *Id.*
[53] *Id.*
[54] Joint Applicants' Application at ¶ 29.
[55] Westar's Response to KEPCo 6-11.

could arise from the capital structure rebalancing plan, or a delay in executing this plan, was identified as a correcting factor.

Q. HAVE THE JOINT APPLICANTS MADE ANY EXPLICIT COMMITMENTS REGARDING THE CAPITAL STRUCTURE THAT SHOULD BE USED FOR RATEMAKING PURPOSES?

A. No. The Joint Applicants have not made any explicit commitment regarding the capital structure or cost of debt that should be used for ratemaking purposes in any future rate proceeding if the merger is consummated.[56]

Q. SHOULD THE COMMISSION BE CONCERNED REGARDING THE JOINT APPLICANTS' PLANS TO REBALANCE ITS CAPITAL STRUCTURE?

A. Yes. The Company's capital structure is an important component to the ratemaking process. A capital structure that has a disproportionately large amount of equity may drive up a utility's cost of capital, its overall cost of service, and result in higher rates. Therefore, the rebalancing of the capital structure is of concern since it is currently projected to occur over a multi-year period and the Joint Applicants do not appear to have evaluated issues or obstacles they may face in the rebalancing of its capital structure. If the Joint Applicants are unable to rebalance the capital structure as they currently anticipate, the costs may be borne by Kansas ratepayers. Furthermore, the Joint Applicants have not made any commitments in this proceeding regarding the capital structure that should be

[56] Direct Testimony of Darrin Ives, 8:5-7.

considered for use in any future rate proceeding if the merger is consummated.[57] Therefore, it is important that the Commission should be cognizant of the rebalancing of the capital structure and the impact that it may have on the future rates of Kansas ratepayers.

B. Exchange Ratio

Q. WHAT IS AN EXCHANGE RATIO?

A. An exchange ratio is the number of new shares that will be given to the existing shareholders of a company after it has been merged with or acquired by another company. An exchange ratio may arise in a stock-for-stock transaction or a mix offering transaction. Generally, one of the primary factors which determines the exchange ratio is the value of each company prior to the merger. Exchange ratios can be either fixed or floating. A fixed exchange ratio, like the one proposed by the Joint Applicants, is one in which the acquirer will offer a fixed amount of its stock for each share of the target entity's stock such as two shares of the acquirer's stock for one share of the target's stock. A fixed exchange ratio will remain constant from the agreement to closing. However, the actual value the shareholder of the target company will receive is not precisely known until closing since it is determined by the trading value of the acquiring company's stock at the date the merger closes. A floating exchange ratio is one that fluctuates because it is based on a fixed dollar amount. For instance, a shareholder of the target company may receive $20 in the stock of the acquiring company for each share of

[57] Direct Testimony of Darrin Ives, 8:5-7.

the target company outstanding. Converse to the fixed exchange ratio, the shareholder knows the value it is receiving since the dollar amount is fixed but the actual exchange ratio or level of ownership in the acquiring company is not known until closing.

Q. HOW DID THE JOINT APPLICANTS DETERMINE THE EXCHANGE RATIO?

A. The exchange ratio was negotiated and established based on the result of various analyses conducted by the Joint Applicants' financial advisors in which they evaluated the undisturbed value of each Company's common stock.[58] The Joint Applicants state that their goal for establishing the exchange ratio was to ignore any residual or speculative effects of the Previous Transaction on the stock price so that neither Company would pay or receive a control premium.[59]

Q. CAN SHAREHOLDERS BENEFIT FROM AN EXCHANGE RATIO IN A MERGER OR ACQUISITION?

A. Yes, the shareholders of either or both merging companies can benefit from an exchange ratio. However, as previously stated the actual share of these benefits are dependent on the value of the exchange ratio. It should be noted, however, that the shareholders of the target company may not receive an upfront benefit from the exchange ratio in the instance that the company is acquired at a discount due to bankruptcy or other financial or operating hardship.

[58] Direct Testimony of Kevin Bryant, 7:11-13.
[59] *Id.* at 7:14-17.

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILS ON THE BENEFITS OR GAINS THAT SHAREHOLDERS WILL RECEIVE FROM THE EXCHANGE RATIO?

A. No. The Joint Applicants' application and testimony have not provided any details regarding the benefits or gains that shareholders will receive as a result of the exchange ratio. The Joint Applicants have only stated that after evaluation and negotiations they found the ratio to be "fair."[60] Further, the Joint Applicants state that because there is no "purchase price," per se, "the value that will be exchanged is instead the agreed upon exchange ratio of GPE's and Westar's common stock"[61] and that "underlying this agreed upon exchange ratio, is an implied price (or price range) per share of common stock."[62]

Q. WILL WESTAR'S SHAREHOLDERS BENEFIT FROM THE EXCHANGE RATIO?

A. Yes, it appears that Westar's shareholders will receive a financial benefit as a result of the exchange ratio. Westar's financial advisor, Guggenheim, estimated that a merger with a 0.596 exchange ratio, or 52.5 percent split, would benefit Westar by "$536 million relative to a historical "undisturbed" exchange ratio of 0.695."[63] Therefore, it appears that Westar shareholders

[60] Direct Testimony of Anthony Somma, 18:6-11.
[61] *Id.* at 17:11-16.
[62] *Id.* at 17:16-17.
[63] Westar's Response to KEPCo 2-22 (CONFIDENTIAL), Attachment 2, 2017-06-29 Otto to Ruelle Somma Greenwood Irick DeBruin.pdf., p. 24.

may experience a benefit in the form of a premium as a result of the transaction.[64]

Q. ARE THERE ANY OTHER WAYS IN WHICH THE SHAREHOLDERS OF WESTAR WILL BENEFIT AS A RESULT OF THE REVISED TRANSACTION?

A. Yes. Westar shareholders will benefit from a higher dividend than they currently receive as well as potentially higher earnings per share as a result of the Combined Company's share repurchasing program. The Joint Applicants stated that applying the exchange ratio to the current dividend would have resulted in GPE's shareholders receiving an "unacceptable reduced dividend."[65] Therefore, the Joint Applicants' decided that the Combined Company's dividend policy should target a payout of 60 – 70 percent in order for GPE's shareholders to be "kept whole."[66] The Joint Applicants explicitly state that as a result of this dividend policy "an added benefit" is that it will increase the dividend to Westar shareholders.[67]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILS OR ANALYSES REGARDING THE GAINS THAT WESTAR SHAREHOLDERS WILL EXPERIENCE FROM THE INCREASED DIVIDEND?

A. Yes. The Joint Applicants have provided details on their expected dividend in their financial model. According to the model on a standalone basis Westar shareholders would receive an estimated dividend of **[redacted]** in

[64] *Id.* (CONFIDENTIAL).
[65] Direct Testimony of Anthony Somma, 13:13.
[66] *Id.* at 13:15-18.
[67] *Id.* at 13:18-19.

2018.[68] However, if the merger is consummated, the Combined Company estimates a dividend of **[redacted][69]**

C. Break-up Fee

Q. WHAT IS A TERMINATION FEE OR BREAK-UP FEE?

A. The merger agreement in effect at the time of the Previous Transaction provided for a termination fee (also known as a break-up fee) in a specified agreed upon amount that is paid to either the target company or the acquiring company if the transaction does not go through. The party that receives the payment is dependent upon which party broke the terms of the merger agreement.

Q. DID GPE PAY WESTAR A TERMINATION FEE FOR THE FAILED INITIAL TRANSACTION?

A. No. Neither GPE nor Westar paid a termination fee in regards to the Previous Transaction that was rejected by the Commission. The Joint Applicants stated that the termination fee of $380 million[70] was not owed in the Previous Transaction "because neither party terminated the agreement. Instead, GPE and Westar amended the merger agreement to reflect the revised transaction."[71]

[68] KCP&L's response to KCC-106S (CONFIDENTIAL), Attachment KCC_20171215-106S-Att-RM.FM.180108.JointPlanning.BASE.
[69] *Id.* (CONFIDENTIAL).
[70] Joint Application at Appendix C, Section 8.02 (b) Termination Fees, pgs. 73-74, *In re Acquisition of Westar by GPE*, Docket No. 16-KCPE-593-ACQ (filed Jun. 28, 2016),
[71] KCP&L's Response to CURB 13.

Q. ALTHOUGH GPE DID NOT PAY WESTAR A TERMINATION FEE IS IT POSSIBLE THAT WESTAR SHAREHOLDERS MAY STILL BENEFIT FROM THIS FEE?

A. Yes. While it is true that Westar shareholders will not be directly receiving the $380 million break-up fee, the exchange ratio of the proposed transaction is in Westar's favor compared to historic levels. Furthermore, the Joint Applicants propose to utilize capital reserves of GPE to buy back stock shares after the close of the proposed merger, providing value to Westar shareholders even though it will be acquired in what is essentially a discount. Westar's analyst, Guggenheim, explicitly represented that it can be thought of as Westar receiving the $380 million break-up fee embedded within the exchange ratio,[72] and that "[a]s potentially negotiated, the value of the termination fee is more than offset by the favorable exchange ratio [and synergies created by the transaction]."[73] Although, the Joint Applicants have stated that the break-up fee of the Previous Transaction is not included in the exchange ratio,[74] their financial presentations prepared by their financial advisors, state "we talked Friday about doing all these on basis of no $380 . . . but I now have a problem with that. We don't NEED to do that to

[72] Westar's Response to KEPCo 2-22 (CONFIDENTIAL), Attachment 2, 2017-06-29 Otto to Ruelle Somma Greenwood Irick DeBruin.pdf, p. 54.
[73] *Id.,* p. 1.
[74] Westar's Response to KEPCo 17-01.

demonstrate that they get their $380 in the exchange ratio[,]"[75] appear to imply otherwise.

Q. COULD THE RECOVERY OF THE TERMINATION FEE THROUGH THE EXCHANGE RATIO BE VIEWED AS A SHAREHOLDER BENEFIT?

A. Yes, it could be viewed as a benefit to shareholders considering that shareholders would ultimately gain from the Previous Transaction even though the Joint Applicants had determined that payment of the termination fee was not necessary.[76] Ratepayers, on the other hand, will bear the risks that there are premiums being gained by shareholders that may not be correspondingly offset by the synergy benefits and other ratepayer commitments offered by the Joint Applicants in this Revised Transaction.

D. Financial Risk Recommendations.

Q. PLEASE SUMMARIZE YOUR FINANCIAL RISK FINDINGS AND RECOMMENDATIONS.

A. I recommend that the Commission accept financial and ring-fencing commitments consistent with the ones KEPCo proposed in the Previous Transaction proceedings. This transaction is not risk-free. As I previously noted, this Revised Transaction includes a number of financial nuances as a result of some of the same troublesome financial arrangements found in the Previous Transaction and the nature of the future financial actions needed to complete this transaction are

[75] Westar's Rresponse to KEPCo 2-22 (CONFIDENTIAL), Attachment 2, 2017-06-29 Otto to Ruelle Somma Greenwood Irick DeBruin.pdf, p. 52.
[76] KCP&L's response to CURB 13.

uncertain, its execution details are not very specific, and the capital structure rebalancing plan will span a multi-year period and will be subject to market, regulatory and policy changes, and could, ultimately, result in control premium implications for shareholders on a forward-going basis that, in turn, could have implications for the cost of service for the Joint Applicants' regulated utilities and ultimately ratepayers such as the members of KEPCo's distribution cooperative owners. The capital rebalancing proposal in turn depends, in very large part, on funds from dividends paid to the new parent company by its regulated operations: the same funding source for the problematic debt financing proposal associated with the Joint Applicants' Previous Transaction. The Commission will, therefore, continue to need strong ring-fencing measures to insulate ratepayers from these numerous financial uncertainties and outcomes.

Q. HOW COULD THIS IMPACT RATEPAYERS?

A. In simplest terms, the Joint Applicants' shareholders will have a high degree of certainty that they will benefit from this transaction through an increased dividend and the increased size of the Combined Company. Ratepayers, on the other hand, will have to bear the risks of the various moving parts associated with the capital structure of this transaction, among other issues, and how that, in turn impacts their overall cost of service. Therefore, strong ring-fencing provisions are still necessary to protect them from any potential unforeseen future financial impacts.

Q. HAVE THE JOINT APPLICANTS SHOWN ANY FINANCIAL OR ECONOMIC HARM THAT COULD ARISE IF YOUR PROPOSED RING-FENCING MEASURES ARE ADOPTED IN THIS PROCEEDING?

A No. The Joint Applicants have failed to show how the adoption of ring-fencing measures, like the ones I propose in my testimony, would increase the cost of the merger or make the merger's execution considerably more complicated. It seems likely that these additional measures could not be perceived as costs since, in many respects, the Joint Applicants claimed to have accepted most, if not all, of these ring-fencing commitments in the earlier Previous Transaction. Thus, as a result, I recommend that the Commission accept my prior ring-fencing recommendations, with a few modifications to account for the specifics of this transaction. I will discuss these specific ring-fencing recommendations, and how they differ from the Joint Applicants' ring-fencing proposals, in greater detail in the next section of my testimony.

VI. Proposed Ring-Fencing Measures

Q. EXPLAIN HOW THE FINANCIAL RISKS ASSOCIATED WITH THE JOINT APPLICANT'S CURRENTLY PROPOSED TRANSACTION DIFFER FROM ITS ORIGINALLY PROPOSED MERGER.

A. The financial nature of the current transaction is considerably less leveraged than the originally-proposed merger. The financial terms of the Joint Applicant's prior merger would have resulted in the successor parent company (GPE) holding a considerable amount of debt; in fact, over $8 billion[77] in both new and acquired debt. This high degree of leverage, coupled with a very high purchase price, and other merger commitment deficiencies, led the Commission to reject the Joint Applicant's prior proposal. The current merger is being sold as a merger of equals and, as the Joint Applicants have noted, will involve a considerably lower amount of debt. However, as I noted in prior sections of my testimony, there are still a considerable number of financial "moving parts" that involve certain risks for the successor parent (Holdco), primarily those associated with timing and execution of the various stock repurchasing plans that will occur after the closing of this merger transaction. The financial terms of this proposed transaction require the successor utility parent company (Holdco) to engage in a number of financial transactions that will have billions of dollars' worth of implications for Holdco's overall capital structure and future share prices. Further, while the degree of leverage is not as significant as the prior transaction, the Joint Applicants will still be issuing over $1.1 billion in debt to help finance several of these stock repurchase plans. The bottom line is that while the levels of debt in this transaction are considerably lower than the last proposed transaction, there are still a number of uncertainties and potential unexpected outcomes that could arise from the future financial plans of the merged companies in this transaction.

[77] Bloomberg, "Revised Great Plains-Westar Deal to Form $14 Billion Utility," July 10, 2017 *available at* https://www.bloomberg.com/news/articles/2017-07-10/great-plains-and-westar-utilities-agree-to-merger-of-equals; *See also* Joint Applicants' Response to CURB 20160803, Docket No. 16-KPCE-593-ACQ, Attachment CURB 42-Att-QCURB 42_CONF Wizard 160527 2200 FINAL.

Q. DO YOU AGREE THAT A LESS RIGOROUS SET OF RING-FENCING MEASURES IS APPROPRIATE GIVEN THE LESS-LEVERAGED NATURE OF THE CURRENTLY-PROPOSED TRANSACTION?

A. No. The Joint Applicants have noted, at least in one place in their application and testimonies that they are adopting the relatively extensive ring-fencing measures that were proposed by KEPCo in the last proceeding.[78] Elsewhere, the characterization of the Joint Applicant's ring-fencing measures are a little more tempered, claiming that "most" of the individual ring-fencing measures proposed in the last transaction have been adopted leaving out those that are not necessary given the deleveraged nature of the transaction at hand.[79]

Q. DO YOU HAVE ANY SPECIFIC DISAGREEMENTS WITH THE JOINT APPLICANTS PROPOSED RING-FENCING PROPOSALS?

A. Yes. While Joint Applicants purport to have adopted some of the ring-fencing proposals offered by KEPCo in the last proceeding, there are a number of omissions of important terms and clauses in many of their revised ring-fencing measures. Further, there are also several instances where the Joint Applicants have changed the wording of certain ring-fencing commitments and thereby have changed or significantly modified their fundamental intent. Thus, I recommend that the Commission adopt my original ring-fencing measures as they were ultimately provided to the Commission in the Previous Transaction. Those conditions are set

[78] Direct Testimony of Darrin Ives, 7:13-20; Direct Testimony of John Reed, 35:13-23.
[79] Direct Testimony of John Reed 36:18 to 37:11.

forth in Exhibit DED-2. The remainder of this section of my testimony will provide several examples of omissions, changes or modifications that have been made by the Joint Applicants in their proposed ring-fencing commitments. The comparison provided in Exhibit DED-2 is between the proposed KEPCo ring-fencing commitments submitted to the Commission in the Previous Transaction and the commitments offered by the Joint Applicants in Appendix H in this proceeding (dated August 11, 2017).

Q. PLEASE EXPLAIN HOW JOINT APPLICANTS' COMMITMENT NUMBER 9 DIFFERS FROM KEPCO'S ORIGINAL PROPOSALS.

A. This merger commitment, as originally proposed by KEPCo, seeks to have the Joint Applicants, post-merger, maintain both the financial integrity and independence of Westar and KCP&L in all respects, and to exercise management prudence in matters related to the management of its financial activities in order to maintain a credit rating consistent with its pre-merger operations. The Joint Applicants have removed the term "independence" from this condition and have omitted maintaining their credit ratings on a basis consistent with their "pre-merger operations." I recommend that both of these conditions (independence and consistency with pre-merger operations) be included in the final merger terms in order to maintain both financial independence and financial integrity of Holdco's regulated utilities. A commitment of independence and the maintenance of credit rating consistent with the company's pre-merger operations is necessary to ensure that Westar and KCP&L's operations remain unchanged and are not negatively impacted by the merger. This commitment helps to alleviate concerns that the merger will cause harm to ratepayers. For instance, committing to maintain a utility's credit rating consistent with pre-merger operations ensures that the utility will make all necessary efforts so that its financial obligations and operations are maintained and will not fall below investment grade. Without such a commitment ratepayers could be negatively impacted by assuming the risks and obligations of a financially weakened utility. A commitment of independence also helps to alleviate concerns that the merger will negatively impact customers by ensuring that the company will be viewed as a separate entity from the parent company. This is important to ensure that the parent company will have an arms-length relationship with its subsidiary and will not commingle funds or exert control over the day-to-day operations of the subsidiary. Therefore, a commitment of independence assures customers and stakeholders that the operations and management of the Westar and KCP&L will remain relatively unchanged by the merger.

Q. EXPLAIN HOW THE JOINT APPLICANTS' COMMITMENT NUMBER 10 DIFFERS FROM KEPCO'S ORIGINAL PROPOSAL.

A. This commitment is comprised of many subparts but, in general, requires the Joint Applicants, post-merger, to ensure independent capital structures that after the merger explicitly state that the regulated utilities will maintain credit entirely independent of each other and other affiliates. The Joint Applicants have removed the provision (clause) that would prevent the regulated utilities from being "responsible for the debts of each other and their other affiliated companies." Upon merging, Westar and KCP&L will be part of a larger combined company. Failure to ensure that KCP&L and Westar will not be responsible for the debts and liabilities of any affiliate companies may shift these financial liabilities to ratepayers resulting in higher rates. Therefore, this provision needs to be re-inserted into the requirements in order to ensure that ratepayers are not unfairly burdened or held accountable for the debts and financial liabilities of any of the affiliated companies.

Q. DOES THE JOINT APPLICANTS' MERGER COMMITMENT NUMBER 10 INCLUDE ANY OTHER IMPORTANT CHANGES?

A. Yes. Joint Applicants' modified ring-fencing measures (commitment No. 10) make two additional modifications that differ from the ones proposed by KEPCo. First, commitment number 10 completely removes the capital structure limits originally proposed by KEPCo that would require the regulated utilities to have "an equity share no less than 40 percent and a debt share not greater than 53 percent." Further, KEPCo originally recommended a parent dividend payment restriction that would have prevented either regulated utility from making a parent dividend payment if the debt share "was 60 percent or higher." These recommendations restrict the movement of capital away from the regulated utilities to the parent in a manner designed to prevent an adverse capital structure from arising that could impact the regulated utilities' cost of capital which, in turn, could be passed along to ratepayers in the form of a higher cost of service. Both of these KEPCo recommendations need to be maintained in their original form in order to ensure the financial integrity, and reasonableness of the overall cost of service, of the Joint Applicants' regulated utility affiliates.

Q. HOW HAVE THE JOINT APPLICANTS MODIFIED MERGER COMMITMENT NUMBER 11?

A. This merger commitment lists in greater detail (than what was identified in commitment number 9) all of the conditions and restrictions that would be required for regulated utility debt relative to its other affiliates. The commitment specifies that Westar would not be responsible for the debts of HoldCo, KCP&L, GMO and other HoldCo subsidiaries (excluding subsidiaries of Westar). For instance, the commitment ensures that Westar would not be held accountable for debts such as a revolving credit facility, if HoldCo, KCP&L or GMO failed to make their payment obligation. The modified language provided by the Joint Applicants only segregates these requirements between Westar and the other affiliates and not KCP&L. This type of omission also occurs in the latter half of commitment 11 which restricts that condition to the utility's credit facilities and commercial paper. The Joint Applicants have stated that the revised language was necessary to account for "Westar's historical practice of guaranteeing certain obligations of its subsidiaries and its subsidiaries guaranteeing certain obligations of Westar" which the Joint Applicants state they had "inadvertently overlooked during the initial transaction."[80] However, the change appears to leave KCP&L open to be responsible for the liabilities of HoldCo and its affiliates. Therefore, the Joint

[80] KCP&L's Response to KEPCo 14-01.

Applicants' proposed condition could potentially put financial pressure on KCP&L as well as the holding company which in turn could detrimentally impact Kansas customers.

Q. PLEASE EXPLAIN THE JOINT APPLICANTS' MODIFICATIONS TO COMMITMENT 12.

A. Commitment 12 modifies one of KEPCo's newer proposed commitments that would prohibit the use of any regulated utility assets for any purposes not authorized or approved by the Commission. This is important in order to ensure that the regulated utility's assets are not transferred or sold to another entity which may in turn impact the regulated utility's capital structure or financial integrity and cause harm to Kansas ratepayers by increasing their cost of service. The Joint Applicants have modified this to limit the restriction to only those assets associated with the "provision of electric service" without any explanation nor example of how this limitation is necessary. KEPCo recommends that its broader restriction be adopted because it will provide greater protection to Kansas ratepayers by ensuring that all regulated utility assets are included and not just limited to those "necessary and useful for the provision of electric service."

Q. PLEASE DISCUSS THE CHANGES MADE BY THE JOINT APPLICANTS, IN SEVERAL COMMITMENTS, THAT WOULD BE ALLOWED MODIFICATIONS SUBJECT TO COMMISSION RULES OR ORDERS.

A. There are several instances where the Joint Applicants have weakened certain restrictions on the use of assets or other separation requirements, such as commitments 13 and 14, by adding that those restrictions may be changed by Commission order or allowed by Commission rule. KEPCo disagrees with these changes since they fundamentally weaken the commitments by inviting the Joint Applicants to change such conditions by seeking a Commission approval for an effective waiver, on a commitment-by-commitment basis. Neither the Commission, nor stakeholders should be put into a position of re-litigating the conditions of this merger on an individual commitment basis every time a request is made by the Company to loosen various merger conditions and terms. These commitments should be locked into place until such time that the Commission, on its own initiative, decides to make any changes.

Q. ARE THERE ANY CHANGES THE JOINT APPLICANTS HAVE MADE TO COMMITMENT 15 THAT YOU THINK ARE UNNECESSARY?

A. Yes. The Joint Applicants have inserted a sentence at the beginning of commitment 15 indicating that S&P and Moody's have found the merger credit-positive and provides slightly speculative statements indicating that Holdco "will have improved credit metrics and financial ratios." This statement is unnecessary, does not reflect a commitment, and should be removed. These observations are in the nature of findings of fact and should be made, if at all, only by the Commission based upon the evidence of record. The commitment should just be limited to a simple statement, such as the one originally proposed by KEPCo that requires the Joint Applicants to maintain separate issuer (i.e., corporate credit ratings) and separate issue ratings for debt that is publicly placed.

Q. EXPLAIN YOUR CONCERNS ABOUT THE MODIFICATIONS THE JOINT APPLICANTS ARE PROPOSING FOR COMMITMENT 17.

A. Commitment 17 attempts to protect the Joint Applicants' regulated utilities' cost of capital by preventing merger-related impacts from entering into the determination of the allowed rate of return and ultimately the cost of service. The commitment requires the Joint Applicants to recognize that they have a responsibility to ensure that no merger-related impacts flow into their requested cost of capital. However, KEPCo's proposed conditions would restrict the Joint Applicants from ever taking a position contrary to this philosophical position before the Commission. The Joint Applicants have removed this condition. I recommend that the condition be included as originally proposed by KEPCo in order to prevent re-litigating portions of this merger approval again in a future rate case before the Commission.

Q. DO YOU STILL BELIEVE KEPCO'S SET OF FINANCIAL INTEGRITY AND RING-FENCING COMMITMENTS ARE PREFERABLE TO THE ONES PROPOSED BY THE JOINT APPLICANTS?

A. Yes. I continue to recommend that the Commission adopt, as offered, the financial integrity measures proposed by KEPCo in the Previous Transaction proceeding. The Joint Applicants, in the prior proceeding, agreed to some of these conditions and purported to agree to others. The principle point, however, is that these measures are reasonable and necessary to insulate ratepayers from harm from the merger.

Q HAVE THE JOINT APPLICANTS PROVIDED ANY RECORD EVIDENCE SHOWING THAT THE ADOPTION OF KEPCO'S ORIGINAL FINANCIAL INTEGRITY AND RING-FENCING COMMITMENTS PROPOSED IN THE PREVIOUS TRANSACTION WOULD RESULT IN ANY KIND OF ECONOMIC HARM?

A. No. The Joint Applicants have not provided any information showing the adoption of KEPCo's proposed financial integrity and ring-fencing commitments would result in any harm or jeopardize the merger.

Q. DO YOU HAVE ANY CONCERNS ABOUT THE JOINT APPLICANTS' CURRENT PROPOSALS ADDRESSING WHAT YOU DEFINED AS "RATEMAKING COMMITMENTS" IN YOUR ORIGINAL PROCEEDING TESTIMONY?

A. Yes. I have one particular concern regarding the Joint Applicants' transactions cost definitions that I will explain later in my testimony.

VII. Overview of the Joint Applicants' Plant Retirements and Projected Capital Expenditures

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY INFORMATION ON THEIR PLANNED GENERATION PLANT RETIREMENTS?

A. Yes. The Joint Applicants have stated that if the merger is approved then they will accelerate the retirement of five Westar plants with a total generating capacity of approximately 780 MW.[81] The Joint Applicants state that the plant retirements will

[81] Direct Testimony of Darrin Ives, 20:7-11 and Table 3.

occur 5 – 10 years earlier than anticipated with retirements starting after the peak summer season in 2018.[82]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY INFORMATION ON THEIR ABILITY TO MEET CAPACITY REQUIREMENTS WITH THE PLANNED PLANT RETIREMENTS?

A. Yes. The Joint Applicants have stated that they will be able to meet their respective capacity requirements after the plants are retired.[83] However, Westar notes that current projections indicate that beginning in 2028 the Company will not be able to meet its reserve margin capacity requirements.[84] Westar states that although it does not have any "firm plans to build a power plant" that it will continue to review on an annual basis its load and capability analysis and will assess the need for future generation as it approaches the plant retirement dates.[85]

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY DETAILS ON THE ESTIMATED CAPACITY RESERVE MARGIN OF THE COMBINED COMPANY IF THE MERGER IS CONSUMMATED.

A. Yes. KEPCo witness Garrett Cole summarizes and discusses in detail the combined company's projected capacity reserve margin if the merger is consummated.

[82] *Id.* at 20:7-11.
[83] KCP&L's Response to KEPCo 10-49; Westar's Response to KEPCo 10-50.
[84] Westar's Response to KEPCo 10-50.
[85] Westar's Response to KEPCo 10-50.

Q. DO THE JOINT APPLICANTS HAVE ANY PROJECTED CAPITAL EXPENDITURES RELATED TO GENERATION PLANT ADDITIONS?

A. Yes. The Joint Applicants have indicated that it will have capital expenditures, of about $6.2 billion, over the 2018 to 2022 time period.[86] A number of these capital expenditures appear to include investments related to plant additions to the company's generation operations as well as investments associated with plant retirements.[87]

Q. ARE THE BULK POWER-RELATED INVESTMENTS IN JOINT APPLICANTS' IRP SUPPORTED BY A RIGOROUS AND DOCUMENTED IRP PROCESS?

A No. The Joint Applicants have developed a plan based upon an IRP process that they state is comparable to the one required in Missouri.[88] However, as will be shown in Mr. Cole's testimony, this IRP process is significantly flawed.

Q. WILL THE JOINT APPLICANTS TEST THE MARKET FOR THE LEAST-COST GENERATION RESOURCES PRIOR TO THEIR DEVELOPMENT?

A. No. Nothing in the IRP materials provided by the Joint Applicants suggest they will submit any future generation resource requirements to the market through a competitive bidding process. In other words, the Commission and parties will not know whether the resource and capital expenditure decisions associated with

[86] Direct Testimony of Anthony Somma, 20:4-5.
[87] Joint Applicants' Financial Support Documents, RM.FM.170822.JointPlanning.BASE (CONFIDENTIAL)
[88] Direct Testimony of Darrin Ives, 20:13 to 21:1.

future generation additions will be the least cost and most efficient before those decisions are executed by the Joint Applicants.

Q. DO EITHER WESTAR OR GPE AND ITS SUBSIDIARIES HAVE A FORMAL WRITTEN COMPETITIVE BIDDING PROCESS OR PROCEDURES FOR PROCURING GENERATION CAPACITY?

A. No, neither Westar nor GPE and its subsidiaries have written competitive bidding practices or procedures for procurement of generation capacity requirements.[89] GPE simply notes that it has "typical practices and procedures for procurement of capacity requirements" which do not appear to include competitive bidding requirements.[90] There also appears to be no other competitive bidding requirements for other resource types like renewable energy resources, energy service/energy efficiency, or other bulk-system requirements.

Q. SHOULD THE COMMISSION TIE MERGER APPROVAL IN THIS PROCEEDING TO A COMPETITIVE BIDDING PROCESS GIVEN JOINT APPLICANTS' IRP AND RELATED PLANS?

A. Yes. Joint Applicants plan on significant plant retirements and substantial capital expenditures in the execution of their IRP, while, at the same time, not having any *bona fide* IRP process for making retirement, investment and resource addition decisions that would include a competitive bidding requirement for new resources. The Commission would be well-served by adding an IRP and competitive bidding

[89] KCP&L's response to KEPCo 10-43; Westar's response to KEPCo 10-44.
[90] KCP&L's response to KEPCo 10-43; Westar's response to KEPCo 10-44.

requirement to its merger approval conditions should it approve the current transaction. In fact, the Commission noted as much in its original rejection of the Previous Transaction.[91] The balance of this section of my testimony addresses the importance of a competitive bidding process and how they have been implemented throughout the U.S. and how they could be utilized as a merger requirement in this proceeding. Mr. Cole, another expert appearing on the behalf of KEPCo, will discuss the importance of an overall IRP process and how it could also be utilized as a merger approval condition in this proceeding.

A. Overview of Competitive Bidding

Q. WHAT IS COMPETITIVE BIDDING?

A. Competitive bidding is a type of search process developed to find the lowest cost good or service. In the electric utility industry, competitive bidding can also be referred to as a "request for proposals ("RFP") process" or a type of "market-based mechanism" to secure additional resources. Regardless of the nomenclature, many firms in competitive industries, not just in power generation, go through competitive bidding processes in order to find the least cost opportunities available in the market. This type of search process is common in situations where it is difficult to obtain complete information about a particular good or service.

