

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF THE JOINT	)	
APPLICATION FOR APPROVAL TO	)	
ACQUIRE NEW MEXICO GAS COMPANY,	)	
INC. BY SATURN UTILITIES HOLDCO, LLC.	)	Case No. 24-00266-UT
	)	
JOINT APPLICANTS	)	
	)	

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**REVISED APPLICATION DIRECT TESTIMONY AND EXHIBITS**

**OF**

**JEFFREY M. BAUDIER**

**July 3, 2025**

**NMPRC CASE NO. 24-00266-UT**  
**INDEX TO THE REVISED APPLICATION DIRECT TESTIMONY OF**  
**JEFFREY M. BAUDIER**

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**TABLE OF EXHIBITS**

JA Exhibit JMB-1 (Revised Application)	Curriculum Vitae of Jeffrey M. Baudier
JA Exhibit JMB-2 (Revised Application)	Purchase and Sale Agreement dated August 5, 2024 (Redacted)
JA Exhibit JMB-3 (Revised Application)	NMGC Revised Amended General Diversification Plan
JA Exhibit JMB-4 (Revised Application)	List of Regulatory Commitments Affirmation
JA Exhibit JMB-5 (Revised Application)	Group Structure Chart Comparison
JA Exhibit BR-1(1)	Certificate of Limited Partnership BCP Infrastructure Fund II, LP
JA Exhibit BR-1(2)	Certificate of Limited Partnership BCP Infrastructure Fund II-A, LP
JA Exhibit BR-1(3)	Certificate of Limited Partnership BCP Infrastructure Fund II GP, LP
JA Exhibit BR-1(4)	Certificate of Limited Partnership of Saturn Utilities Aggregator, GP, LLC
JA Exhibit BR-1(5)	Certificate of Limited Partnership of Saturn Utilities Aggregator, LP
JA Exhibit BR-1(6)	Certificate of Formation of Saturn Utilities Holdco GP, LLC

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JA Exhibit BR-1(7)	Certificate of Formation of Saturn Utilities TopCo GP, LLC
JA Exhibit BR-1(8)	Certificate of Limited Partnership of Saturn Utilities TopCo, LP
JA Exhibit BR-1(9)	Certificate of Formation of Saturn Utilities, LLC
JA Exhibit BR-2	Deleware.gov Division of Corporations Filing
JA Exhibit BR-3(1) Redacted (Revised Application)	Amended and Restated Agreement of Limited Partnership of BCP Infrastructure Fund II[-A], LP
JA Exhibit BR-3(2) Redacted	Agreement of Limited Partnership of Saturn Utilities Aggregator, LP
JA Exhibit BR-3(3)	Agreement of Limited Partnership of Saturn Utilities TopCo, LP
JA Exhibit BR-4 Redacted	BCP Infrastructure Fund II, LP – Private Placement Memorandum June 2024
JA Exhibit BR-5 Supp. Redacted	Identities of General or Limited Partners or Members of BCP and Saturn
JA Exhibit BR-6 Redacted (Revised Application)	BCP Infrastructure II[-A], LP & Subsidiaries Combined Consolidated Financial Statements
JA Exhibit BR-8(D) and Exhibit BR-16(C) Redacted	Lenders, Maturity Date, and Rates

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JA Exhibit BR-9	Management Agreement
JA Exhibit BR-12	Life Cycle Status of BCP Infrastructure Funds
JA Exhibit BR-14 Redacted	BCP Infrastructure Fund's and Saturn Companies' Waterfall Distributions
JA Exhibit BR-16B Redacted	Project Saturn – Saturn Utilities Holdco, LLC Debt Commitment Letter
JA Exhibit BR-16D Redacted	Limited Guarantee
JA Exhibit BR-16G Redacted	Seller Disclosure Letter to Purchase and Sale Agreement
JA Exhibit BR-16H Redacted	Equity Commitment Letter

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**I. INTRODUCTION AND PURPOSE**

**Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

**A.** My name is Jeffrey (“Jeff”) M. Baudier. I am President of Saturn Utilities Holdco, LLC (“Saturn Holdco”), one of the Joint Applicants in this case. I am also a Senior Managing Director at Bernhard Capital Partners Management, LP (“BCP Management”). My business address is 1100 Poydras St., Suite 3500, New Orleans, LA 70163. I am submitting this testimony on behalf of the Joint Applicants.<sup>1</sup>

**Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AT SATURN HOLDCO.**

**A.** As President, I am responsible for the executive functions of Saturn Holdco. In that capacity I oversee general management, financial stewardship and operational planning for Saturn Holdco.

**Q. WHAT ARE YOUR RESPONSIBILITIES WITH BCP MANAGEMENT?**

**A.** In my current role as Senior Managing Director, I am involved in all aspects of BCP Management’s investment activities, with my primary focus on infrastructure and regulated utilities.

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<sup>1</sup> The “Joint Applicants” are New Mexico Gas Company, Inc. (“NMGC”); Emera Inc. (“Emera”); Emera U.S. Holdings Inc. (“EUSHI”); New Mexico Gas Intermediate, Inc. (“NMGI”); TECO Holdings, Inc. (“TECO Holdings”); TECO Energy, LLC, (“TECO Energy”); Saturn Holdco; BCP Infrastructure Fund II, LP (“BCP Infrastructure Fund II”); BCP Infrastructure Fund II-A, LP (“BCP Infrastructure Fund II-A”), and BCP Infrastructure Fund II GP, LP (“BCP Infrastructure II GP,” collectively with BCP Infrastructure Fund II and BCP Infrastructure Fund II-A, the “BCP Infrastructure Funds”); Saturn Utilities, LLC; Saturn Utilities Aggregator, LP (“Saturn Aggregator”); Saturn Utilities Aggregator GP, LLC (“Saturn Aggregator GP”); Saturn Utilities Topco, LP (“Saturn Topco”) and Saturn Utilities Topco GP, LLC (“Saturn Topco GP”).

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**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND, PROFESSIONAL QUALIFICATIONS AND EXPERIENCE.**

**A.** I have a Bachelor's Degree in English from the University of New Orleans and a Juris Doctor Degree from the Loyola University School of Law in New Orleans.

I have more than 22 years' experience in the utility industry in the United States. In addition, I have over 10 years' experience in the oil and gas energy industry. Prior to my current employment at BCP Management, I was previously a Managing Director at BCP Management for three years from 2018 to 2021 during which time I was involved in and responsible for investments in infrastructure and regulated utilities. I left BCP Management in 2021 to become Chief Executive Officer of CORE Electric Cooperative ("CORE") in Colorado. I rejoined BCP Management in May 2024.

CORE is the largest electric distribution cooperative in Colorado, serving almost 180,000 metered customers covering over 5,000 square miles of service territory. While at CORE, I developed and executed upon enterprise-wide strategy and oversaw the general management, financial stewardship, operational planning and implementation, and board relations. During my tenure, CORE executed on a state-leading clean energy transition plan by contracting for over 1 GW of renewable and clean natural gas resources; achieved a first-time rating of AA- from Fitch Ratings; and maintained a system availability of 99.98%.

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I have also served as Chief Marketing and Development Officer at Cleco Corporate Holdings, where I oversaw its strategic growth efforts, including the \$1 billion acquisition of NRG South Central Generating from NRG Energy, Inc. (“NRG”).

I was also previously employed in various roles at NRG, serving first as General Counsel of NRG’s South-Central Region, and then as President and CEO of NRG’s affiliate Louisiana Generating LLC, with executive responsibility for over 4,000 MW of generation assets and wholesale power supply arrangements. In my last assignment at NRG, I served as CEO of Petra Nova LLC, where I led the development of the world’s largest operating carbon capture facility on a coal-fired power plant.

As an attorney in private practice during various periods, I advised energy industry and utility clients on a full spectrum of corporate and regulatory activities. A copy of my curriculum vitae is attached as JA Exhibit JMB-1 (Revised Application).

**Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN A CASE BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION (“NMPRC” OR THE “COMMISSION”)?**

**A.** I have not testified before the NMPRC prior to this case. However, during the pendency of this case, I submitted the following pre-filed testimony:

- October 28, 2024 - Direct Testimony in support of the Joint Application.
- March 4, 2025 - Supplemental Testimony in Response to the Hearing Examiners’ February 19, 2025 Bench Request to Joint Applicants.



