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Public Service Commission of Wisconsin
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Ex.-PSC-O'Donnell-3
Docket 9400-YO-100
Witness: Kevin O'Donnell
January 14, 2015
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Ex. – PSC - O'Donnell – 3

1	AL	The Laclede Group acquired Alabama Gas.	None	No	No
2	AZ	Unisource Energy and Saguaro Utility Group – **denied** 2004 Denied because claimed benefits did not outweigh risks of the transaction: increased leverage; Commission oversight uncertainties. Commission specifically cited the higher equity ratio from the merger as not offsetting the lower cost of debt and equity.		No	Yes – merger DENIED due, in part the concern the Commission had in regard to the higher equity ratio not offsetting the lower cost of debt and equity.
3	AZ	Fortis and UNS Energy – approved 2014	• $30 million credit to ratepayers over 5 years • Fortis to infuse $220 million of equity into UNS utilities • In all rate cases through 2020, UNS Energy must prove that rate increase is lower than would have occurred without the merger • No recovery of acquisition premium • UNS Energy must maintain a separate capital structure from Fortis • Tucson Electric cannot have a parent payout ratio of greater than 60% for 5 years after the merger. • Merged entity must support the objective of maintaining an investment grade credit rating in each subsidiary. • Ringfencing provisions to protect regulated utility from financial distress of Fortis • Fortis required to get Commission approval for debt,	Yes Rate Credit	Yes

			equity issuances as well as selling assets of regulated utilities.		
4	AR	Arkansas Western Gas (AWG) acquired by SourceGas. Approved 2008.	• Five-year rate freeze; • No acquisition premium, or transaction costs in rates.	Yes Rate freeze	No
5	CA	Merger between PacifiCorp and MidAmerican Energy Holdings (MEH). Approved 2006	• Cal. consumers would get conditions adopted by other states.	Yes	No
6	CO	Kinder Morgan sold its gas assets to General Electric Company and Alinda Investment Fund. Assets are now part of SourceGas (SG) Approved 2007	• Utility must maintain a 40% equity ratio or is not allowed to pay a dividend that would reduce equity ratio below 40%. • SG and affiliates are prohibited from making loans to or assuming any obligation for, non-regulated affiliates, without PUC approval; • SG and utility affiliates must keep separate books and records.	No	Yes
7	CO	Black Hills bought Aquila utility assets. Approved in 2008.	• Black Hills must keep separate money pool for utility entities and non-utility entities; • the utilities to maintain separate books and records, • acquisition premiums and transaction costs are to-be addressed in later rate cases; • No pledging of utility assets for non-utility subsidiaries or any other entity; • Unless approved by the Commission, utilities must maintain a 40% equity ration or it cannot make a dividend payment to the parent that would drop the equity ration below 40%	No	Yes
8	CT	Iberdrola's bought Energy East. 2007 approved	• No rate recovery of merger transaction expenses • All gas procurement were subject to review by the Commission; • Utilities could not record any merger-related valuation adjustments.	No	

9	CT	UIL Holdings Corp.'s proposed acquisition of Connecticut Energy and CTG Resources –m 2010 approved	• No conditions	No	No
10	CT	Merger between Northeast Utilities and NSTAR. 2012 approved	• a one-time rate credit of $25 million for customers of Connecticut Light and Power (CL&P), • electric distribution rates to be frozen until Dec. 1, 2014; • earnings-sharing mechanism was to become effective immediately following the conclusion of the rate-freeze period; • Within three years after the initial base rate freeze period, CL&P was to file a second rate case with new rates effective no later than Dec. 1, 2017; • CL&P was not allowed to request rate recovery of $40 million of the $260 million it spent on Tropical Storm Irene and an unexpected October 2011 snow storm. • charitable donations and civic commitments to Connecticut must be maintained at levels incurred over the previous five years.	Yes Rate credit	No
11	DE	Chesapeake Utilities acquired Florida Public Utilities		No	No
12	FL	Chesapeake Utilities acquired Florida Public Utilities		No	No
13	GA	Savannah Electric merger into GA Power 2006. Approved	• Mandatory rate adjustments in place until rates were on-par with one another so as to prevent subsidizations	No	No
14	GA	Atmos Energy's Georgia gas utility operations sold to Liberty Energy (Georgia)	• No recovery of transaction expenses of acquisition premium • Liberty's capital structure must be 45% debt and 55% equity.	No	Yes
15	ID	MidAmerican Energy Holdings Company (MEHC)	• PacifiCorp had to keep its own accounting system; • No cross-subsidization between regulated and	Yes Rate credit	Yes