Q. WHY IS IT IMPORTANT THAT A COMPETITIVE BIDDING PROCESS BE ADOPTED FOR A REGULATED INDUSTRY?

[91] Order at ¶¶ 72 and 86, *In re Acquisition of Westar by GPE,* Docket No. 16-KCPE-593-ACQ (issued Apr. 19, 2017).

A. Often times, regulators have a challenge in determining the true, least-cost resource given the complicated nature and confidentiality of market-based opportunities. Further, regulators often face other evaluation constraints due to limited staffing, budgetary constraints, and the inability or unwillingness to "micro-manage" their regulated utilities. Utilities, on the other hand, often have considerably more information about their cost structures and resource acquisition opportunities. This leads to a situation where the regulator has less information than the regulated utility about the cost of providing service or securing new resources. Competitive bidding has arisen in utility regulation as a means to balance this "asymmetry" in information between regulators and their regulated companies. By submitting resource acquisition decisions to the market, regulators can better insure they are getting the best deal for their ratepayers.

Q. WHAT BENEFITS WOULD A UTILITY GET BY BUILDING OR ACQUIRING TOO MUCH CAPACITY?

A. Regulated utilities are allowed the opportunity to earn a fair rate of return on and of their investment. This investment is represented by a utility's rate base, or the investment in plant that a utility has made to serve its ratepayers. The larger this "base," the larger the total return that a Company will earn. Thus, while regulated utilities typically do not get any direct profits from the purchase of electricity from competitive wholesale markets (these purchases are usually a pass-through), they are allowed an opportunity to earn a return on any self-developed resource investment. This incentive is a variant of the often-recognized incentives that utilities generally have to inflate or "gold-plate” their resource investment portfolios (or rate base). In addition, since generation resources, in particular, can be sold in competitive wholesale markets, vertically integrated utilities can gain a further benefit from self-building resources since they can use their regulated retail base to insulate these investments from competitive market forces. To compound the problem, regulations that allow this type of risk-insulated generation to be developed can, over the longer run, tend to discourage competitive firms from making their own generating investments in a particular region. Over time, the lack of market entry (reduction in number of market sellers) will reduce the number of competitive resource alternatives and raise overall wholesale and, ultimately, retail rates.

Q. HOW DOES COMPETITIVE BIDDING FIX THIS PROBLEM?

A. The competitive market provides a check on the type and costs of the generation investments made by regulated utilities. Competitive bidding requirements provide regulators with the opportunity to review all of the options and prices that compete with a utility self-build option or other resource acquisition proposal. If the utility proposal is lower in price, or more advantageous in other non-price characteristics (i.e., resource flexibility, reliability, fuel diversity, etc.), then a regulator has some kind of assurance that the selected resource is likely the least-cost option available to serve ratepayers.

Q. WOULD COMPETITIVE BIDDING BE LIMITED TO INSTANCES IN WHICH THE COMPANY WAS ONLY CONSIDERING A SELF-BUILD OPTION?

A. No. Competitive bidding gives regulators a range of options and checks with competitive resource options including single, unsolicited purchased power proposals, a re-powering proposal, or other types of resource acquisitions like renewables. Competitive bidding is not limited to just self-build or re-powering options. It can be particularly useful when affiliate purchases are being considered.

Q. IN GENERAL, HOW DOES A COMPETITIVE BIDDING PROCESS WORK?

A. The first step should be for a utility to submit a need determination to its regulator, as well as its proposed method for meeting that need, such as building a new generating facility, or going straight to the market for a purchased power agreement (or both). The utility then develops a solicitation based upon this need. This solicitation should clearly outline the type and unique characteristics of the resource need, the non-price terms associated with the bid evaluation, and the characteristics and costs of the utility self-build option upon which the bid will be evaluated (if any). The solicitation, or RFP, is then submitted to a wide range of potential bidders, who, in turn, will be allowed to submit sealed offers if they meet the minimum criteria outlined in the RFP. The submitted bids are then reviewed under the oversight of an objective reviewing party that assists in selecting the least cost, most reliable offer submitted by the market. If the utility option is the lowest of those submitted, the utility is then directed to initiate construction and development of a new generation facility.

Q. HOW DO RATEPAYERS BENEFIT FROM COMPETITIVE BIDDING REQUIREMENTS?

A. An appropriately designed competitive bidding process can help keep rates down for ratepayers by ensuring that only the least-cost resource is secured. Other important benefits for ratepayers include:

- Creating opportunities for risk management by offering greater supply options.
- Creating an environment favorable to supply diversity in terms of the number and type of generation suppliers.
- Creating an environment favorable to future generation investment, particularly from competitive firms.

Q. CAN A COMPETITIVE BIDDING PROCESS HELP TO DISCIPLINE REGULATED UTILITIES?

A. Yes. A competitive bidding process ensures that regulated utilities develop the most cost-effective generation resource option for ratepayers. If not, utilities will lose the generation development opportunity to their competitors. In theory, even if a utility wins every competitive bid offered to the market, the Commission can rest assured that the utility development was probably more cost-effective than it would have been without the RFP process being in place. This outcome, however, would have to be dependent upon developing a fair, open, and objective competitive bidding process.

Q. HOW DOES COMPETITIVE BIDDING TAKE ADVANTAGE OF COMPETITIVE MARKET OPPORTUNITIES?

A. Competitive bidding allows regulators to secure the best of both worlds without having to totally reform retail markets in the manner that numerous states have done since the early 1990s. Competitive bidding allows ratepayers to attain the efficiency gains in competitive wholesale markets without having the risk of opening retail markets to competition. If developed in a balanced fashion, competitive bidding clearly offers ratepayers a "win-win" opportunity. Namely, competitive bidding allows ratepayers to secure low-priced competitive wholesale power under the terms, conditions, and protection provided by regulatory oversight.

Q. WHAT OTHER BENEFITS DOES COMPETITIVE BIDDING OFFER RATEPAYERS?

A. Generally, utilities can be thought of as regulated managers of a portfolio of generation assets on behalf of its ratepayers. In some instances, the utility will own the resources included in this portfolio, in other instances, some share of this supply portfolio can be secured from other providers of electricity. These sources of electricity can go beyond just the "bricks and mortar" of owning a plant, and can itself, include a portfolio of short, intermediate, and long-term generation contracts. Embedding competitive bidding into all facets of this portfolio management creates the opportunity for price discovery and supply competition, as well as the ability to optimize the value of any generation portfolio by identifying, valuing, and shifting risk away from ratepayers to parties that are better positioned to assume such risks.

B. Competitive Bidding is a Commonly Used Regulatory Policy

Q. IS COMPETITIVE BIDDING A NEW IDEA IN STATE UTILITY REGULATION?

A. No, competitive bidding has existed for a number of years and has been employed by several states because it ultimately offers a number of benefits for retail ratepayers. The most common use of competitive bidding in the electric power industry occurred in the late 1970s and early 1980s. The original purpose of competitive bidding was to ease the burden of administratively-determining avoided costs offered to qualifying facilities (QFs) that "put" their excess power to regulated utilities per the policies enacted in the Public Utility Policies Act ("PURPA") of 1978. These competitive bidding requirements helped to provide a market check on the reimbursement rates for non-utility generated electricity. One of the first rules was developed in 1984 so that Central Maine Power Company would only have to purchase QF power that was appropriately valued.[92] Since that time, numerous Commissions have allowed competitive bidding to occur either through rule or voluntary use by their regulated utilities.

Q. HAVE ANY STATES ADOPTED COMPETITIVE BIDDING RULES?

A. Yes. Several states have adopted rules or policies on competitive bidding, a summary of which has been provided Exhibit DED-3. Currently, there are at least 17 states that have competitive bidding rules.

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[92] U.S. Department of Energy, Energy Information Association, Office of Coal, Nuclear, Electric and Alternate Fuels, THE CHANGING STRUCTURE OF THE ELECTRIC POWER INDUSTRY, 1970-1991, March 1993, p. 27.

Q. WHAT ARE SOME OF THE BASIC FEATURES OF VARIOUS STATE COMPETITIVE BIDDING REQUIREMENTS?

A. Generally, competitive bidding requirements are usually designed to ensure that solicitations (RFPs) submitted to the market are fair, and not unduly discriminatory, onerous, or commercially-infeasible. Ratepayers benefit from this open process because it ensures a greater degree of objectivity than allowing utilities to define terms and conditions for RFPs that can become subjective resulting in less than competitive outcomes and a bias toward utility self-build/self-generation options. An open and active process ensures that a large number of resources are available for consideration, and that the best resource is selected for ratepayers.

Q. WHAT TYPES OF INFORMATION ARE UTILITIES GENERALLY REQUIRED TO PROVIDE IN THEIR RFPS?

A. Most competitive bidding rules or policies are developed to ensure a transparent process, which in turn, leads to a process that is perceived as being more credible by the market. Ratepayers benefit from this credibility because more bidders are willing to participate. Some of the informational requirements facilitating this transparency can include:

- A detailed technical and economic description of the utility self-build option under consideration. This includes providing such information as the size of the unit, its estimated commercial operation date, its total direct costs, annual revenue requirements, variable operation and maintenance expenses, among other informational requirements.

- A description of the price and non-price factors upon which the bid will be evaluated. This would include, but is not limited to technical and financial viability, dispatchability, deliverability (interconnection and transmission); fuel supply, water supply, environmental compliance, performance criteria and pricing structure.
- A detailed description of the criteria and the methodology to be used to evaluate alternative generating proposals (both price and non-price terms).
- Providing the best available information regarding system-specific conditions which may include, but not be limited to, preferred locations near to load centers, transmission constraints, the need for voltage support in particular areas, and/or the need or desire for greater diversity of fuel sources.

C. Comprehensive Competitive Bidding Requirements

Q. WHY SHOULD THE KCC CONSIDER ADOPTING A COMPETITIVE BIDDING REQUIREMENT?

A. An IRP process identifies, evaluates, and justifies the need for additional resources, and a competitive bid process provides assurance that all reasonable options available in the market to fill that need are considered and true market prices for such resources are made known to the Commission and relevant parties. A competitive bid process helps address the imbalance of information that I previously discussed between the regulated utility, which has critical information, and the regulator, which is substantially dependent upon the utility for its information by giving the regulator objective information that is not controlled by the public utility.

Q. CAN YOU PROVIDE AN EXAMPLE?

A Yes. The Joint Applicants plan to accelerate retirement of certain generating units while spending substantial amounts on DSM and other facilities to meet their SPP reserve margin requirements, thereby raising questions about whether this is the most prudent use of ratepayer supported capital. As Mr. Cole testifies, a rigorous IRP process would provide an objective and transparent assessment of these retirement and resource addition decisions, and a competitive bidding process would reveal what alternatives to the construction of new generation/funding of new DSM resources exist in a SPP market that has substantial excess capacity. Without such a process in this case, we are left to wonder if the main purpose of accelerating the retirement of those Westar units is to increase the savings Joint Applicants can claim are merger related. The Commission should adopt a competitive bidding requirement, as part of an overall IRP process, in order to assure that the Joint Applicants, post-merger, are securing the most efficient resource available in the market.

Q. ARE THERE ANY GUIDING PRINCIPLES FOR DEVELOPING A COMPETITIVE BIDDING COMMITMENT?

A. Yes. There are a number of factors which contribute to a good competitive bidding process including:

(1) Consistent approach that complements the existing utility planning process;

(2) Expeditious yet deliberate;

(3) Transparent;

(4) Maintains confidentiality;

(5) Flexible;

(6) Objective; and

(7) Independent.

Q. HOW WOULD COMPETITIVE BIDDING BE INCORPORATED INTO MR. COLE'S IRP COMMITMENT?

A. Part of Mr. Cole's proposed IRP commitment includes a capacity planning process that identifies resource requirements in the current and future years in which a given year's reserve margins are anticipated to fall below typically-accepted planning criteria. As part of this process, the Company will be required to demonstrate that: (1) there is a need for new generation (or transmission) resources; (2) a wide range of alternatives, including, for example, DSM, are being considered; (3) the resource addition will not have a negative environmental impact; and (4) the resource addition is generally in the public interest. Once this has been identified, the Company would be required to initiate a competitive bidding process for the specific resource requirement in question, with enough lead time to contractually secure, or self-develop, the needed resource by the anticipated needed date.

Q. WHAT DO YOU MEAN BY CONDUCTING A COMPETITIVE BIDDING PROCESS IN AN EXPEDITED FASHION?

A. While utilities generally plan on longer horizons, generation resource needs can change, sometimes more quickly than anticipated. Changes in load growth, new environmental regulations, federal and state legislation, commodity price changes, and natural disasters like tornados or hurricanes can change the resource needs of a utility almost overnight. A utility will, therefore, have to react quickly in order to assure that (a) it has tested the market and (b) depending on the outcome of this market test, the utility has ample time to either contract for the development of these new resources or to self-develop them to meet native loads. Thus, the competitive bidding requirement should be done in a concise, expedited, but deliberate fashion so that it does not interfere with the ultimate goal of developing resources in order to maintain system reliability and/or to meet other service requirements and responsibilities.

Q. PLEASE EXPLAIN WHY TRANSPARENCY IS AN IMPORTANT FACTOR FOR A COMPETITIVE BIDDING REQUIREMENT?

A. Transparency is important in order for all market participants to understand the resource being considered and the timetables and costs under which all proposals will be evaluated. Transparency can also help to underscore the integrity and credibility of the bidding process. Transparency requires that all RFP-related materials are provided in a clear and unambiguous fashion and that the evaluation is fairly outlined on an “apples-to-apples” basis.

Q. WHAT TYPE OF INFORMATION SHOULD BE PROVIDED IN DEVELOPING AN RFP?

A. Basic information should include the capacity needed and time period for which that capacity is needed. Additional information would include any special resource preference (such as solid fuel or renewables). Bidders should be made aware of the specifics of any self-build option under consideration (new construction or re-powering) that includes the identification of the unit being proposed, its capacity, prime mover and primary fuel, location, anticipated commercial operation date, and the costs of developing the unit including the anticipated installed cost-per-kW; the non-fuel operating costs; and forecasted fuel-related costs.

Q. SHOULD THE JOINT APPLICANTS PROVIDE ANY OPERATIONAL INFORMATION DURING THIS PROCESS AS WELL?

A. Yes, an important criticism that has been levied by many utilities in the past regarding competitive bids and purchased power agreements has been associated with the dispatchability requirements that many utilities believe independent power producers ("IPP") do not address in their offers. It is important that utilities provide complete information on the dispatchability requirements of the resource addition to ensure that competitive offers are appropriate and have the opportunity to meet the utility's load needs as closely as possible. Further, any special requirements for transmission should be clearly identified in the RFP. All too often, this critical component can be left out of the RFP process.

Q. PLEASE EXPLAIN WHY IT IS NECESSARY TO CONSIDER A WIDE RANGE OF PRODUCTS IN A COMPETITIVE BIDDING PROCESS?

A. A competitive bidding process should begin with an identified need, but not a predetermined decision about what resource should meet that need. For example, the competitive bidding process should not be limited to a comparison of just long-term purchases and a self-build option. There are a number of other products or combination (or portfolio) of options that could be considered from the market including short-term energy sales; intermediate-term (often seasonal) sales; longer-term/multi-year purchases; and life-of-unit acquisitions from a variety of fuel sources including coal, natural gas, renewables and energy efficiency. Ratepayers are benefited by this because this kind of open process can lead to a diversification of a Company's portfolio and thereby reduce risk.

Q. WHY IS A REQUIREMENT OF OBJECTIVITY NECESSARY IN THE COMPETITIVE BIDDING PROCESS?

A. Objectivity helps to ensure a fair and balanced review of resource opportunities. Any RFP submitted to the market should have a pre-defined scoring sheet that clearly identifies the criteria by which resource submissions will be evaluated and the weights of each of these criteria. While cost is a very important component of any bid evaluation, other factors can include, but are not limited to, resource diversity, flexibility, reputation of the provider, and creditworthiness.

Q. WILL ADDING THESE ADDITIONAL COMPETITIVE REQUIREMENTS ELIMINATE THE COMBINED COMPANY'S FLEXIBILITY IN DEVELOPING CAPACITY TO MEET ITS RELIABILITY REQUIREMENTS?

A. No. Numerous states, and individual utilities, have utilized competitive bidding as a means of securing their resource requirements for decades. The addition of a complimentary and ongoing IRP process, like the one being proposed by Mr. Cole, will help to reduce any rigidities that could arise from a competitive bidding commitment. If anything, a competitive bidding requirement, coupled with a well-defined IRP process, will increase flexibility by identifying a wide range of potential resources that can serve a utility's load requirements.

Q. WHY IS INDEPENDENCE SUCH AN IMPORTANT PART OF THE COMPETITIVE BIDDING PROCESS?

A. Independence is important to the process because it brings credibility and confidence and provides the Commission with better information upon which to make a decision. A credible process is in the best interest of ratepayers as it ensures greater levels of participation, and greater levels of participation means a wider selection of diverse resource offerings – helping to ensure that the most beneficial resource for ratepayers in being secured. Generally, independence can be established through the use of an independent monitor ("IM") or an independent evaluator ("IE"). As shown in DED-3, a number of states use an IM or IE in their evaluation process.

Q. WHY SHOULD THE COMMISSION REQUIRE A COMPETITIVE BIDDING COMMITMENT BE ADOPTED AS PART OF ITS MERGER DELIBERATIONS?

A. As previously noted, a rigorous IRP process will identify and validate the need for additional resources, and a competitive bid process provides assurance that all reasonable options available in the market to fill that need are considered and true market prices for such resources are made known to the Commission and relevant parties. In this case, the IRP will determine if the proposed accelerated retirement of the Westar generation is indeed necessary and whether that capacity will need to be replaced with additional resources. A streamlined set of competitive bid criteria like I have identified above will help to ensure that the Joint Applicants appropriately "test the market" before building or acquiring new generation.

VIII. Ratemaking Provisions

Q. HOW DO THE JOINT APPLICANTS DEFINE "TRANSACTION COSTS" IN THIS PROCEEDING?

A. The Company defines the term "transaction costs" to include all costs "necessary to support efforts to evaluate, negotiate and complete a transaction and the associated transaction agreements through and including approval of the transaction."[93] The Joint Applicants state that transaction costs include, but are not limited to "those costs relating to obtaining regulatory approvals, development of transaction documents, investment banking costs, costs related to raising equity incurred prior to the close of the Merger, severance payments required to be made by change of control agreements, internal labor and third party consultant costs incurred in performing any types of analysis or preparation (financial, tax, investment, accounting, legal, market, regulatory, etc.) to evaluate the potential sale or transfer of ownership, prepare for bid solicitation, analyze bids, conduct

[93] Direct Testimony of Darrin Ives, 11:5-7.

due diligence, compliance with existing contracts including change in control provisions, and compliance with any regulatory conditions, closing, and communication costs regarding the ownership change with customers and employees."[94] The Company provided a non-exclusive list of types of transaction costs which include the following: legal, investment banker, and consulting fees associated with the evaluation, bid, negotiation, and structure of the transaction.[95]

Q. HAVE THE JOINT APPLICANTS CLASSIFIED THE COSTS ASSOCIATED WITH THE UNWINDING OF DEBT FROM THE INITIAL TRANSACTION AS A TRANSACTION COST?

A. Yes, the Joint Applicants have classified the costs of unwinding the debt financing from the Previous Transaction as transaction costs.[96] However, the Joint Applicants state that they will not seek rate recovery of these costs.[97] As discussed below, it is not clear whether or not this will be the case.

Q. HOW DO THE JOINT APPLICANTS DEFINE "TRANSITION COSTS" WITHIN ITS APPLICATION?

A. The Company defines the term "transition costs" as costs incurred to integrate Westar and GPE, and include integration planning, execution, and "costs to achieve."[98] Transition-related costs refer to those costs necessary to ensure that the merger savings and efficiencies take place and the integration between the two

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[94] Joint Application at Appendix H, p. 7, ¶ 22.
[95] Direct Testimony of Darrin Ives, 21:8-10.
[96] *Id.* at 11:16-18.
[97] *Id.* at 11, footnote 9.
[98] Joint Application at Appendix H, p. 7, ¶ 19.

companies is effective and, in other utility mergers, can often be referred to as "cost to achieve" ("CTA") merger savings. The Company provided a non-exclusive list of types of transition costs which include the following: voluntary severance; other than change-in-control severance; costs incurred in integration planning as well as costs incurred to enable network connectivity for the merged company; and allow for a more efficient combined company.[99]

Q. Q. HAVE THE JOINT APPLICANTS PROVIDED ANY TRANSACTION COSTS ESTIMATES RELATED TO THE FAILED TRANSACTION?

A. Yes. The Joint Applicants have provided two sets of transaction costs that have been incurred, those for the Previous Transaction which was denied by the KCC, and those costs associated with the revised transaction. GPE has incurred about $157.3 million in transaction costs associated with the Previous Transaction.[100] Likewise, Westar has incurred almost $11 million in transaction costs associated with the Previous Transaction.[101] On a combined basis the Joint Applicants have incurred over $168.2 million in transaction costs associated with the Previous Transaction that was rejected.[102] The majority of the transaction costs associated with the Previous Transaction appear to be the result of the redemption of preferred stock which cost GPE over $124.4 million.[103]

[99] Direct Testimony of Darren Ives, 11:1-3.
[100] Joint Applicants' Response to KEPCo 2-26, Attachment QKEPCo 2-26_Transaction Costs 08312017.xlsx.
[101] *Id.*
[102] *Id.*
[103] *Id.*

Q. HAVE THE JOINT APPLICANTS PROVIDED ANY TRANSACTION COSTS ESTIMATES RELATED TO THE REVISED TRANSACTION?

A. Yes. In the current revised transaction the Joint Applicants have estimated as of August 2017 that they have incurred on a combined basis of roughly $8.6 million.[104] GPE states that as of August 2017 in the current revised transaction it has incurred almost $1.2 million in transaction costs with the majority of these costs associated with legal fees in the amount of $864,500.[105] The majority of the transaction costs incurred in the revised transaction have been on the behalf of Westar which has incurred as of August 2017 over $7.4 million which is almost entirely due to costs related to investment banking fees for Guggenheim Securities LLC expenses of over $6.9 million.[106]

Q. SHOULD THE COMMISSION BE CONCERNED WITH THESE TRANSACTION COST ESTIMATES?

A. Yes. First, Applicants should not be permitted to recover any transaction costs incurred in the Previous Transaction. The transaction was not approved and never implemented and ratepayers obtained no benefit from it. Therefore, Applicants should not be allowed to recover those costs from ratepayers.

Q. DO YOU HAVE ANY OTHER CONCERNS?

A. Yes. The Joint Applicants have incurred a substantial amount of transaction costs relating the Previous Transaction that was denied. Although the Joint Applicants

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[104] *Id.*
[105] *Id.*
[106] *Id.*

have stated they will not seek cost recovery of these costs in a future rate proceeding, there is the potential that cost recovery will occur through the sharing of synergies in between rate cases. Additionally, of most concern is that there appears to be discrepancies in what the Joint Applicants have been defining and providing as transaction costs. When asked about these discrepancies in discovery the Joint Applicants have stated "[t]he definition of "transaction costs" may be different among data requests depending on the interpretation of each data request by the responder to the data request."[107] In other words, neither the parties to this case, Staff or the Commission can rely on a consistent interpretation of what constitutes a transaction cost and, in turn, what can and what cannot be recovered in future rates. Joint Applicants have arrogated to themselves the right to decide what is a transaction cost and what is a transition cost. This will make monitoring what the merged Company will attempt to recover through future rates many times more difficult.

Q. PLEASE EXPLAIN WHY THE SHARING OF MERGER SYNERGIES IS A CONCERN?

A. Similar to the Joint Applicants' application in the Previous Transaction, they are once again proposing to share merger synergies in between rate cases with the utilities of GPE and Westar. The Joint Applicants estimate that they intend to share roughly $305 million or 19 percent of the merger synergies with the utilities of GPE

[107] KCP&L's Response to KEPCo 7-2 (CONFIDENTIAL).

and Westar in between rate cases.[108] Therefore, any net synergies that arise in between rate cases will accrue to the Joint Applicants. This is not the same as applying 100 percent, or some other share, of the overall synergies to ratepayers as some form of upfront or ongoing credit, which often occurs in other utility mergers where 100 percent of the transaction costs are, in fact, removed from not only rates, but any synergies calculation. So, while it is true that these costs may not be requested in a formal rate case in the future, the Joint Applicants have no intention of sharing any other merger-related synergies that may arise in the years in which they are not in a rate case. As a result, Joint Applicants may be able to offset some of the transaction costs that have been incurred as a result of both the Previous Transaction and the proposed revised merger.

Q. DO YOU HAVE ANY CONCERNS ABOUT HOW THESE TRANSACTION COSTS ARE DEFINED?

A. Yes. The Joint Applicants do not appear to have a formal definition of transaction costs which is apparent in the discrepancies that have been provided in discovery.[109] Additionally, it would appear that the Joint Applicants are attempting to limit the definition of these transaction costs to the explicit activities associated with this individual “transaction,” excluding those costs incurred by Westar to organize the sale of the company before receiving formal offers, costs associated with preparing the bid for the sale of the company and bid evaluation, among other

[108] Direct testimony of Darren Ives, 16:2.
[109] KCP&L’s Response to KEPCo 7-2 (CONFIDENTIAL).

potential costs that may have been incurred prior to the negotiating or entering into an agreement with GPE.

Q. Q. HOW DO THE JOINT APPLICANTS' MERGER COMMITMENTS REGARDING ITS TRANSACTION AND TRANSITION COSTS RELATE TO INSULATING CUSTOMERS FROM POST-MERGER RATE IMPACTS?

A. The substantial transaction costs that the Joint Applicants have incurred could result in greater-than-average incentives to ensure that it utilizes every reasonable opportunity it can to recovery these costs. One way to do this is by securitizing[110] as many of its merger-related costs as possible through its cost of service, and ultimately its rates. The opportunity to securitize these costs are directly proportional to the degree in which they are defined and codified. The less stringent the definition, the lower the transparency; and the lower the accountability; the greater the opportunities for securitization, and *vice versa*. This is why having firm post-merger reporting requirements can be an important financial mitigation commitment since they can reduce the opportunities to shift the impacts of any post-merger financial weakness away from a utility and its shareholders, and onto customers.

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING TRANSACTION COSTS?

[110] Securitization here can be thought of generally as a means of locking down the security of the cost recovery of an asset, over an extended period of time, by a steady and relatively known stream of funds.

A. The Joint Applicants should be explicitly barred from recovering any of the transaction costs from the Previous Transaction and the proposed revised transaction from Kansas ratepayers. Therefore, it is recommended that a comprehensive list of transaction and transition costs related solely to the current transaction be included in any approved merger commitments as well as a hold harmless provision to ensure that the rates of Kansas customers will not be negatively impacted by the merger, if it is consummated.

IX. Conclusions and Recommendations

Q. PLEASE SUMMARIZE THE CONCERNS YOU HAVE ABOUT THE FINANCIAL RISKS ASSOCIATED WITH THIS MERGER.

A. The Joint Applicants would have the Commission believe that this transaction is virtually risk-free given its noticeably lower levels of debt and the statement that there is no planned control premium associated with the execution of this merger. However, the Revised Transaction includes a number of financial nuances designed, in part, to unwind some of the same troublesome financial arrangements associated with the Previous Transaction. The nature of the future financial actions needed to complete this transaction is uncertain, its execution details are not specific, the capital structure rebalancing plan will span a multi-year period, will be subject to market, regulatory and policy changes, will, in fact, have some control premium implications for shareholders on a forward-going basis, and could have considerable implications for the cost of service for the Joint Applicants' regulated utilities and ultimately ratepayers, including many rural retail ratepayers that are served by KEPCo's distribution utility owners. The financial arrangements of this transaction will revolve, in very large part, around a capital rebalancing proposal that will be funded from dividends paid to the new parent company by its regulated operations: the same funding source for the problematic debt financing proposal associated with the Joint Applicants' Previous Transaction. The Commission will, therefore, continue to need strong financial and ring-fencing commitments to insulate ratepayers from these numerous financial uncertainties and outcomes.

Q. ARE THE JOINT APPLICANTS' FINANCIAL AND RING-FENCING COMMITMENTS ADEQUATE?

A. No. The Joint Applicants have offered what they refer to as a number of "financing and ring-fencing commitments." However, the Joint Applicants suggest that because the current transaction has less risk associated with financing and the assumption of debt that comprehensive ring-fencing measures are not necessary.[111]

Q. PLEASE SUMMARIZE YOUR PROPOSED ENHANCED FINANCIAL AND RING-FENCING COMMITMENTS.

A. If the Commission approves the proposed merger, it should require the adoption of an extensive set of enhanced financial and ring-fencing commitments. I have provided a detailed list as Exhibit DED-2 in my testimony. As stated in my testimony, these enhanced financial and ring-fencing commitments protect customers from the potential harm that could arise from a merger and ensure that

[111] Joint Application at ¶¶ 22-23; and KCP&L's Response to KEPCo 2-34.

Kansas customers are not negatively impacted by the merger should the Commission move forward with merger approval.

Q. ARE YOU MAKING ANY OTHER PROPOSED MERGER COMMITMENTS?

A. Yes. I am recommending that the Commission require the Joint Applicants to use a competitive bidding process in conjunction with the IRP process recommended by Mr. Cole, for its future resource acquisitions. As explained in my testimony the Joint Applicants intend to accelerate the retirement of five of Westar's generating plants representing approximately 780 MW of capacity as well as make a number of capital investments over the 2018 to 2022 time period, which include a number of generation-related plant additions that could substantially impact the Joint Applicants' regulated cost of service. Furthermore, a rigorous IRP process will evaluate the economic justification for accelerated retirement of the Westar units and identify and validate the need for additional resources, and a competitive bid process provides assurance that all reasonable options available in the market to fill that need are considered and true market prices for such resources are made known to the Commission and relevant parties. Therefore, I recommend the Commission adopt a competitive bidding process to ensure that the Joint Applicants appropriately "test the market" before building or acquiring new generation.

Q. DOES THIS CONCLUDE YOUR TESTIMONY FILED ON JANUARY 29, 2018?

A. Yes.

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the matter of the Application of Great Plains Energy Incorporated, Kansas City Power & Light Company, and Westar Energy, Inc. for approval of the Merger of Westar Energy, Inc. by Great Plains Energy Incorporated	))))))	**Docket No. 18-KCPE-095-MER**

AFFIDAVIT OF DAVID E. DISMUKES, PH.D.

STATE OF LOUISIANA)
) **ss**
PARISH OF EAST BATON ROUGE)

David E. Dismukes Ph.D, being first duly sworn on his/her oath, states:

1. My name is David E. Dismukes Ph.D,. I work in Baton Rouge, Louisiana and I am employed by Acadian Consulting Group, L.L.C. as a Consulting Economist.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas Electric Power Cooperative, Inc. consisting of Eighty (80) 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.

David E. Dismukes, Ph.D.

Subscribed and sworn before me this 24th day of January, 2018.

Notary Public

My commission expires: at Death

THEA R. SCOTT
NOTARY PUBLIC ID # 135246
STATE OF LOUISIANA
MY COMMISSION IS FOR LIFE

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EDUCATION

Ph.D., Economics, Florida State University, 1995.
M.S., Economics, Florida State University, 1992.
M.S., International Affairs, Florida State University, 1988.
B.A., History, University of West Florida, 1987.
A.A., Liberal Arts, Pensacola State College, 1985.