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- March 31, 2025 - Supplemental Testimony in response to the Hearing Examiners' March 24, 2025, Bench Request to Joint Applicants for Further Information.
- April 8, 2025 - Supplemental Testimony in Response to Bench Request Number 5 Issued on February 19, 2025.
- April 15, 2025 - Supplemental Testimony in Response to the Hearing Examiners' April 11, 2025 Bench Request to Joint Applicants.
- May 16, 2025 - Rebuttal Testimony.

In addition, I testified with respect to utility matters in Colorado state court. I have also represented parties before the Louisiana Public Service Commission, the Federal Energy Regulatory Commission ("FERC"), and state and federal courts throughout the United States in utility and energy matters.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

**A.** I file this Revised Application Direct Testimony in accordance with the Hearing Examiners' Order Setting Filing Date for Revised Application issued on June 30, 2025. My Revised Application Direct Testimony supports the Joint Applicants' requests for the following: (1) approval of the acquisition of TECO Energy,<sup>2</sup> NMGI, and NMGC (collectively, the "NMGC Group") by Saturn Holdco (the "Transaction");<sup>3</sup> (2) approval of the Transition Services Agreement ("TSA") whereby Emera and its affiliates will provide a variety of support services to the NMGC Group for up to twenty-four (24) months after

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<sup>2</sup>It is intended that TECO Energy's name will change at or around the time of closing.

<sup>3</sup> Saturn Holdco, Saturn Utilities, LLC, the BCP Infrastructure Funds, Saturn Aggregator, Saturn Utilities Aggregator, Saturn Topco, and Saturn Topco GP, collectively, are the "BCP Applicants."

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1 the closing of the Transaction; (3) authorization to accrue a regulatory asset for potential  
2 recovery of significant capital investment in connection with the shared services transition;  
3 (4) approval of the divestiture of the NMGC Group by Emera, EUSHI and TECO Holdings;  
4 (5) approval of NMGC's Revised Amended General Diversification Plan ("Amended  
5 GDP"); and (6) any other approvals or authorizations necessary to consummate and  
6 implement the Transaction.

7  
8 **Q. WHAT HAS YOUR INVOLVEMENT BEEN IN THE TRANSACTION?**

9 **A.** My role in the Transaction has been as the project lead on behalf of the BCP Applicants  
10 and BCP Management. This has entailed participating in negotiations, overseeing the due  
11 diligence process, the creation and drafting of transaction documents, the creation and  
12 execution of a transition plan for NMGC, the regulatory approval process, and the process  
13 of obtaining necessary financing for the transaction. I am very involved in the present  
14 regulatory process before the NMPRC.

15  
16 **Q. IS THERE A DATE BY WHICH THE JOINT APPLICANTS REQUEST**  
17 **APPROVAL OF THE TRANSACTION?**

18 **A.** The Joint Applicants agreed not to close on the Transaction prior to September 30, 2025,  
19 unless otherwise authorized by the Commission. However, the Joint Applicants request  
20 that the Commission approve the Transaction as soon as is practicable.

21  
22 **Q. WHAT DO YOU ADDRESS IN YOUR TESTIMONY?**

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1     **A.**     I address: (1) the BCP Applicants, and by way of background, I discuss BCP Management  
2             and the other funds BCP Management supports, and the businesses in which these funds  
3             invest (collectively, “BCP”); (2) BCP’s experience with utilities and qualifications to  
4             include NMGC among its investment portfolio; (3) an overview of the Transaction  
5             including a description of the post-closing corporate holding structure of NMGC; (4) the  
6             benefits and protections of the Transaction for NMGC customers, employees and New  
7             Mexico overall; (5) the shared services transition plan for NMGC; (6) the TSA for the  
8             provision of necessary services to NMGC following closing until such time as NMGC  
9             replaces these functions; (7) NMGC’s Amended GDP; and (8) the Joint Applicants’  
10            responses to the Bench Request issued in this case.

11  
12    **Q.     PLEASE INTRODUCE THE OTHER WITNESSES PROVIDING DIRECT**  
13    **TESTIMONY ON BEHALF OF THE JOINT APPLICANTS IN THIS CASE.**

14    **A.**     The other witnesses providing direct testimony include:

- 15            • Karen E. Hutt, Chief Strategy and Growth Officer for Emera, provides  
16            testimony describing Emera’s decision to sell the NMGC Group, the bidding  
17            process for the purchase of NMGC and the terms of the TSA including how the  
18            costs under the TSA were determined.
- 19            • Ryan A. Shell, President of NMGC, provides testimony on the Transaction and  
20            its positive effect on NMGC; NMGC’s current management and operations and  
21            the anticipated positive impact of the Transaction on current and long-term  
22            operations of NMGC; the assurance of NMGC’s continued service quality;  
23            shared services capital cost projects and the resulting acquisition premium from  
24            the Transaction and confirmation that it will not be recovered from customers.  
25            Mr. Shell also explains why, as President of NMGC, he believes this  
26            Transaction is in the public interest and provides a net benefit to the customers  
27            of NMGC.

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- Peter I. Tumminello, Executive Chairman of Delta Utilities, has over 40 years of utility and energy industry experience. As discussed below, Delta Utilities is part of the BCP Management portfolio of utilities and is the umbrella entity that includes two natural gas local distribution companies (“LDCs”) that operate in Louisiana and Mississippi. Mr. Tumminello was the former Group President, Commercial Businesses, of Southern Company Gas and led the commercial businesses for Southern Company Gas including Midstream Storage, LNG, and Pipeline Investments, Retail Energy, Retail Services, and Wholesale Energy businesses. He provides testimony about the transition plan for the shared Information Technology (“IT”) services provided by Emera affiliates to the NMGC Group from a business and utility operations perspective.
- Mark S. Miko, Chief Information Officer of Delta Utilities, has more than 26 years of experience in information technology, operations technology, digital and technology transformations, cyber security and information privacy, agile product management, data management and analytics, crisis management, and project management leadership. Mr. Miko testifies as to the mechanics of the delivery of certain IT services to NMGC from Delta Utilities, which is part of the BCP Management portfolio of companies.
- Christopher A. Erickson, Ph.D., is an economic expert and the Garrey E. and Katherine T. Carruthers Chair for Economic Development of New Mexico State University. Dr. Erickson quantified the economic benefits of the creation of 20 additional full time equivalent NMGC jobs in New Mexico to replace certain out-of-state shared services currently provided by Emera. He estimates that the new jobs will translate to an annual economic benefit to New Mexico of approximately \$9.7 million. Dr. Erickson also evaluated the economic impact to New Mexico from NMGC’s contribution \$5 million for economic development programs and \$5 million for renewable energy economic development investments, which are \$8.6 million and \$8.2 million, respectively. The estimated economic impact to the state of the \$15 million customer rate credit is \$12.7 million.
- Suede Kelly, an attorney and former commissioner on both the NMPRC and FERC. Ms. Kelly is also a former professor who taught at the University of New Mexico School of Law. Ms. Kelly confirms that the Transaction and related regulatory commitments will preserve the NMPRC’s jurisdiction, that private equity ownership of utilities does not increase risks to customers, and that customers do not have any interest in any acquisition premium resulting from the Transaction.
- Eric L. Talley, the Isidor and Seville Sulzbacher Professor of Law at Columbia Law School, addresses the proposed corporate and capital structure of the

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Transaction, the benefits of private equity ownership of NMGC and the acquisition premium.

- Lisa M. Quilici, Senior Vice President and Board Member of Concentric Energy Advisors. Ms. Quilici has over three decades of experience advising energy clients across North America on a wide range of strategic, financial, and regulatory matters. She confirms that it is not appropriate to share any acquisition premium resulting from the Transaction with NMGC customers, and that the sale of NMGC is the result of a competitive bidding process.

**II. BCP AND ITS BUSINESSES**

**Q. PLEASE DESCRIBE BCP MANAGEMENT AND BCP.**

**A.** BCP Management is a Delaware limited partnership established in 2013. It has offices in Baton Rouge and New Orleans, Louisiana and Nashville, Tennessee, and is an independent services and infrastructure-focused private equity management firm. BCP Management presently has nearly \$6 billion in funds under management and is ranked No. 249 on the list of Private Equity International's 300 largest private equity firms worldwide.

BCP, distinct from BCP Management, is not a corporate entity. As noted above, I use BCP to refer collectively to BCP Management and the investment funds BCP Management supports, including the BCP Applicants. BCP invests in businesses that provide critical services to the government, infrastructure, industrial, utility, and energy sectors as well as in infrastructure and utility assets. BCP, through its supported funds, has deployed capital in five funds across several strategies, and these funds have collectively invested in over 81 services-focused companies across 22 investment platforms, including investments in several utility companies. BCP's portfolio companies employ over 20,000 people globally.

