SEC #1

[Page 10] Please explain further the recommendation that the Board allow an opportunity for settlement discussions. Please expand on why the utility would be willing to agree to any compromise position when the Board has already put the Application on a fast track schedule.

EP Response to SEC #1:

Our review of regulatory decisions on utility mergers in other jurisdictions indicated that settlement negotiations allowed the applicants, regulatory commission staff and intervenors to achieve a greater understanding of the potential impacts of the merger on all stakeholders, the environment and the society at large. This often resulted in a softening of positions of the participants and the achievement of complete settlement in a number of cases. While Amalco, in the current case before the Board, appears to have adopted a hard position on most issues, it is possible that settlement negotiations may result in a softening of Amalco's position on a significant number of those issues. The current, fast-track, all-or-nothing approach that has been presented to date in this proceeding is a high-risk approach that may result in a fast-track to OEB disapproval of the merger. A slower track schedule may actually improve the application's chances of approval.

SEC #2

[Page 10, 11] Please explain further the recommendation that the deferral period be reduced to five years. Please explain whether that recommendation assumes a) a rate freeze, as with US examples given, or b) an ICM as proposed by the Applicants. If the recommendation does not include a rate freeze, please advise what the experts would recommend as a deferral period if a rate freeze is included.

EP Response to SEC#2:

The proposed maximum deferral period of five years was put forward as a reasonable compromise between the immediate rebasing of both Enbridge Gas Distribution and Union Gas that would have happened had there been no merger application and Amalco's request for approval of a ten-year deferral of rebasing. Our recommendation assumes that both utilities would operate under an IRM similar to 4GRIM with an ICM and ESM for five years. In year six Amalco would file an application for the combined utility that would include rebasing. This application would include a thorough review of all cost elements of Amalco, including all outsourcing arrangements, and all affiliate transactions between Amalco and all its affiliates to ensure that they are in full compliance with the Affiliate Relationships Code.

If a rate freeze is to be considered, it should be for a reasonable period to allow Amalco to prepare a combined rate application, such as two years. During the two-year rate freeze, both utilities would maintain OEB approved 2018 rates and earnings sharing would continue. A two-

year rate freeze would, in our view, not place undue hardship on Amalco, particularly in light of the fact that it would benefit from the cost savings produced by the 2016 restructuring of Enbridge Gas Distribution as disclosed on the record in this proceeding. As in the case of the proposed five-year deferral, the application would include a review of all cost elements, all outsourcing arrangements and all affiliate transactions. We assume that the new OEB approved cost base would be the base for Amalco's subsequent application for a five-year IRM.

FRPO #1

Preamble: *From our perspective, one of the opportunities to ensure a proper balance between shareholder and ratepayer in a utility merger with a deferred rebasing period is a properly constructed Earnings Sharing Mechanism (ESM). We would like to understand the application of this mechanism in the mergers studied for your evidence.*

1) From the research on the details of the mergers and acquisitions of the companies in your evidence, for those companies who had existing pre-merger ESM's, please provide:

a. How many post-merger utilities had increased ESM requirements?
    i. Please provide details of an example.
b. How many post-merger utilities had the same pre-merger ESM requirements?
    i. Please provide details of an example
c. How many post-merger utilities had reduced ESM requirements?
    i. Please provide an example
d. How many post-merger utilities had no ESM requirements for 5 years?
    i. Please provide an example
e. How many post-merger utilities had no ESM requirements for 10 years?
    i. Please provide an example

EP Response to FRPO #1

Parts a and b.

Below are the settlement agreements reviewed as part of this evidence that contained stipulations on earnings sharing mechanisms. We did not review in detail the rate applications that were in place prior to seeking regulatory approval for the merger or acquisition. As such, we are only providing examples when the regulatory approval implemented a new or altered ESM. The one exception is the Macquarie Group acquisition of Cleco Corp, which – as a condition of receiving regulatory approval – agreed to maintain its current ESM and agree that any other ratepayer credits were to be excluded from that amount. A key part of the regulatory agreement was that the utility was to continue on its current rate plan with its ESM.