Master's Thesis: *Nuclear Power Project Disallowances: A Discrete Choice Model of Regulatory Decisions*

Ph.D. Dissertation: *An Empirical Examination of Environmental Externalities and the Least-Cost Selection of Electric Generation Facilities*

ACADEMIC APPOINTMENTS

Louisiana State University, Baton Rouge, Louisiana

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2014-Current	Executive Director
2007-Current	Director, Division of Policy Analysis
2006-Current	Professor
2003-2014	Associate Executive Director
2001-2006	Associate Professor
1999-2001	Research Fellow and Adjunct Assistant Professor
1995-2000	Assistant Professor

College of the Coast and the Environment (Department of Environmental Studies)

2014-Current	Professor (Joint Appointment with CES)
2010-Current	Director, Coastal Marine Institute
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2001-2006	Adjunct Associate Professor
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Florida State University, Tallahassee, Florida

College of Social Sciences, Department of Economics

1995	Instructor

PROFESSIONAL EXPERIENCE

Acadian Consulting Group, Baton Rouge, Louisiana

2001-Current	Consulting Economist/Principal
1995-1999	Consulting Economist/Principal

Econ One Research, Inc., Houston, Texas

1999-2001	Senior Economist

Florida Public Service Commission, Tallahassee, Florida

Division of Communications, Policy Analysis Section

1995	Planning & Research Economist

Division of Auditing & Financial Analysis, Forecasting Section

1993	Planning & Research Economist
1992-1993	Economist

Project for an Energy Efficient Florida &
Florida Solar Energy Industries Association, Tallahassee, Florida

1994	Energy Economist

Ben Johnson Associates, Inc., Tallahassee, Florida

1991-1992	Research Associate
1989-1991	Senior Research Analyst
1988-1989	Research Analyst

GOVERNMENT APPOINTMENTS

2017-Current	Member, National Petroleum Council. U.S. Department of Energy.
2007-Current	Louisiana Representative, Interstate Oil and Gas Compact Commission; Energy Resources, Research & Technology Committee.
2007-Current	Louisiana Representative, University Advisory Board Representative; Energy Council (Center for Energy, Environmental and Legislative Research).

2005	Member, Task Force on Energy Sector Workforce and Economic Development (HCR 322).
2003-2005	Member, Energy and Basic Industries Task Force, Louisiana Economic Development Council
2001-2003	Member, Louisiana Comprehensive Energy Policy Commission.

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Baton Rouge, LA: Louisiana State University, Center for Energy Studies.

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GRANT RESEARCH

1. Co-investigator. Estimating offshore Gulf of Mexico carbon capture, sequestration, and utilization opportunities. With Southern States Energy Board, Advanced Resources International, Argonne Laboratories, University of Alabama, University of South Carolina, and Oklahoma State University. U.S. Department of Energy, National Energy Technology Laboratory. $731,031 (LSU share of $4.0 million project, three years, in progress).

2. *Principal Investigator*. Understanding MISO long term infrastructure needs and stakeholder positions. Midcontinent Independent System Operator. Total Project: $9,500, six months. Status: In Progress.

3. *Principal Investigator*. Offshore oil and gas activity impacts on ecosystem services in the Gulf of Mexico. With Brian F, Snyder. U.S. Department of the Interior, Bureau of Ocean Energy Management. Total Project: $240,982, two years. Status: In Progress.

4. *Principal Investigator*. Economic Impacts of the Bayou Bridge pipeline. With Gregory B, Upton, Jr., Energy Transfer Corporation. $9,900. Status: Completed.

5. *Co-Principal Investigator*. Gulf coast energy outlook and analysis. (2016). With Gregory B. Upton and Mallory Vachon. Regions Bank. Total funding: $20,000, one year. Status: Completed.

6. *Principal Investigator*. GOM energy infrastructure trends and factbook update. (2016). With Gregory B. Upton and Mallory Vachon. U.S. Department of the Interior, Bureau of Ocean Energy Management ("BOEM"). Total funding: $224,995, two years. Status: In progress.

7. *Principal Investigator*. Examining Louisiana's Industrial Carbon Sequestration Potential. Phase 2: Follow-up and estimation. (2016). With Brian F. Snyder. Southern States Energy Board. Total Project: $69,990, three months. Status: Completed.

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10. *Principal Investigator*. An update of Louisiana's combined heat and power potentials, current utilizations, and barriers to improved operating efficiencies. (2016). Louisiana Department of Natural Resources. Total Project: $90,000, one year. Status: Completed.

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13. *Principal Investigator*. "Coastal Marine Institute Administrative Grant" (2104). U.S. Department of the Interior. Total Project $45,000. Status: Completed.

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15. *Co-Investigator*. "CNH: A Tale of Two Louisianas: Coupled Natural-Human Dynamics in a Vulnerable Coastal System" (2013) With Nina Lam, Margaret Reams, Kam-Biu Liu, Victor Rivera, and Kelley Pace. National Science Foundation. Total Project: $1.5 million. Status: In Progress (Sept 2012-Feb 2017).

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17. *Principal Investigator*. "Investigation of the Potential Economic Impacts Associated with Shell's Proposed Gas-To-Liquids Project" (2012). Shell Oil Company, North America. Total Project: $76,708. Status: Completed.

18. *Principal Investigator*. "Analysis of the Federal Wind Energy Production Tax Credit." American Energy Alliance. Total Project: $20,000. Status: Completed.

19. *Principal Investigator*. "Energy Sector Impacts Associated with the Deepwater Horizon Oil Spill." Louisiana Department of Economic Development. Total Project: approximately $50,000. Status: Completed.

20. *Principal Investigator*. "Economic Contributions and Benefits Support by the Port of Venice." Port of Venice Coalition. Total Project: $20,000. Status: Completed.

21. *Principal Investigator.* "Energy Policy Development in Louisiana." Louisiana Department of Natural Resources. Total Project: $150,000. Status: Completed.

22. *Principal Investigator.* "Preparing Louisiana for the Possible Federal Regulation of Greenhouse Gas Regulation." With Michael D. McDaniel. Louisiana Department of Economic Development. Total Project: $98,543. Status: Completed.

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Management Service. Total Project: $241,216 (2.5 years). Status: Completed.

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33. *Principal Investigator*. "Examination of the Economic Impacts Associated with Large Customer, Industrial Retail Choice." (2004). With Dmitry V. Mesyanzhinov. Louisiana Mid-Continent Oil and Gas Association. Total Project Funding: $37,000. Status: Completed.

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(2002). With Robert H. Baumann and Dmitry V. Mesyanzhinov. Louisiana Office of Mineral Resources. Total Project Funding: $72,000. Status: Completed.

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40. *Principal Investigator*. "Energy Conservation and Electric Restructuring in Louisiana." (1997). Louisiana Department of Natural Resources." Petroleum Violation Escrow Program Funds. Total Project Funding: $43,169. Status: Completed.

41. *Principal Investigator*. "The Industrial Supply of Electricity: Commercial Generation, Self-Generation, and Industry Restructuring." (1996). With Andrew Kleit. Louisiana Energy Enhancement Program, LSU Office of Research and Development. Total Project Funding: $19,948. Status: Completed.

42. *Co-Principal Investigator*. "Assessing the Environmental and Safety Risks of the Expanded Role of Independents in Oil and Gas E&P Operations on the U.S. Gulf of Mexico OCS." (1996). With Allan Pulsipher, Omowumi Iledare, Dmitry Mesyanzhinov, William Daniel, and Bob Baumann. U.S. Department of Interior, Minerals Management Service, Grant Number 95-0056. Total Project Funding: $109,361. Status: Completed.

ACADEMIC CONFERENCE PAPERS/PRESENTATIONS

1. "The changing nature of Gulf of Mexico energy infrastructure." (2017). Session 3B: New Directions in Social Science Research. 27th Gulf of Mexico Region Information Technology Meetings. U.S. Department of the Interior, Bureau of Ocean Energy Management, Environmental Studies Program. New Orleans, LA. August 24.

2. "Capacity utilization, efficiency trends, and economic risks for modern CHP installations." (2017). U.S. Department of Energy, 2017 Industrial Energy Technology Conference, New Orleans, LA June 21.

3. "The Impact of Infrastructure Cost Recovery Mechanisms on Pipeline Replacements and

Leaks." (2015). With Gregory Upton. Southern Economic Association Meeting 2015. New Orleans, Louisiana. November 23.

4. "The Impact of Infrastructure Cost Recovery Mechanisms on Pipeline Replacements and Leaks" (2015). With Gregory Upton. 38th IAEE International Conference, Antalya, Turkey. May 26.

5. "Modifying Renewables Policies to Sustain Positive Economic and Environmental Change" (2015). IEEE Annual Green Technologies ("Greentech") Conference. April 17.

6. "The Gulf Coast Industrial Investment Renaissance and New CHP Development Opportunities." (2014). Industrial Energy and Technology Conference, New Orleans, Louisiana. May 20.

7. "Estimating Critical Energy Infrastructure Value at Risk from Coastal Erosion" (2014). With Siddhartha Narra. American's Estuaries: 7th Annual Summit on Coastal and Estuarine Habitat Restoration. Washington, D.C., November 3-6.

8. "Economies of Scale, Learning Curves, and Offshore Wind Development Costs" (2012). With Gregory Upton. Southern Economic Association Annual Conference, New Orleans, LA November 17.

9. "Analysis of Risk and Post-Hurricane Reaction." (2009). 25th Annual Information Transfer Meeting. U.S. Department of the Interior, Minerals Management Service. January 7.

10. "Legacy Litigation, Regulation, and Other Determinants of Interstate Drilling Activity Differentials." (2008). With Christopher Peters and Mark Kaiser. 28th Annual USAEE/IAEE North American Conference: Unveiling the Future of Future of Energy Frontiers. New Orleans, LA, December 3.

11. "Gulf Coast Energy Infrastructure Renaissance: Overview." (2008). 28th Annual USAEE/IAEE North American Conference: Unveiling the Future of Future of Energy Frontiers. New Orleans, LA, December 3.

12. "Understanding the Impacts of Katrina and Rita on Energy Industry Infrastructure." (2008). American Chemical Society National Meetings, New Orleans, Louisiana. April 7.

13. "Determining the Economic Value of Coastal Preservation and Restoration on Critical Energy Infrastructure." (2007). With Kristi A. R. Darby and Michelle Barnett. International Association for Energy Economics, Wellington, New Zealand, February 19.

14. "Regulatory Issues in Rate Design, Incentives, and Energy Efficiency." (2007). 34th Annual Public Utilities Research Center Conference, University of Florida. Gainesville, FL. February 16.

15. "An Examination of LNG Development on the Gulf of Mexico." (2007). With Kristi A.R. Darby. US Department of the Interior, Minerals Management Service. 24th Annual Information Technology Meeting. New Orleans, LA. January 9.

16. "OCS-Related Infrastructure on the GOM: Update and Summary of Impacts." (2007). U.S. Department of the Interior, Minerals Management Service. 24th Annual Information Technology Meeting. New Orleans, LA. January 10.
17. "The Economic Value of Coastal Preservation and Restoration on Critical Energy Infrastructure." (2006). With Michelle Barnett. Third National Conference on Coastal and Estuarine Habitat Restoration. Restore America's Estuaries. New Orleans, Louisiana, December 11.
18. "The Impact of Implementing a 20 Percent Renewable Portfolio Standard in New Jersey." (2006). With Seth E. Cureington. Mid-Continent Regional Science Association 37th Annual Conference, Purdue University, Lafayette, Indiana, June 9.
19. "The Impacts of Hurricane Katrina and Rita on Energy infrastructure Along the Gulf Coast." (2006). Environment Canada: 2006 Artic and Marine Oilspill Program. Vancouver, British Columbia, Canada.
20. "Hurricanes, Energy Markets, and Energy Infrastructure in the Gulf of Mexico: Experiences and Lessons Learned." (2006). With Kristi A.R. Darby and Seth E. Cureington. 29th Annual IAEE International Conference, Potsdam, Germany, June 9.
21. "An Examination of the Opportunities for Drilling Incentives on State Leases in Louisiana." (2005). With Kristi A.R. Darby. 28th Annual IAEE International Conference, Taipei, Taiwan (June).
22. "Fiscal Mechanisms for Stimulating Oil and Gas Production on Marginal Leases." (2004). With Jeffrey M. Burke. International Association of Energy Economics Annual Conference, Washington, D.C. (July).
23. "GIS and Applied Economic Analysis: The Case of Alaska Residential Natural Gas Demand." (2003). With Dmitry V. Mesyanzhinov. Presented at the Joint Meeting of the East Lakes and West Lakes Divisions of the Association of American Geographers in Kalamazoo, MI, October 16-18.
24. "Are There Any In-State Uses for Alaska Natural Gas?" (2002). With Dmitry V. Mesyanzhinov and William E. Nebesky. IAEE/USAEE 22nd Annual North American Conference: "Energy Markets in Turmoil: Making Sense of It All." Vancouver, British Columbia, Canada. October 7.
25. "The Economic Impact of State Oil and Gas Leases on Louisiana." (2002). With Dmitry V. Mesyanzhinov. 2002 National IMPLAN Users' Conference. New Orleans, Louisiana, September 4-6.
26. "Moving to the Front of the Lines: The Economic Impact of Independent Power Plant Development in Louisiana." (2002). With Dmitry V. Mesyanzhinov and Williams O. Olatubi. 2002 National IMPLAN Users' Conference. New Orleans, Louisiana, September 4-6.
27. "New Consistent Approach to Modeling Regional Economic Impacts of Offshore Oil and Gas Activities in the Gulf of Mexico." (2002). With Vicki Zatarain. 2002 National IMPLAN Users' Conference. New Orleans, Louisiana, September 4-6.

28. “Distributed Energy Resources, Energy Efficiency, and Electric Power Industry Restructuring.” (1999). American Society of Environmental Science Fourth Annual Conference. Baton Rouge, Louisiana. December.

29. “Estimating Efficiency Opportunities for Coal Fired Electric Power Generation: A DEA Approach.” (1999). With Williams O. Olatubi. Southern Economic Association Sixty-ninth Annual Conference. New Orleans, November.

30. "Applied Approaches to Modeling Regional Power Markets." (1999.) With Robert F. Cope. Southern Economic Association Sixty-ninth Annual Conference. New Orleans, November 1999.

31. “Parametric and Non-Parametric Approaches to Measuring Efficiency Potentials in Electric Power Generation.” (1999). With Williams O. Olatubi. International Atlantic Economic Society Annual Conference, Montreal, October.

32. “Asymmetric Choice and Customer Benefits: Lessons from the Natural Gas Industry.” (1999). With Rachelle F. Cope and Dmitry Mesyanzhinov. International Association of Energy Economics Annual Conference. Orlando, Florida. August.

33. “Modeling Regional Power Markets and Market Power.” (1999). With Robert F. Cope. Western Economic Association Annual Conference. San Diego, California. July.

34. “Economic Impact of Offshore Oil and Gas Activities on Coastal Louisiana” (1999). With Dmitry Mesyanzhinov. Annual Meeting of the Association of American Geographers. Honolulu, Hawaii. March.

35. “Empirical Issues in Electric Power Transmission and Distribution Cost Modeling.” (1998). With Robert F. Cope and Dmitry Mesyanzhinov. Southern Economic Association. Sixty-Eighth Annual Conference. Baltimore, Maryland. November.

36. “Modeling Electric Power Markets in a Restructured Environment.” (1998). With Robert F. Cope and Dan Rinks. International Association for Energy Economics Annual Conference. Albuquerque, New Mexico. October.

37. “Benchmarking Electric Utility Distribution Performance.” (1998) With Robert F. Cope and Dmitry Mesyanzhinov. Western Economic Association, Seventy-sixth Annual Conference. Lake Tahoe, Nevada. June.

38. “Power System Operations, Control, and Environmental Protection in a Restructured Electric Power Industry.” (1998). With Fred I. Denny. IEEE Large Engineering Systems Conference on Power Engineering. Nova Scotia, Canada. June.

39. “Benchmarking Electric Utility Transmission Performance.” (1997). With Robert F. Cope and Dmitry Mesyanzhinov. Southern Economic Association, Sixty-seventh Annual Conference. Atlanta, Georgia. November 21-24.

40. “A Non-Linear Programming Model to Estimate Stranded Generation Investments in a Deregulated Electric Utility Industry.” (1997). With Robert F. Cope and Dan Rinks. Institute for Operations Research and Management Science Annual Conference. Dallas Texas. October 26-29.

41. “New Paradigms for Power Engineering Education.” (1997). With Fred I. Denny. International Association of Science and Technology for Development, High Technology in the Power Industry Conference. Orlando, Florida. October 27-30

42. “Cogeneration and Electric Power Industry Restructuring.” (1997). With Andrew N. Kleit. Western Economic Association, Seventy-fifth Annual Conference. Seattle, Washington. July 9-13.

43. “The Unintended Consequences of the Public Utilities Regulatory Policies Act of 1978.” (1997). National Policy History Conference on the Unintended Consequences of Policy Decisions. Bowling Green State University. Bowling Green, Ohio. June 5-7.

44. “Assessing Environmental and Safety Risks of the Expanding Role of Independents in E&P Operations on the Gulf of Mexico OCS.” (1996). With Allan Pulsipher, Omowumi Iledare, Dmitry Mesyanzhinov, and Bob Baumann. U.S. Department of Interior, Minerals Management Service, 16th Annual Information Transfer Meeting. New Orleans, Louisiana.

45. “Empirical Modeling of the Risk of a Petroleum Spill During E&P Operations: A Case Study of the Gulf of Mexico OCS.” (1996). With Omowumi Iledare, Allan Pulsipher, and Dmitry Mesyanzhinov. Southern Economic Association, Sixty-Sixth Annual Conference. Washington, D.C.

46. “Input Price Fluctuations, Total Factor Productivity, and Price Cap Regulation in the Telecommunications Industry” (1996). With Farhad Niami. Southern Economic Association, Sixty-Sixth Annual Conference. Washington, D.C.

47. “Recovery of Stranded Investments: Comparing the Electric Utility Industry to Other Recently Deregulated Industries” (1996). With Farhad Niami and Dmitry Mesyanzhinov. Southern Economic Association, Sixty-Sixth Annual Conference. Washington, D.C.

48. “Spatial Perspectives on the Forthcoming Deregulation of the U.S. Electric Utility Industry.” (1996) With Dmitry Mesyanzhinov. Southwest Association of American Geographers Annual Meeting. Norman, Oklahoma.

49. “Comparing the Safety and Environmental Performance of Offshore Oil and Gas Operators.” (1995). With Allan Pulsipher, Omowumi Iledare, Dmitry Mesyanzhinov, William Daniel, and Bob Baumann. U.S. Department of Interior, Minerals Management Service, 15th Annual Information Transfer Meeting. New Orleans, Louisiana.

50. “Empirical Determinants of Nuclear Power Plant Disallowances.” (1995). Southern Economic Association, Sixty-Fifth Annual Conference. New Orleans, Louisiana.

51. “A Cross-Sectional Model of IntraLATA MTS Demand.” (1995). Southern Economic Association, Sixty-Fifth Annual Conference. New Orleans, Louisiana.

ACADEMIC SEMINARS AND PRESENTATIONS

1. “Air Emissions Regulation and Policy: The Recently Proposed Cross State Air Pollution Rule and the Implications for Louisiana Power Generation.” Lecture before School of the

Coast & Environment. November 5, 2011.

2. “Energy Regulation: Overview of Power and Gas Regulation.” Lecture before School of the Coast & Environment, Course in Energy Policy and Law. October 5, 2009.

3. “Trends and Issues in Renewable Energy.” Presentation before the School of the Coast & Environment, Louisiana State University. Spring Guest Lecture Series. May 4, 2007.

4. “CES Research Projects and Status.” Presentation before the U.S. Department of the Interior, Minerals Management Service, Outer Continental Shelf Scientific Committee Meeting, New Orleans, LA May 22, 2007.

5. “Hurricane Impacts on Energy Production and Infrastructure.” Presentation Before the 53rd Mineral Law Institute, Louisiana State University. April 7, 2006.

6. “Trends and Issues in the Natural Gas Industry and the Development of LNG: Implications for Louisiana. (2004) 51st Mineral Law Institute, Louisiana State University, Baton Rouge, LA. April 2, 2004.

7. “Electric Restructuring and Conservation.” (2001). Presentation before the Department of Electrical Engineering, McNesse State University. Lake Charles, Louisiana. May 2, 2001.

8. “Electric Restructuring and the Environment.” (1998). Environment 98: Science, Law, and Public Policy. Tulane University. Tulane Environmental Law Clinic. March 7, New Orleans, Louisiana.

9. “Electric Restructuring and Nuclear Power.” (1997). Louisiana State University. Department of Nuclear Science. November 7, Baton Rouge, Louisiana.

10. “The Empirical Determinants of Co-generated Electricity: Implications for Electric Power Industry Restructuring.” (1997). With Andrew N. Kleit. Florida State University. Department of Economics: Applied Microeconomics Workshop Series. October 17, Tallahassee, Florida.

PROFESSIONAL AND CIVIC PRESENTATIONS

1. “The outlook for natural gas and energy development on the Gulf Coast.” (2017). Louisiana Chemical Association, Annual Meeting, New Orleans, LA. October 26, 2017.

2. “Critical energy infrastructure: the big picture on resiliency research.” (2017). National Academies of Science, Engineering, and Medicine. New Orleans, LA. September 18.

3. “Crude oil and natural gas outlook: Where are we and where are we going?” (2017). CCREDC Economic Trends Panel. Corpus Christi, TX, June 15.

4. “Navigating through the energy landscape.” (2017). Baton Rouge Rotary Luncheon. Baton Rouge, LA, May 24.

5. “The 2017-2018 Louisiana energy outlook.” (2017). Junior Achievement of Greater New Orleans, JA BizTown Speaker Series. New Orleans, LA, May 12.

6. “The Gulf Coast energy economy: trends and outlook.” (2017). Society for Municipal Analysts. New Orleans, LA, April 21.

7. “Recent trends in energy: overview and impact for the banking community.” (2017). Oil and Gas Industry Update, Louisiana Bankers Association. Baton Rouge, LA, March 24.

8. “How supply, demand and prices have influenced unconventional development.” (2016). Energy Annual Meeting, CLEER-University Advisory Board Lecture. New Orleans, LA, September 17.

9. “The Basics of Natural Gas Production, Transportation, and Markets.” (2016). Center for Energy Studies. Baton Rouge, LA, August 1.

10. “Gulf Coast industrial development: trends and outlook.” (2016). Investor Relations Group Meeting, Edison Electric Institute. New Orleans, LA, June 23.

11. “The future of policy and regulation: Unlocking the Treasures of Utility Regulation.” (2016). Annual Meeting, National Conference of Regulatory Attorneys. Tampa, FL, June 20.

12. “Utility mergers: where’s the beef?”. (2016). National Association of State Utility Consumer Advocates Mid-Year Meetings. New Orleans, LA, June 6.

13. “Overview of the Clean Power Plan and its application to Louisiana.” (2016). Shell Oil Company Internal Meeting. April 12.

14. “Energy and economic development on the Gulf Coast: trends and emerging challenges.” (2016). Gas Processors Association Meeting. New Orleans, LA, April 11.

15. “Unconventional Oil and Gas Drilling Trends and Issues.” (2016). French Delegation Visit, LSU Center for Energy Studies. March 16.

16. “Gulf Coast Industrial Growth: Passing clouds or storms on the horizon?” (2016). Gulf Coast Power Association Meetings. New Orleans, LA, February 18.

17. “The Transition to Crisis: What do the recent changes in energy markets mean for Louisiana?” (2016). Louisiana Independent Study Group. February 2.

18. “Regulatory and Ratepayer Issues in the Analysis of Utility Natural Gas Reserves Purchases” (2016). National Association of State Utility Consumer Advocates Gas Consumer Monthly Meeting. January 25.

19. “Emerging Issues in Fuel Procurement: Opportunities & Challenges in Natural Gas Reserves Investment.” (2015). National Association of State Utility Consumer Advocates Annual Meeting. Austin, Texas. November 9.

20. “Trends and Issues in Net Metering and Solar Generation.” (2015). Louisiana Rural Electric Cooperative Meeting. November 5.

21. “Electric Power: Industry Overview, Organization, and Federal/State Distinctions.” (2015). EUCI. October 16.

22. “Natural Gas 101: The Basics of Natural Gas Production, Transportation, and Markets.” (2015). Council of State Governments Special Meeting on Gas Markets. New Orleans,

LA. October 14.

23. “Update and General Business Matters.” (2015). CES Industry Associates Meeting. Baton Rouge, Louisiana. Fall 2015.

24. “The Impact of Infrastructure Cost Recovery Mechanisms on Pipeline Replacements and Leaks.” (2015). 38th IAEE 2015 International Conference. Antalya, Turkey. May 26.

25. “Industry on the Move – What’s Next?” (2015). Event Sponsored by Regional Bank and 1012 Industry Report. May 5.

26. “The State of the Energy Industry and Other Emerging Issues.” (2015). Lex Mundi Energy & Natural Resources Practice Group Global Meeting. May 5.

27. “Energy, Louisiana, and LSU.” (2015). LSU Science Café. Baton Rouge, Louisiana. April 28.

28. “Energy Market Changes and Impacts for Louisiana.” (2015). Kinetica Partners Shippers Meeting, New Orleans, Louisiana. April 22.

29. “Incentives, Risk and the Changing Nature of Utility Regulation.” (2015). NARUC Staff Subcommittee on Accounting and Finance Meetings, New Orleans, Louisiana. April 22.

30. “Modifying Renewables Policies to Sustain Positive and Economic Change.” (2015). IEEE Annual Green Technologies (“Greentech Conference”). April 17.

31. “Louisiana’s Changing Energy Environment.” (2015). John P. Laborde Energy Law Center Advisory Board Spring Meeting, Baton Rouge, Louisiana. March 27.

32. “The Latest and the Long on Energy: Outlooks and Implications for Louisiana.” (2015). Iberia Bank Advisory Board Meeting, Baton Rouge, Louisiana. February 23.

33. “A Survey of Recent Energy Market Changes and their Potential Implications for Louisiana.” (2015). Vistage Group, New Orleans, Louisiana. February 4.

34. “Energy Prices and the Outlook for the Tuscaloosa Marine Shale.” (2015). Baton Rouge Rotary Club, Baton Rouge, Louisiana. January 28.

35. “Trends in Energy & Energy-Related Economic Development.” (2014). Miller and Thompson Presentation, Baton Rouge, Louisiana. December 30.

36. “Overview EPA’s Proposed Rule Under Section 111(d) of the Clean Air Act: Impacts for Louisiana.” (2014). Louisiana State Bar: Utility Section CLE Annual Meeting, Baton Rouge, Louisiana. November 7.

37. “Overview EPA’s Proposed Clean Power Plan and Impacts for Louisiana.” (2014). Clean Cities Coalition Meeting, Baton Rouge, Louisiana. November 5.

38. “Impacts on Louisiana from EPA’s Proposed Clean Power Plan.” (2014). Air & Waste Management Annual Environmental Conference (Louisiana Chapter), Baton Rouge, Louisiana. October 29, 2014.

39. “A Look at America’s Growing Demand for Natural Gas.” (2014). Louisiana Chemical Association Annual Meeting, New Orleans, Louisiana. October 23.

40. “Trends in Energy & Energy-Related Economic Development.” (2014). 2014 Government Finance Officer Association Meetings, Baton Rouge, Louisiana. October 9.
41. “The Conventional Wisdom Associated with Unconventional Resource Development.” (2014). National Association for Business Economics Annual Conference, Chicago, Illinois. September 28.
42. Unconventional Oil & Natural Gas: Overview of Resources, Economics & Policy Issues. (2014). Society of Environmental Journalists Annual Meeting. New Orleans, Louisiana. September 4.
43. “Natural Gas Leveraged Economic Development in the South.” (2014). Southern Governors Association Meeting, Little Rock, Arkansas. August 16.
44. “The Past, Present and Future of CHP Development in Louisiana.” (2014). Louisiana Public Service Commission CHP Workshop, Baton Rouge, Louisiana. June 25.
45. “Regional Natural Gas Demand Growth: Industrial and Power Generation Trends.” (2014). Kinetica Partners Shippers Meeting, New Orleans, Louisiana. April 30.
46. “The Technical and Economic Potential for CHP in Louisiana and the Impact of the Industrial Investment Renaissance on New CHP Capacity Development.” (2014). Electric Power 2014, New Orleans, Louisiana. April 1.
47. “Industry Investments and the Economic Development of Unconventional Development.” (2014). Tuscaloosa Marine Shale Conference & Expo, Natchez, Mississippi. March 31.
48. Discussion Panelist. Energy Outlook 2035: The Global Energy Industry and Its Impact on Louisiana, (2014). Grow Louisiana Coalition, Baton Rouge, Louisiana. March 18.
49. “Natural Gas and the Polar Vortex: Has Recent Weather Led to a Structural Change in Natural Gas Markets?” (2014). National Association of Statue Utility Consumer Advocates Monthly Gas Committee Meeting. February 19.
50. “Some Unconventional Thoughts on Regional Unconventional Gas and Power Generation Requirements.” (2014). Gulf Coast Power Association Special Briefing, New Orleans, Louisiana. February 6.
51. “Leveraging Energy for Industrial Development.” (2013). 2013 Governor’s Energy Summit, Jackson, Mississippi. December 5.
52. “Natural Gas Line Extension Policies: Ratepayer Issues and Considerations.” (2013). National Association of Statue Utility Consumer Advocates Annual Meeting, Orlando, Florida. November 19.
53. “Replacement, Reliability & Resiliency: Infrastructure & Ratemaking Issues in the Power & Natural Gas Distribution Industries.” (2013). Louisiana State Bar, Public Utility Section Meetings. November 15.
54. “Natural Gas Markets: Leveraging the Production Revolution into an Industrial Renaissance.” (2013). International Technical Conference, Houston, TX. October 11.
55. “Natural Gas, Coal & Power Generation Issues and Trends.” (2013). Southeast Labor

and Management Public Affairs Committee Conference, Chattanooga, Tennessee. September 27.

56. "Recent Trends in Pipeline Replacement Trackers." (2013). National Association of Statue Utility Consumer Advocates Monthly Gas Committee Meeting. September 19.

57. Discussion Panelist (2013). Think About Energy Summit, America's Natural Gas Alliance, Columbus Ohio. September 16-17.

58. "Future Test Years: Issues to Consider." (2013). National Regulatory Research Institute, Teleseminar on Future Test Years. August 28.

59. "Industrial Development Outlook for Louisiana." (2013). Louisiana Water Synergy Project Meetings, Jones Walker Law Firm, Baton Rouge, Louisiana. July 30.

60. "Natural Gas & Electric Power Coordination Issues and Challenges." (2013). Utilities State Government Organization Conference, Pointe Clear, Alabama. July 9.

61. "Natural Gas Market Issues & Trends." (2013). Western Conference of Public Service Commissioners, Santa Fe, New Mexico. June 3.

62. "Louisiana Unconventional Natural Gas and Industrial Redevelopment." (2013). Louisiana Chemical Association/Louisiana Chemical Industry Allianace Annual Legislative Conference, Baton Rouge, Louisiana. May 8.

63. "Infrastructure Cost Recovery Mechanism: Overview of Issues." (2013). Energy Bar Association Annual Meeting, Washington, D.C. May 1.

64. "GOM Offshore Oil and Gas." (2013). Energy Executive Roundtable, New Orleans, Louisiana. March 27.

65. "Louisiana Unconventional Natural Gas and Industrial Redevelopment." (2013). Risk Management Association Luncheon, March 21.

66. "Natural Gas Market Update and Emerging Issues." (2013). NASUCA Gas Committee Conference Call/Webinar, March 12.

67. "Unconventional Resources and Louisiana's Manufacturing Development Renaissance." (2013). Baton Rouge Press Club, De La Ronde Hall, Baton Rouge, LA, January 28.