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BCP's portfolio companies benefit from its investor-operator capabilities, its relationships and experience across the infrastructure landscape. If the Transaction is approved and closes, NMGC will reside in the BCP Infrastructure Funds segment of BCP's portfolio of investments and will enjoy the benefit of prudent, financially sound, and experienced utility owners and operators.

**Q. IF THE TRANSACTION IS APPROVED, WILL BCP MANAGEMENT HAVE ANY OWNERSHIP INTEREST IN TECO ENERGY, NMGI OR NMGC?**

**A.** No. BCP Management is not a party to the Purchase and Sale Agreement dated August 5, 2024 ("PSA") for the Transaction and does not and will not directly or indirectly own TECO Energy, NMGI or NMGC. BCP Management is strictly an investment fund manager with a contractual right to manage certain fund entities, which own the portfolio of investments. Saturn Holdco will directly own TECO Energy, which owns NMGI, which owns NMGC. The ultimate upstream owners of Saturn Holdco are the BCP Infrastructure Funds.

**Q. PLEASE DESCRIBE BCP'S OPERATING PHILOSOPHY.**

**A.** BCP partners with existing strong management teams that run the day-to-day operations of its portfolio companies, to develop initiatives, and to create long-term value. BCP works in an advisory capacity at the board level to provide strategic guidance, and ongoing financial support for long-term value. BCP's team is sensitive to the issues inherent to the purchase and sale of a corporate subsidiary. BCP has an experienced team in place to work with Emera and NMGC to ensure a smooth and seamless transition.

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**Q. HOW ARE BCP PORTFOLIO COMPANIES MANAGED?**

**A.** Generally, each of BCP's portfolio companies is a distinct, standalone entity with its own boards of directors (or equivalent governing body) and dedicated management team, as will be the case with NMGC if the Transaction closes. In this and other transactions BCP brings to bear ownership expertise and relies largely on the local management team to run the business. NMGC's current local management possesses unique first-hand knowledge of the specific environment in which the company operates and is therefore invaluable to the partnership philosophy discussed above. These rigorous governance practices, as supplemented by the commitments set forth in the Amended GDP and discussed later in my testimony, will be conditions to approval of the Transaction, and will continue if the Transaction closes. Other than the BCP Applicants, none of the other BCP companies, nor any of their respective subsidiaries, will have any ownership interest in or control over NMGC.

**Q. WHAT TYPE OF INVESTORS PARTICIPATE IN THE BCP INFRASTRUCTURE FUNDS INVESTMENT POOL?**

**A.** The investment pool for the BCP Infrastructure Funds is comprised of large institutional investors, public and private pension funds, college endowments, insurance companies, labor union funds and other investment groups with extensive experience investing in infrastructure and utility investment vehicles such as the BCP Infrastructure Funds. These investors understand this sector requires a patient investment strategy that results in stable and uniform performance over the long-term and seek long-term, prudent, and financially sound investments in natural gas infrastructure businesses. These entities understand this

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1 approach and have confidence in BCP's ability to allocate and manage these funds in a  
2 manner that benefits all parties and results in a stable, financially sound, and growing utility  
3 that continues to provide safe, reliable and affordable gas services for customers.  
4

5 **Q. HAVE ANY NEW MEXICO RETIREMENT FUNDS INVESTED IN ANY FUNDS**  
6 **MANAGED BY BCP MANAGEMENT?**

7 **A.** Yes. The New Mexico Education Retirement Board invested \$30 million in BCP  
8 Management's BCP Fund II, LP. This sizeable investment was vetted by the New Mexico  
9 Education Retirement Board and determined to be a suitable investment for the benefit of  
10 its members.  
11

12 **Q. HOW DO THE BCP FUND INVESTORS COMPARE TO THE EXISTING**  
13 **INVESTORS OF EMERA?**

14 **A.** Emera, the ultimate parent of NMGC, is a Nova Scotia corporation based in Halifax, Nova  
15 Scotia. It is a publicly traded company on the Toronto and New York Stock Exchanges  
16 with a wide variety of shareholders. By contrast, BCP Management is a registered  
17 investment advisor, regulated by the United States Securities and Exchange Commission,  
18 and the BCP Infrastructure Funds are privately owned by the types of sophisticated and  
19 focused institutional investors discussed above. These investors are experienced in  
20 infrastructure investments such as public utilities.  
21

22 **Q. SHOULD THE COMMISSION BE CONCERNED BECAUSE PRIVATE EQUITY**  
23 **FIRMS ARE NOT REQUIRED TO MAKE THE SAME TYPE OF FILINGS WITH**



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**THE SECURITIES AND EXCHANGE COMMISSION AS A PUBLICLY TRADED  
COMPANY SUCH AS EMERA?**

**A.** Not at all. BCP Management is a registered investment advisor, regulated by the United States Securities and Exchange Commission and is required to make specific filings. However, it is correct that private equity firms are not subject to the same disclosure and filing requirements as publicly traded companies. This is not to suggest that NMGC and the BCP Applicants are insulated from disclosure of their financial conditions. As discussed by Joint Applicant witness Kelly, Sections 62-6-17 and 62-6-19 of the Public Utility Act (“PUA”), Rule 450,<sup>4</sup> and the Joint Applicants’ regulatory commitments provide that the books, records and accounts of NMGC and the BCP Applicants are subject to inspection by the NMPRC. In addition, NMGC is subject to specific NMPRC informational filing requirements as described by Joint Applicant witness Shell.

**Q. BCP IS A PRIVATE EQUITY FIRM. HAS NMGC PREVIOUSLY BEEN UNDER  
PRIVATE EQUITY OWNERSHIP OR UNDER A PRIVATE EQUITY FUND  
STRUCTURE?**

**A.** Yes, in 2008, when NMGC was originally formed and granted its certificate of public convenience and necessity in Case No. 08-00078-UT, and until 2014, it was owned 100% by partnerships affiliated with and managed by Lindsay Goldberg, LLC, a private equity firm. The proposed form of ownership of NMGC in this case is not materially different

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<sup>4</sup> 17.6.450 NMAC (“Rule 450”).

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1 than the private equity ownership of Lindsay Goldberg, LLC approved in Case No. 08-  
2 00078-UT.

3  
4 **Q. ARE THERE CURRENTLY ANY INVESTOR-OWNED PUBLIC UTILITIES IN**  
5 **NEW MEXICO THAT ARE UNDER PRIVATE EQUITY OWNERSHIP?**

6 **A.** Yes. The ultimate owner of El Paso Electric Company (“EPE”) is IIF US Holding 2 LP, a  
7 U.S. limited partnership, which is one of three master partnerships of private investment  
8 funds under IIF.

9  
10 **Q. ARE THE OBJECTIVES OF PRIVATE EQUITY FIRMS INCONSISTENT WITH**  
11 **THE OBJECTIVES OF PUBLIC UTILITIES?**

12 **A.** No. There is no inherent inconsistency between the objectives of private equity firms and  
13 the objectives of public utilities. This is discussed in more detail by Joint Applicant  
14 witnesses Kelly and Talley.

15  
16 BCP Management-related funds invest in businesses that provide critical services to the  
17 government, infrastructure, industrial, utility, and energy sectors as well as in infrastructure  
18 and utility assets. The investment pool for the BCP Infrastructure Funds is comprised of  
19 large institutional investors, public and private pension funds, college endowments,  
20 insurance companies, labor union funds and other investment groups with extensive  
21 experience investing in infrastructure and utility investment vehicles. These investors seek  
22 long-term, prudent, and financially sound investments in infrastructure assets, including  
23 natural gas infrastructure assets. These investors are not seeking a quick or excessive

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1 return. The objectives of these investors include a well-managed utility that continues to  
2 provide safe, reliable and affordable gas services for customers. There is nothing in the  
3 investment philosophy and strategy of BCP Management, or the BCP Applicants, that is  
4 adverse to the interests of NMGC customers.