<u>9. Macquarie Group acquires Cleco Corp.</u>

In the case of Cleco, as part of regulatory approval, the utility agreed to maintain the current rate plan that included an earnings sharing mechanism. That earnings sharing mechanism allowed the utility to retain earnings between 10% and 10.9%. Any earnings between 10.9% and 11.75% flowed 60% to ratepayers and 40% to shareholders. Any earnings above 11.75% went 100% to ratepayers.[1]

10. Wisconsin Energy Corp. acquires Intergys Energy Group Inc.

In the case of Wisconsin Energy, the regulator applied an earnings sharing mechanism where 50% of the first 50 basis points of additional earnings had to be used to pay down various transmission escrow accounts bearing the highest interest rate. Any earnings above 50 basis points were to be used 100% to pay down these transmission escrow accounts.

19. Fortis Inc. purchases CH Energy Group

In the Fortis-CH Energy case, prior to the merger, CH Energy returned 50% of earnings above a 10.5% ROE to ratepayers, 80% when ROE was between 11% and 11.5% and 90% on any earnings over 11.5%. As part of the agreement with parties to approve the merger, ratepayers received 50% of earnings above 10.5% and 90% on any earnings over 10.5%. CH Energy was also required to use 50% of its share of all earnings over 10.5% to write down certain deferred expenses that would otherwise be recovered in rates.

28. PPL Corp acquires E.On U.S. LLC

In the PPL and E.On acquisition, the utilities agreed to an ESM that allowed the utility to achieve an ROE of 10.75%, with any earnings above that threshold shared on a 50/50 basis with ratepayers.

29. FirstEnergy acquires Allegheny Energy

In the FirstEnergy acquisition of Allegheny Energy, any earnings in excess of a 10.1% return on equity will be returned 100% to customers in the form of a bill credit.

Part c.

None that we are aware of.

Part d and e.

[1] http://lpscstar.louisiana.gov/star/ViewFile.aspx?Id=8499c4e3-9b0d-44dc-a718-41b78ffd420f

None of the mergers and acquisitions reviewed in this evidence had a deferral of five or ten years.

FRPO #2

Question: In general, were there any other ratepayer protection mechanisms that were applied to a long-term deferred rebasing regime that could be considered in the Enbridge-Union Gas merger application?

EP Response to FRPO #2

There were a variety of ratepayer protections agreed to in the transactions reviewed as part of this evidence. We laid out the 14 most common ratepayer protections in order for the Board and other parties to this proceeding to understand what other regulators have done in their efforts to ensure mergers and acquisitions in the regulated utility sector are a good deal for ratepayers. The common theme appeared to be that regulators – and parties participating in the proceeding – were eager to ensure that some of the stated benefits of the merger were immediately available to customers – thereby, mitigating the long-term risk that those benefits never come to fruition. In our view that's increasingly why parties and regulators are pushing for rate credits, rate freezes and promises to avoid filing a new rate application for a certain number of years (which is, in essence, a rate freeze). By doing so they ensure that some of the promised benefits are realized and they minimize the risk that years later the full extent of those savings are never realized or are not adequately accounted for in future rate applications.

The Gaz Metro purchase of Central Vermont Public Service Corp. is an interesting example of how this tradeoff played out in a regulatory proceeding. As part of the agreement, the utilities agreed to find $144 million of savings over the next ten years – but they guaranteed $15.5 million of savings to ratepayers in the first three years. Thereafter, the utility and customers split any savings based on an agreed formula. But the key to the agreement was that the utilities promised to find $144 million in savings over ten years and, if those savings weren't achieved, the utility had to pay the difference to customers in the form of bill credits at a cost to its shareholders. This eased concerns from both the regulator and parties to the proceeding that the utilities weren't over-promising on what amount of savings they could deliver.

Board Staff #1

Ref: Energy Probe Evidence, Section 5, Pages 7-9

In its evidence, Energy Probe summarizes a number of common "stipulations and conditions of approval". It is not apparent that all of these pertain to the proposed merger of Union Gas and Enbridge Gas Distribution. For example, "Protection from the Premium Paid" applies to

transactions whereby one utility is acquiring another utility, and is paying a premium to the shareholders of the utility being acquired. While this may have been an issue when Enbridge Inc. acquired Spectra, following approval and completion of that transaction a year ago, Enbridge Gas Distribution and Union Gas are affiliated companies under common ownership ultimately.

Question:

Did any of the transactions reviewed by Energy Probe involve a situation where the corporate parents of the consolidating entities had themselves already consolidated?