68. "New Industrial Operations Leveraged by Unconventional Natural Gas." (2013) American Petroleum Institute-Louisiana Chapter. Lafayette, LA, Petroleum Club, January 14.

69. "What's Going on with Energy? How Unconventional Oil and Gas Development is Impacting Renewables, Efficiency, Power Markets, and All that Other Stuff." (2012). Atlanta Economics Club Monthly Meeting. Atlanta, GA. December 11.

70. "Trends, Issues, and Market Changes for Crude Oil and Natural Gas." (2012). East Iberville Community Advisory Panel Meeting. St. Gabriel, LA. September 26.

71. "Game Changers in Crude and Natural Gas Markets." (2012). Chevron Community Advisory Panel Meeting. Belle Chase, LA, September 17.

72. "The Outlook for Renewables in a Changing Power and Natural Gas Market." (2012).

Louisiana Biofuels and Bioprocessing Summit. Baton Rouge, LA. September 11.

73. "The Changing Dynamics of Crude and Natural Gas Markets." (2012). Chalmette Refining Community Advisory Panel Meeting. Chalmette, LA, September 11.

74. "The Really Big Game Changer: Crude Oil Production from Shale Resources and the Tuscaloosa Marine Shale." (2012). Baton Rouge Chamber of Commerce Board Meeting. Baton Rouge, LA, June 27.

75. "The Impact of Changing Natural Gas Prices on Renewables and Energy Efficiency." (2012). NASUCA Gas Committee Conference Call/Webinar. 12 June 2012.

76. "Issues in Gas-Renewables Coordination: How Changes in Natural Gas Markets Potentially Impact Renewable Development" (2012). Energy Bar Association, Louisiana Chapter, Annual Meeting, New Orleans, LA. April 12, 2012.

77. "Issues in Natural Gas End-Uses: Are We Really Focusing on the Real Opportunities?" (2012). Energy Bar Association, Louisiana Chapter, Annual Meeting, New Orleans, LA. April 12, 2012.

78. "The Impact of Legacy Lawsuits on Conventional Oil and Gas Drilling in Louisiana." (2012). Louisiana Oil and Gas Association Annual Meeting, Lake Charles, LA. February 27, 2012.

79. "The Impact of Legacy Lawsuits on Conventional Oil and Gas Drilling in Louisiana." (2012) Louisiana Oil and Gas Association Annual Meeting. Lake Charles, Louisiana. February 27, 2012.

80. "Louisiana's Unconventional Plays: Economic Opportunities, Policy Challenges. Louisiana Mid-Continent Oil and Gas Association 2012 Annual Meeting. (2012) New Orleans, Louisiana. January 26, 2012.

81. "EPA's Recently Proposed Cross State Air Pollution Rule ("CSAPR") and Its Impacts on Louisiana." (2011). Bossier Chamber of Commerce. November 18, 2011.

82. "Facilitating the Growth of America's Natural Gas Advantage." (2011). BASF U.S. Shale Gas Workshop Management Meeting. Florham Park, New Jersey. November 1, 2011.

83. "CSAPR and EPA Regulations Impacting Louisiana Power Generation." (2011). Air and Waste Management Association (Louisiana Section) Fall Conference. Environmental Focus 2011: a Multi-Media Forum. Baton Rouge, LA. October 25, 2011.

84. "Natural Gas Trends and Impact on Industrial Development." (2011). Central Gulf Coast Industrial Alliance Conference. Arthur R. Outlaw Convention Center. Mobile, AL. September 22, 2011.

85. "Energy Market Changes and Policy Challenges." (2011). Southeast Manpower Tripartite Alliance ("SEMTA") Summer Conference. Nashville, TN September 2, 2011.

86. "EPA Regulations, Rates & Costs: Implications for U.S. Ratepayers." (2011). Workshop: "A Smarter Approach to Improving Our Environment." 38th Annual American Legislative Exchange Council ("ALEC") Meetings. New Orleans, LA. August 5, 2011.

87. Panelist/Moderator. Workshop: "Why Wait? Start Energy Independence Today." 38th Annual American Legislative Exchange Council ("ALEC") Meetings. New Orleans, LA. August 4, 2011.

88. "Facilitating the Growth of America's Natural Gas Advantage." Texas Chemical Council, Board of Directors Summer Meeting. San Antonio, TX. July 28, 2011.

89. "Creating Ratepayer Benefits by Reconciling Recent Gas Supply Opportunities with Past Policy Initiatives." National Association of State Utility Consumer Advocates ("NASUCA"), Monthly Gas Committee Meeting. July 12, 2011.

90. "Energy Market Trends and Policies: Implications for Louisiana." (2011). Lakeshore Lion's Club Monthly Meeting. Baton Rouge, Louisiana. June 20, 2011.

91. "America's Natural Gas Advantage: Securing Benefits for Ratepayers Through Paradigm Shifts in Policy." Southeastern Association of Regulatory Commissioners ("SEARUC") Annual Meeting. Nashville, Tennessee. June 14, 2011.

92. "Learning Together: Building Utility and Clean Energy Industry Partnerships in the Southeast." (2011). American Solar Energy Society National Solar Conference. Raleigh Convention Center, Raleigh, North Carolina. May 20, 2011.

93. "Louisiana Energy Outlook and Trends." (2011). Executive Briefing. Counsul General of Canada. LSU Center for Energy Studies, Baton Rouge, Louisiana. May 24, 2011.

94. "Louisiana's Natural Gas Advantage: Can We Hold It? Grow It? Or Do We Need to be Worrying About Other Problems?" (2011). Louisiana Chemical Association Annual Legislative Conference, Baton Rouge, Louisiana, May 5, 2011.

95. "Energy Outlook and Trends: Implications for Louisiana. (2011). Executive Briefing, Legislative Staff, Congressman William Cassidy. LSU Center for Energy Studies, Baton Rouge, Louisiana. March 25, 2011.

96. "Regulatory Issues in Inflation Adjustment Mechanisms and Allowances." (2011). Gas Committee, National Association of State Utility Consumer Advocates ("NASUCA"). February 15, 2011.

97. "Regulatory Issues in Inflation Adjustment Mechanisms and Allowances." (2010). 2010 Annual Meeting, National Association of State Utility Consumer Advocates ("NASUCA"), Omni at CNN Center, Atlanta, Georgia, November 16, 2010.

98. "How Current and Proposed Energy Policy Impacts Consumers and Ratepayers." (2010). 122nd Annual Meeting, National Association of Regulatory Utility Commissioners ("NARUC"), Omni at CNN Center, Atlanta, Georgia, November 15, 2010.

99. "Energy Outlook: Trends and Policies." (2010). 2010 Tri-State Member Service Conference; Arkansas, Louisiana, and Mississippi Electric Cooperatives. L'Auberge du Lac Casino Resort, Lake Charles, Louisiana, October 14, 2010.

100. "Deepwater Moratorium and Louisiana Impacts." (2010). The Energy Council Annual Meeting. Gulf of Mexico Deepwater Horizon Accident, Response, and Policy. Beau Rivage Conference Center. Biloxi, Mississippi. September 25, 2010.

101. “Overview on Offshore Drilling and Production Activities in the Aftermath of Deepwater Horizon.” (2010) Jones Walker Banking Symposium. The Oil Spill: What Will it Mean for Banks in the Region? New Orleans, Louisiana. August 31, 2010.

102. “Long-Term Energy Sector Impacts from the Oil Spill.” (2010). Second Annual Louisiana Oil & Gas Symposium. The BP Gulf Oil Spill: Long-Term Impacts and Strategies. Baton Rouge Geological Society. August 16, 2010.

103. “Overview and Issues Associated with the Deepwater Horizon Accident.” (2010). Global Interdependence Meeting on Energy Issues. Baton Rouge, LA. August 12, 2010.

104. “Overview and Issues Associated with the Deepwater Horizon Accident.” (2010). Regional Roundtable Webinar. National Association for Business Economics. August 10, 2010.

105. “Deepwater Moratorium: Overview of Impacts for Louisiana.” Louisiana Association of Business and Industry Meeting. Baton Rouge, LA. June 25, 2010.

106. Moderator. Senior Executive Roundtable on Industrial Energy Efficiency. U.S. Department of Energy Conference on Industrial Efficiency. Office of Renewable Energy and Energy Efficiency. Royal Sonesta Hotel, New Orleans, LA. May 21, 2010.

107. “The Energy Outlook: Trends and Policies Impacting Southeastern Natural Gas Supply and Demand Growth.” Second Annual Local Economic Analysis and Research Network (“LEARN”) Conference. Federal Reserve Bank of Atlanta. March 29, 2010.

108. “Natural Gas Supply Issues: Gulf Coast Supply Trends and Implications for Louisiana.” Energy Bar Association, New Orleans Chapter Meeting. Jones Walker Law Firm. January 28, 2010, New Orleans, LA.

109. “Potential Impacts of Federal Greenhouse Gas Legislation on Louisiana Industry.” LCA Government Affairs Committee Meeting. November 10, 2009. Baton Rouge, LA

110. “Regulatory and Ratemaking Issues Associated with Cost and Revenue Tracker Mechanisms.” National Association of State Utility Consumer Advocates (“NASUCA”) Annual Meeting. November 10, 2009.

111. “Louisiana’s Stakes in the Greenhouse Gas Debate.” Louisiana Chemical Association and Louisiana Chemical Industry Alliance Annual Meeting: The Billing Dollar Budget Crisis: Catastrophe or Change? New Orleans, LA.

112. “Gulf Coast Energy Outlook: Issues and Trends.” Women’s Energy Network, Louisiana Chapter. September 17, 2009. Baton Rouge, LA.

113. “Gulf Coast Energy Outlook: Issues and Trends.” Natchez Area Association of Energy Service Companies. September 15, 2009, Natchez, MS.

114. “The Small Picture: The Cost of Climate Change to Louisiana.” Louisiana Association of Business and Industry, U.S. Chamber of Commerce, Louisiana Oil and Gas Association, and LSU Center for Energy Studies Conference: Can Louisiana Make a Buck After Climate Change Legislation? August 21, 2009. Baton Rouge, LA.

115. “Carbon Legislation and Clean Energy Markets: Policy and Impacts.” National Association

of Conservation Districts, South Central Region Meeting. August 14, 2009. Baton Rouge, LA.

116. "Evolving Carbon and Clean Energy Markets." The Carbon Emissions Continuum: From Production to Consumption." Jones Walker Law Firm and LSU Center for Energy Studies Workshop. June 23, 2009. Baton Rouge, LA

117. "Potential Impacts of Cap and Trade on Louisiana Ratepayers: Preliminary Results." (2009). Briefing before the Louisiana Public Service Commission. Business and Executive Meeting, May 12, 2009. Baton Rouge, LA.

118. "Natural Gas Outlook." (2009). Briefing before the Louisiana Public Service Commission. Business and Executive Meeting, May 12, 2009. Baton Rouge, LA.

119. "Gulf Coast Energy Outlook: Issues and Trends." (2009). ISA-Lafayette Technical Conference & Expo. Cajundome Conference Center. Lafayette, Louisiana. March 12, 2009.

120. "The Cost of Energy Independence, Climate Change, and Clean Energy Initiatives on Utility Ratepayers." (2009). National Association of Business Economics (NABE). 25th Annual Washington Economic Policy Conference: Restoring Financial and Economic Stability. Arlington, VA March 2, 2009.

121. Panelist, "Expanding Exploration of the U.S. OCS" (2009). Deep Offshore Technology International Conference and Exhibition. PennWell. New Orleans, Louisiana. February 4, 2009.

122. "Gulf Coast Energy Outlook." (2008.) Atmos Energy Regional Management Meeting. Louisiana and Mississippi Division. New Orleans, Louisiana. October 8, 2008.

123. "Background, Issues, and Trends in Underground Hydrocarbon Storage." (2008). Presentation before the LSU Center for Energy Studies Industry Advisory Board Meeting. Baton Rouge, Louisiana. August 27, 2008.

124. "Greenhouse Gas Regulations and Policy: Implications for Louisiana." (2008). Presentation before the Praxair Customer Seminar. Houston, Texas, August 14, 2008.

125. "Market and Regulatory Issues in Alternative Energy and Louisiana Initiatives." (2008). Presentation before the 2008 Statewide Clean Cities Coalition Conference: Making Sense of Alternative Fuels and Advanced Technologies. New Orleans, Louisiana, March 27, 2008.

126. "Regulatory Issues in Rate Design, Incentives, and Energy Efficiency." (2007) Presentation before the New Hampshire Public Utilities Commission. Workshop on Energy Efficiency and Revenue Decoupling. November 7, 2007.

127. "Regulatory Issues for Consumer Advocates in Rate Design, Incentives, and Energy Efficiency." (2007). National Association of State Utility Consumer Advocates, Mid-Year Meeting. June 12, 2007.

128. "Regulatory and Policy Issues in Nuclear Power Plant Development." (2007). LSU Center for Energy Studies Industry Advisory Council Meeting. Baton Rouge, LA. March 23, 2007.

129. “Oil and Gas in the Gulf of Mexico: A North American Perspective.” (2007). Canadian Consulate, Heads of Mission EnerNet Workshop, Houston, Texas. March 20, 2007.

130. “Regulatory Issues for Consumer Advocates in Rate Design, Incentives & Energy Efficiency. (2007). National Association of State Utility Consumer Advocates (“NASUCA”) Gas Committee Monthly Meeting. February 13, 2006.

131. “Recent Trends in Natural Gas Markets.” (2006). National Association of Regulatory Utility Commissioners, 118th Annual Convention. Miami, FL November 14, 2006.

132. “Energy Markets: Recent Trends, Issues & Outlook.” (2006). Association of Energy Service Companies (AESC) Meeting. Petroleum Club, Lafayette, LA, November 8, 2006.

133. “Energy Outlook” (2006). National Business Economics Issues Council. Quarterly Meeting, Nashville, TN, November 1-2, 2006.

134. “Global and U.S. Energy Outlook.” (2006). Energy Virginia Conference. Virginia Military Institute, Lexington, VA October 17, 2006.

135. “Interdependence of Critical Energy Infrastructure Systems.” (2006). Cross Border Forum on Energy Issues: Security and Assurance of North American Energy Systems. Woodrow Wilson Center for International Scholars. Washington, DC, October 13, 2006.

136. “Determining the Economic Value of Coastal Preservation and Restoration on Critical Energy Infrastructure.” (2006) The Economic and Market Impacts of Coastal Restoration: America’s Wetland Economic Forum II. Washington, DC September 28, 2006.

137. “Relationships between Power and Other Critical Energy Infrastructure.” (2006). Rebuilding the New Orleans Region: Infrastructure Systems and Technology Innovation Forum. United Engineering Foundation. New Orleans, LA, September 24-25, 2006.

138. “Outlook, Issues, and Trends in Energy Supplies and Prices.” (2006.) Presentation to the Southern States Energy Board, Associate Members Meeting. New Orleans, Louisiana. July 14, 2006.

139. “Energy Sector Outlook.” (2006). Baton Rouge Country Club Meeting. Baton Rouge, Louisiana. July 11, 2006.

140. “Oil and Gas Industry Post 2005 Storm Events.” (2006). American Petroleum Institute, Teche Chapter. Production, Operations, and Regulations Annual Meeting. Lafayette, Louisiana. June 29, 2006.

141. “Concentration of Energy Infrastructure in Hurricane Regions.” (2006). Presentation before the National Commission on Energy Policy Forum: Ending the Stalemate on LNG Facility Siting. Washington, DC. June 21, 2006.

142. “LNG—A Premier.” (2006). Presentation Given to the U.S. Department of Energy’s “LNG Forums.” Los Angeles, California. June 1, 2006.

143. “Regional Energy Infrastructure, Production and Outlook.” (2006). Executive Briefing for Board of Directors, Louisiana Oil and Gas Plc., Enhanced Exploration, Inc. and Energy Self-Service, Inc. Covington, Louisiana, May 12, 2006.

144. "The Impacts of the Recent Hurricane Season on Energy Production and Infrastructure and Future Outlook." Presentation before the Industrial Energy Technology Conference 2006. New Orleans, Louisiana, May 9, 2006.

145. "Update on Regional Energy Infrastructure and Production." (2006). Executive Briefing for Delegation Participating in U.S. Department of Commerce Gulf Coast Business Investment Mission. Baton Rouge, Louisiana May 5, 2006.

146. "Hurricane Impacts on Energy Production and Infrastructure." (2006). Presentation before the Interstate Natural Gas Association of America Mid-Year Meeting. Hyatt Regency Hill Country. April 21, 2006.

147. "LNG—A Premier." Presentation Given to the U.S. Department of Energy's "LNG Forums." Astoria, Washington. April 28, 2006.

148. Natural Gas Market Outlook. Invited Presentation Given to the Georgia Public Service Commission and Staff. Georgia Institute of Technology, Atlanta, Georgia. March 10, 2006.

149. The Impacts of Hurricanes Katrina and Rita on Louisiana's Energy Industry. Presentation to the Louisiana Economic Development Council. Baton Rouge, Louisiana. March 8, 2006.

150. Energy Markets: Hurricane Impacts and Outlook. Presentation to the 2006 Louisiana Independent Oil and Gas Association Annual Conference. L'Auberge du Lac Resort and Casino. Lake Charles, Louisiana. March 6, 2006

151. Energy Market Outlook and Update on Hurricane Damage to Energy Infrastructure. Presentation to the Energy Council 2005 Global Energy and Environmental Issues Conference. Santa Fe, New Mexico, December 10, 2005.

152. "Putting Our Energy Infrastructure Back Together Again." Presentation Before the 117th Annual Convention of the National Association of Regulatory Utility Commissioners (NARUC). November 15, 2005. Palm Springs, CA

153. "Hurricanes and the Outlook for Energy Markets." Presentation before the Baton Rouge Rotary Club. November 9, 2005, Baton Rouge, LA.

154. "Hurricanes, Energy Supplies and Prices." Presentation before the Louisiana Department of Natural Resources and Atchafalaya Basin Committee Meeting. November 8, 2005. Baton Rouge, LA.

155. "The Impact of the Recent Hurricane's on Louisiana's Energy Industry." Presentation before the Louisiana Independent Oil and Gas Association Board of Directors Meeting. November 8, 2005. Baton Rouge, LA.

156. "The Impact of the Recent Hurricanes on Louisiana's Infrastructure and National Energy Markets." Presentation before the Baton Rouge City Club Distinguished Speaker Series. October 13, 2005. Baton Rouge, LA.

157. "The Impact of the Recent Hurricanes on Louisiana's Infrastructure and National Energy Markets." Presentation before Powering Up: A Discussion About the Future of Louisiana's

Energy Industry. Special Lecture Series Sponsored by the Kean Miller Law Firm. October 13, 2005. Baton Rouge, LA.

158. "The Impact of Hurricane Katrina on Louisiana's Energy Infrastructure and National Energy Markets." Special Lecture on Hurricane Impacts, LSU Center for Energy Studies, September 29, 2005.

159. "Louisiana Power Industry Overview." Presentation before the Clean Air Interstate Rule Implementation Stakeholders Meeting. August 11, 2005. Louisiana Department of Environmental Quality.

160. "CES 2005 Legislative Support and Outlook for Energy Markets and Policy." Presentation before the LMOGA/LCA Annual Post-Session Legislative Committee Meeting. August 10-13, 2005. Perdido Key, Florida.

161. "Electric Restructuring: Past, Present, and Future." Presentation to the Southeastern Association of Tax Administrators Annual Conference. Sheraton Hotel and Conference Facility. New Orleans, LA July 12, 2005.

162. "The Outlook for Energy." Lagniappe Studies Continuing Education Course. Baton Rouge, LA. July 11, 2005.

163. "The Outlook for Energy." Sunshine Rotary Club. Baton Rouge, LA. April 27, 2005.

164. "Background and Overview of LNG Development." Energy Council Workshop on LNG/CNG. Biloxi, Ms: Beau Rivage Resort and Hotel, April 9, 2005.

165. "Natural Gas Supply, Prices, and LNG: Implications for Louisiana Industry." Cytec Corporation Community Advisory Panel. Fortier, LA January 14, 2005.

166. "The Economic Opportunities for a Limited Industrial Retail Choice Plan." Louisiana Department of Economic Development. Baton Rouge, Louisiana. November 19, 2004.

167. "Energy Issues for Industrial Customers of Gas and Power." Louisiana Association of Business and Industry, Energy Council Meeting. Baton Rouge, Louisiana. October 11, 2004.

168. "Energy Issues for Industrial Customers of Gas and Power." Annual Meeting of the Louisiana Chemical Association and the Louisiana Chemical Industry Alliance. Point Clear, Alabama. October 8, 2004.

169. "Energy Issues for Industrial Customers of Gas and Power." American Institute of Chemical Engineers – New Orleans Section. New Orleans, LA. September 22, 2004.

170. "Natural Gas Supply, Prices and LNG: Implications for Louisiana Industry." Dow Chemical Company Community Advisory Panel Meeting. Plaquemine, LA. August 9, 2004.

171. "Energy Issues for Industrial Customers of Gas and Power." Louisiana Chemical Association Post-Legislative Meeting. Springfield, LA. August 9, 2004.

172. "LNG In Louisiana." Joint Meeting of the Louisiana Economic Development Council and the Governors Cabinet Advisory Council. Baton Rouge, LA. August 5, 2004.

173. "Louisiana Energy Issues." Louisiana Mid-Continent Oil and Gas Association Post Legislative Meetings. Sandestin, Florida. July 28, 2004.

174. "The Gulf South: Economic Opportunities Related to LNG." Presentation before the Energy Council's 2004 State and Provincial Energy and Environmental Trends Conference. Point Clear, AL, June 26, 2004.

175. "Natural Gas and LNG Issues for Louisiana." Presentation before the Rhodia Community Advisory Panel. May 20, 2004, Baton Rouge, LA.

176. "The Economic Opportunities for LNG Development in Louisiana." Presentation before the Louisiana Chemical Association Plant Managers Meeting. May 27, 2004. Baton Rouge, LA.

177. The Economic Opportunities for LNG Development in Louisiana." Presentation before the Louisiana Chemical Association/Louisiana Chemical Industry Alliance Legislative Conference. May 26, 2004. Baton Rouge, LA.

178. "The Economic Opportunities for LNG Development in Louisiana." Presentation before the Petrochemical Industry Cluster, Greater New Orleans, Inc. May 19, 2004, Destrehan, LA.

179. "Industry Development Issues for Louisiana: LNG, Retail Choice, and Energy." Presentation before the LSU Center for Energy Studies Industry Associates. May 14, 2004, Baton Rouge, LA.

180. "The Economic Opportunities for LNG Development in Louisiana." Presentation before the Board of Directors, Greater New Orleans, Inc. May 13, 2004, New Orleans, LA.

181. "Natural Gas Outlook: Trends and Issues for Louisiana." Presentation before the Louisiana Joint Agricultural Association Meetings. January 14, 2004, Hotel Acadiana, Lafayette, Louisiana.

182. "Natural Gas Outlook" Presentation before the St. James Parish Community Advisory Panel Meeting. January 7, 2004, IMC Production Facility, Convent, Louisiana.

183. "Competitive Bidding in the Electric Power Industry." Presentation before the Association of Energy Engineers. Business Energy Solutions Expo. December 11-12, 2003, New Orleans, Louisiana.

184. "Regional Transmission Organization in the South: The Demise of SeTrans" Presentation before the LSU Center for Energy Studies Industry Associates Advisory Council Meeting. December 9, 2003. Baton Rouge, Louisiana.

185. "Affordable Energy: The Key Component to a Strong Economy." Presentation before the National Association of Regulatory Utility Commissioners ("NARUC"), November 18, 2003, Atlanta, Georgia.

186. "Natural Gas Outlook." Presentation before the Louisiana Chemical Association, October 17, 2003, Pointe Clear, Alabama.

187. “Issues and Opportunities with Distributed Energy Resources.” Presentation before the Louisiana Biomass Council. April 17, 2003, Baton Rouge, Louisiana.

188. “What’s Happened to the Merchant Energy Industry? Issues, Challenges, and Outlook” Presentation before the LSU Center for Energy Studies Industry Associates Advisory Council Meeting. November 12, 2002. Baton Rouge, Louisiana.

189. “An Introduction to Distributed Energy Resources.” Presentation before the U.S. Department of Energy, Office of Renewable Energy and Energy Efficiency, State Energy Program/Rebuild America Conference, August 1, 2002, New Orleans, Louisiana.

190. “Merchant Energy Development Issues in Louisiana.” Presentation before the Program Committee of the Center for Legislative, Energy, and Environmental Research (CLEER), Energy Council. April 19, 2002.

191. “Power Plant Siting Issues in Louisiana.” Presentation before 24th Annual Conference on Waste and the Environment. Sponsored by the Louisiana Department of Environmental Quality. Lafayette, Louisiana, Cajundome. March 12, 2002.

192. “Merchant Power and Deregulation: Issues and Impacts.” Presentation before the Air and Waste Management Association Annual Meeting. Baton Rouge, LA, November 15, 2001.

193. “Moving to the Front of the Lines: The Economic Impact of Independent Power Production in Louisiana.” Presentation before the LSU Center for Energy Studies Merchant Power Generation and Transmission Conference, Baton Rouge, LA. October 11, 2001.

194. “Economic Impacts of Merchant Power Plant Development in Mississippi.” Presentation before the U.S. Oil and Gas Association Annual Oil and Gas Forum. Jackson, Mississippi. October 10, 2001.

195. “Economic Opportunities for Merchant Power Development in the South.” Presentation before the Southern Governor’s Association/Southern State Energy Board Meetings. Lexington, KY. September 9, 2001.

196. “The Changing Nature of the Electric Power Business in Louisiana.” Presentation before the Louisiana Department of Environmental Quality. Baton Rouge, LA, August 27, 2001.

197. “Power Business in Louisiana: Background and Issues.” Presentation before the Louisiana Interagency Group on Merchant Power Development . Baton Rouge, LA, July 16, 2001.

198. “The Changing Nature of the Electric Power Business in Louisiana: Background and Issues.” Presentation before the Louisiana Office of the Governor. Baton Rouge, LA, July 16, 2001.

199. “The Changing Nature of the Electric Power Business in Louisiana: Background and Issues.” Presentation before the Louisiana Department of Economic Development. Baton Rouge, LA, July 3, 2001.

200. “The Economic Impacts of Merchant Power Plant Development In Mississippi.” Presentation before the Mississippi Public Service Commission. Jackson, Mississippi, March 20, 2001.

201. "Energy Conservation and Electric Restructuring." With Ritchie D. Priddy. Presentation before the Louisiana Department of Natural Resources. Baton Rouge, Louisiana, October 23, 2000.

202. "Pricing and Regulatory Issues Associated with Distributed Energy." Joint Conference by Econ One Research, Inc., the Louisiana State University Distributed Energy Resources Initiative, and the University of Houston Energy Institute: "Is the Window Closing for Distributed Energy?" Houston, Texas, October 13, 2000.

203. "Electric Reliability and Merchant Power Development Issues." Technical Meetings of the Louisiana Public Service Commission. Baton Rouge, LA. August 29, 2000.

204. "A Introduction to Distributed Energy Resources." Summer Meetings, Southeastern Association of Regulatory Utility Commissioners (SEARUC). New Orleans, LA. June 27, 2000.

205. Roundtable Moderator/Discussant. Mid-South Electric Reliability Summit. U.S. Department of Energy. New Orleans, Louisiana. April 24, 2000.

206. "Electricity 101: Definitions, Precedents, and Issues." Energy Council's 2000 Federal Energy and Environmental Matters Conference. Loews L'Enfant Plaza Hotel, Washington, D.C. March 11-13, 2000.

207. "LSU/CES Distributed Energy Resources Initiatives." Los Alamos National Laboratories. Office of Energy and Sustainable Systems. Los Alamos, New Mexico. February 16, 2000.

208. "Distributed Energy Resources Initiatives." Louisiana State University, Center for Energy Studies Industry Associates Meeting. Baton Rouge, Louisiana. December 15, 1999.

209. "Merchant Power Opportunities in Louisiana." Louisiana Mid-Continent Oil and Gas Association (LMOGA) Power Generation Committee Meetings. Baton Rouge, Louisiana. November 10, 1999.

210. Roundtable Discussant. "Environmental Regulation in a Restructured Market" The Big E: How to Successfully Manage the Environment in the Era of Competitive Energy. PUR Conference. New Orleans, Louisiana. May 24, 1999.

211. "The Political Economy of Electric Restructuring In the South" Southeastern Electric Exchange, Rate Section Annual Conference. New Orleans, Louisiana. May 7, 1999.

212. "The Dynamics of Electric Restructuring in Louisiana." Joint Meeting of the American Association of Energy Engineers and the International Association of Facilities Managers. Metairie, Louisiana. April 29, 1999.

213. "The Implications of Electric Restructuring on Independent Oil and Gas Operations." Petroleum Technology Transfer Council Workshop: Electrical Power Cost Reduction Methods in Oil and Gas Field Operations. Lafayette, Louisiana, March 24, 1999.

214. "What's Happened to Electricity Restructuring in Louisiana?" Louisiana State University, Center for Energy Studies Industry Associates Meeting. March 22, 1999.

215. "A Short Course on Electric Restructuring." Central Louisiana Electric Company. Sales and Marketing Division. Mandeville, Louisiana, October 22, 1998.

216. "The Implications of Electric Restructuring on Independent Oil and Gas Operations." Petroleum Technology Transfer Council Workshop: Electrical Power Cost Reduction Methods in Oil and Gas Field Operations. Shreveport, Louisiana, October 13, 1998.

217. "How Will Utility Deregulation Affect Tourism." Louisiana Travel Promotion Association Annual Meeting, Alexandria, Louisiana. January 15, 1998.

218. "Reflections and Predictions on Electric Utility Restructuring in Louisiana." With Fred I. Denny. Louisiana State University, Center for Energy Studies Industry Associates Meeting. November 20, 1997.

219. "Electric Utility Restructuring in Louisiana." Hammond Chamber of Commerce, Hammond, Louisiana. October 30, 1997.

220. "Electric Utility Restructuring." Louisiana Association of Energy Engineers. Baton Rouge, Louisiana. September 11, 1997.

221. "Electric Utility Restructuring: Issues and Trends for Louisiana." Opelousas Chamber of Commerce, Opelousas, Louisiana. June 24, 1997.

222. "The Electric Utility Restructuring Debate In Louisiana: An Overview of the Issues." Annual Conference of the Public Affairs Research Council of Louisiana. Baton Rouge, Louisiana. March 25, 1997.

223. "Electric Restructuring: Louisiana Issues and Outlook for 1997." Louisiana State University, Center for Energy Studies Industry Associates Meeting, Baton Rouge, Louisiana, January 15, 1997.

224. "Restructuring the Electric Utility Industry." Louisiana Propane Gas Association Annual Meeting, Alexandria, Louisiana, December 12, 1996.

225. "Deregulating the Electric Utility Industry." Eighth Annual Economic Development Summit, Baton Rouge, Louisiana, November 21, 1996.

226. "Electric Utility Restructuring in Louisiana." Jennings Rotary Club, Jennings, Louisiana, November 19, 1996.

227. "Electric Utility Restructuring in Louisiana." Entergy Services, Transmission and Distribution Division, Energy Centre, New Orleans, Louisiana, September 12, 1996

228. "Electric Utility Restructuring" L ouisiana Electric Cooperative Association, Baton Rouge, Louisiana, August 27, 1996.

229. "Electric Utility Restructuring -- Background and Overview." Louisiana Public Service Commission, Baton Rouge, Louisiana, August 14, 1996.

230. "Electric Utility Restructuring." Sunshine Rotary Club Meetings, Baton Rouge, Louisiana, August 8, 1996.