		bought Pacificorp in 2008. Approved	unregulated businesses. • non-utility businesses or foreign utilities of MEHC cannot be held by PacifiCorp or one of its subsidiaries; • PacifiCorp is to maintain separate debt and preferred stock ratings from MEHC; • Established common equity ratio threshold below which dividend payments to parent could not be made; • Without Commission approval, neither PacifiCorp nor its subsidiaries can make loans or assume any liability of MEHC or its affiliates; • $142.6 million of rate credits due to merger-related synergies from 2006 through 2010.		
16	ID	MDU Resources Group acquired Intermountain Gas, 2008 Approved	Ringfencing provisions included: • Intermountain Gas cannot make loans to MDU Resources or affiliates; • Intermountain Gas must keep its own financial records; • Intermountain Gas must maintain a 35% equity ratio or it cannot make any dividend distribution to parent without Commission approval.	No	Yes
17	IL	Chesapeake Utilities' bought Florida Public Utilities. 2009 approved		No	No
18	IN	Commission approved affiliate agreements of the merger of Cinergy and Duke Energy. 2006 Approved	• Cinergy customers received a one-time rate credit of $40 million after the merger; • Cinergy reduced retail electric rates by $11.6 million effective June 1, 2008; • No recovery of transaction costs; • Recurring and prudent costs associated with achieving merger savings can be recovered next rate case; • Cinergy required to make a $1 million annual contribution to local community programs from 2006 through 2010.	Yes Rate credit	No
19	IA	Aquila sold its Iowa gas utility	• Black Hills Iowa Gas cannot pledge utility assets for	No	Yes

		assets to Black Hills Corporation. 2008. NOT rejected	non-regulated affiliates; • Black Hills must maintain an investment-grade credit rating; • Black Hills must keep an equity ratio of 40% or note be allowed to make a dividend payment to parent that would reduce the equity ratio below that level.		
20	KS	Aquila sold to Great Plains Energy. 2008. Approved	• Aquila must be held as a separate subsidiary of Great Plains; • Kansas City Power & Light (KCP&L) cannot include costs associated with Aquila's liabilities in rates; • No recovery of acquisition premium or transaction costs, but recovery of $10 million in transition costs is allowed.;	No	Yes
21	KS	Black Hills bought Aquila's gas utility. 2008 Approved.	• Aquila must be held as a separate subsidiary of Black Hill • Black Hills cannot provide financing for or guarantee the debt for non-regulated operations; • Must maintain a 40% equity ratio or not be allowed to make a dividend payment to the parent company that would reduce the equity ration below 40%; • Kansas Gas was allowed to retain earnings above its allowed rate of return in return for no recovery of acquisition premium and transaction/transition costs	No	Yes
22	KY	Cinergy sold to Duke Energy. 2006 Approved	• Duke Energy Kentucky consumers received electric and gas customers to receive annual rate credits of $1.3 million (electric consumers) and $0.2 million (gas consumers)for five years after the merger; • merger-related electric fuel and gas cost savings to flow to ratepayers through fuel adjustment clause and purchased gas adjustment clause; • no recovery of acquisition premium; • Duke Energy Kentucky cannot issue debt that will help	Yes Rate Credit	Yes