EP Response to Staff #1:

Typically, the mergers and acquisitions come with a stipulation that transaction is dependent on certain regulatory approvals (state and federal). Often the board of directors in the utilities being merged come to an agreement on the merger, but the transaction is not finalized until regulatory approvals have been met. One example – though there are many – of this is in the acquisition of New England Gas by Algonquin Power. When it announced the deal, Algonquin highlighted that "the acquisition is subject to certain approvals and conditions, including state and federal regulatory approval, and is expected to close in the second half of 2013."[2] This stipulation is common in nearly every case reviewed.

Staff #2

Ref: Energy Probe Evidence, Pages 11-20

Preamble: *Some of the mergers and acquisitions reviewed appear to involve companies serving in non-contiguous areas and states throughout the United States. For example, reference 6, Southern Company – AGL Resources Inc. lists Maryland, New Jersey and Georgia as the states from which state regulatory approval was sought. Maryland and New Jersey, Illinois and Georgia are all non-contiguous with each other.*

Questions:

a) How many of the mergers and acquisitions reviewed by Energy Probe in its evidence involve utilities with contiguous service territories where there was/is the possibility for direct operational synergies and efficiencies in serving customers in the former service territories, a situation also present where Union Gas and Enbridge Gas Distribution currently have adjoining service territories?

b) What, if any, conditions or commitments were established through settlement agreements or as a result of regulatory decisions that pertain to savings or other expected benefits from consolidation of operations in adjoining service territories?

[222] http://investors.algonquinpower.com/file.aspx?IID=4142273&FID=16020435

c) What methodology (including the criteria) did Energy Probe adopt to select the utilities that were reviewed in the report? What sources were used to compile the research?

EP Response to Staff #2:

a) A number of mergers and acquisitions involved utilities serving the same state or an adjacent state with possibilities for direct operational synergies and efficiencies. It should be noted, however, that potential synergies of many utility functions are not dependent on the proximity of merger parties, such as call centres, billing, credit and collection and all head office administrative activities such as accounting, regulatory affairs, human resources, payroll, engineering, legal and executive management.

Nonetheless, provided is a list of transactions that involved adjacent service territories.

2. Algonquin Power & Utilities acquires Empire District Electric Co.

Prior to the 2017 merger, Algonquin-owned Liberty Utilities served customers in Arizona, Arkansas, California, Georgia, Illinois, Iowa, Massachusetts, Missouri, New Hampshire and Texas, providing gas, electricity and water services. Empire served customers in Missouri, Kansas, Oklahoma, and Arkansas with gas, electricity and water. Therefore, both utilities were serving customers in the states of Arkansas and Missouri and in adjacent states of Texas, Oklahoma, Kansas, Illinois, and Iowa.

4. Duke Energy acquires Piedmont Natural Gas

Prior to the merger, Duke's subsidiaries, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Kentucky, and Duke Energy Ohio served customers in North Carolina, South Carolina, Ohio, and Kentucky providing gas and electricity service. Piedmont served customers in North Carolina, South Carolina, and Tennessee with gas service. Therefore, both utilities were serving customers in the states of North Carolina and South Carolina and in adjacent states of Kentucky and Tennessee.

6. Southern Company acquires AGL Resources Inc.

Before the merger AGL Resources and subsidiaries Atlanta Gas Light, Elizabethtown Gas, and Nicor Gas served gas customers in New Jersey, Illinois, and Georgia. Southern Company through subsidiaries Alabama Power, Georgia Power, Gulf Power, Mississippi Power served electricity customers in Alabama, Florida, Georgia and Mississippi. Both companies served customers in Georgia where both were headquartered, and in the adjacent states of Alabama, Florida and Mississippi.

7. Black Hills acquires Source Gas Holdings LLC

Prior to the merger, Black Hills Utility Holdings through subsidiaries Black Hills Power, Black Hills Energy, Cheyenne Light & Fuel, Black Hills Colorado Electric, Black Hills Kansas Gas, Black Hills Iowa Gas and Black Hills Nebraska Gas, served gas and electricity customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Source Gas Holdings, through its subsidiaries, served gas customers in Arkansas, Colorado, Nebraska, and Wyoming. Accordingly both utilities served Colorado, Nebraska, and Wyoming and separately adjacent states of Iowa, South Dakota, and Kansas.