231. Roundtable Moderator, "Stakeholder Perspectives on Electric Utility Stranded Costs." Louisiana State University, Center for Energy Studies Seminar on Electric Utility Restructuring in Louisiana, Baton Rouge, May 29, 1996.

232. Panelist, "Deregulation and Competition." American Nuclear Society: Second Annual Joint Louisiana and Mississippi Section Meetings, Baton Rouge, Louisiana, April 20, 1996.

EXPERT WITNESS, LEGISLATIVE, AND PUBLIC TESTIMONY; EXPERT REPORTS, RECOMMENDATIONS, AND AFFIDAVITS

1. Expert Testimony. Docket No. GR17070776. Before the New Jersey Board of Public Utilities. *In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II").* Issues: economic impact, infrastructure replacement program rider, pipeline replacement, leak rate comparisons and cost benefit analysis.

2. Expert Affidavit. Case No. 18-489. (2018). Before the Civil District Court for the Parish of Orleans, State of Louisiana. *Bayou Bridge Pipeline, LLC versus The White Castle Lumber and Shingle Company Limited and Jeanerette Lumber & Shingle CO. L.L.C.* Issues: economic impact of crude oil pipeline development.

3. Expert Testimony. Formal Case No. 1142. (2017). Before the Public Service Commission of the District of Columbia. *In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.* On Behalf of the Office of the People's Counsel. Issues: merger/acquisition policy, financial risk, ring-fencing, and reliability.

4. Expert Testimony. D.P.U. 17-05. (2017). Before the Massachusetts Department of Public Utilities. *Petition of NSTAR Electric Company and Western Massachusetts Electric Company each d/b/a Eversource Energy for Approval of an Increase in Base Distribution Rates for Electric Service Pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00*. On Behalf of the Massachusetts Office of the Attorney General Office of Ratepayer Advocacy. Issues: performance-based ratemaking, multi-factor productivity estimation.

5. Deposition and Testimony. (2017) Before the Nebraska Section 70, Article 13 Arbitration Panel. *Northeast Nebraska Public Power District, City of South Sioux City Nebraska; City of Wayne, Nebraska; City of Valentine, Nebraska; City of Beatrice, Nebraska; City of Scribner, Nebraska; Village of Walthill, Nebraska, vs. Nebraska Public Power District.* On the Behalf of Baird Holm LLP for the Plaintiffs. Issues: rate discounts; cost of service; utility regulation, economic harm.

6. Expert Testimony. Docket No. 16-052-U. (2017). Before the Arkansas Public Service Commission. *In the Matter of the Application of the Oklahoma Gas and Electric Company for Approval of a General Change in Rates, Charges and Tariffs.* On the Behalf of the Office of Arkansas Attorney General Leslie Rutledge. Issues: cost of service, rate design, alternative regulation, formula rate plan.

7. Expert Testimony. Docket No. 16-KCPE-593-ACQ. (2016). Before the Kansas Corporation Commission. In the Matter of the Joint Application *of Great Plains Energy*

Incorporated, Kansas City Power & Light Company, and Westar Energy, Inc. for Approval of the Acquisition of Westar, Inc. by Great Plains Energy Incorporated. On the Behalf of the Kansas Electric Power Cooperative, Inc. Issues: merger/acquisition policy, financial risk, and ring-fencing.

8. Expert Testimony. Formal Case No. 1139. (2016). Before the Public Service Commission of the District of Columbia. *In the Matter of the Application of Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service.* On the Behalf of the Office of the People's Counsel for the District of Columbia. Issues: cost of service, rate design, alternative regulation.

9. Expert Affidavit. Docket No. CP15-558-000 (2016). Before the United States of America Federal Energy Regulatory Commission. *PennEast Pipeline Company, LLC*. Affidavit and Reply Affidavit. On the Behalf of the New Jersey Division of Rate Counsel. Issues: pipeline capacity, peak day requirements.

10. Expert Testimony. Docket No. RPU-2016-0002. (2016). Before the Iowa Utilities Board. *In re: Iowa American Water Company application for revision of rates.* On behalf of the Citizens of the State of Florida. Issue: revenue stabilization mechanism, revenue decoupling.

11. Expert Testimony. Docket No. 15-015-U. (2016). Before the Arkansas Public Service Commission. *In the Matter of the Formula Rate Plan Filings of Entergy Arkansas, Inc., Pursuant to APSC Docket No. 15-015-U*. On behalf of the Office of the Arkansas Attorney General Leslie Rutledge. Issue: formula rate plan evaluation.

12. Expert Testimony. Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI. (2016). Before the Florida Public Service Commission. *In re: Petition for rate increase by Florida Power & Light Company (consolidated).* On behalf of the Office of Consumer Advocate, Iowa Department of Justice. Issue: load forecasting.

13. Expert Testimony. Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI. (2016). Before the Florida Public Service Commission. *In re: Petition for rate increase by Florida Power & Light Company (consolidated).* On behalf of the Citizens of the State of Florida. Issue: off-system sales incentives.

14. Expert Testimony. Project No. 5-103. (2016). United States of America Federal Energy Regulatory Commission. *Confederated Salish and Kootenai Tribes Energy Keepers, Incorporated*. On behalf of the Flathead, Mission, and Jocko Valley Irrigation Districts and the Flathead Joint Board of Control of the Flathead, Mission, and Jocko Valley Irrigation Districts.

15. Expert Testimony. Docket No. 15-098-U. (2016). Before the Arkansas Public Service Commission. *In the Matter of the Application of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas for a General Change or Modification in its Rates, Charges and Tariffs.* On behalf of the Office of the Arkansas Attorney General. Issues: formula rate plan, cost of service and rate design.

16. Expert Testimony. BPU Docket No. GM15101196. (2016). *In the Matter of the Merger of Southern Company and AGL Resources, Inc*. On behalf of the New Jersey Division of

Rate Counsel. Issues: merger standards of review, customer dividend contributions, synergy savings and costs to achieve, ratemaking treatment of merger-related costs.

17. Expert Testimony. Docket No. 15-078-U. (2015). Before the Arkansas Public Service Commission. *In the Matter of the Joint Application of SourceGas Inc., SourceGas LLC, SourceGas Holdings LLC and Black Hills Utility Holdings, Inc. for all Necessary Authorizations and Approvals for Black Hills Utility Holdings, Inc. to Acquire SourceGas Holdings LLC.* On behalf of the Office of the Arkansas Attorney General. Issues: public policy and regulatory policy associated with the acquisition.

18. Expert Testimony. Docket No. 15-031-U. (2015). Before the Arkansas Public Service Commission. *In the Matter of the Application of SourceGas Arkansas Inc. for an Order Approving the Acquisition of Certain Storage Facilities and the Recovery of Investments and Expenses Associated Therewith.* On behalf of the Office of the Arkansas Attorney General. Issues: cost-benefit analysis, transmission cost analysis, and a due diligence analysis.

19. Expert Testimony. Docket No. 15-015-U. (2015). Before the Arkansas Public Service Commission. *In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service.* On behalf of the Office of the Arkansas Attorney General. Issues: economic development riders and production plant cost allocation.

20. Expert Testimony. Docket No. 7970. (2015). Before the Vermont Public Service Board. *Petition of Vermont Gas Systems, Inc., for a certificate of public good pursuant to 30 V.S.A.§ 248, authorizing the construction of the "Addison Natural Gas Project" consisting of approximately 43 miles of new natural gas transmission pipeline in Chittenden and Addison Counties, approximately 5 miles of new distribution mainlines in Addison County, together with three new gate stations in Williston, New Haven, and Middlebury, Vermont*. On behalf of AARP-Vermont. Issues: net economic benefits of proposed natural gas transmission project.

21. Expert Testimony. File No. ER-2014-0370 (2015). Before the Public Service Commission of the State of Missouri. *In the Matter of Kansas City Power & Light Company for Authority Implement A General Rate Increase for Electric Service*. On behalf of the Missouri Office of the People's Counsel. Issues: customer charges, rate design, revenue distribution, class cost of service, and policy and ratemaking considerations in connection with electric vehicle charging stations.

22. Expert Testimony. File No. ER-2014-0351 (2015). Before the Public Service Commission of the State of Missouri. *In the Matter of The Empire District Electric Company for Authority To File Tariffs Increasing Rates for Electric Service Provided to Customers In the Company's Missouri Service Area*. On behalf of the Missouri Office of the People's Counsel. Issues: customer charges, rate design, revenue distribution, and class cost of service.

23. Expert Testimony. D.P.U. 14-130 (2015). Before the Massachusetts Department of Public Utilities. *Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval by the Department of Public Utilities of the Company's 2015 Gas System Enhancement*

Program Plan, pursuant to G.L. c. 164, § 145, and for rates effective May 1, 2015. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

24. Expert Testimony. D.P.U. 14-131 (2015). Before the Massachusetts Department of Public Utilities. *Petition of The Berkshire Gas Company for approval by the Department of Public Utilities of the Company's Gas System Enhancement Program Plan for 2015, pursuant to G.L. c. 164, § 145, and for rates effective May 1, 2015*. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

25. Expert Testimony. D.P.U. 14-132 (2015). Before the Massachusetts Department of Public Utilities. *Petition of Boston Gas Company and Colonial Gas Company d/b/a National Grid for approval by the Department of Public Utilities of the Companies' Gas System Enhancement Program for 2015, pursuant to G.L. c. 164, § 145, and for rates effective May 1, 2015*. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

26. Expert Testimony. D.P.U. 14-133 (2015). Before the Massachusetts Department of Public Utilities. *Petition of Liberty Utilities for approval by the Department of Public Utilities of the Company's Gas System Enhancement Program Plan for 2015, pursuant to G.L. c. 164, § 145, and for rates effective May 1, 2015*. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

27. Expert Testimony. D.P.U. 14-134 (2015). Before the Massachusetts Department of Public Utilities. *Petition of Bay State Gas Company d/b/a Columbia Gas of Massachusetts for approval by the Department of Public Utilities of the Company's Gas System Enhancement Program Plan for 2015, pursuant to G.L. c. 164, § 145, and for rates to be effective May 1, 2015*. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

28. Expert Testimony. D.P.U. 14-135 (2015). Before the Massachusetts Department of Public Utilities. *Petition of NSTAR Gas Company for approval by the Department of Public Utilities of the Company's Gas System Enhancement Program Plan for 2015, pursuant to G.L. c. 164, § 145, and for rates to be effective May 1, 2015*. On behalf of the Attorney General's Office. Issues: ratepayer protections, cost allocations, rate design, performance metrics.

29. Expert Report. Docket No. X-33192 (2015). Before the Louisiana Public Service Commission. *Examination of the Comprehensive Costs and Benefits of Net Metering in Louisiana.* On behalf of the Louisiana Public Service Commission. Issues: cost-benefit, cost of service, rate impact.

30. Expert Testimony. F.C. 1119 (2014). Before the District of Columbia Public Service Commission. *In the Matter of the Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and new Special Purpose Entity, LLC*. On behalf of the Office of the People's Counsel. Issues: economic impact analysis, reliability, consumer investment fund, regulatory oversight, impacts to competitive electricity markets.

31. Expert Report. Civil Action 1:08-cv-0046 (2014). Before the U.S. District Court for the Southern District of Ohio. *Anthony Williams, et al., v. Duke Energy International, Inc., et al.* On behalf of Markovits, Stock & DeMarco, Attorneys & Counselors at Law. Issues: public utility regulation, electric power markets, economic harm.

32. Expert Testimony. D.P.U. 14-64 (2014). Before the Massachusetts Department of Public Utilities. *NSTAR Gas Company/HOPCO Gas Services Agreement. On behalf of the Office of the Public Advocate*. Issues: certain ratemaking features associated with the proposed Gas Service Agreement.

33. Expert Testimony. Docket Nos. 14-0224 and 14-0225 (2014). Before the Illinois Commerce Commission. *In the Matter of the Peoples Gas Light and Coke Company and North Shore Gas Company Proposed General Increase in Rates for Gas Service (consolidated)*. On behalf of the People of the State of Illinois. Issues: test year expenses, cost benchmarking analysis, pipeline replacement, and leak rate comparisons.

34. Expert Testimony. Docket 8191 (2014). Before the Vermont Public Service Board. *In Re: Petition of Green Mountain Power Corporation for Approval of a Successor Alternative Regulation Plan.* On the behalf of AARP-Vermont. Issues: Alternative Regulation.

35. Expert Testimony. Docket No. 2013-00168 (2014). Before the Maine Public Utilities Commission. *In the Matter of the Request for Approval of an Alternative Rate Plan (ARP 2014) Pertaining to Central Maine Power Company*. On behalf of the Office of the Public Advocate. Issues: class cost of service study, marginal cost of service study, revenue distribution and rate design.

36. Expert Testimony. D.P.U. 13-90 (2013). Before the Massachusetts Department of Public Utilities. *Petition of Fitchburg Gas and Electric Light Company (Electric Division) d/b/a Unitil to the Department of Public Utilities for approval of the rates and charges and increase in base distribution rates for electric service.* On behalf of the Office of the Ratepayer Advocate. Issues: capital cost adjustment mechanism and performance-based regulation.

37. Expert Testimony. BPU Docket Nos. EO13020155 and GO13020156. (2013). Before the State of New Jersey Board of Public Utilities. *I/M/O The Petition of Public Service Electric & Gas Company for the Approval of the Energy Strong Program.* On behalf of the Division of Rate Counsel. Issues: economic impact, infrastructure replacement program rider, pipeline replacement, leak rate comparisons and cost benefit analysis.

38. Expert Testimony. D.P.U. 13-75 (2013). Before the Massachusetts Department of Public Utilities. *Investigation by the Department of Public Utilities on its Own Motion as to the Propriety of the Rates and Charges by Bay State Gas Company d/b/a Columbia Gas of Massachusetts set forth in Tariffs M.D.P.U. Nos. 140 through 173, and Approval of an Increase in Base Distribution Rates for Gas Service Pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00 et seq., filed with the Department on April 16, 2013, to be effective May 1, 2013*. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Target infrastructure replacement program rider, pipeline replacement, and leak rate comparisons; environmental benefits analysis; O&M offset; and cost benchmarking analysis.

39. Expert Testimony. Docket No. 13-115 (2013). Before the Delaware Public Service Commission. *In the Matter of the Application of Delmarva Power & Light Company FOR an Increase in Electric Base Rates and Miscellaneous Tariff Changes* (Filed March 22, 2013). On the Behalf of Division of the Public Advocate. Issues: pro forma infrastructure proposal, class cost of service study, revenue distribution, and rate design.

40. Expert Testimony. Formal Case No. 1103 (2013). Before the Public Service Commission of the District of Columbia. *In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service*. On the Behalf of the Office of the People's Counsel of the District of Columbia. Issues: Pro forma adjustment for reliability investments.

41. Expert Testimony. Case No. 9326 (2013). Before the Public Service Commission of Maryland. *In the Matter of the Application of Baltimore Gas and Electric Company for Adjustments to its Electric and Gas Base Rates*. On the Behalf of the Maryland Office of the People's Counsel. Issues: Electric Reliability Investment ("ERI") initiatives, pro forma gas infrastructure proposal, tracker mechanisms, class cost of service study, revenue distribution, and rate design

42. Rulemaking Testimony. (2013). Before the Louisiana Tax Commission. Examination of Louisiana Assessors' Association Well Diameter Analysis, economic development policies regarding midstream assets and industrial development.

43. Expert Testimony. Case No. 9317 (2013). Before the Public Service Commission of Maryland. *In the Matter of the Application of Delmarva Power & Light Company for Adjustments to its Retail Rates for the Distribution of Electric Energy*. Direct, and Surrebuttal. On the Behalf of the Maryland Office of the People's Counsel. Issues: Grid Resiliency Charge, tracker mechanisms, pipeline replacement, class cost of service study, revenue distribution, and rate design.

44. Expert Testimony. Case No. 9311 (2013). Before the Public Service Commission of Maryland. *In the Matter of the Application of Potomac Electric Power Company for an Increase in its Retail Rates for the Distribution of Electric Energy*. Direct, and Surrebuttal. On the Behalf of the Maryland Office of the People's Counsel. Issues: Grid Resiliency Charge, tracker mechanisms, pipeline replacement, class cost of service study, revenue distribution, and rate design.

45. Expert Testimony. Docket No. 12AL-1268G (2013). Before the Public Utilities Commission of the State of Colorado. *In the Matter of the Tariff Sheets Filed by Public Service Company of Colorado with Advice No. 830 – Gas. Answer*. On the Behalf of the Colorado Office of Consumer Counsel. Issues: Pipeline System Integrity Adjustment, tracker mechanisms, pipeline replacement and leak rate comparisons.

46. Expert Testimony. BPU Docket No. EO12080721 (2013). Before the New Jersey Board of Public Utilities. *In the Matter of the Public Service Electric & Gas Company for Approval of an Extension of Solar Generation Program*. On the Behalf of the New Jersey Division of Rate Counsel. Direct, Rebuttal, Surrebuttal. Issues: solar energy market design, solar energy market conditions, solar energy program design and net economic benefits.

47. Expert Testimony. BPU Docket No. EO12080726 (2013). Before the New Jersey Board of Public Utilities. *In the Matter of the Petition of Public Service Electric & Gas Company for Approval of a Solar Loan III Program.* On the Behalf of the New Jersey Division of Rate Counsel. Direct, Rebuttal and Surrebuttal. Issues: solar energy market design, solar energy market conditions, solar energy program design.

48. Expert Testimony. BPU Docket No. EO11050314V. (2012). Before the New Jersey Board of Public Utilities. *In the Matter of the Petition of Fishermen's Atlantic City Windfarm, LLC for the Approval of the State Waters Project and Authorizing Offshore Wind Renewable Energy Certificates*. On the Behalf of the New Jersey Division of Rate Counsel. December 17, 2012. Issues: approval of offshore wind project and ratepayer financial support for the proposed project.

49. Expert Testimony. D.P.U. 12-25. (2012). Before the Massachusetts Department of Public Utilities. *In the Matter of Bay State Gas Company d/b/a/ Columbia Gas Company of Massachusetts Request for Increase in Rates*. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Target infrastructure replacement program rider, pipeline replacement and leak rate comparisons.

50. Expert Testimony. Docket Nos. UE-120436, et.al. (consolidated). (2012). Before the Washington Utilities and Transportation Commission. *Washington Utilities and Transportation Commission v. Avista Corporation D/B/A Avista Utilities*. On the Behalf of the Washington Attorney General, Office of the Public Counsel. Issues: Revenue Decoupling, lost revenues, tracker mechanisms, attrition adjustments.

51. Expert Testimony. Case No. 9286. (2012) Before the Public Service Commission of Maryland. *In Re: Potomac Electric Power Company ("Pepco") General Rate Case*. On the Behalf of the Maryland Office of the People's Counsel. Issues: Capital tracker mechanisms/reliability investment mechanisms, reliability issues, regulatory lag, class cost of service, revenue distribution, rate design.

52. Expert Testimony. Case No 9285. (2012) Before the Public Service Commission of Maryland. *In Re: the Delmarva Power and Light Company General Rate Case*. On the Behalf of the Maryland Office of the People's Counsel. Issues: Capital tracker mechanisms/reliability investment mechanisms, reliability issues, regulatory lag, class cost of service, revenue distribution, rate design.

53. Expert Testimony. Docket Nos. UE-110876 and UG-110877 (consolidated). (2012). Before the Washington Utilities and Transportation Commission. *Washington Utilities and Transportation Commission v. Avista Corporation D/B/A Avista Utilities*. On the Behalf of the Washington Attorney General, Office of the Public Counsel. Issues: Revenue Decoupling, lost revenues, tracker mechanisms.

54. Expert Testimony. BPU Docket No. EO11050314V. (2012). Before the New Jersey Board of Public Utilities. *In the Matter of the Petition of Fishermen's Atlantic City Windfarm, LLC for the Approval of the State Waters Project and Authorizing Offshore Wind Renewable Energy Certificates*. On the Behalf of the New Jersey Division of Rate Counsel. February 3, 2012. Issues: approval of offshore wind project and ratepayer financial support for the proposed project.

55. Expert Testimony. Docket No. NG 0067. (2012). Before the Public Service Commission of Nebraska. *In the Matter of the Application of SourceGas Distribution, LLC Approval of a General Rate Increase*. On the Behalf of the Public Advocate. January 31, 2012. Issues: Revenue Decoupling, Customer Adjustments, Weather Normalization Adjustments, Class Cost of Service Study, Rate Design.

56. Expert Testimony. Docket No. G-04204A-11-0158. (2011). Before the Arizona Corporation Commission. On the Behalf of the Arizona Corporation Commission Staff. *In the Matter of the Application of UNS Gas, Inc. for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of Its Arizona Properties*. Issues: Revenue Decoupling; Class Cost of Service Modeling; Revenue Distribution; Rate Design.

57. Expert Testimony. Formal Case Number 1087. (2011). Before the Public Service Commission of the District of Columbia. On the Behalf of the Office of the People's Counsel of the District of Columbia. *In the Matter of the Application of Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service*. Issues: Regulatory lag, ratemaking principles, reliability-related capital expenditure tracker proposals.

58. Expert Affidavit. Case No. 11-1364. (2011). *The State of Louisiana, the Louisiana Department of Environmental Quality, and the Louisiana Public Service Commission v. United States Environmental Protection Agency and Lisa P. Jackson.* Before the United States Court of Appeals for the District of Columbia Circuit. On the behalf of the State of Louisiana, the Louisiana Department of Environmental Quality, and the Louisiana Public Service Commission. Issues: Impacts of environmental costs on electric utilities, compliance requirements, investment cost of mitigation equipment, multi-area dispatch modeling and plant retirements.

59. Expert Affidavit. Docket No. EPA-HQ-OAR-2009-0491. (2011). Before the U.S. Environmental Protection Agency. *Federal Implementation Plans: Interstate Transport of Fine Particulate Matter and Ozone and Correction of SIP Approvals*. On the Behalf of the Louisiana Public Service Commission. Issues: Impacts of environmental costs on electric utilities, compliance requirements, investment cost of mitigation equipment, multi-area dispatch modeling and plant retirements.

60. Expert Testimony. Case No. 9296. (2011). Before the Maryland Public Service Commission. *On the Behalf of the Maryland Office of People's Counsel. In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges and Revise its Terms and Conditions for Gas Service*. Issues: Infrastructure Cost Recovery Rider; Class Cost of Service Modeling; Revenue Distribution; Rate Design.

61. Expert Testimony. Docket No. G-01551A-10-0458. (2011). Before the Arizona Corporation Commission. On the Behalf of the Arizona Corporation Commission Staff. *In the Matter of the Application of Southwest Gas Corporation for the Establishment of Just and Reasonable Rates and Charges Designed to Realize A Reasonable Rate of Return on the Fair Value of its Properties throughout Arizona*. Issues: Revenue Decoupling; Class Cost of Service Modeling; Revenue Distribution; Rate Design.

62. Expert Testimony. Docket No. 11-0280 and 11-0281. (2011). Before the Illinois Commerce Commission. On the Behalf of the Illinois Attorney General, the Citizens Utility Board, and the City of Chicago, Illinois. *In re: Peoples Gas Light and Coke Company and North Shore Natural Gas Company*. Issues: Revenue Decoupling and Rate Design. (Direct and Rebuttal)

63. Expert Testimony. D.P.U. 11-01. (2011). Before the Massachusetts Department of Public Utilities. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. *Petition of the Fitchburg Electric and Gas Company (Electric Division) for Approval of A General Increase in Electric Distribution Rates and Approval of a Revenue Decoupling Mechanism*. Issues: Capital Cost Rider, Revenue Decoupling.

64. Expert Testimony. D.P.U. 11-02. (2011). Before the Massachusetts Department of Public Utilities. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. *Petition of the Fitchburg Electric and Gas Company (Gas Division) for Approval of A General Increase in Electric Distribution Rates and Approval of a Revenue Decoupling Mechanism*. Issues: Pipeline Replacement Rider, Revenue Decoupling.

65. Expert Affidavit. Docket No. EL-11-13 (2011). Before the Federal Energy Regulatory Commission. Petition for Preliminary Ruling, Atlantic Grid Operations. On the Behalf of the New Jersey Division of Rate Counsel. Issues: Offshore wind generation development, offshore wind transmission development, ratemaking treatment of development costs, transmission development incentives.

66. Expert Opinion. Case No. CI06-195. (2011). Before the District Court of Jefferson County, Nebraska. On the Behalf of the City of Fairbury, Nebraska and Michael Beachler. In re: Endicott Clay Products Co. vs. City of Fairbury, Nebraska and Michael Beachler. Issues: rate design and ratemaking, time of use and time differentiated rate structures, empirical analysis of demand and usage trends for tariff eligibility requirements.

67. Expert Testimony. D.P.U. 10-114. (2010). Before the Massachusetts Department of Public Utilities. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Petition of the New England Gas Company for Approval of A General Increase in Electric Distribution Rates and Approval of a Revenue Decoupling Mechanism. Issues: infrastructure replacement rider.

68. Expert Testimony. D.P.U. 10-70. (2010). Before the Massachusetts Department of Public Utilities. Petition of the Western Massachusetts Electric Company for Approval of A General Increase in Electric Distribution Rates and Approval of a Revenue Decoupling Mechanism. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Revenue decoupling; infrastructure replacement rider; performance-based regulation; inflation adjustment mechanisms; and rate design.

69. Expert Testimony. G.U.D. Nos. 998 & 9992. (2010). Before the Texas Railroad Commission. In the Matter of the Rate Case Petition of Texas Gas Services, Inc. On the Behalf of the City of El Paso, Texas. Issues: Cost of service, revenue distribution, rate design, and weather normalization.

70. Expert Testimony. B.P.U Docket No. GR10030225. (2010). Before the New Jersey Board

of Public Utilities. In the Matter of the Petition of New Jersey Natural Gas Company for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1. On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: solar energy proposals, solar securitization issues, solar energy policy issues.

71. Expert Testimony. D.P.U. 10-55. (2010). Before the Massachusetts Department of Public Utilities. Investigation Into the Propriety of Proposed Tariff Changes for Boston Gas Company, Essex Gas Company, and Colonial Gas Company. (d./b./a. National Grid). On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Revenue decoupling; pipeline-replacement rider; performance-based regulation; partial productivity factor estimates, inflation adjustment mechanisms; and rate design.

72. Expert Testimony. Cause No.43839. (2010). Before the Indiana Utility Regulatory Commission. In the Matter of Southern Indiana Gas and Electric Company d/b/a/ Vectren Energy Delivery of Indiana, Inc. (Vectren South-Electric). On the behalf of the Indiana Office of Utility Consumer Counselor (OUCC). Issues: revenue decoupling, variable production cost riders, gains on off-system sales, transmission cost riders.

73. Congressional Testimony. Before the United States Congress. (2010). U.S. House of Representatives, Committee on Natural Resources. Hearing on the Consolidated Land, Energy, and Aquatic Resources Act. June 30, 2010.

74. Expert Testimony. Before the City Counsel of El Paso, Texas; Public Utility Regulatory Board. (2010). On the Behalf of the City of El Paso. In Re: Rate Application of Texas Gas Services, Inc. Issues: class cost of service study (minimum system and zero intercept analysis), rate design proposals, weather normalization adjustment, and its cost of service adjustment clause, conservation adjustment clause proposals, and other cost tracker policy issues.

75. Expert Testimony. Docket 09-00183. (2010). Before the Tennessee Regulatory Authority. In the Matter of the Petition of Chattanooga Gas Company for a General Rate Increase, Implementation of the EnergySMART Conservation Programs, and Implementation of a Revenue Decoupling Mechanism. On the Behalf of Tennessee Attorney General, Consumer Advocate & Protection Division. Issues: revenue decoupling and energy efficiency program review and cost effectiveness analysis.

76. Expert Testimony and Exhibits. Docket No. 10-240. (2010). Before the Louisiana Office of Conservation. In Re: Cadeville Gas Storage, LLC. On the Behalf of Cardinal Gas Storage, LLC. Issues: alternative uses and relative economic benefits of conversion of depleted hydrocarbon reservoir for natural gas storage purposes.

77. Expert Testimony. Docket No. 09505-EI. (2010). Before the Florida Public Service Commission. In Re: Review of Replacement Fuel Costs Associated with the February 26, 2008 outage on Florida Power & Light's Electrical System. On the Behalf of the Florida Office of Public Counsel for the Citizens of the State of Florida. Issues: Replacement costs for power outage, regulatory policy/generation development incentives, renewable and energy efficiency incentives.

78. Expert Testimony. Docket 09-00104. (2009). Before the Tennessee Regulatory Authority. In the Matter of the Petition of Piedmont Natural Gas Company, Inc. to Implement a Margin Decoupling Tracker Rider and Related Energy Efficiency and Conservation Programs. On the Behalf of the Tennessee Attorney General, Consumer Advocate & Protection Division. Issues: revenue decoupling, energy efficiency program review, weather normalization.

79. Expert Testimony. Docket Number NG-0060. (2009). Before the Nebraska Public Service Commission. In the Matter of SourceGas Distribution, LLC Approval for a General Rate Increase. On the Behalf of the Nebraska Public Advocate. October 29, 2009. Issues: revenue decoupling, inflation trackers, infrastructure replacement riders, customer adjustment rider, weather normalization rider, weather normalization adjustments, estimation of normal weather for ratemaking purposes.

80. Expert Report and Deposition. Before the 23rd Judicial District Court, Parish of Assumption, State of Louisiana. On the Behalf of Dow Hydrocarbons and Resources, Inc. September 1, 2009. (Deposition, November 23-24, 2009). Issues: replacement and repair costs for underground salt cavern hydrocarbon storage.

81. Expert Testimony. D.P.U. 09-39. Before the Massachusetts Department of Public Utilities. (2009). Investigation Into the Propriety of Proposed Tariff Changes for Massachusetts Electric Company and Nantucket Electric Company (d./b./a. National Grid). On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Revenue decoupling; infrastructure rider; performance-based regulation; inflation adjustment mechanisms; revenue distribution; and rate design.

82. Expert Testimony. D.P.U. 09-30. Before the Massachusetts Department of Public Utilities. (2009). In the Matter of Bay State Gas Company Request for Increase in Rates. On the Behalf of the Office of the Attorney General, Office of Ratepayer Advocacy. Issues: Revenue decoupling; target infrastructure replacement program rider; revenue distribution; and rate design.

83. Expert Testimony. Docket EO09030249. (2009). Before the New Jersey Board of Public Utilities. In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan II Program and An Associated Cost Recovery Mechanism. On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: solar energy market design, renewable portfolio standards, solar energy, and renewable financing/loan program design.

84. Expert Testimony. Docket EO0920097. (2009). Before the New Jersey Board of Public Utilities. In the Matter of the Verified Petition of Rockland Electric Company for Approval of an SREC-Based Financing Program and An Associated Cost Recovery Mechanism. On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: solar energy market design; renewable energy portfolio standards; solar energy.

85. Expert Rebuttal Report. Civil Action No.: 2:07-CV-2165. (2009). Before the U.S. District Court, Western Division of Louisiana, Lake Charles Division. Prepared on the Behalf of the Transcontinental Pipeline Corporation. Issues: expropriation and industrial use of property.

86. Expert Testimony. Docket EO06100744. (2008). Before the New Jersey Board of Public Utilities. In the Matter of the Renewable Portfolio Standard – Amendments to the Minimum filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs and For Electric Distribution Company Submittals of Filings in connection with Solar Financing (Atlantic City Electric Company). On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: Solar energy market design; renewable energy portfolio standards; solar energy. (Rebuttal and Surrebuttal)

87. Expert Testimony. Docket EO08090840. (2008). Before the New Jersey Board of Public Utilities. In the Matter of the Renewable Portfolio Standard – Amendments to the Minimum filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs and For Electric Distribution Company Submittals of Filings in connection with Solar Financing (Jersey Central Power & Light Company). On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: Solar energy market design; renewable energy portfolio standards; solar energy. (Rebuttal and Surrebuttal)

88. Expert Testimony. Docket UG-080546. (2008). Before the Washington Utilities and Transportation Commission. On the Behalf of the Washington Attorney General (Public Counsel Section). Issues: Rate Design, Cost of Service, Revenue Decoupling, Weather Normalization.