			Duke buy Cinergy; • Duke cannot seek a higher equity return in future rate cases than would have existed absent the merger; • Duke cannot guarantee the credit of any affiliate without the Commission's approval.		
23	KY	Duke bought Progress Energy. 2011. Approved.	• Duke could not file a gas or electric rate case for 2 years, during which time Duke could defer "extraordinary and uncontrollable costs,". Duke could, however, file foremergency rate relief. • No rate recovery of transaction costs and management retention bonuses; • Duke must contribute about $0.9 million to support weatherization efforts and economic development programs; • Duke Kentucky cannot incur any additional debt to finance any part of the merger; • No recovery of acquisition premium in rates; • Duke cannot seek a higher rate of return in future rate cases than it would have sought without the merger; • Duke Kentucky must maintain a 35% equity ratio; • No recovery of transaction costs in rates.	Yes Rate credit	Yes
24	KY	PPL Corp. bought LG&E and KU from E.ON AG. 2010 Approved	• LG&E/KU must maintain a "balanced capital structures"; • Acquisition savings sharing deferral for the sooner of five years or general rate case effective date.	Yes Op. Exp. Offset	Yes
25	MD	EDF Group bought 49.99% of Constellation Nuclear Group. Approved. 2008	• Baltimore Gas & Electric (BG&E) provided residential consumers a one-time distribution rate credit of $110.5 million; • Constellation was required to invest $250 million in cash in BGE by June 30, 2010; • BGE was required to keep a 48% equity ratio and keep its credit rating at-or-above investment grade or could not pay dividends to Constellation that would drop the	Yes Rate credit	Yes

			equity ratio below that level. was prohibited from paying dividends to Constellation • BGE could not file an electric or gas rate case pior to Jan, 2010 and was also precluded from filing a subsequent electric case prior to Jan., 2011 • BGE could not participate in Constellation's cash pool; • In Feb., 2010, Constellation created a bankruptcy-remote special purpose entity to hold all of the common stock of BGE.		
26	MD	Merger FirstEnergy and Allegheny Energy, which was the owner of Potomac Edison (PE) 2011. Approved.	• One-time rate credit of $6.5 million to PE customers; • PE required to track merger-related savings and account for them in future rate cases. • No rate recovery of acquisition premium or goodwill; • PE cannot create new regulatory assets stemming from the merger; • FirstEnergy had to maintain separate money pools for regulated and unregulated operations • PE must issue its own debt and maintain its own credit ratings; • PE cannot assume debt of parent holding company or use its assets as collateral for the holding company; • PE cannot pay a dividend to parent if its equity ratio falls below 45%, or if, within five years of the merger close, its credit ratings are downgraded to below investment grade	Yes Rate credit	Yes
27		Merger between Constellation Energy Group Inc. and Exelon Corp. 2012 Approved	• One-time rate credit to customers of Baltimore Gas & Electric (BGE) that totaled $112 million; • $113.5 million to finance energy efficiency and low-income-customer program; • No recovery of goodwill and/or transaction costs; • BGE cannot guarantee the debt or credit instruments of any Exelon affiliate; • BGE granting a mortgage or other lien on any utility	Yes Rate credit	Yes

			property; • BGE required to notify the Commission if its credit rating falls below BBB+. • BGE could not pay a dividend through 2014 to its parent; • After 2014, BGE must show that paying a dividend to its parent will not result in equity ratio falling below 48%.		
28	MA	Northeast Utilities and NSTAR. 2012 Approved	• $21 million one-time rate credits for customers of NSTAR Electric, NSTAR Gas, and Western Massachusetts Electric; and • base distribution rates frozen until Jan. 1, 2016	Yes Rate credit	No
29	MA	Algonquin Power & Utilities bought New England Gas. 2013 approved	• two-year distribution base rate freeze for New England Gas customers; • no recovery of transaction costs in rates; • $500k annual savings in first year after merger close;	Yes Rate freeze	No
30	MI	AltaGas Ltd.'s acquisition of Semco Holding Corporation (Semco Holding). 2012. Approved.	• No recovery in rates of acquisition premiums, transaction costs, financing costs, or goodwill, • AltaGas Ltd. Had to certify that there were no agreements that would restrict the ability of the MI utilities to access the capital markets; • AltaGas Ltd. Had to pledge to continue to make charitable donations after the merger close; • SEMCO Energy Gas customers could not pass onto customers any ratemaking-related adverse impacts associated with changes in deferred income tax balances; • SEMCO Energy Gas required to maintain at least a 45% equity in its capital structure until Jan. 1, 2015; • Cannot seek higher than a 10.35% ROE prior to Jan. 1, 2015, unless CPI rises more than 3%;	No	Yes
31	MS	ITC Holdings sought to buy		Rejected	Rejected