8. Iberdrola USA acquires UIL Holdings Corp.

Before the merger Iberdola provided gas and electricity service in Maine and New York through subsidiaries Central Maine Power, New York State Electric and Gas, Rochester Gas and Electric, and Maine Natural Gas. UIL holdings through subsidiaries United Illuminating, Southern Connecticut Gas, and Connecticut Natural Gas provided gas and electricity service in Connecticut which is adjacent to New York.

10. Wisconsin Energy Corp. acquires Intergys Energy Group Inc.

Prior to the merger Wisconsin Energy served gas and electricity customers in Michigan, Minnesota and Wisconsin through subsidiaries Wisconsin Electric Power, Wisconsin Gas. Intergys' subsidiaries Wisconsin Public Service Corporation, Michigan Gas Utilities Corporation, People's Light Gas and Coke, and North Shore Gas served gas and electricity customers in Illinois, Wisconsin and Michigan. Both companies served customers in Michigan and Wisconsin and separately in adjacent states of Illinois and Minnesota.

12. Exelon acquires Pepco Holdings

Prior to the merger Exelon served gas and electricity customers in Illinois, Pennsylvania, and Maryland through subsidiaries Baltimore Gas & Electric, Commonwealth Edison, and Philadelphia Electric. Pepco served electricity customers in Washington DC, Maryland, Delaware and New Jersey through subsidiaries Atlantic City Electric, Delmarva Power and Light, and Potomac Electric Power. Therefore, both utilities served Maryland and separately Washington DC and adjacent states of Delaware, Pennsylvania, and New Jersey.

16. Algonquin Power acquires New England Gas

Prior to acquiring New England Gas, Algonquin Power, through its subsidiary, Liberty Utilities, owned and operated two regulated utilities in neighbouring New Hampshire – Granite State Electric and EnergyNorth Natural Gas Inc. (EnergyNorth).[3]

33 http://investors.algonquinpower.com/Cache/1001181539.PDF?Y=&O=PDF&D=&fid=1001181539&T=&iid=4142273

17. Laclede Gas Company acquires Missouri Gas Energy

At the time of the acquisition, the Laclede Group was headquartered in St. Louis, Missouri and served more than 600,000 customers in St. Louis and other counties in eastern Missouri. Most of Missouri Gas Energy's customers were in the western part of the state.

20. Gaz Metro purchases Central Vermont Public Service Corp.

Gaz Metro, through its subsidiary Northern New England Energy Corporation (NNEEC) owned Green Mountain Power (GMP), which served customers across the northwestern and central regions of Vermont. CVPS' operations spanned much of central and southern Vermont. In its final order approving the merger, the commission noted: "Because Gaz Métro's acquisition of CVPS will result in the merger of two companies with contiguous service territories, it presents greater opportunities for consolidation and cost savings than the Fortis acquisition."

21. Exelon Corp acquires Constellation Energy Group

The combined Exelon-Constellation utility brought nearby areas served by the former utilities under the operation of one company. Exelon distributed electricity to customers in southeastern Pennsylvania and gas to customers in Philadelphia. Constellation served gas and electricity customers in Baltimore and central Maryland.

23. Duke Energy acquires Progress Energy

The combined utility would serve a number of contiguous regions. Prior to the merger, Duke Energy served more than 2 million electricity customers in central and western North Carolina and western South Carolina, while Progress Energy served nearly 1.5 million customers in eastern, central and western North Carolina, as well as eastern South Carolina.

26. Northeast Utilities merges with NSTAR

NSTAR provided electricity to more than one million customers in the Boston area, as well as Cape Cod. It also provided gas service to more than 300,000 customers in central and eastern Massachusetts. Northeast Utilities (NU), through a subsidiary, served more than 200,000 electricity customers across Western Massachusetts.

29. FirstEnergy acquires Allegheny Energy

Firstenergy and Allegheny both had operations in Pennsylvania, as well as many other neighbouring states, including Ohio, Maryland and West Virginia.

b) The overall conclusion that one can draw from the settlement agreements and regulatory commission decisions reviewed is that there appeared to be concerns that long term savings or benefits claimed would not materialize. Rather than waiting for promised savings in future years, many agreements delivered immediate up-front savings to ratepayers. For example, in the *Southern Company acquires AGL Resources Inc.* case listed the response to part (a) of this interrogatory there is the following stipulation in the decision of the New Jersey Board of Public Utilities.