89. Congressional Testimony. (2008). Senate Republican Conference: Panel on Offshore Drilling in the Restricted Areas of the Outer Continental Shelf. September 18, 2008.

90. Expert Testimony. Appeal Number 2007-125 and 2007-299. (2008). Before the Louisiana Tax Commission. On the Behalf of Jefferson Island Storage and Hub, LLC (AGL Resources). Issues: Valuation Methodologies, Underground Storage Valuation, LTC Guidelines and Policies, Public Purpose of Natural Gas Storage. July 15, 2008 and August 20, 2008.

91. Expert Testimony. Docket Number 07-057-13. (2008). Before the Utah Public Service Commission. In the Matter of the Application of Questar Gas Company to File a General Rate Case. On the Behalf of the Utah Committee of Consumer Services. Issues: Cost of Service, Rate Design. August 18, 2008 (Direct, Rebuttal, Surrebuttal).

92. Rulemaking Testimony. (2008). Before the Louisiana Tax Commission. Examination of Replacement Cost Tables, Depreciation and Useful Lives for Oil and Gas Properties. Chapter 9 (Oil and Gas Properties) Section. August 5, 2008.

93. Legislative Testimony. (2008). Examination of Proposal to Change Offshore Natural Gas Severance Taxes (HB 326 and Amendments). Joint Finance and Appropriations Committee of the Alabama Legislature. March 13, 2008.

94. Public Testimony. (2007). Issues in Environmental Regulation. Testimony before Gubernatorial Transition Committee on Environmental Regulation (Governor-Elect Bobby Jindal). December 17, 2007.

95. Public Testimony. (2007). Trends and Issues in Alternative Energy: Opportunities for Louisiana. Testimony before Gubernatorial Transition Committee on Natural Resources

(Governor-Elect Bobby Jindal). December 13, 2007.

96. Expert Report and Recommendation: Docket Number S-30336 (2007). Before the Louisiana Public Service Commission. In re: Entergy Gulf States, Inc. Application for Approval of Advanced Metering Pilot Program. Issues: pilot program for demand response programs and advanced metering systems.

97. Expert Testimony. Docket EO07040278 (2007). Before the New Jersey Board of Public Utilities. In the Matter of the Petition of Public Service Electric & Gas Company for Approval of a Solar Energy Program and An Associated Cost Recovery Mechanism. On the Behalf of the Department of the Public Advocate, Division of Rate Counsel. Issues: renewable energy market development, solar energy development, SREC markets, rate impact analysis, cost recovery issues.

98. Expert Testimony: Docket Number 05-057-T01 (2007). Before the Utah Public Service Commission. In the Matter of: Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for Approval of the Conservation Enabling Tariff Adjustment Options and Accounting Orders. On the behalf of the Utah Committee of Consumer Services. Issues: Revenue Decoupling, Demand-side Management; Energy Efficiency policies. (Direct, Rebuttal, and Surrebuttal Testimony)

99. Expert Testimony (Non-sworn rulemaking testimony) Docket Number RR-2008, (2007). Before the Louisiana Tax Commission. In re: Commission Consideration of Amendment and/or Adoption of Tax Commission Real/Personal Property Rules and Regulations. Issues: Louisiana oil and natural gas production trends, appropriate cost measures for wells and subsurface property, economic lives and production decline curve trends.

100. Expert Report, Recommendation, and Proposed Rule: Docket Number R-29213 & 29213-A, ex parte, (2007). Before the Louisiana Public Service Commission. In re: In re: Investigation to determine if it is appropriate for LPSC jurisdictional electric utilities to provide and install time-based meters and communication devices for each of their customers which enable such customers to participate in time-based pricing rate schedules and other demand response programs. On the behalf of the Louisiana Public Service Commission Staff. Report and Recommendation. Issues: demand response programs, advanced meter systems, cost recovery issues, energy efficiency issues, regulatory issues.

101. Expert Report, Recommendation, and Proposed Rule: Docket Number R-29712, ex parte, (2007) Before the Louisiana Public Service Commission. In re: Investigation into the ratemaking and generation planning implications of nuclear construction in Louisiana. On the behalf of the Louisiana Public Service Commission Staff. Report and Recommendation. Issues: nuclear cost power plant development, generation planning issues, and cost recovery issues.

102. Expert Testimony, Case Number U-14893, (2006). Before the Michigan Public Service Commission. In the Matter of SEMCO Energy Gas Company for Authority to Redesign and Increase Its Rates for the Sale and Transportation of Natural Gas In its MPSC Division and for Other Relief. On the behalf of the Michigan Attorney General. Issues: Rate Design, revenue decoupling, financial analysis, demand-side management program and

energy efficiency policy. (Direct and Rebuttal Testimony).

103. Expert Report, Recommendation, and Proposed Rule: Docket Number R-29380, ex parte, (2006). Before the Louisiana Public Service Commission. In re: An Investigation Into the Ratemaking and Generation Planning Implications of the U.S. EPA Clean Air Interstate Rule. On the behalf of the Louisiana Public Service Commission Staff. Report and Recommendation. Issues: environmental regulation and cost recovery; allowance allocations and air credit markets; ratepayer impacts of new environmental regulations.

104. Expert Affidavit Before the Louisiana Tax Commission (2006). On behalf of ANR Pipeline, Tennessee Gas Transmission and Southern Natural Gas Company. Issues: Competitive nature of interstate and intrastate transportation services.

105. Expert Affidavit Before the 19th Judicial District Court (2006). Suit Number 491, 453 Section 26. On behalf of Transcontinental Pipeline Corporation, et.al. Issues: Competitive nature of interstate and intrastate transportation services.

106. Expert Testimony: Docket Number 05-057-T01 (2006). Before the Utah Public Service Commission. In the Matter of: Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for Approval of the Conservation Enabling Tariff Adjustment Options and Accounting Orders. On the behalf of the Utah Committee of Consumer Services. Issues: Revenue Decoupling, Demand-side Management; Energy Efficiency policies. (Rebuttal and Supplemental Rebuttal Testimony)

107. Legislative Testimony (2006). Senate Committee on Natural Resources. Senate Bill 655 Regarding Remediation of Oil and Gas Sites, Legacy Lawsuits, and the Deterioration of State Drilling.

108. Expert Report: Rulemaking Docket (2005). Before the New Jersey Bureau of Public Utilities. In re: Proposed Rulemaking Changes Associated with New Jersey's Renewable Portfolio Standard. Expert Report. The Economic Impacts of New Jersey's Proposed Renewable Portfolio Standard. On behalf of the New Jersey Office of Ratepayer Advocate. Issues: Renewable Portfolio Standards, rate impacts, economic impacts, technology cost forecasts.

109. Expert Testimony: Docket Number 2005-191-E. (2005). Before the South Carolina Public Service Commission. On behalf of NewSouth Energy LLC. In re: General Investigation Examining the Development of RFP Rules for Electric Utilities. Issues: Competitive bidding; merchant development. (Direct and Rebuttal Testimony).

110. Expert Testimony: Docket No. 05-UA-323. (2005). Before the Mississippi Public Service Commission. On the behalf of Calpine Corporation. In re: Entergy Mississippi's Proposed Acquisition of the Attala Generation Facility. Issues: Asset acquisition; merchant power development; competitive bidding.

111. Expert Testimony: Docket Number 050045-EI and 050188-EI. (2005). Before the Florida Public Service Commission. On the behalf of the Citizens of the State of Florida. In re: Petition for Rate Increase by Florida Power & Light Company. Issues: Load forecasting; O&M forecasting and benchmarking; incentive returns/regulation.

112. Expert Testimony (non-sworn, rulemaking): Comments on Decreased Drilling Activities in Louisiana and the Role of Incentives. (2005). Louisiana Mineral Board Monthly Docket and Lease Sale. July 13, 2005

113. Legislative Testimony (2005). Background and Impact of LNG Facilities on Louisiana. Joint Meeting of Senate and House Natural Resources Committee. Louisiana Legislature. May 19, 2005.

114. Public Testimony. Docket No. U-21453. (2005). Technical Conference before the Louisiana Public Service Commission on an Investigation for a Limited Industrial Retail Choice Plan.

115. Expert Testimony: Docket No. 2003-K-1876. (2005). On Behalf of Columbia Gas Transmission. Expert Testimony on the Competitive Market Structure for Gas Transportation Service in Ohio. Before the Ohio Board of Tax Appeals.

116. Expert Report and Testimony: Docket No. 99-4490-J, *Lafayette City-Parish Consolidated Government, et. al. v. Entergy Gulf States Utilities, Inc. et. al*. (2005, 2006). On behalf of the City of Lafayette, Louisiana and the Lafayette Utilities Services. Expert Rebuttal Report of the Harborfront Consulting Group Valuation Analysis of the LUS Expropriation. Filed before 15th Judicial District Court, Lafayette, Louisiana.

117. Expert Testimony: ANR Pipeline Company v. Louisiana Tax Commission (2005), Number 468,417 Section 22, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana Consolidated with Docket Numbers: 480,159; 489,776;480,160; 480,161; 480,162; 480,163; 480,373; 489,776; 489,777; 489,778;489,779; 489,780; 489,803; 491,530; 491,744; 491,745; 491,746; 491,912;503,466; 503,468; 503,469; 503,470; 515,414; 515,415; and 515,416. In re: Market structure issues and competitive implications of tax differentials and valuation methods in natural gas transportation markets for interstate and intrastate pipelines.

118. Expert Report and Recommendation: Docket No. U-27159. (2004). On Behalf of the Louisiana Public Service Commission Staff. Expert Report on Overcharges Assessed by Network Operator Services, Inc. Before the Louisiana Public Service Commission.

119. Expert Testimony: Docket Number 2004-178-E. (2004). Before the South Carolina Public Service Commission. On behalf of Columbia Energy LLC. In re: Rate Increase Request of South Carolina Electric and Gas. (Direct and Surrebuttal Testimony)

120. Expert Testimony: Docket Number 040001-EI. (2004). Before the Florida Public Service Commission. On behalf of Power Manufacturing Systems LLC, Thomas K. Churbuck, and the Florida Industrial Power Users Group. In re: Fuel Adjustment Proceedings; Request for Approval of New Purchase Power Agreements. Company examined: Florida Power & Light Company.

121. Expert Affidavit: Docket Number 27363. (2004). Before the Public Utilities Commission of Texas. Joint Affidavit on Behalf of the Cities of Texas and the Staff of the Public Utilities Commission of Texas Regarding Certified Issues. In Re: Application of Valor Telecommunications, L.P. For Authority to Establish Extended Local Calling Service (ELCS) Surcharges For Recovery of ELCS Surcharge.

122. Expert Report and Testimony. Docket 1997-4665-PV, 1998-4206-PV, 1999-7380-PV, 2000-5958-PV, 2001-6039-PV, 2002-64680-PV, 2003-6231-PV. (2003) Before the Kansas Board of Tax Appeals. (2003). In the Matter of the Appeals of CIG Field Services Company from orders of the Division of Property Valuation. On the Behalf of CIG Field Services. Issues: the competitive nature of natural gas gathering in Kansas.

123. Expert Report and Testimony: Docket Number U-22407. Before the Louisiana Public Service Commission (2002). On the Behalf of the Louisiana Public Service Commission Staff. Company examined: Louisiana Gas Services, Inc. Issues: Purchased Gas Acquisition audit, fuel procurement and planning practices.

124. Expert Testimony: Docket Number 000824-EI. Before the Florida Public Service Commission. (2002). On the Behalf of the Citizens of the State of Florida. Company examined: Florida Power Corporation. Issues: Load Forecasts and Billing Determinants for the Projected Test Year.

125. Public Testimony: Louisiana Board of Commerce and Industry (2001). Testimony on the Economic Impacts of Merchant Power Generation.

126. Expert Testimony: Docket Number 24468. (2001). On the Behalf of the Texas Office of Public Utility Counsel. Public Utility Commission of Texas Staff's Petition to Determine Readiness for Retail Competition in the Portion of Texas Within the Southwest Power Pool. Company examined: AEP-SWEPCO.

127. Expert Report. (2001) On Behalf of David Liou and Pacific Richland Products, Inc. to Review Cogeneration Issues Associated with Dupont Dow Elastomers, L.L.C. (DDE) and the Dow Chemical Company (Dow).

128. Expert Testimony: Docket Number 01-1049, Docket Number 01-3001. (2001) On behalf the Nevada Office of Attorney General, Bureau of Consumer Protection. Petition of Central Telephone Company-Nevada D/b/a Sprint of Nevada and Sprint Communications L.P. for Review and Approval of Proposed Revised Performance Measures and Review and Approval of Performance Measurement Incentive Plans. Before the Public Utilities Commission of Nevada.

129. Expert Affidavit: Multiple Dockets (2001). Before the Louisiana Tax Commission. On the Behalf of Louisiana Interstate Pipeline Companies. Testimony on the Competitive Nature of Natural Gas Transportation Services in Louisiana.

130. Expert Affidavit before the Federal District Court, Middle District of Louisiana (2001). Issues: Competitive Nature of the Natural Gas Transportation Market in Louisiana. On behalf of a Consortium of Interstate Natural Gas Transportation Companies.

131. Public Testimony: Louisiana Board of Commerce and Industry (2001). Testimony on the Economic and Ratepayer Benefits of Merchant Power Generation and Issues Associated with Tax Incentives on Merchant Power Generation and Transmission.

132. Expert Testimony: Docket Number 01-1048 (2001). Before the Public Utilities Commission of Nevada. On the Behalf of the Nevada Office of the Attorney General, Bureau of Consumer Protection. Company analyzed: Nevada Bell Telephone Company.

Issues: Statistical Issues Associated with Performance Incentive Plans.

133. Expert Testimony: Docket 22351 (2001). Before the Public Utility Commission of Texas. On the Behalf of the City of Amarillo. Company analyzed: Southwestern Public Service Company. Issues: Unbundled cost of service, affiliate transactions, load forecasting.

134. Expert Testimony: Docket 991779-EI (2000). Before the Florida Public Service Commission. On the Behalf of the Citizens of the State of Florida. Companies analyzed: Florida Power & Light Company; Florida Power Corporation; Tampa Electric Company; and Gulf Power Company. Issues: Competitive Nature of Wholesale Markets, Regional Power Markets, and Regulatory Treatment of Incentive Returns on Gains from Economic Energy Sales.

135. Expert Testimony: Docket 990001-EI (1999). Before the Florida Public Service Commission. On the Behalf of the Citizens of the State of Florida. Companies analyzed: Florida Power & Light Company; Florida Power Corporation; Tampa Electric Company; and Gulf Power Company. Issues: Regulatory Treatment of Incentive Returns on Gains from Economic Energy Sales.

136. Expert Testimony: Docket 950495-WS (1996). Before the Florida Public Service Commission. On the Behalf of the Citizens of the State of Florida. Company analyzed: Southern States Utilities, Inc. Issues: Revenue Repression Adjustment, Residential and Commercial Demand for Water Service.

137. Legislative Testimony. Louisiana House of Representatives, Special Subcommittee on Utility Deregulation. (1997). On Behalf of the Louisiana Public Service Commission Staff. Issue: Electric Restructuring.

138. Expert Testimony: Docket 940448-EG -- 940551-EG (1994). Before the Florida Public Service Commission. On the Behalf of the Legal Environmental Assistance Foundation. Companies analyzed: Florida Power & Light Company; Florida Power Corporation; Tampa Electric Company; and Gulf Power Company. Issues: Comparison of Forecasted Cost-Effective Conservation Potentials for Florida.

139. Expert Testimony: Docket 920260-TL, (1993). Before the Florida Public Service Commission. On the Behalf of the Florida Public Service Commission Staff. Company analyzed: BellSouth Communications, Inc. Issues: Telephone Demand Forecasts and Empirical Estimates of the Price Elasticity of Demand for Telecommunication Services.

140. Expert Testimony: Docket 920188-TL, (1992). Before the Florida Public Service Commission. On the Behalf of the Florida Public Service Commission Staff. Company analyzed: GTE-Florida. Issues: Telephone Demand Forecasts and Empirical Estimates of the Price Elasticity of Demand for Telecommunication Services.

REFEREE AND EDITORIAL APPOINTMENTS

Contributor, 2014-Current, *Wall Street Journal*, *Journal Reports*, Energy

Editorial Board Member, 2015-2017, *Utilities Policy*

Referee, 2014-Current, *Utilities Policy*

Referee, 2010-Current, *Economics of Energy & Environmental Policy*

Referee, 1995-Current, *Energy Journal*

Contributing Editor, 2000-2005, *Oil, Gas and Energy Quarterly*

Referee, 2005, *Energy Policy*

Referee, 2004, *Southern Economic Journal*

Referee, 2002, *Resource & Energy Economics*

Committee Member, IAEE/USAEE Student Paper Scholarship Award Committee, 2003

PROPOSAL TECHNICAL REVIEWER

California Energy Commission, Public Interest Energy Research (PIER) Program (1999).

PROFESSIONAL ASSOCIATIONS

American Economic Association, American Statistical Association, Southern Economic Association, Western Economic Association, International Association of Energy Economists ("IAEE"), United States Association of Energy Economics ("USAEE"), the National Association for Business Economics ("NABE"), and the Energy Bar Association (National and Louisiana Chapter; current Board member of LA chapter).

HONORS AND AWARDS

National Association of Regulatory Utility Commissioners (NARUC). Best Paper Award for papers published in the *Journal of Applied Regulation* (2004).

Baton Rouge Business Report, Selected as "Top 40 Under 40" (2003).

Omicron Delta Epsilon (1992-Current).

Interstate Oil and Gas Compact Commission (IOGCC) "Best Practice" Award for Research on the Economic Impact of Oil and Gas Activities on State Leases for the Louisiana Department of Natural Resources (2003).

Distinguished Research Award, Academy of Legal, Ethical and Regulatory Issues, Allied Academics (2002).

Florida Public Service Commission, Staff Excellence Award for Assistance in the Analysis of Local Exchange Competition Legislation (1995).

TEACHING EXPERIENCE

Energy and the Environment (Survey Course)

Principles of Microeconomic Theory

Principles of Macroeconomic Theory

Lecturer, Environmental Management and Permitting. Lecture in Natural Gas Industry, LNG and Markets.

Lecturer, Electric Power Industry Environmental Issues, Field Course on Energy and the Environment. (Dept. of Environmental Studies).

Lecturer, Electric Power Industry Trends, Principles Course in Power Engineering (Dept. of Electric Engineering).

Lecturer, LSU Honors College, Senior Course on "Society and the Coast."

Continuing Education. Electric Power Industry Restructuring for Energy Professionals.

"The Gulf Coast Energy Situation: Outlook for Production and Consumption." Educational Course and Lecture Prepared for the Foundation for American Communications and the Society for Professional Journalists, New Orleans, LA, December 2, 2004

"The Impact of Hurricane Katrina on Louisiana's Energy Infrastructure and National Energy Markets." Educational Course and Lecture Prepared for the Foundation for American Communications and the Society for Professional Journalists, Houston, TX, September 13, 2005.

"Forecasting for Regulators: Current Issues and Trends in the Use of Forecasts, Statistical, and Empirical Analyses in Energy Regulation." Instructional Course for State Regulatory Commission Staff. Institute of Public Utilities, Kellogg Center, Michigan State University. July 8-9, 2010.

"Regulatory and Ratemaking Issues with Cost and Revenue Trackers." Michigan State University, Institute of Public Utilities. Advanced Regulatory Studies Program. September 29, 2010.

"Demand Modeling and Forecasting for Regulators." Michigan State University, Institute of Public Utilities. Advanced Regulatory Studies Program. September 30, 2010.

"Demand Modeling and Forecasting for Regulators." Michigan State University, Institute of Public Utilities, Forecasting Workshop, Charleston, SC. March 7-9, 2011.

"Regulatory and Cost Recovery Approaches for Smart Grid Applications." Michigan State University, Institute of Public Utilities, Smart Grid Workshop for Regulators. Charleston, SC. March 7-11, 2011.

"Regulatory and Ratemaking Issues Associated with Cost and Expense Adjustment Mechanisms." Michigan State University, Institute of Public Utilities, Advanced Regulatory Studies Program. Lansing, Michigan. September 28, 2011.

"Utility Incentives, Decoupling, and Renewable Energy Programs." Michigan State University, Institute of Public Utilities, Advanced Regulatory Studies Program. Lansing, Michigan. September 29, 2011.

"Regulatory and Cost Recovery Approaches for Smart Grid Applications." Michigan State University, Institute of Public Utilities, Smart Grid Workshop for Regulators. Charleston, SC. March 6-8, 2012.

"Traditional and Incentive Ratemaking Workshop." New Mexico Public Utilities Commission Staff. Santa Fe, NM October 18, 2012.

"Traditional and Incentive Ratemaking Workshop." New Jersey Board of Public Utilities Staff. Newark, NJ. March 1, 2013.

THESIS/DISSERTATIONS COMMITTEES

Active:
1 Thesis Committee Memberships (Environmental Studies)
2 Ph.D. Dissertation Committee (Economics)
Completed:
8 Thesis Committee Memberships (Environmental Studies, Geography)
4 Doctoral Committee Memberships (Information Systems & Decision Sciences, Agricultural and Resource Economics, Economics, Education and Workforce Development).
2 Doctoral Examination Committee Membership (Information Systems & Decision Sciences, Education and Workforce Development)
1 Senior Honors Thesis (Journalism, Loyola University)

LSU SERVICE AND COMMITTEE MEMBERSHIPS

Committee Member, Energy Education Curriculum Committee. E.J. Ourso College of Business. LSU (2016-Current).

Chairman, LSU Energy Initiative/LSU Energy Council (2014-Current).

Co-Director & Steering Committee Member, LSU Coastal Marine Institute (2009-2014).

CES Promotion Committee, Division of Radiation Safety (2006).

Search Committee Chair (2006), Research Associate 4 Position.

Search Committee Member (2005), Research Associate 4 Position.

Search Committee Member (2005), CES Communications Manager.

LSU Graduate Research Faculty, Associate Member (1997-2004); Full Member (2004-2010); Affiliate Member with Full Directional Rights (2011-2014); Full Member (2014-current).

LSU Faculty Senate (2003-2006).

Conference Coordinator. (2005-Current) Center for Energy Studies Conference on Alternative Energy.

LSU CES/SCE Public Art Selection Committee (2003-2005).

Conference Coordinator. Center for Energy Studies Annual Energy Conference/Summit. (2003-Current).

Conference Coordinator. Center for Energy Studies Seminar Series on Electric Utility Restructuring and Wholesale Competition. (1996-2003).

Co-Chairman, Review Committee, Louisiana Port Construction and Development Priority Program Rules and Regulations, On Behalf of the LSU Ports and Waterways Institute. (1997).

LSU Main Campus Cogeneration/Turbine Project, (1999-2000).

LSU InterCollege Environmental Cooperative. (1999-2001).

LSU Faculty Senate Committee on Public Relations (1997-1999).

LSU Faculty Senate Committee on Student Retention and Recruitment (1999-2003).

PROFESSIONAL SERVICE

Board Member (2018). Energy Bar Association, Louisiana Chapter.

Program Committee Member (2017). Gulf Coast Power Association Conference. New Orleans, LA.

Program Committee Member (2016). Gulf Coast Power Association Conference. New Orleans, LA.

Program Committee Member (2015). Gulf Coast Power Association Workshop/Special Briefing. "Gulf Coast Disaster Readiness: A Past, Present and Future Look at Power and Industry Readiness in MISO South."

Advisor (2008). National Association of Regulatory Utility Commissioners ("NARUC"). Study Committee on the Impact of Executive Drilling Moratoria on Federal Lands.

Steering Committee Member, Louisiana Representative (2008-Current). Southeast Agriculture & Forestry Energy Resources Alliance. Southern Policies Growth Board.

Advisor (2007-Current). National Association of State Utility Consumer Advocates ("NASUCA"), Natural Gas Committee.

Program Committee Chairman (2007-2008). U.S. Association of Energy Economics ("USAEE") Annual Conference, New Orleans, LA

Finance Committee Chairman (2007-2008). USAEE Annual Conference, New Orleans, LA

Committee Member (2006), International Association for Energy Economics ("IAEE") Nominating Committee.

Founding President (2005-2007) Louisiana Chapter, USAEE.

Secretary (2001) Houston Chapter, USAEE.

Advisor, Louisiana LNG Buyers/Developers Summit, Office of the Governor/Louisiana Department of Economic Development/Louisiana Department of Natural Resources, and Greater New Orleans, Inc. (2004).

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
	Proposed ring fencing measures	
1	The Joint Applicants shall maintain the financial integrity and independence of Westar and KCP&L in all respects and will exercise management prudence in matters relating to dividends, capital investments and other financial actions in order to maintain an investment grade credit rating consistent with its pre-merger operations.	Commitment 9: Holdco will exercise management prudence to maintain the financial integrity of Westar and KCP&L in all respects, including matters relating to dividends, capital investments and other financial actions in an effort to maintain investment grade credit ratings.
a.	The Joint Applicants commit that HoldCo, KCP&L and Westar shall maintain separate debt so that neither HoldCo, KCP&L nor Westar will be responsible for the debts of each other or their other affiliated companies. Neither KCP&L nor Westar shall guarantee the debt of the other, or of GPE, or of any of GPE's other affiliates, or otherwise enter into make-well or similar agreements, unless otherwise authorized by the Commission. Neither KCP&L nor Westar shall include, in any debt or credit instrument of Westar and KCP&L, any cross default provisions between said utilities' respective securities and the securities of GPE or any other affiliate. Neither KCP&L nor Westar will include, in any debt or credit instrument of Westar or KCP&L, any financial covenants or default triggers related to GPE or any of its affiliates. Neither KCP&L nor Westar shall pledge their respective stock or assets as collateral for obligations of any other entity	Commitment 10: Holdco, KCP&L and Westar shall maintain separate debt. Commitment 11: Holdco, KCP&L and Westar shall maintain separate debt so that Westar will not be liable (directly or through guarantees, cross-defaults or other provisions) for the debts of Holdco, KCP&L, or GMO or other subsidiaries of Holdco (excluding Westar and subsidiaries of Westar), and KCP&L, GMO and other subsidiaries of Holdco (excluding Westar and subsidiaries of Westar) will not be liable (directly or through guarantees, cross-defaults or other provisions) for the debts of Westar. For the avoidance of doubt, consistent with past practice, Westar may guarantee certain obligations of its subsidiaries, and subsidiaries of Westar may guarantee certain obligations of Westar.
b.	GPE, KCP&L and Westar shall also maintain, for the exclusive benefit of KCP&L and Westar, adequate capacity under revolving credit facilities and commercial paper, if any, which capacity may be administered on a combined basis provided that pricing is separated by entity and there are neither cross-default provisions nor provisions under which KCP&L or Westar guarantee the debt obligations of GPE or any GPE affiliate.	Commitment 11: Holdco, KCP&L and Westar shall also maintain adequate capacity under revolving credit facilities and commercial paper, if any, which capacity may be administered on a combined basis provided that capacity maintained for KCP&L and Westar shall be exclusively dedicated to the benefit of KCP&L and Westar, pricing is separated by entity, and that (i) Westar neither guarantees the debt of Holdco, KCP&L, GMO or other subsidiaries of GPE (excluding Westar and subsidiaries of Westar) nor is subject to a cross-default for such debt and (ii) Holdco, KCP&L, GMO and other subsidiaries of GPE (excluding Westar and subsidiaries of Westar) neither guarantee the debt of Westar nor are subject to a cross-default for such debt.
c.	The Joint Applicants commit that HoldCo, KCP&L and Westar shall maintain separate issuer (i.e., Corporate Credit Ratings) and issue ratings.	Commitment 15: Both Standard & Poor's ("S&P") and Moody's have opined that the Merger is credit-positive and that Holdco will have improved credit metrics and financial ratios compared to GPE on a stand-alone basis. GPE, KCP&L and Westar shall maintain separate issuer (i.e., Corporate Credit Ratings) and separate issue ratings for debt that is publicly placed.
d.	The Joint Applicants commit that HoldCo, KCP&L and Westar shall maintain separate capital structures to finance the respective activities and operations of each entity.	Commitment 10: Holdco, KCP&L and Westar shall maintain separate capital structures to finance the respective activities and operations of each entity.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment		Joint Applicants' Commitment
e.	The Joint Applicants commit that, in the event that Standard & Poor's ("S&P") or Moody's downgrade the credit rating or senior unsecured debt issue rating of KCP&L or Westar (the "Impacted Utility") downgraded to below investment grade (i.e., BBB- or Baa3 or below), respectively, as a result of the Transaction, KCP&L and/or Westar (the "Impacted Utility") commits to file:		Commitment 16: If S&P or Moody's downgrade the Corporate Credit Rating or senior secured or unsecured debt issue rating of KCP&L or Westar (the "Impacted Utility") to below investment grade (i.e., below BBB- or Baa3), the "Impacted Utility" commits to file:
i.	Notice with the Commission within five (5) business days of such downgrade that includes specification of the affected credit rating(s), the pre-and post-downgrade credit ratings of each affected credit rating, and a full explanation of why the credit rating agenc(ies) downgraded each of the affected credit ratings;	i.	Notice with the Commission within five (5) business days of such downgrade that includes specification of the affected credit rating(s), the pre- and post-downgrade credit ratings of each affected credit rating, and a full explanation of why the credit rating agency or agencies downgraded each of the affected credit ratings;
ii	Provide a pleading with the Commission within sixty (60) days which shall include the following:	ii.	A filing with the Commission within sixty (60) days which shall include the following:
	a. Actions the Impacted Utility may take to raise its S&P or Moody's credit rating to BBB- or Baa3, respectively, including the costs and benefits of such actions and any plan the Impacted Utility may have to undertake such actions. If the costs of returning Westar and/or KCP&L to investment grade are above the benefits of such actions, Westar and/or KCP&L shall be required to show and explain why it is not necessary, or cost-effective, to take such actions and how the utility(s) can continue to provide efficient and sufficient service in Kansas under such circumstances;		a. Actions the Impacted Utility may take to raise its S&P or Moody's credit rating to BBB- or Baa3, respectively, including the costs and benefits of such actions and any plan the Impacted Utility may have to undertake such actions. If the costs of returning Westar and/or KCP&L to investment grade are above the benefits of such actions, Westar and/or KCP&L shall be required to show and explain why it is not necessary, or cost-effective, to take such actions and how the utility(s) can continue to provide efficient and sufficient service in Kansas under such circumstances;
	b. The change, if any, on the capital costs of the Impacted Utility due to its S&P or Moody's Corporate Ccredit Rrating being below BBB- or Baa3, respectively; and		b. The change on the capital costs of the Impacted Utility due to its S&P or Moody's credit rating being below BBB- or Baa3, respectively; and
	c. Documentation detailing how the Impacted Utility will not request from its Kansas customers, directly or indirectly, any higher capital costs incurred due to a downgrade of its S&P or Moody's Corporate credit rating below BBB- or Baa3, respectively;		c. Documentation detailing how the Impacted Utility will not request from its Kansas customers, directly or indirectly, any higher capital costs incurred due to a downgrade of its S&P or Moody's credit rating below BBB- or Baa3, respectively;

