PSC REF#:229755

Public Service Commission of Wisconsin
RECEIVED: 01/14/15, 12:23:07 PM

Ex.-PSC-O'Donnell-5
Docket 9400-YO-100
Witness: Kevin O'Donnell
January 14, 2015
Cover Page

# Ex. – PSC - O'Donnell – 5

# Utility Mergers from 2004 - 2014

| No. | State | Date | Merger Parties | $ Savings | Retail Non-Fuel O&M | Customer Credit ($) | Societal Credit ($) | Total Credit ($) | Retail Credit % of Non-Fuel/PP O&M |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **Mergers that Involved Rate Credits** | | | | | |
| 1 | AZ | 2014 | Fortis/UNS | $30 mill. Over 5 yrs for Tuscon El., UNS El., and UNS Gas | $361,206 | $10,000 | | $10,000 | 2.77% |
| 2 | CT | 2012 | Northeast Utilities acquired by NSTAR | $25 million rate credit to CL&P customers<br>$40 million write-down of TS Irene costs | $620,478 | $25,000 | | $25,000 | 4.03% |
| 3 | ID | 2005 | Pacificorp acquired by MidAmerican Energy Holdings | $142.6 million in rate credits from 2006-2010<br>$640k per Idaho final order | $40,012 | $640 | | $640 | 1.60% |
| 4 | IN | 2006 | Duke purchased Cinergy | Cinergy customers got a $40 million one-time credit and a $11.6 million rate reduction on 6-1-08 | $397,562 | $40,000 | | $40,000 | 10.06% |
| 5 | KY | 2006 | Duke purchased Cinergy | Duke Kentucky electric consumers received $1.3 million per year for 5 years. Gas consumers received $0.2 million for 5 years. | $36,216 | $1,300 | | $1,300 | 3.59% |
| 6 | KY | 2011 | Duke bought Progress Energy | $0.9 million for weatherization efforts and econ. dev. | $134,279 | $0 | $900 | $900 | 0.67% |
| 7 | MD | 2011 | FirstEnergy and Allegheny Energy, which owns Potomac Edison | $6.5 million rate credit to PE cust. | $210,299 | $6,500 | | $6,500 | 3.09% |
| 8 | MD | 2008 | Constallation Nuclear sold to EDF Group | BG&E customers received a $110.5 million one-time distribution rate credit | $376,066 | $110,500 | | $110,500 | 29.38% |
| 9 | MD | 2012 | Constellation and Exelon merger | $112 million one-time rate credit to BG&E customers<br>$113.5 to finance EE and low-income customer program. | $533,751 | $112,500 | $113,500 | $226,000 | 42.34% |
| 10 | MA | 2012 | Northeast Utilites and NSTAR | $21 million one-time rate credits for NSTAR electric, NSTAR Gas, and Western Mass.<br>Base dist. rate freeze until 1-1-16. | $567,352 | $21,000 | | $21,000 | 3.70% |
| 11 | NC | 2007 | Duke bought Cinergy | $117.5 million flowed back one-year after merger -Includes fuel savings of $11,813. All NC Retail numbers<br>$12 million to EE and enviro programs<br>Commission will initiate an investigation on existing rates in 2007 | $1,004,613 | $105,700 | $12,000 | $117,700 | 11.72% |

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| 12 | NC | 2012 | Duke bought Progress Energy | $15 million in low-income weatherization and econ. dev. efforts<br>$675 million in fuel synergy savings. | $2,245,177 | $17,000 | $0 | $17,000 | 0.76% |
| 13 | NV | 2013 | NV Energy sold to Berkshire Hathaway | NV Energy customers got a $20 million one-time rate credit. | $888,449 | $20,000 | $0 | $20,000 | 2.25% |
| 14 | NH | 2007 | Keyspan sold to Nat. Grid | $2.2 million over 5 years to Granite State Electric customers | $23,980 | $440 | $0 | $440 | 1.83% |
| 15 | NY | 2013 | CH Energy Group sold to Fortis | $9.25 million refund over 5 years to Cen Hudson G&E<br>$35 million of def. reg. assets to be written off<br>Central Hudson G&E to donate $5 mill to econ. development<br>Central Hudson G&E rate frozen to 7-1-15 | $227,696 | $1,850 | $1,000 | $2,850 | 1.25% |
| 16 | OH | 2007 | Cinergy sold to Duke | $35.8 million rate credit to CG&E el customers | $304,769 | $35,800 | $0 | $35,800 | 11.75% |
| 17 | OR | 2006 | Pacificorp sold to MidAmerican Energy Holdings | $39.9 million rate credit to consumers over 10 years | $233,535 | | | $3,990 | 1.71% |
| 18 | OR | 2007 | Cascade Nat Gas sold to MDU Resources | $0.2 million annual rate credit through 2012 for Cascade cutomers | $13,336 | $200 | | $200 | 1.50% |
| 19 | PA | 2011 | FirstEnergy/Allegheny | MetEd, Penelec, and PPC could not seek an electric dist rate hike until 10-1-12<br>WestPenn to provide $3.6 million in annual rate credits for 3 years after merger | $210,346 | $3,600 | | $3,600 | 1.71% |
| 20 | SC | 2005 | Duke bought Cinergy | $40 million one-time credit to Duke SC customers | $734,465 | $40,000 | | $40,000 | 5.45% |
| 21 | SC | 2012 | Duke bought Progress Energy | $1.9 million in community support<br>$0.8 million in charitable contributions<br>$5.2 million in workforce redevelopment | $552,763 | | $7,900 | $7,900 | 1.43% |
| 22 | TX | 2008 | TXU Corp sold to KKR and TPG | TXU sub, Oncor, required to provide a one-time rate cut of $72 million.<br>Oncor write-off of restructuring reg. assets and $35 million of storm-related costs | $848,824 | $72,000 | $0 | $72,000 | 8.48% |
| 23 | UT | 2006 | Pacificorp sold to MidAmerican | Pacificorp to credit $142.5 million to all | $363,970 | | | $225 | 0.06% |