		the transmission assets of Entergy Mississippi (EM). 2013. **Rejected.** Commission fearful of losing the vertical integration of Entergy and losing control of transmission to the FERC.			
32	MO	Great Plains Energy acquired Aquila 2008 - approved	• No recovery of merger transaction costs; • Companies must track merger-related synergies and show savings exceed costs with ratepayers share of the synergies being reflected in rates through rate cases filed after the merger close; • If a credit downgrade occurs after the merger, shareholders must pay for the "financial effect"	No	Yes
33	MO	Empire District Gas (EDG) to acquire Aquila's Missouri-jurisdictional gas utility operations in 2006. Approved.	• 3-year rate freeze	Yes Rate freeze	No
34	MO	Energy Transfer Equity (ETE) acquired Southern Union. 2012. Approved.	• Southern Union cannot guarantee debt of Energy Transfer Partners or any affiliate; • Southern Union is to maintain records separate from its affiliates; • Southern Union pledged that its retail gas distribution rates would not increase as a result of the merger; • Commission would deal with impact on credit ratings in future proceedings. • No recovery of merger acquisition premium or transaction costs	No	Yes
35	MO	Laclede Gas bought Missouri Gas Energy (MGE)	• Missouri Gas Energy had to record a $125 million "rate base offset" that was then amortized over a ten-year period. • No recovery of acquisition premium or transaction	Yes Rate base offset	Yes

			costs. • Neither Laclede nor Missouri Gas could seek a higher cost of capital due to the merger. • Laclede could not pledge equity to support affiliate debt without Commission approval. • if Laclede's non-regulated operations got into financial trouble and the Laclede credit ratings were downgraded below investment grade, the Commission would require Laclede to pursue separation from the parent so that Laclede Gas could still access the capital markets at reasonable costs.		
36	NE	SourceGas bought the gas distribution assets of Kinder Morgan. 2007 Approved	• SourceGas was prohibited from pledging the assets of the utility.	No	Yes
37	NE	Aquila sold its gas utility assets to Black Hills Corporation. 2008 approved	• Black Hills cannot provide financing for non-utility subsidiaries. • The utility may note not guarantee any debt obligations of the parent, Black Hills Corporation, or its non-regulated operations; • project financing for non-utility businesses is stand-alone and cannot involved Black Hills or its parent company • Unregulated subsidiaries cannot loan money to the utility. • The parent must maintain separate money pools for utility and non-utility subsidiaries.	No	Yes
38	NC	Duke purchased Cinergy in 2007 – approved.	• $117.5 million savings flowed back to consumers for one year after the merger • Subsequent fuel savings were to flow through the company's fuel clause. • Duke was required to $12 million EE and environmental programs.	Yes Rate credit	No
39	NC	Duke purchased Progress	• No rate recovery for merger related expenses	Yes	No

		Energy. 2012. Approved	• jurisdictional share of $675 million in savings to North Carolina retail customers from 2012 through 2016 • Duke must contribute $16.5 million annually for a minimum of four years after close of merger; • Duke must contribute $15 million for low-income household weatherization, and community college programs as well as $5 million to workforce development and low-income assistance. • Duke cannot recover the cost of the market power mitigation measures required by FERC.	Rate credit	
40	NV	Berkshire Hathaway acquired NV Energy, 2013 approved	• NV Energy required to provide $20 million in one-time credits to utility within 30 days of merger close; • Utilities could not seek lost revenues through the lost revenue adjustment mechanism (LRAM) in 2014; • Utilities cannot recover lost revenues in excess of 50% of the level of such revenues the utilities could seek to recover in their 2015 LRAM filings. • no recovery of merger acquisition premium or transaction costs a • without prior Commission approval, the utility cannot loan or transfer funds to Berkshire or its affiliates, or assume any liability for Berkshire or its affiliates; • utilities must maintain separate credit ratings from those of Berkshire and subsidiaries; • NV Energy must maintain its own accounting system.	Yes Rate credit	Yes
41	NH	National Grid acquired KeySpan – 2007 approved	• Granite State Electric, which is a sub of national Grid, offered a $2.2 million rate cut over 5 years. • National Grid was required to use a 50/50 capital structure with a 9.67% ROE until its next rate case. • No recovery of the acquisition premium • Established earnings sharing provision effective in August 2017 where company will equally share with	Yes Rate credit	Yes