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
	iii. File with the Commission, every forty-five (45) days thereafter until the Impacted Utility has regained its S&P or Moody's credit rating of BBB- or Baa3, respectively or above, an updated status report with respect to the items required in paragraph 4(c)(ii) above.	iii. File with the Commission, every forty-five (45) days thereafter until the Impacted Utility has regained its S&P or Moody's credit rating of BBB- or Baa3, respectively or above, an updated status report with respect to the items required in subparagraph ii above.
	iv. If the Commission determines that the decline of the Impacted Utility's S&P or Moody's credit rating to a level below BBB- or Baa3, respectively, has caused its quality of service to decline, then the Impacted Utility shall be required to file a plan with the Commission detailing the steps that will be taken to restore service quality levels that existed prior to the ratings decline.	iv. If the Commission determines that the decline of the Impacted Utility's S&P or Moody's credit rating to a level below BBB- or Baa3, respectively, has caused its quality of service to decline, then the Impacted Utility shall be required to file a plan with the Commission detailing the steps that will be taken to restore service quality levels that existed prior to the ratings decline.
	v. Credit rating linkages. In the event KCP&L's or Westar's affiliation (ownership or otherwise) with GPE or any of GPE's affiliates is a contributing factor for KCP&L's or Westar's respective S&P or Moody's credit rating to be downgraded to below BBB- or Baa3, respectively, KCP&L and/or Westar shall promptly undertake additional legal and structural separation, from the affiliate(s) causing the downgrade, and Nothwithstanding Commitment No. 7's limitation on payment of dividends, the Impacted Utility shall not pay a common dividend without Commission approval or until the Impacted Utility's S&P or Moody's Corporate Ccredit Rrating has been restored to BBB- or Baa3, respectively.	v. In the event KCP&L's or Westar's affiliation (ownership or otherwise) with Holdco or any of Holdco's affiliates is a primary factor for KCP&L's or Westar's S&P or Moody's Corporate credit rating to be downgraded to below BBB- or Baa3, respectively, KCP&L and/or Westar shall promptly undertake additional legal and structural separation from the affiliate(s) causing the downgrade. Notwithstanding Commitment No. 10's limitation on payment of dividends, the Impacted Utility shall not pay a common dividend without Commission approval or until the Impacted Utility's S&P or Moody's credit rating has been restored to BBB- or Baa3, respectively.
	vi. If KCP&L's or Westar's respective S&P or Moody's credit rating declines below BBB- or Baa3, respectively, as a result of the Transaction, the Impacted Utility shall file with the Commission within 15 days a comprehensive risk management plan that setting forth committed actions assuresing that the Impacted Utility's access to and cost of capital will not be further impaired.	vi. If KCP&L's or Westar's respective S&P or Moody's credit rating declines below BBB- or Baa3, respectively, the Impacted Utility shall file with the Commission within 15 days a comprehensive risk management plan setting forth committed actions assuring the Impacted Utility's access to and cost of capital will not be further impaired. The plan shall include a non-consolidation opinion if required by S&P or Moody's.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
2	HoldCo commits that KCP&L and Westar will conduct business as separate legal entities and shall hold all of their assets in their own legal entity name.	Commitment 13: Holdco commits that KCP&L and Westar will conduct business as separate legal entities and shall hold all of their assets in their own legal entity name unless otherwise authorized by Commission order.
3	The Joint Applicants commit that Westar and KCP&L will not grant or permit to exist any such encumbrance, claim, security interest, pledge, or other right in favor of any entity or person, its assets other than immaterial liens or encumbrances in the ordinary course of business.	Commitment 14: Westar (including subsidiaries of Westar), on the one hand, and Holdco and KCP&L, on the other hand, shall not grant or permit to exist any encumbrance, claim, security interest, pledge or other right in their respective stock or assets in favor of any entity or person other than immaterial liens or encumbrances in the ordinary course of business, letters of credit issued on behalf of third-parties in the ordinary course of business and encumbrances resulting from regulatory requirements unless otherwise authorized by the Commission.
4	The Joint Applicants commit that any merger-related financial and accounting changes must be reported to the Commission and such changes must be shown to not harm Kansas customers.	Commitment 36: Holdco, KCP&L and Westar commit that any material Merger-related financial and accounting changes must be reported to the Commission.
5	The Joint Applicants will commit that KCP&L and Westar will not comingle their assets with the assets of any other person or entity.	Commitment 13: Holdco commits that KCP&L and Westar will not commingle their assets with the assets of any other person or entity, except as allowed under the Commission's Affiliate Transaction statutes or other Commission order.
6	The Joint Applicants will not sell, lease, rent or other convey, outside routine business practices, Westar and KCP&L assets without Commission approval.	Commitment 12: Holdco, KCP&L and Westar shall not sell, lease, rent or otherwise convey, outside routine business practices, Westar and KCP&L assets necessary and useful in providing electric service to the public without Commission approval.
7	The Joint Applicants commit that Westar and KCP&L will not make any dividend payments to the parent company to the extent that the payment would result in an increase in either utility's debt level above 60 percent of its total capitalization, unless the Commission authorizes otherwise.	Commitment 10: Holdco commits that Westar and KCP&L will not make any dividend payments to the parent company to the extent that the payment would result in an increase in either utility's debt level above 65 percent of its total capitalization, unless the Commission authorizes otherwise
8	The Joint Applicants commit that Westar and KCP&L will maintain an equity share of no less than 40 percent and a debt share of no more than 53 percent.	Commitment 10: Holdco shall maintain consolidated debt of no more than 65 percent of total consolidated capitalization, and KCP&L's and Westar's debt shall be maintained at no more than 65 percent.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
	Ratemaking and cost-of-service protections	
9	Goodwill associated with the premium over book value of the assets paid for the shares of Westar stock (referred to herein as "Acquisition Premium") will be maintained on the books of GPE. The amount of any Acquisition Premium paid for Westar shall not be included in the revenue requirement of KCP&L or Westar in future Kansas rate cases. Neither KCP&L nor Westar will seek direct or indirect recovery or recognition in retail rates of any Acquisition Premium through revenue requirement in future rate cases.	Commitment 20: Goodwill associated with the Merger is the difference between the fair market value of GPE's assets and the exchange value of GPE's stock upon the closing of the Merger (referred to herein as "Merger Goodwill") and will be maintained on the books of Holdco. The amount of any such Merger Goodwill shall not be included in the revenue requirement of KCP&L or Westar in future Kansas rate cases. Neither KCP&L nor Westar will seek recovery through recognition in retail rates and revenue requirement in future rate cases of any such Merger Goodwill.
10	The Joint Applicants commit that customers shall be held harmless from the risk or realization of goodwill impairment. The Joint Applicants commit that the goodwill arising from the Transaction shall be maintained on the books of GPE. Joint Applicants do not expect, and shall take prudent actions to avoid, goodwill to negatively affect KCP&L's or Westar's cost of capital. If such goodwill becomes impaired such impairment negatively affects KCP&L's or Westar's cost of capital or credit ratings, all costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the goodwill impairment, considering all other capital cost effects of the Transaction and the impairment, shall be excluded from the determination of the Impacted Utility's rates.	Commitment 21: Customers shall be held harmless from the risk or realization of any Merger Goodwill impairment. Holdco does not expect, and shall take prudent actions to avoid, Merger Goodwill from negatively affecting KCP&L's or Westar's cost of capital. If such Merger Goodwill becomes impaired and such impairment negatively affects KCP&L's or Westar's cost of capital or credit ratings, all costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the Merger Goodwill impairment, considering all other capital cost effects of the Merger and the impairment, shall be excluded from the determination of the Impacted Utility's rates.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
11	The Joint Applicants commit that neither Westar nor KCP&L shall never seek to recover, and shall be barred from recovering, and customers will never pay, either directly or indirectly, any acquisition premium, transaction costs, severance costs, or termination fees incurred or associated with this transaction. If such goodwill becomes impaired and such impairment negatively affects KCP&L's or Westar's cost of capital or credit ratings, all costs associated with the decline in the Impacted Utility's credit quality specifically attributed to the goodwill impairment, considering all other capital cost effects of the Transaction and the impairment, shall be excluded from the determination of the Impacted Utility's rates.	NO COMMITMENT
a.	Transaction costs include, but are not limited to, those costs relating to obtaining regulatory approvals, development of transaction documents, investment banking costs, costs related to raising equity incurred prior to the close of the Transaction, internal labor and third party consultant costs incurred in performing any types of analysis or preparation (financial, tax, investment, accounting, legal, market, regulatory, etc.) to evaluate the potential sale or transfer of ownership, prepare for bid solicitation, analyze bids, conduct due diligence, compliance with existing contracts including change in control provisions and compliance with any regulatory conditions, closing, and communication costs regarding the ownership change with customers and employees.	Commitment 22: Transaction costs include, but are not limited to, those costs relating to obtaining regulatory approvals, development of transaction documents, investment banking costs, costs related to raising equity incurred prior to the close of the Merger, severance payments required to be made by change of control agreements, internal labor and third party consultant costs incurred in performing any types of analysis or preparation (financial, tax, investment, accounting, legal, market, regulatory, etc.) to evaluate the potential sale or transfer of ownership, prepare for bid solicitation, analyze bids, conduct due diligence, compliance with existing contracts including change in control provisions, and compliance with any regulatory conditions, closing, and communication costs regarding the ownership change with customers and employees.
b.	Westar and KCP&L commit that they shall have the burden of proof to clearly identify where all transactions costs are recorded and shall be required to attest in all future rate proceedings before the Commission that none of these cost are included in its cost of service and rates, and to provide a complete explanation of the procedures used to ensure that these transactions cost are not included in the cost of service or rates.	Commitment 22: Westar and KCP&L commit that they will not seek recovery through recognition in retail rates of transaction costs, that they shall have the burden of proof to clearly identify where all transaction costs related to this Merger are recorded and shall be required to attest in all future rate proceedings before the Commission that none of these costs are included in cost of service and rates, and to provide a complete explanation of the procedures used to ensure that these transaction costs are not included in cost of service or rates. This commitment shall be required until transaction costs of this Merger are no longer on Holdco's books in a test year for KCP&L and/or Westar, as applicable.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
12	The Joint Applicants commit that neither KCP&L nor Westar will seek either direct or indirect recovery or recognition in retail rates of any Transaction costs through its revenue requirement in future rate cases	Commitment 22: Transaction costs shall be recorded on Holdco's books.
13	The Joint Applicants shall commit that its future cost of service and rates will not be adversely impacted as a result of this merger and that its future cost of service and rates will be set commensurate with the financial and business risks attendant to their individual regulated utility operations.	NO COMMITMENT
14	The Joint Applicants shall commit to uphold the principle that its future cost of service and rates will be set commensurate with the financial and business risks attendant to its affiliates' regulated utility operations and shall not challenge this principle before the KCC nor on any legal appeal. In such filings, KCP&L or Westar (as applicable) shall have the burden of proof to provide (a) evidence demonstrateing (a) that the Transaction has not resulted in a downgrade to that utility's Corporate Credit Rating or senior unsecured debt issue rating that exists at the time the general rate case is filed compared to the Corporate Credit Rating or senior unsecured debt issue rating of that utility that existed as of May 27, 2016, or (b) if such a Corporate Credit Rating or senior unsecured debt issue rating downgrade resulting from the Transaction exists at the time a general rate case is filed, evidence demonstrating that Kansas customers shall be are held harmless from any cost increases resulting from such a downgrade,; and (c) evidence supporting the reasonableness of using the utility-specific capital structure of KCP&L or Westar in determining a fair and reasonable rate of return for the applicable utility. A presumption shall apply that the ratings downgrade is caused by, results from, and is derivative of the Transaction.	Commitment 17: Holdco commits that future cost of service and rates of KCP&L and Westar shall not be adversely impacted on an overall basis as a result of the Merger and that future cost of service and rates will be set commensurate with financial and business risks attendant to their individual regulated utility operations.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
15	Neither KCP&L nor Westar shall seek an increase to their cost of capital as a result of (i.e., arising from, or related to) the Transaction or KCP&L's and Westar's ongoing affiliation with GPE and its affiliates after the Transaction.	Commitment 17: Neither KCP&L nor Westar shall seek an increase to their cost of capital as a result of (i.e., arising from or related to) the Merger or KCP&L's and Westar's ongoing affiliation with Holdco and its affiliates after the Merger.
16	The burden of proof that the increase to the cost of capital is not in any way a result of, arising from, or related to the transaction shall be born by KCP&L or Westar. Any net increase in the cost of capital that KCP&L or Westar seek shall be supported by documentation that: (a) the increases are a result of factors not associated with the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-Westar affiliates; (b) the increases are not a result of changes in business, market, economic or other conditions caused by the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-Westar affiliates; and (c) the increases are not a result of changes in the risk profile of KCP&L or Westar caused by the Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-Westar affiliates. The provisions of this section are intended to recognize the Commission's authority to consider, in appropriate proceedings, whether this Transaction or the post-Transaction operations of GPE or its non-KCP&L and non-Westar affiliates have resulted in capital cost increases for KCP&L or Westar. Nothing in this condition shall restrict the Commission from disallowing such capital cost increases from recovery in KCP&L or Westar's rates.	Commitment 17: The burden of proof that any increase to the cost of capital is not a result of the Merger shall be borne by KCP&L or Westar. Any net increase in the cost of capital that KCP&L or Westar seeks shall be supported by documentation that: (a) the increases are a result of factors not associated with the Merger or the post-Merger operations of Holdco or its non-KCP&L and non-Westar affiliates; (b) the increases are not a result of changes in business, market, economic or other conditions caused by the Merger or the post-Merger operations of Holdco or its non-KCP&L and non-Westar affiliates; and (c) the increases are not a result of changes in the risk profile of KCP&L or Westar caused by the Merger or the post-Merger operations of Holdco or its non-KCP&L and non-Westar affiliates. The provisions of this section are intended to recognize the Commission's authority to consider, in appropriate proceedings, whether this Merger or the post-Merger operations of Holdco or its non-KCP&L and non-Westar affiliates have resulted in capital cost increases for KCP&L or Westar. Nothing in this condition shall restrict the Commission from disallowing such capital cost increases from recovery in KCP&L or Westar's rates.

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
17	The Joint Applicants will never include in its cost of service, nor shall it seek to recover in rates, any transition costs also known as "costs to achieve" ("CTA") that are in excess of the benefits that these transition costs are intended to attain. Non-capital transition costs can be ongoing costs or one-time costs. KCP&L's and Westar's non-capital transition costs, can be deferred on the books of either KCP&L or Westar to be considered for recovery in KCP&L and Westar future rate cases. If subsequent rate recovery is sought, KCP&L and Westar will have the burden of proof to clearly identify where all transaction costs are recorded and of proving that the recoveries of any transition costs are just and reasonable as their incurrence facilitated the ability to provide benefits to its Kansas customers.	Commitment 19: Neither Westar nor KCP&L will ever include in cost of service, and shall never seek to recover in rates, any transition costs related to this Merger that are in excess of the benefits that these transition costs are intended to attain. Transition costs are those costs incurred to integrate Westar and GPE, and include integration planning, execution, and "costs to achieve." Non-capital transition costs can be ongoing costs or one-time costs. KCP&L's and Westar's non-capital transition costs, which shall include but not be limited to severance payments made to employees other than those required to be made under change of control agreements, can be deferred on the books of either KCP&L or Westar to be considered for recovery in KCP&L and Westar future rate cases. If subsequent rate recovery is sought, KCP&L and Westar will have the burden of proof to clearly identify where all transaction costs are recorded and of proving that the recoveries of any transition costs are just and reasonable as their incurrence facilitated the ability to provide benefits in excess of those costs to its Kansas customers. Such benefits may be the result of avoiding or shifting costs and activities.
a.	The Joint Applicants commit to bear the burden of proof to clearly identify where all transition costs are recorded and shall be required to attest in all future rate proceedings before the KCC that no transition costs in excess of their corresponding benefits are included in its cost of service and rates, and to provide a complete explanation of the procedures used to ensure that the transition costs, in excess of their corresponding benefits, are not included in the cost of service or rates.	Commitment 19: KCP&L and/or Westar, as applicable, shall bear the burden of proving and fully documenting that any transition costs for which rate recovery is sought have produced net benefits. Such benefits may be the result of avoiding or shifting costs and activities.
b.	The Joint Applicants shall bear the burden of proving, and fully documenting, any merger-related synergy savings that are used as offsets to any merger-related transition costs. These benefits must be provided on a detailed, itemized basis which directly corresponds to their associated transition costs. Such benefits may be the result of avoiding or shifting costs and activities.	NO COMMITMENT

GPE-Westar Merger Commitments Comparison

Number	Commitment Area/KEPCo Recommended Commitment	Joint Applicants' Commitment
	Reporting requirements	
18	The Joint Applicants agree accounting and record· keeping requirements sufficient to assure compliance with the other provisions, including the following:	Commitment 30: Holdco shall maintain separate books and records, systems of accounts, financial statements and bank accounts for Westar and KCP&L. The records and books of Westar and KCP&L will be maintained under the FERC Uniform System of Accounts ("USOA") applicable to investor-owned jurisdictional electric utilities, as adopted by the Commission.
a.	Maintain separate books and records, system of accounts, financial statements and bank accounts for Westar and KCP&L.	
b.	The records and books of Westar and KCP&L will be maintained under the FERC Uniform System of Accounts ('USOA") applicable to investor-owned jurisdictional electric utilities, as adopted by the Commission.	
c.	The financial books and records of the Joint Applicants' regulated utility affiliates will be made available to the Commission and its Staff and in its Topeka offices.	The financial books and records of Holdco's regulated utility affiliates will be made available to the Commission and its Staff.
d.	The records and books of any affiliate for which any direct or indirect charge is made to Westar and KCP&L, and included in said utilities' cost of service and rates on either a direct or indirect basis, will be made available, upon request, to the Commission and its Staff.	The records and books of any affiliate for which any direct or indirect charge is made to Westar and KCP&L, and included in said utilities' cost of service and rates on either a direct or indirect basis, will be made available, upon request, to the Commission and its Staff.
e.	The Joint Applicants shall provide Commission and its Staff with timely access to any relevant external auditor workpapers and/or reports.	Holdco, KCP&L and Westar shall facilitate access of the Commission Staff to its external auditors and endeavor to provide the Commission
f.	For the first full five (5) calendar years after closing of the Transaction, GPE shall provide Staff and CURB its annual goodwill impairment analysis in a format that includes spreadsheets in their original format with formulas and links to other spreadsheets intact and any printed materials within thirty (30) days after the filing of GPE's Form 10 Q for the period in which the analysis is performed, as well as all supporting documentation. Thereafter, this analysis will be made available to Staff and CURB upon request.	Commitment 35: For the first five (5) full calendar years after the closing of the Merger, Holdco shall provide Staff and CURB its annual goodwill impairment analysis in a format that includes spreadsheets in their original format with formulas and links to other spreadsheets intact and any printed materials within thirty (30) days after the filing of Holdco's Form 10 Q for the period in which the analysis is performed, as well as all supporting documentation. Thereafter, this analysis will be made available to Staff and CURB upon request.
g.	A filing to the Commission, within six months of the close of the merger, that provides detailed journal entries recorded to reflect the transaction and the provisions of this Agreement. The Joint Applicants shall also provide the final detailed journal entries to be filed with the Commission no *later* than 13 months after the date of the closing. These entries must show, and shall include, but not be limited to the entries made to record or remove from all utility accounts any acquisition premium costs, transaction costs, or severance costs.	Commitment 42: Within six months of the close of the Merger, Holdco, KCP&L and Westar will provide to the Commission Staff detailed journal entries recorded to reflect the Merger. Holdco, KCP&L and Westar shall also provide the final detailed journal entries to be filed with the Commission no later than 13 months after the date of the closing. These entries must show, and shall include but not be limited to, the entries made to record or remove from all utility accounts any acquisition premium costs or transaction costs.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Arizona	A load-serving entity shall use an RFP process as its primary acquisition process for the wholesale acquisition of energy and capacity (subject to several exemptions)	A load-serving entity (LSE) must engage an Independent Monitor to oversee all RFP processes for the procurement of new resources. The LSE must consult with the AZ Commission staff on the identity of the IE. The IE is paid by the LSE.	The LSE will design the RFP and evaluate bids. The LSE or an affiliated entity must submit to the IE any bid proposal, any benchmark, or reference cost that the LSE has developed to evaluate bids.	Established in the RFP by the LSE.
California	Competitive bidding is: 1) Mandatory for all domestic debt issues of debentures and first mortgage bonds of $200 million or less. 2) Only applicable to utilities with bon ratings of "A" or higher. There are some exemptions.		Utility must: 1) Provide newspaper publication notice to invite the submission, at a stated date, hour and place, of sealed, written bids for the purchase of the specified security. 2) Provide a notice for invitation to bid not less than one day. 3) State in the invitation the name and address of the person from whom information regarding the utility and the proposed issue may be obtained.	
Colorado	All new utility resources will be compared in order to determine a cost-effective resource plan (i.e., an all-source solicitation). The utility shall include in its plan the necessary bid policies, RFPs, and model contracts necessary to satisfy the resource need exclusively through all-source competitive bidding. There are some exemptions.	The utility must pay for and work with a Commission-approved IE to review its plan preparation, bid solicitation, evaluation, and selection processes.	The utility shall investigate whether each potential resource meets the requirements specified in the resource solicitation and shall perform an initial assessment of bids. The bid will advance to computer-based modeling to evaluate the cost or the ranking of the potential resource. the utility shall file a report with the Commission describing the cost-effective resource plans that conform to the range of scenarios for assessing the costs and benefits from the potential acquisitions. The Commission will then approve, condition, modify, or reject the utility's preferred cost-effective resource plan.	Established in the RFP by the LSE

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Florida	Prior to filing a petition for a determination of need for a new power plant, a utility must evaluate supply-side alternatives by issuing an RFP	None	Publish notice of the RFP in major publications, periodicals and trade publications. Notice must include a general description of the utility's next planned generating unit – including planned in-service date, cost, MW size, location, fuel type and technology. FL Commission must approve the RFP-resulting purchased power agreement or a self-build option as part of the power plant need determination.	Price: Non-price attributes: technical and financial viability; dispatchability; deliverability (interconnection and transmission); fuel supply; water supply; environmental compliance; performance criteria
Georgia	The RFP Process shall be utilized for every block of required new supply-side resource identified in the Integrated Resource Plan (with some exceptions)	Retained by the soliciting entity; selected by and reporting to the GA Commission. The IE will work in coordination with Commission staff and the soliciting entity. The IE will be funded through reasonable bid fees collected by the soliciting entity. The IE must agree to any proxy price included in the RFP against which bids will be tested. All bidder communications occur through the IE. The IE (and Commission staff) will participate in the certification proceeding to testify about their independent evaluation of the selected resources and whether the soliciting entity conducted the RFP process in a fair manner.	Soliciting entity responsible for preparing the initial RFP draft, including procedures, evaluation factors, credit & security obligations, a pro forma PPA, proxy price, and solicitation schedule. The IE and Commission staff will review the draft RFP and propose changes. The final version is subject to Commission approval. If the soliciting entity wants to consider a self-build option, the construction proposal must be submitted at the time other bids are due.	Total cost impact analysis (assessment by the soliciting entity). Second track evaluation by the IE and Commission staff using their discretion to evaluate the resource options received. The soliciting entity will consider the IE/Staff evaluation, but it has the final determination of what resources will be submitted to the Commission for certification.
Hawaii	Actual competitive bidding for IRP-designated resources will normally occur after the IRP is approved by the Commission, through an RFP. The utility may request a waiver in certain circumstances.	An Independent Observer shall be picked by the utility or Commission and approved by the Commission. The IE shall report to the Commission. The utility must pay for the IE, but may recover costs from its customers upon approval of the Commission, and may defer the costs prudently incurred for the IE.	The competitive bidding process shall include an RFP and supporting documentation by which the utility sets forth requirements to be fulfilled by bidders and describes the process by which it will: (i) conduct its solicitation; (ii) obtain consistent and accurate information on which to evaluate bids; (iii) implement a consistent and equitable evaluation process; and (iv) systematically document its determinations	Both price and non-price evaluation criteria (e.g., externalities and societal impacts, and preferred attributes consistent with the approved IRP), shall be described in the RFP, and shall be considered in evaluating proposals. The evaluation criteria and the respective weight or consideration given to each such criterion may vary from one RFP to another (depending on RFP scope, specific needs of utility, etc.)

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Illinois	For electric utilities that serve at least 100,000 customers, the Illinois Power Agency (IPA) must prepare an annual procurement plan for demand-response, power and energy products. The procurement plan must include a competitive solicitation.	The IL Commission must retain a Procurement Monitor that will monitor the interactions between the Procurement Administrator (PA), suppliers and electric utility; report to the IL Commission on the procurement process; provide an independent confidential report regarding the results of the procurement event; assess compliance with procurement plans; and consult with the PA on the development and use of benchmark criteria, standard form of contracts and bid documents.	The IPA will select a PA to design the procurement process, develop benchmarks to evaluate bids, serve as the interface between the electric utility and suppliers, manage the bidder pre-qualification and registration process, administer the RFP process, and negotiate final bids. The PA is a 3rd party expert or consulting firm.	Developed by the PA in accordance with the IPA's procurement plan.
Iowa	The bidding process will be used to purchase supply. The utility, as part of any solicitation under its competitive bidding process, will provide estimates of the cost the utility would incur in building or leasing the desired resource. Utility may request a waiver.	If an affiliate of the utility desires to submit bids, the utility shall select an IE from a board-approved list. The utility shall pay for the IE.	1) The utility shall make a general public announcement indicating its needs and intentions. 2) The utility shall alert the board whether an affiliate of the utility desires to submit bids. 3) An IE will be selected if an affiliate wants to submit a bid. 4) The utility will publish an RFP that complies with requirements. 5) The utility will review bids and choose an option that will meet its resource needs.	The evaluation of bids submitted must be based on the criteria identified in the utility's RFP. Price and non-price factors that will be considered are level and schedule of required capacity and energy payments; status of project development; fuel diversity; reliability and performance measures; dispatchability; project location; use of state fuels, manpower, and other resources; financial viability; prior experience; etc.
Montana	Least cost resource planning--before acquiring any new resources.	N/A	An all-source solicitation means an RFP issued to the broadest practical group of demand- and supply-side resource providers. The utility's resources should be included in the competition with solicited resources.	Resources identified through competitive solicitations should be evaluated with respect to the planning principles outlined in the guidelines.

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Ohio	Each electric utility shall provide consumers, on a comparable and nondiscriminatory basis, a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service to consumers, including a firm supply of electric generation service.	The competitive bidding process (CBP) plan shall provide for funding of a consultant that may be selected by the Commission to assess and report on the design of the solicitation and the oversight of the bidding process. Recovery of the cost of such consultant(s) may be included by the electric utility in its CBP plan.	The utility may file an application for an SSO in the form of an electric security plan (ESP), a market-rate offer (MRO), or both, and shall comply with the requirements set forth by the Commission. A utility that files an application containing a CBP plan shall provide justification of its proposed CBP plan, considering alternative possible methods of procurement.	The commission shall make the final selection of the least-cost winning bidder(s) of the CBP. The commission may rely upon the information provided in the independent third party's report in making its selection of the least-cost winning bidder(s) of the CBP.
Oklahoma	For a presumption of prudence, a utility must use competitive procurement for purchase or self-building of new long term electric generation, long term PPA, or long-term fuel supply for self-generation of electricity. Utility may seek waiver of competitive procurement requirements for a long-term procurement action.	The OK Commission, at its discretion, may retain and arrange compensation for an IE to monitor the RFP and competitive bidding process. The Commission must retain an IE in the following instances: (1) when an affiliate of the utility is anticipated to participate; (2) with the RFP and resulting bids is expected to have a material impact on the utility's cost of providing electricity to its customers; or (3) when it is anticipated that the utility may participate as a bidder. The IE will report to the Commission and Attorney General.	Prior to issuing an RFP, the utility must file the initial draft with the OK Commission for approval. The RFP must contain the RFP procedures, pro forma PPA, and identify the term, amount of MW, types of products, price and non-price evaluation factors and their respective weighting, and a preliminary analysis of transmission availability. The utility and the IE will attempt to resolve any differences in the selection of the winning bidder(s). If they cannot agree, the utility's selection wins. The IE will submit its independent evaluation to the Commission.	Price factors: charges or costs relating to long-term fuel supply, transport, storage, and processing.

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Oregon	All Major Resource acquisitions (duration greater than 5 years and quantities greater than 100 MW) identified in the utility's last IRP. Some exceptions.	An IE must be used to ensure that all offers are treated fairly. The Oregon Commission will select or approve the IE for the RFP. The IE must be independent of the utility and likely, potential bidders. The IE is paid by the utility. The utility will conduct the RFP process, score the bids, select the short-list and conduct negotiations with bidders. The IE will oversee the RFP process to ensure it is conducted fairly. If the RFP allows affiliate bidding or includes ownership options, the IE will independently score the utility's Benchmark resource and all or a sample of the bids to assess whether the utility's selection of the short-list is reasonable.	Draft RFP must be circulated to stakeholders for comment; must be submitted for approval by the Oregon Commission, including standard form contracts – final terms of contracts to be negotiated between the utility and bidder. Affiliates are permitted to bid, but all bids must be blind. Utility may use a self-build option in the RFP to provide a potential cost-based alternative.	Decision criteria must be consistent with IRP (non-price factors like dispatch flexibility, resource term, portfolio diversity, etc.). Selection of initial short-list of bids should be based on price and non-price factors and provide resource diversity.
Pennsylvania	Mandatory competitive bidding for purchases of capacity and associated energy for electric utilities with annual gross intrastate operating revenue of $500 million. Power plant life extensions programs are exempt from competitive bidding. An electric utility may petition for permission to construct its own generating plant outside of a competitive bidding program.	An IE is required for all bidding processes in which the utility or its affiliates participate. All such bids are to be evaluated by an IE selected by the utility.	All sources of capacity must be permitted to submit offers. The utility and its affiliates may participate in the capacity solicitation. A utility's competitive bidding program must be part of its long-term resource plans reflected in its Annual Resource Planning Report. Utility must file a petition for approval of its Capacity Resource Plan. Upon approval, the utility must develop an RFP for the purchase of capacity. RFP must include size and timing, non-price benchmarks or other factors, thresholds, evaluation criteria, standard agreements.	No Commission-mandated benchmarks, price factors, non-price factors – the utility may propose all benchmarks and selection criteria.

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Texas	A utility shall conduct competitive bidding to procure products and services, other than corporate support services, that are offered by a competitive affiliate or to sell to any competitive affiliate assets that have a per unit value of more than $75,000, or a total value of more than $1 million.	The utility shall use and IE when a competitive affiliate's bid is included among the bids to be evaluated. The IE shall identify the bids that are most advantageous and warrant negotiation and contract execution, in accordance with the criteria set forth in the RFP. The utility retains responsibility for final selection of products or services.	The utility shall provide reasonable notice of any RFP required. Such notice shall include: a) notice by publication in trade journals or newspapers as appropriate; b) notice by mail to persons who previously requested to be notified of the RFP; and c) conspicuous notice on the utility's Internet site or other public electronic bulletin board.	Criteria is specified in the RFP.
Utah	Acquisition or construction of a significant energy resource. The utility may request a waiver of solicitation requirements.	Use of an IE is required. The IE is hired by the Utah Commission and paid by the utility. Utility to provide data, information and models necessary for the IE to analyze and verify the models. The Dept. of Public Utilities and the IE (if then under contract) will be involved in preparing the screening and evaluation criteria, ranking factors, and evaluation methodologies. If an RFQ process is used, the IE will consult on evaluating potential bidders assign qualified bidders a Bid number to enable blinded bids. Bidders will submit bids directly to the IE. The IE will monitor the utility's evaluation of the bids and conduct its own evaluation in consultation with the Division of Public Utilities.	The Utah Commission must approve the utility's solicitation process. After the utility has completed the evaluation of bids, the utility must provide a written notification to the Utah Commission of the bid selected and whether the selected resources are in the public interest. The utility may negotiate a proposed final agreement at any time, but it will be conditional on approval of the Commission. Prior to RFP process, the utility may use a Request for Qualifications (RFQ) process, to pre-qualify bidders. Benchmark Options (either self-build or purchase option) can be included in the solicitation with certain utility disclosures. The IE will "blind" all bids and provide the blinded bids to the utility for evaluation.	Solicitation requirements: be designed to lead to lowest reasonable cost, and take into account the following factors: long-term and short-term impacts, risk, reliability, financial impact on the soliciting utility. Initial screening criteria can include (but are not limited to): cost, timing, point of delivery, dispatchability, credit requirements, level of change to pro forma contracts, transmission and interconnection, feasibility (timing & permits), fuel choice, cooling technology, system-wide benefits of transmission investment associated with the project, environmental impacts, and risk allocation.

