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Public Service Commission of Wisconsin
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Docket 9400-YO-100
Witness: Kevin O'Donnell
January 14, 2015
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State	Specific Merger Std. of Review
AL	Merger must be in the public interest.
AZ	None – each case decided on its own. Historical use of net benefit standard. Commission rule - can reject merger if deal harms financial status of utility, hurts the ability of the utility to raise capital at reasonable terms, or negatively impact the ability of the utility to provides safe, reasonable, and adequate service
AR	Factors the Commission must include in a merger analysis are as follows: contractual obligations of the utility; customer service; competition levels; the financial condition of the utility post-merger; financing and operational plans post-merger that may jeopardize the utility; and management of acquiring entity
CA	Public interest standard. Utility allowed to retain 50% of savings in mergers. economic benefits .
CO	Public interest standard. Factors to consider are: costs before and after merger; evaluation of net benefits from merger.
CT	The Commission must consider the capabilities of the acquiring utility as well as the ability of the applicant to provide safe, reliable, and adequate service.
DE	Public interest standard where the Commission has generally interpreted to mean the merger must provide some net benefit to ratepayers.
DC	Public interest standard that has generally involved a direct financial benefit to ratepayers.
FL	PSC is not authorized to review mergers
GA	PSC is not statutorily authorized to review mergers, but Commission has exerted control over mergers to ensure protection for consumers.
HI	In general, the public interest standard. No merger in the state in 20 years.
ID	Merger must be in the public interest, will not cause rates to increase, and purchaser must be able to operate the utility in the public interest.
IL	PSC must determine that the merger "is in accordance with the law, is for a proper purpose, and is consistent with the public interest," which generally means some net benefit to ratepayers.
IN	Not available
IO	PSC not authorized to specifically approve a merger, but the PSC can reject a merger if it is not in the public interest. In determining if the merger is in the public interest, the board must determine that it will have access to the books and records of the Company; that the merged entity will be able to attract capital on reasonable terms; whether ratepayers will be negatively impacted; and that the utility can provide safe and reliable service.
KS	PSC employs a public interest standard. Some of the factors to be considered are: 1. resulting financial condition of merged entities; 2. purchase price relative to expected savings; 3. the quantification of ratepayer benefits; 4. operational synergies that justify payment of a premium in excess of book value; 5. merger effect on competition; 6. the effect of the

	transaction on the environment; 7. whether the merger will be beneficial on an overall basis to state and local economies: 8. whether the merger will preserve the jurisdiction of the PSC; and 9. the effect of the transaction on utility shareholders.
KY	Merger must be in the public interest. Some of the issues to consider include whether the acquiring entity has the financial, technical, and managerial abilities to provide reasonable service.
LA	Merger must be in the public interest; maintain or improves the financial condition of the post-merger entity; positively affect the quality of service; provide net benefits to ratepayers; the merger cannot adversely affects competition; is fair and reasonable to the affected utility; is beneficial to the local economies; and preserves the jurisdiction of the PSC .
MD	Net benefit standard where the Commission considers quality of service, reliability, affiliate transactions, cross-subsidizations, and corporate governance.
ME	The merger must be consistent with ratepayer and investor interests. Historically, the PUC has deemed that "consistent with the interests" to mean the "no harm" standard in which the merging utilities show the transaction will not adversely affect ratepayers and investors.
MA	No net harm standard that considers the following: effect on rates; operational strategies; service quality; merger net savings and distribution between stockholders and ratepayers; effect on competition; post-merger financial integrity; societal costs; impact on economic development; impact on climate change
MI	Commission given merger approval authority in 2008
MN	Merger must be compatible with the public interest. No merger in past 10 years.
MS	Merger must be in the public interest. PSC must decide if native load will continue to have first priority OR the loss of that priority is not contrary to the public interest. In addition, any native load customers served by any transmission facilities shall be served on the same basis as before the transaction.
MO	Merger must be in the public interest.
MT	In 2004, the MT PSC stated that future mergers involving Northwestern, an acquirer should be a financially stable utility and that any acquisition premium would not be recoverable through rates. Other conditions involved the ability of the acquirer to fully fund the pension plan, have a "Montana" focus, and have strong management.
NE	PSC cannot approve any merger if it finds that the merger would adversely affect the utility's ability to serve its ratepayers.
NC	In general, public interest standard
ND	No specific standard, but the practice has been that the merger must be in the public interest.
NV	Merger must be in the public interest, which means it cannot harm ratepayers.
NH	Merger must not have a negative impact on rates service, terms, or operation of the utility. Merger must also be in the public interest.
NJ	Merger must be in the public interest. Commission is to examine the following areas: competition impact; how the merger

	affects employees and ratepayers; and if the merged entity can provide safe and reliable service at reasonable rates.
NY	Merger must be in the public interest. General level is 50% of the merger savings are passed onto consumers.
OK	Public interest standard, such as continuity of service; maintenance of a level of competition; whether the financial condition of the acquiring entity might jeopardize the financial stability; make any detrimental change in utility ownership would be detrimental to the utility's customers.
OH	Merger must promote the public convenience and will continue adequate service at a reasonable rate.
OR	Net benefit to consumers and no detriment to Oregon and its citizens.
PA	PUC must pass the positive net benefits standard. Must also consider the impact on employees.
RI	Rhode Island Department of Public Utilities and Carriers must determine that the merger is "consistent with the public interest and…will not diminish the facilities of the companies used for furnishing service to the public."
SC	Mergers subject to PSC review. No specific standard. In general, review has been to ensure SC consumers suffer no adverse effect from merger.
SD	PUC merger approval required but no set standard noted.
TN	No standard listed per RRA No mergers discussed in RRA
TX	PUC must approve merger for any TDU, or any deal in which more than 50% of a TDU holding company is sold. Deal must be in the public interest and not: result in the transfer of jobs outside the state; cause a decline in service; or negatively impact the health and safety of employees or consumers.
UT	Merger must be in the public interest.
VA	Merger must keep just and reasonable rates while not jeopardizing adequate service
VT	Merger must, in general, be good for the state and not degrade competition.
WA	Net benefit standard
WV	Commission must improve merger based upon the utility showing that neither party is given an advantage over the other, that the details of the transaction are reasonable, and the merger does not negatively impact the public.
WI	In general, merger must be consistent with the public interest.
WY	Not available