			ratepayers any earnings above its authorized ROE at that time.		
42	NH	Liberty Energy Utilities New Hampshire's bought National Grid's Granite State Electric and EnergyNorth. 2012 approved	• Granite State Electric and EnergyNorth are to have a capital structure of 45% debt/55% equity; • Granite State Electric and EnergyNorth are to record a regulatory asset or liability equal to the amount necessary to reflect the fair value of its pension and other post employment benefits obligations; • No rate case filing for Granite State Electric prior to Jan. 1, 2013; • EnergyNorth cannot file a rate case for 3 years after the merger close; • No recovery of acquisition premium and/or transaction costs; • Recovery of rate case expenses imited in the first rate case following closing of the transaction for both EnergyNorth and GSE;	Yes Rate freeze	Yes
43	NH	Unitil Corporation's proposed acquisition of Northern Utilities from NiSource. 2008 Approved	• Unitil could not file a rate case before Nov. 1, 2010. • Unitil could not recovery acquisition premium in rates. • Savings from the merger were to flow to ratepayers in the next rate case.	Yes	
44	NJ	FirstEnergy Corp./Allegheny Energy Inc – 2011 approved	• Jersey Central Power & Light (JCPL) could not recover transaction costs from rates; • JCPL had to maintain employment levels • Allegheny Energy subsidiaries could not use the same utility money pool as JCPL; • $81 million as a reduction to the "non-utility generation charge" deferred balance.	Yes Op. Expense Offset	
45	NJ	Public Service Enterprise Group, and Exelon Corp. – 2006 – application withdrew after failure to reach stipulation with Commission Staff		Application withdrawn	Application withdrawn

46	NJ	AGL Resources bought NUI – 2004 approved	• Five year rate freeze; • Utility may participate in AGL Resources' money pool arrangement; • Separate books and records from parent; • AGL Resources agreed to honor refund requirements ($28 million) imposed as part of the BPU's 2004 focused audit on NUI companies.	Yes	Yes
47	MT	Babcock & Brown Infrastructure Ltd. (B&B) bought Northwestern Energy – 2006 REJECTED as Commission found the acquisition would harm the financial condition of Northwestern. Commission found the deal would create too much debt for Northwestern.		Merger rejected	Yes Merger REJECTED due to a concern that the merger would create too much debt for utility.
48	NY	KeySpan and National Grid – 2007 approved	• Dividend payments from Brooklyn Union Gas and KeySpan Gas East to parent company would occur if one of the rating agencies downgraded the debt to non-investment grade. • None of the merger debt could be reflected on the utility books. • Brooklyn and Keyspan were to modify corporate bylaws such that a bankruptcy by their parent, National Grid, would not drag the utilities into bankruptcy.	No	Yes
49	NY	Iberdrola bought Energy East – 2007 approved	• New York State Electric and Gas and Rochester Gas and Electric customers were credited totaling $275 million and rate cases were filed in 2009.	Yes Rate credit	Yes
50	NY	Fortis acquired CH Energy Group, which is the parent of Central Hudson Gas &	• $9.25 million of merger savings to consumers over the first five years; • $35 million of deferred regulatory assets (primarily	Yes Rate credit	No

