

Specific Approach to Sharing Savings and Structures

Companies Involved	Jurisdiction	Docket Number	Date fo Final Order	Description
Atmos Energy Corporation and Citizens Utilities Company	Louisiana Public Service Commission	U-25003	30-Mar-2001	Atmos will be allowed to retain 100% of the first \$3.25 million savings in excess of \$8.9 million, with both amounts being adjusted for changes in the Benchmark Index. Savings in excess of \$12.15 million, adjusted for changes in the Benchmark Index, will be split 50% to ratepayers and 50% to Atmos. (Page 3 of Stipulation within Order).
Illinois-American Water Company and Citizens Utilities Company of Illinois	Illinois Commerce Commission	00-0476	15-May-2001	The Commission believes that a fair treatment in this case of the savings attributable solely to the Acquisition is a 50/50 sharing between shareholders and ratepayers. (Order p. 30)
National Grid USA and KeySpan Energy Delivery New England	New Hampshire Public Utilities Commission	DG 06-108	12-Jul-2007	In the first rate case, EnergyNorth would provide to customers a merger net synergy savings credit equal to \$619,000 annually; If EnergyNorth files a second distribution rate case within five years of the close of the merger, proven merger savings to be shared 50-50 between customers and the company for 10 years. (Order p. 22)
National Grid USA and KeySpan Energy Delivery New York and Long Island	New York Public Service Commission	06-M-0878	17-Sep-2007	For KEDNY: (1) KEDNY's rate will be frozen for five years; (2) 50% of net merger savings will be reflected as an adjustment to revenue requirement for KEDNY; (3) Earning between 10.5% and 12.5% will be shared 50/50; between 12.5% and 13.5% will be shared 65/35 in favor of customer; and ROE above 13.5% will go to customers. (Order p. 67-71)
CTG Resources, Inc. and Energy East Corporation	State of Connecticut Public Utilities Regulatory Authority	99-08-09	19-Jan-2000	The allowed sharing will allocate: a) the first 200 basis points, 75% to shareholders, 25% to ratepayers; b) the next 400 basis points 50/50, and c) earnings more than 600 basis points above the allowed ROE of 10.80%, 25% to shareholders, 75% to ratepayers. This sharing method should provide a significant incentive for the Company to achieve maximum synergy savings while limiting the potential for excessive earnings. (Order p. 4)
Entergy Corporation and Gulf States Utilities (GSU) (LA)	Louisiana Public Service Commission	U-19904	3-May-1993	The company will be permitted to include 60 percent of the O&M savings actually achieved in any year as a cost of service item to reduce the amount of any rate decrease. (Order p. 84)

Specific Savings Quantification Methodology

Companies Involved	Jurisdiction	Docket Number	Date fo Final Order	Description
Entergy Corporation and Gulf States Utilities	Louisiana Public Service Commission	U-19904	3-May-1993	To measure the savings achieved as a result of the merger, a benchmark will be established. The benchmark will be based on a "normalized" pre-merger test year's operation. For each year subsequent to the test year, the operation and maintenance expense level will be increased by an inflation factor reflecting the Consumer Price Index and by one-half the amount of the company's growth in sales to residential and commercial customers. (Order pdf p.114)
FirstEnergy Corporation and Allegheny Energy	Maryland Public Service Commission	9233	18-Jan-2011	Cost savings were generally estimated based on 2010 budgeted expense levels by savings category and escalated for future years by specific escalation factor for each category. (Flaherty Direct Testimony p. 11)
National Grid USA and KeySpan Energy Delivery New England	New Hampshire Public Utilities Commission	DG 06-107	12-Jul-2007	Updated savings were quantified based on the companies' current budgets, with labor savings quantified on the estimated full-time equivalent employee reductions and compensation levels, including benefits. Non-labor savings were based on current budgeted expenditures. (Order p. 42)
New England Electric System and Eastern Utilities Associates	Rhode Island Public Utilities Commission	D-99-12	25-Feb-2000	Savings will be measured by subtracting the distribution measurement year COS revenue requirement from the adjusted Benchmark COS. The adjusted Benchmark COS will be equal to the "Benchmark COS" escalated by 50% of the change in "GDPIPD" from 2000 plus escalated Benchmark COS multiplied by 30% of the growth in the weather normalized kWh sales compared to 2000 kWh sales. (Settlement p. 18)
New England Gas Company, Providence Gas Company, Valley Gas Company, and Bristol and Warren Gas Company	Rhode Island Public Utilities Commission	3401	28-Feb-2003	Achieved merger-related savings after the rate freeze period is calculated as the difference between the Adjusted Benchmark COS and the Measurement-Year COS. The adjusted benchmark COS will be equal to the COS established in this rate settlement order (i.e. \$127,700,000) escalated by 50 percent of the change in GDPIPD from the year ended June 30, 2003 through the Measurement Year (Order p. 35)

Defined Time Frame

Companies Involved	Jurisdiction	Docket Number	Date fo Final Order	Description
Duke Energy Corporation and Progress Energy, Inc.	North Carolina Utilities Commission	E-2, Sub 998; and E-7, Sub 986	Final Order Not Issued	Guaranteed savings in the amount of \$650 million resulting from fuel-related saving and a small amount of non-fuel O&M savings to retail customers over a five year period through the fuel adjustment clause. (Settlement Agreement p. 2)
Entergy Corporation and Gulf States Utilities	Public Utility Commission of Texas	11292	29-Dec-1993	Non-fuel savings shared for 8 years. Verified non-fuel savings will be shared 50/50 between Shareholders and ratepayers for the first 3 years. In years four through eight, shareholder's portion will be reduced by \$2.6 million per year (approximately \$1.3 million in Texas). (Order p. 47-48)
Great Plains Energy Inc and Aquila Inc	Kansas Corporation Commission	07-KCPE-1064-ACQ	15-May-2008	KCPL will recover \$10 million of transition costs over five years, beginning with KCPL's planned 2009 rate case, but KCPL will not be allowed recovery of any other transition costs, including any portion of the acquisition premium or transaction costs. (Settlement Order p. 14)
Great Plains Energy Inc and Aquila Inc	Missouri Public Service Commission	EM-2007-0374	1-Jul-2008	Total gross system-wide savings for regulated operations due to operational synergies estimated at \$305 million over 5 years. If the synergies in year five are escalated at the inflation rate through year ten, the total synergies created would total \$ 755 million in ten years. (Order p. 73)