5  
6 **Q. ARE PRIVATE EQUITY FIRMS LESS FOCUSED ON CLIMATE GOALS THAN**  
7 **PUBLICLY TRADED COMPANIES?**

8 **A.** I do not believe so. More specifically, BCP Management has ESG policies which promote  
9 the reduction of carbon emissions. BCP Management expects its portfolio companies to  
10 develop their own policies to achieve carbon reduction goals. NMGC has its own carbon  
11 reduction plans which are in alignment with BCP Management's carbon reduction  
12 objectives. NMGC's policies intended to reduce its carbon footprint will remain in effect  
13 after the Transaction. These policies will not be negatively affected by NMGC's  
14 ownership by the BCP Applicants. Moreover, NMGC will continue to participate in the  
15 U.S. Environmental Protection Agency's Natural Gas STAR Program and the Methane  
16 Challenge Program.

17  
18 **Q. WHY IS BCP INTERESTED IN INCLUDING NMGC IN ITS PORTFOLIO AND**  
19 **IN DOING BUSINESS IN NEW MEXICO?**

20 **A.** BCP views NMGC as a well-run natural gas utility with a high caliber management team,  
21 a good reputation and track record of safe and reliable operations, and an outstanding  
22 workforce, which operates in a state with an improving business and regulatory  
23 environment. When BCP learned that NMGC was potentially available to be acquired,

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BCP was immediately interested. NMGC will be a perfect fit in the portfolio of natural gas utilities that the BCP funds have purchased and are purchasing and NMGC will enhance and benefit from the synergy of the natural gas utilities being acquired.

BCP is also excited to expand investment in New Mexico. New Mexico's vibrant culture and diverse population provide an accepting atmosphere where innovation and growth can flourish. The State's weather, abundant natural resources and recreational opportunities provide a high quality of life that is attractive to potential employees and new businesses. And the State's strong university system, national labs, and long-standing connection to technology, particularly energy related technology, make New Mexico an ideal location for investment and conducting business. New Mexico is at the forefront of the Nation's evolving energy landscape. New Mexico provides abundant energy resources - both conventional and renewable fuels. These affordable energy sources are key components for economic development, helping the State attract large and small industrial customers, which will drive further associated commercial and residential growth. BCP believes that natural gas is and will continue to be the most economical option for heating New Mexico's homes and businesses, as well as the fuel of choice for commercial and industrial facilities driving New Mexico's economy. In addition, renewable natural gas ("RNG") and certified low-emissions natural gas are examples of opportunities to meet New Mexico's clean energy goals. Along with the clean energy framework, New Mexico has abundant and diverse feedstock opportunities for RNG development. Hydrogen has also emerged as potentially playing a central role in reducing carbon emissions.

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1 New Mexico also provides numerous economic development incentives, including job  
2 training and tax related programs, as well as state and local economic development  
3 associations with which Saturn Holdco intends to partner to drive growth and bring new  
4 businesses and residents to New Mexico. Saturn Holdco believes it can continue to build  
5 upon and enhance NMGC's existing efforts to attract and retain diverse, top talent in the  
6 state.

7  
8 BCP believes that NMGC and its transmission and distribution infrastructure are poised to  
9 play an important role in delivering future solutions to New Mexico end users. The BCP  
10 Infrastructure Funds, through Saturn Holdco, are well-suited to support NMGC in these  
11 endeavors.

12  
13 **Q. ARE THE BCP APPLICANTS WILLING TO COMMIT TO OWNING NMGC**  
14 **FOR THE LONG-TERM?**

15 **A.** Yes. As part of the regulatory commitments in this case, the BCP Applicants commit that  
16 they will not sell their interest in NMGC for at least ten (10) years after closing of the  
17 Transaction.

18  
19 **Q. DOES BCP CURRENTLY HAVE ANY OTHER BUSINESSES IN NEW MEXICO**  
20 **THAT ARE PART OF ITS INVESTMENT PORTFOLIO?**

21 **A.** Yes. In 2024, Strategic Management Solutions, LLC ("SMSI") was added to the  
22 businesses in BCP's portfolios. SMSI has its headquarters in Albuquerque and has been  
23 in business since 1999. SMSI is a project solutions business with approximately 300

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1 employees that provides management, technical and engineering services to the  
2 Department of Energy, National Nuclear Security Administration, National Laboratories,  
3 and industrial clients. SMSI's key business lines include procurement and supply chain  
4 expertise, special nuclear material and high hazard operations, decontamination and  
5 demolition and project delivery and integration services. SMSI currently operates across  
6 locations at the Los Alamos National Laboratory, in Albuquerque, and in other locations  
7 across the country.

8  
9 Boston Government Services and SE&C, LLC are additional businesses affiliated with  
10 SMSI that provide services in New Mexico.

**III. BCP'S UTILITY EXPERIENCE**

11  
12  
13 **Q. WHAT EXPERIENCE DOES BCP HAVE WORKING WITH UTILITY**  
14 **COMPANIES?**

15 **A.** BCP Management, through its affiliated investment funds, has consummated several  
16 transactions where funds purchased the assets or subsidiaries from publicly traded  
17 companies, similar to the situation with Emera and NMGC in this case. Infrastructure  
18 investment, particularly nature gas LDC investments, has been a focus of BCP  
19 Management. As discussed previously, BCP relies upon experienced local management  
20 teams to operate the day-to-day activities of its portfolio companies; however, like myself,  
21 a number of the BCP Management professionals have experience working in and with  
22 regulated utilities.

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**Q. DOES BCP MANAGEMENT HAVE NATURAL GAS LDCS IN ITS INVESTMENT PORTFOLIOS?**

**A.** Yes. As noted above, certain BCP investment funds have acquired natural gas LDCs in Louisiana and Mississippi from CenterPoint Energy Resources Corp. (“CenterPoint”) (the “CenterPoint Transaction”), and in Louisiana from Entergy Louisiana, LLC and Entergy New Orleans, LLC (collectively, “Entergy”) (the “Entergy Transaction”), and. These transactions are summarized below:

- CenterPoint Transaction: Delta North Louisiana Gas Company, LLC (f/k/a Delta Utilities No. LA, LLC), Delta South Louisiana Gas Company, LLC (f/k/s Delta Utilities S. LA, LLC), Delta Mississippi Gas Company, LLC (f/k/a Delta Utilities MS, LLC), and Delta Energy Resources, LLC (f/k/a Delta Shared Services Co., LLC) have acquired natural gas LDCs in Louisiana and Mississippi from CenterPoint. The applications for regulatory approvals of the CenterPoint Transaction before the Louisiana Public Service Commission (“LPSC”) and the Mississippi Public Service Commission were unanimously approved. The CenterPoint Transaction closed on April 1, 2025.
- Entergy Transaction: Delta Capital Gas Company, LLC (f/k/a Delta States Utilities LA, LLC) (“Delta LA”) and Delta New Orleans Gas Company, LLC (f/k/a Delta States Utilities NO, LLC (“Delta NO”) acquired all of Entergy’s LDCs in Louisiana. Delta LA and Delta NO have received unanimous regulatory approval from the LPSC and the New Orleans City Council for the Entergy Transaction. The Entergy Transaction closed on July 1, 2025.

The LDCs acquired under the CenterPoint Transaction and the Entergy Transaction are operated under the umbrella name of Delta Utilities.

**Q. PLEASE DESCRIBE THE UTILITIES THAT OPERATE UNDER DELTA UTILITIES.**

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1     **A.**     The three LDCs in the CenterPoint Transaction include approximately 12,000 miles of  
2             pipeline and serve over 380,000 customers in Louisiana and Mississippi. The two LDCs  
3             in the Entergy Transaction include approximately 3700 miles of pipeline and serve over  
4             200,000 customers. The total purchase price investments in Delta Utilities are  
5             approximately \$1.7 billion.

6  
7     **Q.     DOES BCP HAVE INTERESTS IN OTHER UTILITIES?**

8     **A.**     Yes. BCP has interests in the following non-LDC utilities:

- 9             • National Water Infrastructure, a wastewater utility headquartered in  
10            Prairieville, Louisiana, which provides wastewater services to over 20,000  
11            customers in Ascension, Livingston and East Baton Rouge Parishes of  
12            Louisiana.
- 13  
14            • ClearCurrent, a water and wastewater utility headquartered in Raleigh, North  
15            Carolina, which services approximately 1,800 customers.

16  
17    **Q.     PLEASE DESCRIBE BCP'S UTILITY HOLDINGS IF THE NMGC**  
18    **TRANSACTION CLOSES.**

19    **A.**     Inclusive of the NMGC Transaction and the Delta Utilities holdings, funds supported by  
20             BCP will own approximately \$3 billion in utility assets which serve over 1.14 million  
21             customer meters, including water, wastewater, and gas utility companies.