		Electric	storm costs) to be written off; • Central Gas & Electric required to donate $5 million to an economic development and low-income customer-assistance purposes. • Central Hudson Gas & Electric rates are to be frozen until July 1, 2015. • ROE for Central Hudson Gas & Electric was reduced from 10.5% to 10%.		
51	OH	Cinergy/Duke Energy merger in 2007 approved	• No recovery of costs-to-achieve or transaction costs • $35.8 million rate credit to Duke Ohio customers.	Yes Rate credit	No
52	OR	In 2006, Scottish Power sold PacifiCorp to MidAmerican Energy Holding Company	• PacifiCorp to keep its own accounting system • PUC will have complete access to all books and records, including data, documents, and records of their affiliated interests of Pacificorp and Berkshire, which owns MidAmerican Energy; • No cross-subsidization between regulated and unregulated allowed; • non-utility businesses and/or foreign utilities of Berkshire cannot be held by PacifiCorp or a subsidiary of PacifiCorp; • PacifiCorp is to maintain separate debt and preferred stock ratings; • PacifiCorp must maintain a common equity ratio of at least 45% and cannot make any payment to Berkshire that would reduce the equity ratio below 45% without PUC approval; • If Pacificorp's bond ratings falls to BBB- or lower, it cannot make any payments to Berkshire • PacifiCorp cannot assume any obligations of Berkshire or an affiliate nor can it make loans or transfer funds to Berkshire • PacifiCorp is to provide $39.9 million of cumulative Oregon-jurisdictional rate credits ($142.6 million	Yes Rate credit	Yes

			company-wide) over the ten years 2006-2015.		
53	OR	Cascade Natural Gas bought by MDU Resources – 2007 approved	• Cascade is to maintain accounting records; • PUC to have access to all books and records as well as those of affiliates; • non-utility businesses may not be held by Casecade or one of its affiliates • $0.2 million annual rate credit through 2012 for Cascade customers • Cascade must maintain independent credit ratings; • Cascade cannot make a loan to MDU or any affiliate without prior Commission approval. • Cascade cannot seek a higher ROE or cost of debt that would have occurred without the mberger. • No recovery of acquisition premium; • Cascade must maintain a 3-to-1 interest coverage ratio before it can pay a dividend toMDU • Cascade bond rating must be at least investment grade; • Unless Commission approval is obtained, Cascade must limit its dividend payments so that it can maintain an equity ratio of 41% during 2008, 42% in 2009, 43% in 2010, 44% in 2011, and 45% in 2012 and beyond	Yes Rate credit	Yes
54	TX	PNM Resources acquired Texas-New Mexico Power (TNP)and its affiliate, FirstChoice Power – approved 2005	• TNP reduced its Texas retail electric distribution rates by $13 million. • Rates frozen through 2007. In 2005, TNP also gave Texas ratepayers a $6 million credit for merger savings to be paid over 24 months following the close of the transaction. • TNMP agreed not to recover transaction costs or goodwill	Yes Rate freeze	No
55	TX	Exelon/Public Service Enterprise Group – approved but merger was terminated		Merger terminated	Merger terminated

		due to conditions from other states			
56	TX	KKR and TPG Inc. did a leveraged buyout of TXU Corp. approved 2008	• TXU subsidiary, Oncor, was required to provide a $72 million one-time credit to ratepayers and write-off $21 million of restructuring regulatory assets and $35 million of storm-related costs. • Through 2012, Oncor was not allowed to pay dividends to the parent company that exceeded its net income. • Oncor required to maintain a debt ratio set by the Commission for ratemaking purposes; Oncor was prohibited from issuing new debt associated with the transaction; • TXU was required to spend $200 million in DSM over the 5 years after the merger close	Yes Rate credit	Yes
57	SC	Duke Energy acquired Progress Energy – 2012 Commission did not need to approve the merger since it found no harm.	• Annual community support of$2.7 million to SC • $5.2 million to workforce development • Pro rata jurisdictional benefits of $687 million in fuel and joint dispatch savings.	Yes Rate credit	No
58	SC	Duke Energy purchased Cinergy – 2005 approved	• $40 million reduction in base rates for one-year • Capital structure to be 55% equity and 45% debt by 12-31-07 and to remain in effect until next rate case. • Costs to achieve are excluded • If a downgrade were to occur from the merger, DEC could not pass on higher debt costs to consumers.	Yes Rate credit	Yes
59	PA	Macquarie Infrastructure Partners bought Duquesne Light – approved in 2007	• For 5 years after close, utility could not include higher cost of capital associated with merger • No recovery of merger transaction costs through rates. • Could not file a rate increase through 1-1-2010. • Duquesne long-term debt ratio cannot exceed 60% unless approved by Commission	Yes Rate freeze	Yes
60	PA	FirstEnergy/Allegheny Power	• MetEd, Penelec, and PPC could not seek an electric	Yes	Yes