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| | | | Energy Holdings | customers between 2006 and 2015 | | | | | |
| 24 | VA | 2013 | Appalachian Power/ Wheeling Power | $3.3 million annual rate credit to VA consumers | $690,138 | $3,300 | | $3,300 | 0.48% |
| 25 | WA | 2009 | Puget Sound Energy sold to Macquarie Infrastructure Funds | $100 million of rate credits and other benefits over 10 years | $451,393 | $10,000 | | $10,000 | 2.22% |
| 26 | WA | 2006 | Pacificorp sold to Mid American Energy Holdings | Pacificorp to credit $142.5 million to all customers between 2006 and 2010. $1.98 million to WA in first year | $64,666 | $1,980 | | $1,980 | 3.06% |
| 27 | WV | 2011 | FirstEnergy/Allegheny Power | Monongahela Power and Potomac Edison required to credit customers $2.5 million in 2012 and $5 million in 2013 | $565,139 | $2,500 | | $2,500 | 0.44% |
| 28 | WY | 2008 | Pacificorp sold to MidAmerican Energy Holdings | Consumers were to get $3.7 million per Appendix 2 of final order | $118,769 | $3,700 | | $3,700 | 3.12% |

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| | | | **Rate Freezes** | | | | | | |
| 1 | AR | 2008 | Arkansas Western acquired by SourceGas | 5-year rate freeze | | | | | |
| 2 | MO | 2006 | Aquila's gas ops in MO sold to Empire Distr. Gas | Aquila's gas customers saw a 3-year rate freeze | | | | | |
| 3 | NH | 2008 | Unitil bought Northern Utilities and NiSource | No rate case until 11-1-10 | | | | | |
| 4 | NJ | 2004 | NUI sold to AGL Resources | 5-year rate freeze | | | | | |
| 5 | PA | 2007 | Duquesne light sold to Macquarie Partners | No rate increase through 1-1-10 | | | | | |
| 6 | PA | 2010 | Peoples Gas sold to SteelRiver | PNG's rates capped until 1-1-18 | | | | | |
| 7 | NH | 2012 | Granite State Electric and EnergyNorth sold to | No rate case for Granite State El. Until 1-1-13<br>EnergyNorth cannot have a rate case for 3 years | | | | | |
| 8 | MA | 2013 | New England Gas sold to Algoquin Power | 2-year dist. base rate freeze for NE Gas | | | | | |
| 9 | WV | 2013 | Equitable Gas sold to Steelriver | Base rate freeze through 2016. | | | | | |
| 10 | MA | 2012 | Northeast Utilites and NSTAR (also included under rate credits) | $21 million one-time rate credits for NSTAR electric, NSTAR Gas, and Western Mass.<br>Base dist. rate freeze until 1-1-16. | | | | | |
| 11 | NY | 2013 | CH Energy Group sold to Fortis (also included under rate credits) | $9.25 million refund over 5 years to Cen Hudson G&E<br>$35 million of def. reg. assets to be written off<br>Central Hudson G&E to donate $5 mill to econ. development<br>Central Hudson G&E rate frozen to 7-1-15 | | | | | |
| 12 | TX | | TXU Corp sold to KKR and TPG (also included under rate credits) | TXU sub, Oncor, required to provide a one-time rate cut of $72 million.<br>Oncor write-off of restructuring reg. assets and $35 million of storm-related costs | | | | | |

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| | | | | **Rate Base Offset** | | | | | |
| 1 | MO | | Missouri Gas Energy sold to Laclede Gas | Missouri Gas had to record a $125 million ratebase offset to-be amortized over 10 years. | | | | | |
| 2 | NJ | 2011 | FirstEnergy/Allengheny Energy | $81 million reduction to "non-utility generation charge" deferral balance | | | | | |
| 3 | KY | 2008 | PPL Corp bought LG&E and KU | Acquisition savings deferral for the sooner of 5 years or general rate case date | | | | | |
| 4 | IN | 2006 | Duke purchased Cinergy (also included under rate credits) | Cinergy customers got a $40 million one-time credit and a $11.6 million rate reduction on 6-1-08 | | | | | |
| 5 | CT | 2012 | Northeast Utilities acquired by NSTAR (also included under rate credits) | $25 million rate credit to CL&P customers<br><br>$40 million write-down of TS Irene costs | | | | | |