After consummation of the Merger, Southern Company will enable Elizabethtown to provide direct rate credits to all its customers totaling $17.5 million. The Signatory Parties recommend that the Board determine that these rate credits should be distributed as direct per customer credits to all of Elizabethtown's current customers served under Service Classifications RDS, SGS, GDS, LVD, EGF, GIS, CSI, IS, CS, FTS and ITS within sixty (60) days of the closing of the Merger.

A similar stipulation appears in the Arkansas Public Service Commission decision in the Black Hills acquires Source Gas merger listed in (a).

BHUH witness White confirms that the Settlement requires an immediate postclosing customer credit of $250,000 on an annual basis for the earlier of five years or when new base rates (excluding those established in Docket No. 15.-011-U) become effective..

The stipulation in the Public Service Commission of the District of Columbia decision on the *Exelon acquires Pepco Holdings* merger listed in (a) provided for a Customer Rate Credit and a Residential Customer Bill Credit.

Customer Base Rate Credit
2. Exelon will provide a Customer Base Rate Credit in the amount of $25.6 million, which can be used as a credit to offset rate increases for Pepco customers approved by the Commission in any Pepco base rate case filed after the close of the Merger until the Customer Base Rate Credit is fully utilized. Exelon will also provide an Incremental Offset of up to $1 Million per year to be treated as a regulatory asset with a 5% return. The parties in the next Pepco base rate case will be provided an opportunity to propose to the Commission how the Customer Base Rate Credit and Incremental Offset will be allocated among Pepco customers and over what period of time. No portion of the Customer Base Rate Credit shall be recovered in utility rates.

Residential Customer Bill Credit
3. Exelon will fund a one-time direct bill credit of $14 million to be distributed among Pepco residential customers (including RAD Program customers). The credit shall be provided within sixty (60) days after the Merger closing based on active accounts as of the billing cycle commencing thirty (30) days after the Merger closing.

However, one decision, the Connecticut Public Utilities Regulatory Authority in *Iberdola USA acquires UIL Holdings* case, spread the rate credit over ten years.

More particularly, the Settlement Agreement provides immediate and long-term, tangible public benefits to Connecticut customers including, but not limited to: A rate credit in the amount of $20 million in aggregate to the customers of the UIL Utilities; $12.5 million and $7.5 million in additional credits to CNG and Southern, respectively, over the period of 2018-2027.

The stipulations and commission decisions also reflect concerns about the impact on communities where jobs may be lost as the result of the merger. Rather than being seen as positive, proximity of the merged utilities appears to have been seen as negative. In many cases there were stipulations or conditions aimed at protecting local employment for a limited period. In others there was a commitment for permanent local presence such as a regional office. For example in the Southern Company acquires AGL case there is a stipulation in the Illinois Commission decision to maintain employment in the state.

The Joint Applicants emphasize positive employee relations as they have committed to maintain 2,070 full-time equivalent ("FTE") employees for three years from the date of Closing and to fully honor Nicor Gas' existing union contract. More particularly, Joint Applicants have made a dual commitment to maintain 2,070 FTEs working in support of Nicor Gas' business and working in the State of Illinois.

In the Algonquin Power & Utilities acquires Empire District Electric Co, the settlement the stipulation in the Kansas Corporation Commission decision regarding keeping the existing headquarters of the acquired utility for a period of 15 years with at least 85% of the existing staff. Liberty Utilities is a subsidiary of Algonquin Power & Utilities that merged with Empire District Electric.

In addition, Liberty Utilities plans on keeping Empire's existing headquarters location in Joplin, Missouri and expanding the reach of this headquarters to include the operations of LU Central.63 In an agreement between the Joint Applicants and the City of Joplin, Missouri, filed at the Missouri Public Service Commission on July 19, 2016, in Docket No. EM-2016-0213, Liberty Utilities has committed to keep its headquarters located in Joplin with at least 85% of the current administrative supervisory, executive, and management positions currently located there, for a period of 15 years.64 Staff further testified that no involuntary terminations are planned or expected because of the Transaction.