		merger approved in 2011	distribution rate hike with rates effective any time prior to 10-1-12. • Earnings above a 10.1% ROE flowed back to consumers. • WestPenn was to provide $3.6 million in rate credits per year for 3 years after the merger. • No recovery of acquisition premium or transaction costs. • Distribution companies must deploy smart meters to 90% of customers by 12-31-2018 and implement voluntary TOU rates. • Distribution utilities must maintain a minimum 40% equity ratio. • Separate money pools must be maintained between regulated and unregulated entities. • Utility subsidiary must have separate credit rating, separate capital structure, and financial statements. • No utility subsidiary can assume debt issued by parent.	Rate credit	
61	PA	SteelRiver Infrastructure Fund bought Peoples Gas in 2010 – approved	• PNG's rates capped until 1-1-2011 • PBG gave rate credits of $35 million over three years following net rate case. • No recovery of acquisition premium or transaction cost. • In future rate cases, PBG's debts costs are company-specific • Hold harmless provision for utility customers from costs associated with unregulated activities. • PNG required to notify the PSC when debt ratio goes over 55%. • PNG could not make a dividend payment greater than its net income. • Unless ok'd by PSC, PNG could not guarantee the debt of any utility, mortgage its assets for an affiliate, or loan money to an affiliate. • Ring-fence to prevent utility subsidiary from bankruptcy	Yes Rate freeze	Yes

			proceedings of parents or affiliates.		
62	UT	MidAmerican Holdings acquired Pacificorp 2006 Approved Ringfencing provisions	• PacifiCorp must maintain its own accounting system; • PacifiCorp and MEHC are to provide the PSC with access to all books and record; • Utility must comply with all rules regarding affiliated interest transactions; • PacifiCorp agreed to prevent cross subsidization between the regulated and non-regulated businesses • non-utility business or foreign utilities of MidAmerican cannot be held by PacifiCorp or a subsidiary of PacifiCorp; • PacifiCorp is to maintain separate debt and preferred stock ratings; • PacifiCorp will not make any distribution to or affiliate that would reduce PacifiCorp's equity ratio below 40% without PSC approval; and, • neither PacifiCorp nor its subsidiaries can make loans or transfer funds to MEHC or its affiliates	Yes Rate credit	Yes
63	WA	Macquarie Infrastructure Funds bought Puget Energy which, in turn owned utility Puget Sound Energy	• Puget Sounds (utility) ordered to provide $100 million in ratepayer "benefits" over the 10 years; • Puget Sound prohibited from paying dividends if certain interest coverage ratios are not achieved; • Puget Energy and Puget Sound required to obtain credit facilities or additional equity investments to support PSE's capital expenditure program; • Puget Sound required to keep separate books and records • Puget Sound and Puget Energy or affiliates cannot pledge assets without Commission approval • Puget Sound must maintain separate debt and preferred stock • Utility must keep separating ratings on preferred stock and debt;	Yes Rate credit	Yes

			• NET savings are to be in rates in subsequent rate cases. • No recovery of acquisition premium, • Puget Sound cannot seek a higher ROE or cost of debt in future rate cases due to the merger. • a bankruptcy-remote special purpose entity was to be established to own all the common stock of Puget Energy		
64	WA	MidAmerican Holdings acquired Pacificorp 2006 Approved	• PacifiCorp must maintain its own accounting system; • PacifiCorp and MEHC are to provide the PSC with access to all books and record; • Utility must comply with all rules regarding affiliated interest transactions; • PacifiCorp agreed to prevent cross subsidization between the regulated and non-regulated businesses • non-utility business or foreign utilities of MidAmerican cannot be held by PacifiCorp or a subsidiary of PacifiCorp; • PacifiCorp is to maintain separate debt and preferred stock ratings; • PacifiCorp will not make any distribution to or affiliate that would reduce PacifiCorp's equity ratio below certain levels without the approval from the WUTC; and, • neither PacifiCorp nor its subsidiaries can make loans or transfer funds to MEHC or its affiliates •	Yes Rate credit	Yes
65	VA	Appalachian Power merged with Wheeling Power – 2013 approved	• $3.3 million annual rate credit.	Yes Rate credit	No
66	VT	Merger between Green Mount Power and Northern New England Energy Corporation (NNEEC), 2007,	• Green Mountain Power was required to invest $9.3 million in conservation-related projects. • Must provide 30 days notice if utility equity ratio varies by more than 300 basis points from that approved in	No	Yes