22  
23    **Q.     DOES BCP HAVE ANY OTHER UTILITY-RELATED BUSINESSES?**

24    **A.**     Yes. The other businesses in BCP's portfolio that relate to the utility sector include:



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- Elevation, headquartered in Chandler, Arizona, provides whole-home energy solutions through a combination of solar, energy storage, energy efficiency and energy monitoring services.
- Allied Power, headquartered in Baton Rouge, Louisiana, provides operations, maintenance, radiological and environmental services to primarily nuclear and fossil fuel markets.
- United Utility, headquartered in New Orleans, Louisiana, provides installation, maintenance and repair of overhead and underground transmission and distribution systems.
- TechServ, headquartered in Tyler, Texas, with over 850 employees, is a leading provider of electric utility and communications engineering.

**Q. PLEASE DESCRIBE THE EXPERIENCE POSSESSED BY BCP MANAGEMENT WITH RESPECT TO REGULATED UTILITIES.**

**A.** As discussed above, BCP Management has extensive utility and utility-related businesses in its portfolio companies so it has a depth of utility experience. It is also important to remember that NMGC is highly experienced in the LDC business and will continue to operate as a gas utility with the same board, same management and approximately 740 experienced employees. While BCP Management has no concerns about how NMGC conducts its business, and NMGC is not in need of constant oversight or guidance on how to operate its business in New Mexico, upon the close of this Transaction, NMGC will have ready access to expertise and experience from BCP Management and Delta Utilities upon request.

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**Q. PLEASE IDENTIFY THE INDIVIDUALS WITHIN THE BCP MANAGEMENT LEADERSHIP WITH PUBLIC UTILITY EXPERIENCE.**

**A.** The public utility experience possessed by BCP Management leadership is extensive, and includes the following:

1. Jeffrey M. Baudier. As described in my Direct Testimony, I have extensive experience with public utilities as detailed in JA Exhibit JMB-1 (Revised Application).
2. R. Foster Duncan, Operating Partner, at BCP Management. Mr. Duncan has 35 years of experience in the utility and energy industry sectors. He previously held numerous positions at Cinergy Corporation, including serving as CEO and President of the Commercial Business Unit, as well as EVP, CFO and Chairman of the Investment Committee. Mr. Duncan has executive leadership experience at LG&E Energy Corp., the Edison Electric Institute, Atlantic Power Corporation, Essential Power LLC and KKR. Mr. Duncan graduated with Distinction from the University of Virginia with a B.A. in Government and Economics and later received his M.B.A. in Finance from the A.B. Freeman Graduate School of Business at Tulane University.
3. Jeffrey Yuknis, Managing Director at BCP Management, has over 20 years of experience in the utility industry, including 16 years at Exelon, where he served as Vice President. During his tenure, Exelon was a Fortune 100 company involved in every stage of the energy business: power generation, competitive energy sales, transmission, and delivery. At Exelon, Mr. Yuknis held a variety of leadership roles through the electric value chain including in wholesale generation and trading, corporate development (Mergers and Acquisitions), electric transmission and electric microgrids. Mr. Yuknis has a B.S. in Finance from the University of Illinois and an M.B.A. from the University of Chicago.

**Q. PLEASE DESCRIBE THE GENERAL UTILITY AND NATURAL GAS UTILITY MANAGEMENT EXPERIENCE OF DELTA UTILITIES.**

**A.** The following leaders of Delta Utilities will be part of the group of experienced professionals sharing their experience and insights as members of the BCP Management portfolio companies:

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1. Peter I. Tumminello, Executive Chairman of Delta Utilities, has over 40 years of utility and energy industry experience. Mr. Tumminello was the former Group President, Commercial Businesses, of Southern Company Gas and led the commercial businesses for Southern Company Gas including Midstream Storage, LNG, and Pipeline Investments, Retail Energy, Retail Services, and Wholesale Energy businesses. Mr. Tumminello was responsible for all operations outside of the regulated entities, including wholesale services, retail energy, and all midstream businesses including pipeline investments and gas storage. Mr. Tumminello has a Bachelor of Science in Petroleum Engineering from Louisiana Tech University and an M.B.A. from the University of Southwestern Louisiana (now University of Louisiana Lafayette).
2. Timothy J. Poché, Chief Executive Officer of Delta Utilities, has 35 years of experience across the utility and energy sector, including leading numerous merger and acquisition transactions within the utility sector. Mr. Poché has extensive leadership experience in finance, audit, and accounting for a range of utility and energy service companies, as well as experience consulting on capital markets and regulatory matters. His previous experience includes serving as Senior Vice President & Chief Accounting Officer of The Shaw Group, a Fortune 500 global energy services firm with over \$6 billion in revenue. Mr. Poché also has 22 years of experience as a leader within Deloitte's Utility practice, serving as the managing partner of the Gulf South regional office operations, where he led financial and audit consulting efforts for utility clients, including CenterPoint Energy and Entergy.
3. Bo Murphy, Chief Operating Officer of Delta Utilities, has more than 17 years of utility experience, including serving as the Vice President of Louisiana / Mississippi Natural Gas Division at CenterPoint Energy. Mr. Murphy has extensive experience in engineering and operations, with supplemental experience in operations support, corporate finance and warehouse and logistics. Mr. Murphy has progressive experience from an entry level engineer, progressing through compliance, area operating leadership, field operations, investor relations, support services and finally as vice president of a multi-state gas utility operations. Mr. Murphy has a unique mix of capital and O&M planning, execution and communication with a strong understanding of financial drivers in a regulated utility.
4. Mark Miko, Chief Information Officer of Delta Utilities, has more than 26 years of experience in information technology, operations technology, digital and technology transformations, cyber security and information privacy, agile product management, data management and analytics, crisis management, and project management leadership. Mr. Miko's recent experience includes overseeing all aspects of stand up for Delta Utilities' technology and cloud infrastructure, including design, build, and implementation of a "fit-for-purpose" natural gas utility operating system in Oracle Fusion. Mr. Miko also previously served for 8

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years as the Chief Information Officer at Duquesne Light Company and provided executive-level technology leadership, in a consulting capacity, to several utility and energy sector clients, including Toronto Hydro and El Paso Electric.

5. Jeff Savage, Chief Financial Officer of Delta Utilities, has over 30 years of experience, including over 18 years working with LDCs in various roles including corporate accounting, internal audit, and supply chain.
6. Anthony P. Arnould, Jr., Senior Vice President of Gas Services at Delta Utilities, has 25 years of natural gas and utility experience. Mr. Arnould is currently the Director of Gas Distribution for Entergy Services LLC. Mr. Arnould's experience includes managing multi-jurisdictional gas operations, customer service, and engineering. Mr. Arnould previously oversaw all aspects of the safe, reliable delivery of natural gas service to natural gas customers of Entergy New Orleans and Entergy Louisiana.
7. Doug Boudreaux, Senior Vice President of Gas Operations at Delta Utilities, has over 18 years of natural gas operations experience at CenterPoint Energy. Mr. Boudreaux has progressive experience with a focus in operations, including a multi-year stint operating gas assets in Minnesota and operational responsibility across a multi-state gas utility. At CenterPoint, Mr. Boudreaux previously served as the Director of Gas Operations for Louisiana at CenterPoint Energy and previously served as the District Director of Gas Operations and Area Manager of Gas Operations.
8. Benjamin Orem, Director of Engineering at Delta Utilities, has 14 years of utility experience at CenterPoint Energy. Mr. Orem has progressive experience as an entry level electrical engineer, moving to the natural gas utility business in 2013, with further roles as an operations manager and engineering manager before assuming his current role.
9. Kenny Malter, Senior Vice President of Gas Supply at Delta Utilities, has over 25 years of experience leading the gas supply operations and system control of a large multi-state LDC.
10. Jessie Bowen, Director of Supply Chain at Delta Utilities, has 17 years of experience in procurement and supply chain throughout several industries including more than six years of progressive leadership of capital and operational procurement in a regulated utility, including LDC operations.
11. Beau Tichenor, Director of Gas Supply at Delta Utilities, has over 15 years of experience leading the gas supply functions for the transmission, distribution, storage, and industrial segments of a large multi-state LDC.

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12. Sam Walters, Director of Programs and Contractor Services at Delta Utilities, has nearly 20 years of natural gas utility experience. Mr. Walters has progressive experience as an entry level engineer, multiple supervisor postings in compliance operations, management roles in engineering and operations and director roles in engineering and operations.