Nonetheless, in the Gaz Metro-CVPS case (#20), the regulator specifically highlighted the utilities' contiguous service areas as one source of cost savings.

Projected savings estimates for operations include and are based on: the consolidation of three service centers; improved contract terms with vendors (including for line support during storms); reduced overtime and need for resources during storms through the integration of line crews; reduction of GMP's reliance on outside specialty services that CVPS is able to offer inhouse; consolidation of inventories and on-demand inventory requirements; reduction in vehicle fleets due to ***contiguous service territories****; and the reduction of overhead costs*

In the cases reviewed as part of this evidence, when regulatory commissions considered applications for a merger or acquisition, they commonly did so in order to determine if that transaction was in the public interest. The public interest standard is broad and varied among regulator commissions. Nonetheless, one decision where the commission did fully, clearly and succinctly explain the public interest standard was the Kansas Corporation Commission's decision in the case #2. *Algonquin Power & Utilities acquires Empire District Electric,* which involved utilities with adjoining service territories. It provides a very good example of the public interest standard when applied to mergers and acquisitions – covering topics ranging ratepayer benefits to the environment.

The Commission is statutorily bound to consider the public convenience and necessity, often referred to as the "public interest." To evaluate whether a merger or acquisition, requiring the transfer of a certificate of convenience, is in the public interest, the Commission adopted a list of factors to weigh and consider. The factors are the beginning criteria to be used when evaluating a merger application, and are to be supplemented by any other considerations that are relevant given the circumstances existing at the time of the merger proposal.

(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.

(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.

In conclusion, the regulatory commissions examined merger applications to determine if they were in the public interest. The proximity of merged utilities was just one of a number of factors considered but it did not appear to be the determining factor.

c) The objective of the research was to review regulatory decisions on applications for approval of mergers and acquisitions of regulated energy utilities in North America outside of Ontario over the last decade. The mergers and acquisitions in Ontario were excluded because they are well known to the OEB. The research was limited to commissions in other provinces in Canada and the state commissions in the USA because of their similarity to the OEB regarding jurisdiction and regulatory methodology. Applications to regulators at the federal level were not included because of jurisdictional differences with the OEB. The consultants did an initial internet search of articles in the business press to identify regulated energy utility mergers and acquisitions. They then searched regulatory commission websites to obtain regulatory decisions on the applications for approval of mergers and acquisitions.

Staff #3

Ref: Energy Probe Evidence, Executive Summary

Preamble: *Energy Probe has provided evidence to inform the OEB of applications for approval of a utility merger or acquisition by regulatory commissions across the United States and Canada, and has expressed certain opinions, for example on the appropriate deferred rebasing period for the proposed Amalco. The normal rule is that only witnesses with special knowledge or expertise, who are qualified as experts, may provide opinion (as opposed to fact) evidence.*

Question:

Should the authors of this report be considered as expert witnesses for purposes of this proceeding? If so, please explain your reasons.

EP Response to Staff #3:

The authors should be considered expert witnesses.

Mr. Ladanyi has 44 years of experience in the regulated utility industry (CV, EP report, pages 31-37) He has testified as a witness before the Ontario Energy Board, the National Energy Board and the New York State Public Service Commission. He was also involved in numerous OEB and NEB proceedings in other capacities. For a number of years he taught a part of the Canadian Gas Association Regulatory Course that dealt with revenue requirement and incentive regulation. He has a Bachelor of Engineering degree from McGill University and a Master of Applied Science degree from University of Toronto. Mr. Ladanyi is a Professional Engineer, Chartered Professional Accountant and Certified Management Accountant. In his last testimony before the OEB on May 10, 2016 he was accepted by the OEB as expert witness in the areas of utility regulation and expansion of utility services (EB-2016- 0004, Tr. Vol. 4, page 84).

Mr. Yauch has more than seven years experience on regulatory issues, often as a consultant for Energy Probe Research Foundation (CV, EP report, pages 38 – 40). He has been invited as an expert to parliamentary committees, as well as to speak many times before a range of audiences. He is also often sought out by media outlets, government researchers, consultants and the public for his expertise on energy issues, particularly regulatory issues. His research has been quoted multiple times in parliamentary debates by all parties. Given that this evidence was a review of regulatory decisions across North America, his experience qualifies him to comment on the issues facing regulators in approving mergers and applications.