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Comparison of State Competitive Bidding Rules

	Competitive Procurement for Wholesale Acquisition/Construction	Independent Evaluator (IE)	Competitive/RFP Process	Criteria for Selection
Virginia	Any utility subject to jurisdiction of the State Corporation Commission intending to construct any new generation facility capable of producing 100 MW or more shall submit a petition setting forth the nature of the proposed construction and the necessity therefore in relation to is projected forecast of programs of operation. Any contract negotiations between the utility and a potential supplier of electricity should be in strict accordance with what is stated in the company's RFP.	Whenever uneconomical, inefficient or wasteful practices, procedures, designs or planning are found to exist, the Commission shall have the authority to employ, at the sole expense of the utility, qualified persons, answerable solely to the Commission, who shall audit and investigate such practices, procedures, designs or planning and recommend to the Commission measures necessary to correct or eliminate such practices, procedures, designs or planning.	The company's RFP should provide accurate information about the company's need for capacity, including, at minimum, the following: 1) size, type, and timing of capacity; 2) minimum thresholds that must be met by respondents; 3) major assumptions to be used by the utility in the bid evaluation process, including environmental emission standards; 4) explicit instructions for preparing bids; 5) preferred general location of additional capacity; 6) a standard power purchase and operating agreement; and 7) specific information about the factors involved in determining price and non-price criteria used for selecting winning bids	The evaluation of bids submitted in a bidding program must be based on the criteria identified in the utility's RFP. Price and Non-Price Factors: 1) level and schedule of required capacity and energy payments; 2) status of project development; 3) demonstrated financial viability of the project and the developer; 4) a developer's prior experience in the field; 5) system fuel diversity; 6) dispatchability; 7) project location and effect on the transmission grid; 8) efficiencies of joint production of electricity and steam inherent in the cogeneration process; 9) use of Virginia fuels, manpower, and other state resources; 10) benefits to be derived by the industries and communities associated with particular projects; and 11) environmental impact
Washington	Any owner of a generating facility, developer of a potential generating facility, marketing entity, or provider of energy savings may participate in the RFP process. Qualifying facility producers with a generation capacity of one megawatt or less may choose to participate in the utilities' standard tariffs without filing a bid.	N/A	The utility's RFP submittal must declare the utility's or affiliate's participation and must demonstrate how the utility will satisfy the requirements of WAC 480-107-135. A utility must submit to the commission a proposed request for proposals and accompanying documentation no later than one hundred thirty-five days after the utility's integrated resource plan is due to be filed with the commission.	In addition to the solicitation process required by these rules, a utility may, at its own discretion, issue an RFP that limits project proposals to resources with specific characteristics.

Source: State Competitive Bidding Rules and Regulations; and Commission Orders.

Exhibit DED-4
Cited Responses to Information Requests

This exhibit presents a compilation of the documents and responses to discovery requests cited in the testimony of David E. Dismukes, Ph.D. on Behalf of the Kansas Electric Power Cooperative, Inc., as follows:

KEPCo 2-34

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20170928
Date of Response: 10/13/2017

Question:KEPCo 2-34

Refer to page 35 lines 15 – 23 of the Direct Testimony of John Reed where he states "the financial and ring-fencing commitments were designed largely in response to the concerns of the Commission and intervenors regarding 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 the parent company 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."

a. Please provide a detailed explanation is it the Joint Applicants position that although ring-fencing measures were proposed by the Joint Applicants, these ring-fencing commitments are not necessary due to the revised merger transaction terms?

Number of Attachments:

Response:

The Applicants are fully committed to all of their proposed regulatory commitments and conditions. It is the Applicants' position that the Merger was structured to address the concerns of the Commission in its April 19, 2017 order rejecting the initial transaction. Please see the Direct Testimony of Mr. Greenwood starting on page 6 for a detailed discussion regarding how the Merger addresses these concerns. While the structure and financing of the Merger does not create conditions which might necessitate ring-fencing, the Applicants have nonetheless proposed comprehensive financial and ring-fencing measures which are intended to address issues raised regarding the initial transaction. Please refer to the response to CURB-10. These commitments and conditions are intended to alleviate concerns from the initial transaction which, while not applicable to the Merger, may nonetheless be raised, and clearly assure the Commission that the Merger will benefit customers, cannot have an adverse impact on the operating utilities, and support a finding that the Merger is in the public interest.

Information provided by: John Reed, Concentric Energy Advisors

Attachment:
QKEPCo 2-34_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to KEPCo Data Request#2-34, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: John J. Reed

Title: Chief Executive Officer, CEA

Date: October 3, 2017

KEPCo 2-26

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20170928
Date of Response: 10/13/2017

Question:KEPCo 2-26

Refer to page 9 lines 4 – 13 of the Direct Testimony of Kevin Bryant where he discusses the incurrence of transaction costs related to the rejected merger and the proposed merger.

a. Please provide the amount of transaction costs the Joint Applicants incurred as a result of the initial transaction that was rejected by the Commission.

b. Please explain how the Joint Applicants will finance or recover the transaction costs associated with the initial transaction that was rejected by the Commission.

c. Please provide the amount of transaction costs the Joint Applicants' have incurred to date in the revised merger.

d. Please explain how the Joint Applicants will ensure that no transaction costs will be recovered by ratepayers in Kansas.

e. Please provide all workpapers, calculations, and source documents supporting the Company's response. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Number of Attachments:

Response:

1. Great Plains Energy Response – Great Plains Energy incurred approximately $157.3 million of transaction costs, including costs related to financing, related to the initial transaction through August 31, 2017. Westar Response – Westar incurred approximately $11.0 million of transaction costs related to the initial transaction through August 31, 2017.
2. As noted by Mr. Bryant, the Applicants will not seek recovery of transaction costs through retail rates.
3. Great Plains Energy Response – Great Plains Energy incurred approximately $1.2 million of transaction costs related to the revised merger through August 31, 2017. Westar Response – Westar incurred approximately $7.4 million of transaction costs related to the revised merger through August 31, 2017.
4. The description of transaction costs and exclusion of transaction costs from retail rates is described in Mr. Darrin Ives Direct Testimony beginning on page 11, line 5 and ending on page 12, line 6. Both Great Plains Energy and Westar Energy have internal processes in place to ensure transaction costs are recorded properly in accordance with FERC and GAAP reporting and to ensure they will be

excluded from both Applicants' cost of service. Please see the following attachments:Great Plains Energy Response – QKEPCo 2-26_Accounting Distribution – Westar Acquisition final.ppt Westar Response – QKEPCO 2-26_Merger Transaction Costs Memo_09.2016 Update FINAL.doc

5. Great Plains Energy Response – See attached workpaper, QKEPCo 2-26_Transaction Costs 08312017.xlsx which supports the responses above. The source of this schedule is Great Plains Energy's accounting systems as described in QKEPCo 2-26_Accounting Distribution – Westar Acquisition final.ppt.Westar Response – See attached workpaper, QKEPCo 2-26_Westar External Costs of Merger 082017.xlsx which support the responses above. The source of this schedule is Westar's accounting systems as described in QKEPCO 2-26_Merger Transaction Costs Memo_09.2016 Update FINAL.doc.

Great Plains Energy Response by: Mark FoltzWestar Response by: John Grace

Great Plains Energy Attachments:
QKEPCo 2-26_Accounting Distribution – Westar Acquisition final.ppt
QKEPCo 2-26_Transaction Costs 08312017.xlsx
Westar Attachments:QKEPCo 2-26_Merger Transaction Costs Memo_09.2016 Update FINAL.doc
QKEPCo 2-26_Westar External Costs of Merger 082017.xlsx
QKEPCo 2-26_Verification.pdf

Great Plains Energy Incorporated Transaction Costs
Westar Merger (99970002) - Transaction Costs by Resource Category
Case No. 18-KCPE-095-MER
Q: KEPCo 2-26

	2016 External Consultant and Other	YTD 08/2017 External Consultant and Other	**Total Actuals**
Transaction Costs:			
Closing Costs			
Investment Banking fees	7,726,506		7,726,506
Consulting fees	848,693	461,289	1,309,981
Filing fees	280,000		280,000
Contractor costs			-
Legal	5,781,603	3,294,512	9,076,115
Other outside services	2,971,910	2,492,064	5,463,973
Regulatory assessments		468,207	468,207
Travel & meals	48,245	29,803	78,048
Other costs	40,629	126,920	167,550
Total Closing Costs	17,697,585	6,872,796	24,570,381
			-
Bridge Costs			-
Fees	52,619,000		52,619,000
Interest	5,990,922	2,859,061	8,849,983
Legal	534,286		534,286
			-
Financing Costs			-
Interest Swap MTM	(81,746,652)	11,146,760	(70,599,892)
Preferred stock redemption	-	124,445,010	124,445,010
Audit & Accounting services	145,125	125,000	270,125
Legal fees	628,430		628,430
Other outside services	549,794	244,095	793,889
Commitment fees	15,000,000		15,000,000
Admin fees	217,386	711,174	928,560
SEC fees	379,934		379,934
Travel & meals	65,257	2,461	67,718
Other costs	68	-	68
Total Bridge & Financing Costs	(5,616,450)	139,533,560	133,917,110
Total Transaction Costs	**12,081,135**	**146,406,356**	**158,487,491**

Westar Energy, Inc. Transaction Costs
Westar Merger (Westar Account 4265000/4265100) - Transaction Costs by Resource Category
Case No. 18-KCPE-095-MER
Q: KEPCo 2-26

	2016	YTD 08/2017	**Total Actuals**
	External Consultant and Other	External Consultant and Other	
Transaction Costs:			
Closing Costs			
Internal Labor and loadings			-
Investment Banking fees	7,462,280	6,923,503	14,385,783
Consulting fees	45,189	(13,967)	31,222
Filing fees			-
Contractor costs			-
Legal	1,836,349	641,026	2,477,375
Regulatory assessments		444,877	444,877
Other outside services	856,757	147,928	1,004,685
Travel & meals	20,136	5,894	26,030
Other costs	6,408	2,846	9,254
Change in Control			-
Total Transaction Costs	**10,227,119**	**8,152,107**	**18,379,226**
Initial Transaction			10,958,687
Merger Transaction			7,420,539

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to ___________ Data Request#_________________________, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: ___________________________

Title: VP Risk Management & Controller

Date:______________________________

KEPCo 6-11

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [Kansas City Board of PUblic Utilities] [Ashley Bond]
Data Request: KEPCO-6.11 :: Somma - , "This is more equity (and related cash balances) than is optimal, ...
Date: 0000-00-00

Question 1 (Prepared by John Grace)
Refer to page 5 lines 6 – 10 of the Direct Testimony of Anthony Somma where he states, "This is more equity (and related cash balances) than is optimal, and we will rebalance the combined Company's capital structure after closing by repurchasing common stock in order to achieve and maintain a more balanced capital structure typical both for utility holding companies and regulated utilities, generally."a. Please list and quantify the costs the Applicants anticipate incurring in connection with the rebalancing of the Combined Company's capital structure if the merger is consummated. b. Please explain how the Applicants intend to recover the costs listed in your response to subpart (a). c. Please state where the costs incurred in subpart (a) are captured in RM.FM.170822.JointPlanning.BASE. d. To the extent not provided in your answer to subpart (a), please list and quantify the costs of all additional measures related to financing that the Applicants anticipate to be undertaken that are related to, caused by, or would not have been incurred but for the Revised Transaction. Please provide all workpapers, calculations, and source documents supporting this response. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

Response:
a. See CURB-16. b. There would be costs associated with issuing holding company debt and costs associated with repurchasing common shares. These are not utility related costs, and would not be recovered through regulated electric utility ratemaking; instead they would be borne by common shareholders and only be covered by dividends from the operating companies to the holding company as described in response to CURB-16. In the event that the Commission were to determine that the use of the consolidated company capital structure is appropriate to use for ratemaking, the cost of the holding company debt should still be excluded since the holding company debt is not an obligation of any of the operating utilities; instead, the cost of the individual utility's debt portfolio should be applied to the debt component of the capital structure to compute the utility's cost of debt. The cost to buy back shares is treated just like issuing new shares. Those costs reduce the common equity balance. If the consolidated capital structure is used for ratemaking, customers receive the benefit and none of the costs of the share buy-back due to the lower equity ratio. c. See CURB-16 and refer to RM.FM.170822.JointPlanning.BASE, tab "Cases," rows 217-223. d. See CURB-16.

No Digital Attachments Found.

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CURB 16 (CONFIDENTIAL)

Data Request Easy Access Management System

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Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [CURB] [a id ic els]
Data Request: CURB-16 - CO E T AL :: Somma testimony - Holdco capital structure
Date: 0000-00-00

!!!! ---- Confidential ---- !!!!

Question 1 (Prepared by John Grace)
Regarding Mr. Somma s testimony at page 12, concerning restructuring of the oldco capital structure, please a. Provide any updates as to the expected timing of the first and subsequent share repurchases. b. Provide the amount of cash flow from operations that is assumed in the first re-purchase of 30 million shares. c. Provide the amount of free cash flow that will be available and used by oldco, along with an expected 1.1 billion debt issuance, to re-purchase up to an additional 30 million shares. d. Reconcile the amounts assumed to be needed in the re-purchase of the first 30 million shares with the amounts assumed to be needed for the subsequent repurchase of up to 30 million shares. e. Provide the source of the funds from operations and free cash flow that is assumed to be used for the stock re-purchase. f. Provide the transaction costs that will be incurred in the repurchase of up to 60 million shares and the issuance of 1.1 billion of debt.

Response:
[redacted]

Attachment File Name	Attachment Note
CURB 16.xlsx	

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Westar Energy, Inc. and Great Plains Energy

CURB-16

dollars in millions

CONFIDENTIAL

Line #			
1	**CURB-16 b.**		

[redacted]

KEPCo 2-15

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-2.15 :: Somma - ...This is more equity than is optimal
Date: 0000-00-00

Question 1 (Prepared by John Grace)
15. Refer to page 5 lines 6 – 10 of the Direct Testimony of Anthony Somma where he states “This is more equity (and related cash balances) than is optimal, and we will rebalance the combined Company’s capital structure after closing by repurchasing common stock in order to achieve and maintain a more balanced capital structure typical both for utility holding companies and regulated utilities, generally.”a. Please provide a detailed explanation of all processes and actions the Joint Applicants will take to rebalance the combined Company’s capital structure if the merger is consummated. b. Please explain how long the Joint Applicants anticipate it will take to rebalance the combined Company’s capital structure after the closing of the merger c. Please explain any and all obstacles that the combined Company may have rebalancing its capital structure if the merger is consummated d. Please explain if GPE is currently undergoing processes to rebalance its capital structure before any approval of the proposed merger

Response:
a. See CURB-16. b. See CURB-16. c. Applicants objected to DR 2-15c because it constitutes cross-examination and it requests that Applicants engage in speculation on future events. Pursuant to the parties’ discussions, Applicants have agreed to respond to the question as amended below “Please provide any documents that set out actual obstacles the Applicants have identified they face in rebalancing their capital structure if the merger is consummated, beyond usual market risks and market factors.” Response None d. GPE is N T currently undergoing processes to rebalance its capital structure before any approval of the merger.

No Digital Attachments Found.

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KEPCo 13-06

DATA REQUEST EASY ACCESS MANAGEMENT SYSTEM

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Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-13.06 :: Ref Tony Somma Testimony - Pg 12
Date: 0000-00-00

Question 1 (Prepared by John Grace)
Please refer to page 12 of the Direct Testimony of Anthony Somma where he discusses the rebalancing of the capital structure. a. Please explain and provide all risks that the Company has identified associated with the rebalancing of the capital structure. b. Please explain whether the Applicants have considered and evaluated the impact of a market crash, actual trading ratios that are below those estimated in the transaction, or any other market condition which may impact the rebalancing of the capital structure. c. Please explain whether, if market conditions remain relatively unchanged, the repurchasing of shares will result in share price appreciation. d. If the response to (c) is affirmative, please explain if the Applicants' would consider this illustrative of a control premium.

Response:
a. As stated in Mr. Somma's testimony on page 13, the factors that will influence the rebalancing of the capital structure include "market conditions, changes in tax policy and or other factors that may influence the si e and timing of share repurchases." b. es. Market risk has been considered. The risk of rebalancing the company's capital structure was considered in the ER scenario provided as part of the Compendium of Financial Support Documents, part 6.c. This scenario assumes no new long-term debt issued at the new holding company and limits the number of repurchased common shares. c. Theoretically, yes, but market conditions or market reactions cannot be accurately predicted. d. No. The Applicants would not consider this to be a control premium.

Attachment File Name	Attachment Note
John Grace erification 13.06.pdf	

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Verification of Response

Westar Energy, Inc.

Docket No. 18-KCPE-095-MER

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: John M Grace

Title: Dir, Financial Analysis

KEPCo 13-08

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-13.08 :: Ref Tony Somma Testimony - Pg 13
Date: 0000-00-00

Question 1 (Prepared by John Grace)
Please refer to page 13 lines 1 – 3 of the Direct Testimony of Anthony Somma where he states "The actual amount will depend on market conditions, changes in tax policy or other factors that may influence the si e and timing of share repurchases." a. Please explain in detail how changes in the tax policy will influence the si e and timing of the share repurchases b. Please explain if the Applicants will use any of the potential corporate income tax savings to repurchase shares c. If the response to (b) is affirmative, please explain (i) how such use of the tax savings will benefit ratepayers, and (ii) why the use of these funds to repurchase shares is more appropriate or a better use of the tax benefit than passing it along to ratepayers.

Response:
a. Tax reform and the impact on the timing and si e of the share repurchase is currently being evaluated. Applicants will make this analysis available when it is completed. See also data requests CC-106 and IC-50. b. No. e will follow direction from the Commission in regards to handling the customer impact of tax reform. It is anticipated that income tax savings that directly lower customer revenue requirements will be deferred into a regulatory liability and passed onto customers. c. See responses to sup-part (a) and (b).

Attachment File Name	Attachment Note
John Grace erification 13.08.pdf	

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Verification of Response

Westar Energy, Inc.

Docket No. 18-KCPE-095-MER

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: John M Grace

Title: Dir, Financial Analysis

KEPCo 2-22

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-2.22 :: Somma-... hile we are confident in the fairness
Date: 0000-00-00

Question 1 (Prepared by Jeff DeBruin)
Refer to page 18 lines 6 – of the Direct Testimony of Anthony Somma where he states " hile we are confident in the fairness and reasonableness of the exchange ratio, both companies sought input and verification from their outside advisors. The fairness opinions issued by estar's financial advisors concluded that the exchange ratio is fair to estar's shareholders from a financial point of view." Please provide all written correspondence, memorandums, emails, presentations, and reports prepared by or on the behalf of the Joint Applicants outside advisors that evaluated the fairness and reasonableness of the exchange ratio for the proposed merger.

Response:
The only outside advisor for estar Energy, Inc. (estar Energy) that advised on the fairness and reasonableness of the exchange ratio for the proposed merger was Guggenheim Securities, C (Guggenheim). The final versions of official work product from Guggenheim - i.e., product that has gone through appropriate layers of review - are included in the estar Energy Board of Director materials included in EPC 2.0 . The only other potentially responsive documents would be emails enclosing the final presentations referenced above, and emails enclosing unofficial drafts of the presentations referenced above. Unofficial drafts of the presentations should not be relied on as they had not completed appropriate layers of review. Copies of these emails are attached to this response. Note that, if an email from Guggenheim was sent to multiple estar Energy employees, only a single email is reproduced.

Attachment File Name	Attachment Note
EPC -2.22 Attachment 1. ip	
EPC -2.22 Attachment 2. ip	

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CURB 13

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Nickel David Interrogatories - CURB_20170920
Date of Response: 09/29/2017

Question:CURB-13

Were any funds owed by GPE to Westar based on the failed merger agreement in the initial filing? If not, explain why the $380 million termination provision described at page 135 of the original prospectus to shareholders was not owed.

Number of Attachments:

Response:

No funds were owed by GPE to Westar based on the failed merger agreement in the initial filing. The termination fee was not owed because neither party terminated the agreement. Instead, GPE and Westar amended the merger agreement to reflect the revised transaction.

Attachment:
QCURB-13_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to CURB Data Request# 13, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: ______________________

Title: Senior Vice President - Corporate Services and General Counsel

Date: 9/22/17

KEPCo 17-01

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-1 .01 :: Termination ee
Date: 0000-00-00

Question 1 (Prepared by John Grace)
The Initial Transaction contemplated a 380 million termination fee payable by GPE to estar. a. Please explain to what extent the 380 million termination fee from the Initial Transaction has been addressed in the revised transaction. b. Please further describe to what extent the 380 million termination fee is included in the proposed exchange ratio, and which entity and or shareholders would receive the benefit of that fee in the exchange ratio. c. Please explain what relevance the 380 million termination fee has in the revised transaction despite its arising from the failure of the Initial Transaction. d. hat impact, if any, does the recovery of this 380 million termination fee have on ansas ratepayers and Joint Applicants' shareholders

Response:
a. Pursuant to Sections 8.01 and 8.02(b)(i) of the Agreement and Plan of Merger, dated May 2 , 2016 (" riginal Merger Agreement"), by and among Great Plains Energy Incorporated, estar Energy, Inc. and GP Star, Inc., Great Plains Energy would have owed estar Energy a 380 million termination fee if the riginal Merger Agreement was terminated due to an inability to obtain satisfactory regulatory approval for the transactions proposed by the riginal Merger Agreement. The riginal Merger Agreement was never terminated and the 380 million termination fee was therefore never payable. b. The 380 million termination fee provided for in the riginal Merger Agreement is not "included" in the exchange ratio provided for in the Current Merger Agreement. See the response to EPC 13-02. c. Refer to the response to subpart a. d. Not applicable – as noted above and in other responses, neither estar nor Great Plains are recovering the 380 million termination fee.

Attachment File Name	Attachment Note
John Grace erification 17.01.pdf	

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Verification of Response

Westar Energy, Inc.

Docket No. 18-KCPE-095-MER

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: John M Grace

Title: Dir, Financial Analysis

KEPCo 14-01

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20171222
Date of Response: 01/09/2018

Question:KEPCo 14-01

Please refer to Exhibit DRI-1 page 3, Commitment 11, where it states “For the avoidance of doubt, consistent with past practice, Westar may guarantee certain obligations of its subsidiaries, and subsidiaries of Westar may guarantee certain obligations of Westar.”

a. Please explain why the proposed provision is necessary in the revised transaction but was not necessary in the initial transaction.
b. Please provide all instances in the past in which “Westar . . . guarantee[d] certain obligations of its subsidiaries, and subsidiaries of Westar . . . guarantee[d] certain obligations of Westar.”

c. For the instances identified in (b), please provide all source documents which illustrate these past guarantees of obligations by Westar to its subsidiaries and its subsidiaries to Westar.

Number of Attachments:

Response:

1. Westar’s historical practice of guaranteeing certain obligations of its subsidiaries and its subsidiaries guaranteeing certain obligations of Westar was inadvertently overlooked during the initial transaction.
2. See Westar response.
3. See Westar response.

Attachment: Q14-01_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to KEPCo Data Request#14-01 submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: ______________________

Title: Vice President – Regulatory Affairs

Date: January 8, 2018

KEPCo 10-49

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20171212
Date of Response: 12/27/2017

Question:KEPCo 10-49

Please refer to Table 2 on pages 19 of the Direct Testimony of Darrin Ives which shows the planned generation retirements for KCP&L and GMO.

a. Please explain if KCP&L and GMO will be able to meet their respective capacity requirements after the generation plants are retired.

b. Please explain how KCP&L and GMO have ensured that capacity requirements will be met upon the retirement of the plants identified in Table 2.

c. Please explain if GPE or its subsidiaries plan to build new generating plants or acquire additional generating plants in order to replace the retired capacity.

Number of Attachments:

Response:

1. Yes, KCP&L and GMO will be able to meet their respective capacity requirements after the generation plants outlined are retired.
2. The 20-year integrated resource planning process entails analyzing expected load forecasts, Demand-Side Management (DSM) programs, and capacity available from all generation resources. The 2017 Annual Update Preferred Plans for KCP&L and GMO, KABHA and GCGHP, respectively, provide evidence of meeting the capacity requirements in the Preferred Plan workbooks, “CAP Balances” tab, “Reserve Margin” row. These workbooks were provided in response to KEPCO Data Request 9-02.
3. There are no plans to build or acquire generating plants for the purposes of replacing retired capacity.

Information Provided By:
Laura Becker, Manager, ERM
QKEPCo 10-49_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to KEPCo Data Request# 10-49, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: ______________________

Title: Director Energy Resource Management

Date: 12/21/2017

KEPCo 10-50

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-10.50 :: Plant retirements
Date: 0000-00-00

Question 1 (Prepared by Geoff Greene)
Please refer to Table 3 on page 20 of the Direct Testimony of Darrin Ives which shows the planned generation retirements for estar.a. Please explain if estar will be able to meet its capacity requirements after the generation plants are retired. b. Please explain how estar has ensured that capacity requirements will be met upon the retirement of the plants identified in Table 3.c. Please explain if estar or its subsidiaries plan to build new generating plants or acquire additional generating plants in order to replace the retired capacity.

Response:
a. estar maintains a load and capability analysis which calculates future reserve margin by year.The analysis uses a peak load forecast combined with assumptions around capacity sales purchases and if those contracts will expire as written or are extended. ther inputs include generating capacity by year to include unit retirements or new unit construction. Based on these inputs estar expects to meet reserve margin requirements until 2028. b. The reserve margin deficiency does not occur until 2028. estar does not have firm plans to build a power plant but intends to annually review the load and capability analysis and as we approach the plant retirement dates we will assess the need for future generation. c. See part (b) above.

Attachment File Name	Attachment Note
Geoff Greene erification 10.50.pdf	

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Verification of Response

Westar Energy, Inc.

Docket No. 18-KCPE-095-MER

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: ______________________

Title: Director, Tecumseh Energy Center

KEPCo 10-43

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20171212
Date of Response: 12/27/2017

Question:KEPCo 10-43

Please provide copies of all written competitive bidding practices and procedures that GPE and its subsidiaries undertake or follow for procuring its capacity requirements.

Number of Attachments:

Response:

KCP&L and GMO do not have written competitive bidding practices and procedures for procurement of capacity requirements.

The typical practices and procedures for procurement of capacity requirements are as follows:

1. Generation Sales & Services department will work in conjunction with the Energy Resource Management department to scope the contract term and quantity of capacity needed to meet KCP&L or GMO capacity requirements.
2. Generation Sales & Services department develops a Request for Proposal ("RFP") for public issuance.
3. Generation Sales & Services department will submit the RFP for distribution to the members of the North American Energy Markets Association, which is an independent, nonprofit trade association representing entities involved in the marketing of energy.
4. Generation Sales & Services department will field questions regarding the RFP and receive responses to the RFP.
5. RFP responses are submitted to the Energy Resource Management department for financial evaluation.
6. Upon completion of financial evaluation by the Energy Resource Management department, a short list of bidders is evaluated based upon a variety of factors such as transmission deliverability, credit worthiness, and terms under which the capacity is offered.
7. Once a preferred bidder is recommended a contract is negotiated, typically contingent upon acquisition of transmission.

Response provided by: Scott Davidson, Generation Sales & Services

Attachment: QKEPCo 10-43_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to KEPCo Data Request# 10-43, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed:

Title: Origination & Asset Management

Date: December 19, 2017

KEPCo 10-44

Docket: [18-KCPE-095-MER] Merger of Equals - Great Plains
Requestor: [KEPCO-Kansas Electric Power Coop. nc.] [Mar ol ac]
Data Request: KEPCO-10. :: Competiti e Bidding
Date: 0000-00-00

Question 1 (Prepared by Grant ilkerson)
Please provide copies of all written competitive bidding practices and procedures that estar and its subsidiaries undertake or follow for procuring its capacity requirements.

Response:
estar does not have any written practices or procedures for procuring capacity to meet our requirements.

Attachment File Name	Attachment Note
Grant ilkerson erification 10. .pdf	

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Verification of Response

Westar Energy, Inc.

Docket No. 18-KCPE-095-MER

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Grant Wilkerson

Title: Director Marketing Structure & Compliance

KEPCo 7-02 (CONFIDENTIAL)

KCPL KS
Case Name: Westar Merger
Case Number: 18-KCPE-095-MER

Response to Doljac Mark Interrogatories - KEPCo_20171030
Date of Response: 11/14/2017

Question:KEPCo 7-02

CONFIDENTIAL:

Please refer to Applicant's Response to KEPCo 2-26, which states that Applicants have "incurred approximately $157.3 million of transaction costs, including costs related to financing, related to the initial transaction through August 31, 2017."

a. Please reconcile the amount of $157.3 million provided above to the [redacted] of costs described as Pre-Transaction Financing Costs (line 439) in the Summary tab of RM.FM.170822.JointPlanning.BASE.

b. If the [redacted] of Pre-Transaction Financing Costs described in subpart a. above, or any component thereof, are not considered to be transaction costs by the Applicants, please explain why not.

c. To the extent not addressed in subpart (b) above, for each item listed in rows 402-414 in the Summary tab of Applicant's worksheet RM.FM.170822.JointPlanning.BASE, please state whether you included these costs in your response to KEPCo 2-26(a). If not, please state the reason.

d. Please reconcile the amount of $157.3 million provided above to the amounts provided in columns C and D of lines 436 to 437 in the Summary tab of RM.FM.170822.JointPlanning. BASE, described as Transaction Costs: GPE and Transaction Costs: WE.

e. If any portion of the amounts described as Transaction Costs:GPE and Transaction Costs:WE are not included in the $157.3 million of transaction costs provided above, please explain why not.

f. Please identify where the costs of unwinding debt secured to finance the Initial Transaction are included in Joint Applicant's worksheet QKEPCo 2-26_Transaction Costs 08312017.xlsx, and if not included, please explain why not.

g. Please identify where the costs of redeeming the $750 million convertible preferred equity commitment from the Ontario Municipal Employees Retirement System ("OMERS") are included in Joint Applicant's worksheet QKEPCo 2-26_Transaction Costs 08312017.xlsx, and if not included, please explain why not.

h. Please identify all fees, including any termination fees, paid to OMERS in connection with the preferred equity commitment. Please provide all documents related to the termination of the OMERS preferred equity commitment.

i. Please identify where the costs of redeeming the $863 million convertible preferred equity are included in Joint Applicant's worksheet QKEPCo 2-26_Transaction Costs 08312017.xlsx, and if not included, please explain why not.

j. If any of the items listed in rows 402-414 or described as Transaction Costs:GPE or Transaction Costs:WE in the Summary tab of Applicant's worksheet RM.FM.170822.JointPlanning.BASE are not considered by the Applicants to be transaction costs, please explain why not.

<u>Number of Attachments</u>:

<u>Response:</u>

[redacted] [redacted]

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
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[redacted] [redacted]

[redacted]

[redacted]

[redacted]

Information provided by: Michael Meyer
Jim Gilligan

Attachments:

[redacted]

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-095-MER

The response to KEPCo Data Request# 7-02, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: James P. Gilligan

Title: Assistant Treasurer

Date: 11/3/17