13. Keith Morris, Vice President of EHS and Training at Delta Utilities, has over 25 years of oil and gas experience in mid-stream from gathering and processing to interstate and downstream delivery of refined products, crude, natural gas liquids and natural gas, with 11 years in a corporate leadership role.

14. Anthony Murdock, Vice President of Customer Operations at Delta Utilities, has over 20 years of utility experience, including LDC experience.

**Q. IF THE TRANSACTION CLOSES, WILL NMGC HAVE ACCESS TO THE EXTENSIVE UTILITY EXPERTISE AND EXPERIENCE OF BCP MANAGEMENT AND DELTA UTILITIES?**

**A.** Yes, as needed or requested, and in pursuit of sharing best practices, NMGC will have access to the experienced personnel at BCP Management and Delta Utilities. To be clear, NMGC will still be operated as a separate gas utility and its management team will be responsible for NMGC utility operations in New Mexico, but the utility personnel at each entity will be encouraged to exchange information in pursuit of best practices. Additionally, as discussed in Section VI below and in the Revised Application Direct Testimonies of Joint Applicant witnesses Tumminello and Miko, NMGC will obtain its IT service functions through Delta Utilities as part of a shared services arrangement. In connection with the LDCs in its investment portfolios, BCP Management will foster a collaborative environment which will promote best practices among NMGC and Delta Utilities, including the sharing of ideas and the promotion of mutual assistance.

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1    **Q.    ARE THE BCP INFRASTRUCTURE FUNDS SUFFICIENTLY QUALIFIED AND**  
2       **EXPERIENCED TO SERVE AS THE ULTIMATE UPSTREAM OWNERS OF**  
3       **NMGC?**

4    **A.**    Yes. As discussed above, the BCP Infrastructure Funds are part of the investment portfolio  
5       of BCP, which already successfully includes funds that own utilities and utility-related  
6       businesses. The current employees of NMGC, including NMGC management, will be  
7       retained and they will be responsible for running the daily operations of NMGC. Under  
8       the direction and expertise of this leadership team, NMGC will continue to interact with its  
9       customers, employees and the community on a day-to-day basis as it does presently. The  
10      majority of the NMGC Board of Directors (the “NMGC Board”) will continue to be  
11      comprised of New Mexico business and community leaders.

**IV.       THE TRANSACTION**

14   **Q.    PLEASE DESCRIBE THE TRANSACTION FOR WHICH THE JOINT**  
15       **APPLICANTS SEEK APPROVAL IN THIS CASE.**

16   **A.**    NMGC, a New Mexico LDC, is 100% owned by NMGI, and NMGI is 100% owned by  
17       TECO Energy. All of the Equity Interests (as that term is defined in the PSA) of TECO  
18       Energy are owned by EUSHI and TECO Holdings, which in turn are each ultimately  
19       wholly owned by Emera. As further set forth in the Revised Joint Application, EUSHI,  
20       TECO Holdings, and Saturn Holdco have entered into the PSA which encompasses the  
21       terms of the Transaction. Under the PSA, Saturn Holdco will purchase 100% of the Equity  
22       Interests of TECO Energy from EUSHI and TECO Holdings. Upon consummation of the

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1 Transaction, TECO Energy will become a wholly owned subsidiary of Saturn Holdco. A  
2 copy of a redacted version of the PSA is attached as JA Exhibit JMB-2 (Revised  
3 Application) to my testimony. A confidential unredacted version of the PSA is provided  
4 as BR-15 in response to the Hearing Examiners' Bench Request dated February 19, 2025  
5 in Section IX.B. below.

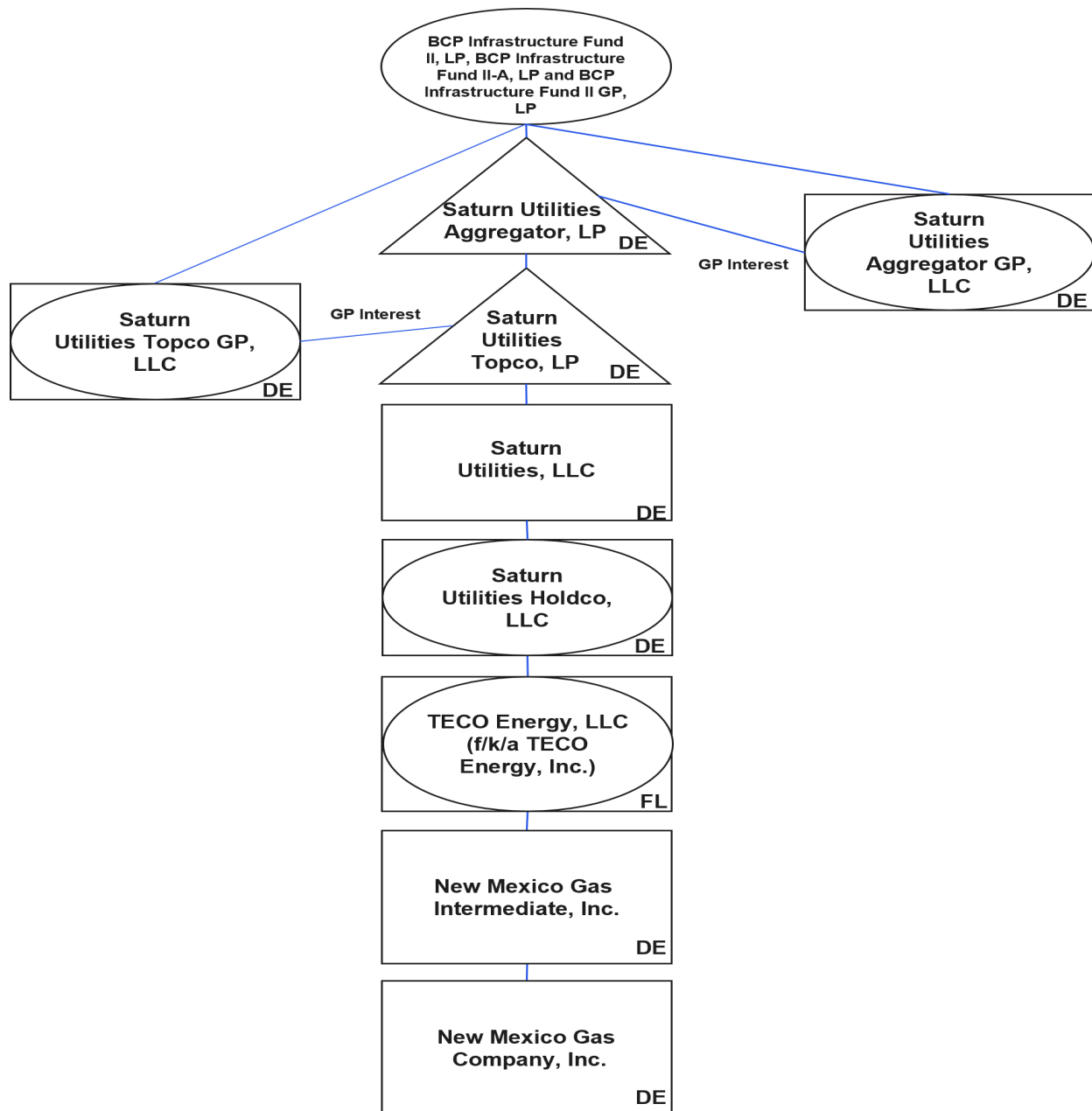
6  
7 **Q. PLEASE DESCRIBE THE CORPORATE OWNERSHIP STRUCTURE**  
8 **RELATING TO NMGC FOLLOWING THE CLOSING OF THE TRANSACTION.**

9 **A.** JA Figure JMB-1 (Revised Application) below depicts the post-closing corporate  
10 ownership structure of NMGC.

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1

**JA Figure JMB-1 (Revised Application)**



2

3

4 **Q. PLEASE DESCRIBE SATURN HOLDCO.**

5 **A.** Saturn Holdco is a newly created Delaware limited liability company formed solely for the  
6 purpose of entering into the PSA, completing the Transaction, and owning 100% of the



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Equity Interests of TECO Energy. Saturn Holdco has not engaged in any business except for the activities necessary and incidental to those purposes and is an indirect subsidiary of the BCP Infrastructure Funds.