		approved	last rate case • Must also give 30 days notice if its unused, short-term-borrowing capacity is to fall below $15 million • Must give 30 days notice if Green MountainPower wants to make a distribution to its parent it has been placed on negative CreditWatch. • For 7 years after merger, GreenMountain Power is to report merger savings. • Green Mountain Power is to stay structurally separate and operate as a stand-alone company.		
67	VT	VT – Green Mountain Power merged with Central Vermont Public Service 2012 - approved	• $144 million of cost savings to flow to customers in first 10 years • If savings goal is not met in 10 years, Green Mountain Power must file a plan with the Commission to guarantee the difference. • Must maintain separate books • Must operate as a stand-alone entity. • Cannot have any transaction with affiliate of greater than $100k without Commission approval. • Utility cannot subsidize other Green Mountain affiliates. • must share with ratepayers any profit merger profit, up to a maximum of $16 million. Green Mountain Power will satisfy this obligation through investments in efficiency projects, renewable and clean energy, demand response, and emerging technology in the territory of Central Vermonth Public Service.	Yes	Yes
68	WV	FirstEnergy/Allegheny Power – 2011 approved	• Monongahela Power and Potomac Edison were required to credit customers $2.5 million in2012 and $5 million in2013. • No recovery of goodwill or transaction costs. • FE was not allowed to pledge the assets of	Yes Rate credit	Yes

			Monongahela Power or Potomac Edison for 2 years after the close of the merger. • Each WV subsidiary must maintain nit won debt and not loan money to or guarantee any loans to FE or any affiliate. • No dividend increase to parent for 5 years after the merger close IF the FE bonds are downgraded by 2 or more credit agencies. • Other than through attrition, staffing cuts are prohibited for 2 years after the merger.		
69	WV	SteelRiver Infrastructure bought Equitable Gas distribution operations – 2013 approved	• No rate recovery of transaction costs or acquisition premium • No filing of base rate recovery prior to Jan. 1, 2017; • In first case filed within the seven year of the rate case moratorium, new utility (Peoples Gas WV) must provide credits totaling $2.25 million over the next 7 years. • Peoples Gas WV cannot guarantee the debt or credit of any affiliate.	Yes Rate freeze	Yes
70	WI	WPS Resources and Peoples Energy merged to form Integrys Energy Group. 2007 approved	• No recovery of transaction costs • WPS may recover transition costs, but only if: (1) the transition costs are incurred by or allocated to WPS; (2) the transition costs are associated with financial benefits for ratepayers; and, (3) WPS' merger-related savings are equal to or greater than its merger-related transition costs. • WPS is prohibited from paying normal common dividends to its parent company greater than 103% of the prior year's dividend.	Yes Rate freeze	Yes
71	WY	Scottish Power sold PacifiCorp to MidAmerican Energy Holdings (MEHC)	• PacifiCorp is to maintain its own accounting system; • PacifiCorp is to comply with regulations and statutes regarding affiliate transactions; • no cross-subsidization between the regulated and non-	Yes Rate credit	Yes

			regulated businesses; • Pacificorp is exclude all costs of the merger from PacifiCorp's utility accounts used in setting rates; • No loans, transferring of funds, or assuming obligations for related entities without prior PSC approval; • PacifiCorp cannot seek a higher cost of capital in post-merger rate proceedings than it would have absent the merger; • Merger required transmission and distribution system infrastructure investments; • Committed to acquire 1,400 MW of new renewable resources; and • $21.4 million of aggregate Wyoming-jurisdictional rate credits between 2006 and 2015		
72	WY	Kinder Morgan gas distribution units soid to SourceGas	• Sourcegas cannot guarantee any financial obligations of an affiliate entity; • Utility cannot make payments of dividends that would reduce its equity ratio below 40%: • No recovery of transaction premium	No	Yes