**Q. PLEASE DESCRIBE THE ROLE OF THE BCP INFRASTRUCTURE FUNDS IN THE TRANSACTION.**

**A.** The BCP Infrastructure Funds are Delaware limited partnerships established to hold and administer the pool of funds invested for purposes of the acquisition of the NMGC Group, as well as other anticipated distinct and unrelated investments. BCP Infrastructure II GP is the general partner for the BCP Infrastructure Funds. To facilitate the Transaction, the BCP Infrastructure Funds will indirectly invest in the NMGC Group through their ultimate ownership of Saturn Holdco. At the closing of the Transaction, Saturn Holdco will be the direct parent of TECO Energy, with the BCP Infrastructure Funds as its ultimate indirect owners.

The BCP Infrastructure Funds own 100% of the limited partnership interests in Saturn Aggregator, which is managed by its general partner, Saturn Aggregator GP. Saturn Aggregator owns 100% of the limited partnership interests in Saturn Topco, which is managed by its general partner, Saturn Topco GP. Both Saturn Aggregator GP and Saturn Topco GP are owned 100% by the BCP Infrastructure Funds. Saturn Topco owns 100% of the membership interests in Saturn Utilities, LLC (“Saturn Utilities” and collectively, with Saturn Aggregator, Saturn Aggregator GP, Saturn Topco and Saturn Topco GP, the “Intermediate Companies”). The Intermediate Companies are included as Joint Applicants

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1 and BCP Applicants because they are each technically an “affiliated interest that controls  
2 a public utility through the direct or indirect ownership of voting securities of that public  
3 utility,” as discussed in NMSA 1978, Section 62-3-3(N). However, these are mere flow-  
4 through entities established for the Transaction with no employees. The information  
5 concerning the organization and governance of the Intermediate Companies is contained  
6 in the Amended GDP attached to my testimony as JA Exhibit JMB-3 (Revised  
7 Application). The governance of Saturn Holdco and the NMGC Group will not be impacted  
8 in any way by the existence of the Intermediate Companies post-closing.

9  
10 **Q. DO THE BCP INFRASTRUCTURE FUNDS THAT ARE ACQUIRING NMGC**  
11 **HAVE SUFFICIENT FINANCIAL WHEREWITHAL TO ACQUIRE AND MAKE**  
12 **CONTINUED INVESTMENTS IN NMGC?**

13 **A.** Yes. The BCP Infrastructure Funds that are purchasing NMGC will have total funding of  
14 at least \$2 billion. The BCP Infrastructure Funds currently have actual or committed  
15 funding of \$455 million. The BCP Infrastructure Funds are anticipated to be fully  
16 subscribed for the \$2 billion funding by early to mid-2026. Moreover, in addition to the  
17 above amount, the purchase of NMGC is guaranteed by equity commitments from other  
18 BCP Management funds having approximately \$635 million currently available. This  
19 provides ample financial capability to acquire and make necessary investments in NMGC.

20  
21 **Q. HOW CAN THE COMMISSION BE ASSURED THAT THE BCP APPLICANTS**  
22 **ARE FINANCIALLY SOUND AND QUALIFIED TO OWN NMGC?**

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1     **A.**     Going forward, both Saturn Holdco and NMGC will have their credit ratings performed by  
2             one or more nationally recognized credit rating agencies so their credit metrics will be  
3             independently ascertained. Further, as I discussed earlier, the BCP Infrastructure Funds  
4             are adequately capitalized by their respective limited partners. These limited partners are  
5             large institutional investors, such as public and private pension funds, college endowments,  
6             insurance companies, labor union funds and other investment groups with extensive  
7             experience investing in infrastructure and utility investment vehicles such as the BCP  
8             Infrastructure Funds. Each such limited partner is contractually obligated to fund its capital  
9             commitments to the fund within 10 business days of BCP Infrastructure Fund II GP issuing  
10            a capital call notice. Further, as to qualification of the BCP Infrastructure Funds owning  
11            NMGC, the nature of this investment is not one of first instance. As I have described, there  
12            are other regulated utilities and non-regulated utility service providers in the utility, energy,  
13            government, infrastructure and industrial sectors within the BCP family of portfolio  
14            companies.

15  
16    **Q.     HOW DO THE BCP APPLICANTS INTEND TO FUND THE FUTURE CAPITAL**  
17    **REQUIREMENTS OF NMGC?**

18    **A.**     The total sources of funding available to the NMGC will be a blend of debt and equity  
19             consistent with the NMPRC-approved capital structure currently in place. These sources  
20             will be inclusive of long-term note facilities, a revolving credit facility, utilization of  
21             unrestricted cash reserves, and injections of capital to NMGC through the ownership  
22             structure. We expect that the regulated nature of the business, which structurally supports

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1 a fair return of and on capital, will continue to attract both debt and equity capital to the  
2 business sufficient to accommodate NMGC's needs.

3  
4 **Q. WHAT IS THE PURPOSE OF THE INTERMEDIATE COMPANIES IN THE**  
5 **POST-CLOSING OWNERSHIP STRUCTURE OF NMGC?**

6 **A.** The use of entities such as the Intermediate Companies is not uncommon in the context of  
7 private equity ownership and is desirable in order to implement debt financing that is non-  
8 recourse to NMGC, which is a benefit to customers. With this corporate structure, the  
9 Intermediate Companies are able to obtain debt financing for the Transaction without any  
10 liability for NMGC or the use of any NMGC assets as collateral. The financial health or  
11 operations of NMGC will not be adversely impacted by the existence of the Intermediate  
12 Companies post-closing.

13  
14 Additionally, retaining TECO Energy and NMGI in the ownership structure allows the  
15 Transaction to retain NMGC's existing income tax-related balances and treatment. This  
16 ensures that the Transaction avoids creating negative tax-related consequences for  
17 customers.

18  
19 **Q. IS THE POST CLOSING OWNERSHIP STRUCTURE FOR NMGC SO**  
20 **COMPLEX THAT IT WILL INTERFERE WITH THE ABILITY OF THE NMPRC**  
21 **TO OVERSEE NMGC?**

22 **A.** No. The post-closing ownership structure is not significantly more complicated than what  
23 currently exists under Emera. Fundamentally, the Transaction involves a change in

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ownership of TECO Energy. Saturn Holdco is acquiring all of the equity interests in TECO Energy, which in turn owns NMGI, which in turn owns NMGC. The BCP Infrastructure Funds and Saturn Holdco are replacing Emera, EUSHI and TECO Holdings, as the upstream parent companies of NMGC. The pre- and post-closing ownership structure of NMGC is shown in Attachment A to the Amended GDP attached JA Exhibit JMB-3 (Revised Application)). Both ownership structures have NMGC owned by several upstream entities. The Commission is fully empowered and capable of overseeing NMGC and has access to upstream holding companies' books and records.

**Q. WHAT IS THE PURCHASE PRICE FOR THIS TRANSACTION?**

**A.** The full consideration for the purchase of the Equity Interests of TECO Energy is set forth Section 2.2 of the PSA, but the purchase price is \$1.252 billion, including the assumption of approximately \$550 million of existing debt of NMGC and subject to customary post-closing adjustments. The purchase price was arrived at after extensive arm's length negotiations between the parties to the PSA.

**Q. WILL THE TRANSACTION REQUIRE THE REISSUANCE OR REFINANCING OF ANY EXISTING DEBT HELD BY NMGC?**

**A.** No. The Transaction will not require any issuance or refinancing of existing debt held by NMGC. Any such existing debt will be retired or refinanced in the ordinary course of NMGC's business and not as part of the Transaction.

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**Q. HOW WILL SATURN HOLDCO FUND THE PURCHASE OF THE EQUITY INTERESTS OF TECO ENERGY?**

**A.** Saturn Holdco intends to fund the purchase of the Equity Interests of TECO Energy through a mix of equity and debt consisting of \$448,900,000 of equity from the BCP Infrastructure Funds, \$250,000,000 of private debt, which is non-recourse to NMGC, and the assumption of approximately \$550,000,000 of portable debt currently at NMGC.

**Q. WHAT REGULATORY APPROVALS ARE REQUIRED FOR THE CLOSING OF THE TRANSACTION?**

**A.** The primary regulatory approval needed for the Transaction is from the NMPRC in this proceeding.

The other approvals involve an anti-trust review by the United States Department of Justice or Federal Trade Commission pursuant to the Hart-Scott-Rodino Antitrust Improvements Act (“Hart-Scott-Rodino”). Filings were made with the United States Department of Justice under Hart-Scott-Rodino and the waiting period expired. In addition, a filing was made with the Federal Communications Commission (“FCC”) due to the change in ownership of the parent company of the operating company holding the FCC licenses, and approval was received on May 6, 2025.

**Q. WILL THE BCP APPLICANTS OR NMGC SEEK TO INCLUDE ANY ACQUISITION PREMIUM THAT MAY RESULT FROM THE TRANSACTION IN CUSTOMER’S RATES?**

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1     **A.**     No. As confirmed in the regulatory commitments in the Revised Joint Application and  
2             Amended GDP, the Joint Applicants will not seek to recover any acquisition premium or  
3             related goodwill from customers in rates or otherwise. Joint Applicant witnesses Shell and  
4             Quilici discuss the accounting treatment of goodwill associated with acquisition premiums.  
5             They also confirm that NMGC has never sought recovery or recovered any goodwill or  
6             acquisition premium from customers and that this will not change if the Transaction is  
7             approved.

8  
9     **Q.     WILL THE COSTS ASSOCIATED WITH THE NEGOTIATION AND CLOSING  
10            OF THE TRANSACTION BE RECOVERED IN CUSTOMER RATES?**

11    **A.**     No. The BCP Applicants will maintain a thorough accounting of all costs associated with  
12             the negotiation of the Transaction, brokers' fees, the costs of obtaining all necessary  
13             approvals and the costs associated with the closing of the Transaction and associated  
14             financing. None of these costs will be proposed for inclusion in NMGC customer rates.

15  
16    **Q.     HOW WILL NMGC BE MANAGED AFTER THE TRANSACTION CLOSES?**

17    **A.**     BCP's philosophy is to acquire existing well-managed companies. NMGC will be  
18             managed the way it is today. The current employees, including NMGC management, will  
19             be retained and will report to the NMGC Board as they do currently. NMGC's headquarters  
20             will remain in Albuquerque and all regional offices will be maintained in their respective  
21             communities. The BCP Applicants and NMGC anticipate that the Transaction will result  
22             in adding approximately 20 new jobs in New Mexico as certain shared services currently  
23             provided from out-of-state locations are moved to New Mexico. These new jobs could

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1 include positions in areas such as Finance, Human Resources and other analyst positions.  
2 In addition, certain IT services will be provided through Delta Utilities as discussed in more  
3 detail in Section VI below. As a result of these changes to NMGC's existing shared services  
4 model, and the on-shoring of select shared services, NMGC customers will experience  
5 enhanced service from what they experienced prior to the closing of the Transaction.  
6

7 **Q. HOW WILL THE NMGC BOARD BE DETERMINED AFTER THE CLOSING OF**  
8 **THE TRANSACTION?**

9 **A.** After closing the Transaction, the local NMGC Board will continue in substantially similar  
10 form and will continue to provide local governance oversight and guidance of the strategy  
11 and business plans of the NMGC management team. The NMGC President will continue  
12 to report to the NMGC Board. The current NMGC Board currently consists of the  
13 President of NMGC, two Emera employees, and local business and community leaders  
14 selected to promote diversity on the NMGC Board consistent with good governance  
15 practices, with the majority composed of local business and community leaders. As part  
16 of the regulatory commitments and Amended GDP, at least three of the NMGC directors  
17 will be "Disinterested Directors." Saturn Holdco plans to replace the two Emera  
18 representatives with Mr. Peter I. Tumminello, Executive Chairman of Delta Utilities, and  
19 Mr. R. Foster Duncan, an Operating Partner of BCP Management. Both of these  
20 individuals have extensive experience in the utility business as outlined above. The BCP  
21 Applicants will seek to retain the other current NMGC Board members.  
22



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**Q. ARE THE BCP APPLICANTS OR NMGC REQUESTING ANY CHANGES TO NMGC'S AUTHORIZED RATES OR CHARGES IN THIS PROCEEDING AS A RESULT OF THE TRANSACTION?**

**A.** No. NMGC's new base rates that became effective October 1, 2024, will remain in effect until new base rates are approved by the Commission following NMGC's next general rate case application. The BCP Applicants are not requesting any changes to any other NMGC tariffs, charges or riders in this case as a result of the Transaction. Any changes in NMGC's riders, charges or tariffs before NMGC's next base rate case will only be made in the ordinary course of business and not as a result of the Transaction. As discussed below, if the Transaction is approved, NMGC will not file any application to modify its base rates before September 30, 2026.

**Q. WHAT ARE THE ANTICIPATED TAX IMPACTS ON NMGC FROM THE TRANSACTION?**

**A.** There will be no regulatory tax implications for NMGC. NMGC's income taxes will continue to be calculated on a stand-alone basis for regulatory financial reporting and ratemaking purposes. The Transaction will have no impact on the Commission's authority to determine NMGC's income tax expense for ratemaking purposes. The anticipated tax effects of the Transaction on NMGC are also addressed in the Amended GDP which once again confirms the foregoing. There is no indication that there will be any tax benefits to NMGC from the Transaction.

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1   **Q.    WILL THERE BE ANY REBRANDING OF NMGC FOLLOWING THE CLOSING**  
2   **OF THE TRANSACTION?**

3   **A.**   No. NMGC will continue to do business as New Mexico Gas Company, Inc., although  
4       without reference to being an Emera company. In addition, TECO Energy’s name will be  
5       changed in connection with the closing of the Transaction.

6  
7                   **V.           BENEFITS AND PROTECTIONS OF THE TRANSACTION**

8   **Q.    WHAT STANDARD DOES THE NMPRC APPLY IN RULING UPON AN**  
9   **APPLICATION FOR APPROVAL OF A TRANSACTION INVOLVING THE**  
10 **ACQUISITION OF A PUBLIC UTILITY?**

11 **A.**   I understand that the statutory standards the Commission applies for approval of public  
12       utility acquisitions are set forth in Sections 62-6-12 and 62-6-13 of the PUA. Section 62-  
13       6-12 provides that the merger and acquisition of a utility or its public utility holding  
14       company, and another entity are permissible with the prior authorization of the  
15       Commission. Transactions that require NMPRC approval under Section 62-6-12 include  
16       mergers, purchases of public utility plant, and acquisitions of stock of a public utility  
17       holding company. Section 62-6-13 directs the NMPRC to approve such proposed  
18       acquisitions and consolidations “unless the commission shall find that the proposed  
19       transaction is unlawful or is inconsistent with the public interest.” The “test” is whether  
20       the public interest is served by approving the transaction as determined by the facts and  
21       circumstances of each case. Generally, a showing of a positive benefit to customers is

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1 required. I understand that the Commission generally applies a six-factor test in determining  
2 the public interest:

- 3 1. Whether the transaction provides benefits to utility customers;
- 4 2. Whether the Commission's jurisdiction will be preserved;
- 5 3. Whether the quality of service will be diminished;
- 6 4. Whether the Transaction will result in improper subsidization of non-utility  
7 activities;
- 8 5. Careful verification of the qualifications and financial health of the new owner; and
- 9 6. Adequacy of protections against harm to customers.

10 As I detail below, and as confirmed in the other Joint Applicant witnesses' Revised  
11 Application Testimonies, the Transaction satisfies the six-factor test.

12  
13 **Q. DO YOU HAVE ANY OVERALL OBSERVATIONS CONCERNING THE**  
14 **TRANSACTION AND RESULTING BENEFITS TO NMGC CUSTOMERS AND**  
15 **NEW MEXICO?**

16 **A.** Yes. NMGC exists to serve its customers and the public interest, and NMGC has a unique  
17 and vital role to play in the New Mexico community and economy. If the Transaction is  
18 approved, NMGC's customers will continue to receive safe, reliable natural gas service  
19 and additional support services located in New Mexico. They will also receive a significant  
20 rate credit and a delay in NMGC's next rate case. New jobs will be created and New  
21 Mexico will enjoy additional economic benefits. Additionally, as outlined in this section  
22 of my testimony, NMGC customers (as well as New Mexico residents generally) will also

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1 receive additional economic and operational benefits from the Transaction. Moreover, it  
2 is not anticipated that this Transaction will have an adverse impact on existing rates.

3  
4 Finally, as we discuss the benefits of this Transaction, it is important to consider the context  
5 in which the case arises. Emera has made a strategic business decision to exit one of its  
6 natural gas LDC businesses: NMGC. Saturn Holdco, backed by funding from the BCP  
7 Infrastructure Funds, is excited for the opportunity to acquire NMGC on the terms set forth  
8 in the PSA. There are inherent benefits to customers, and to New Mexico overall, to have  
9 NMGC owned and supported by an enterprise willing to make the investment to acquire  
10 NMGC and that stands ready to provide any further equity capital that will be required to  
11 fund NMGC's future capital investments.

12  
13 **Q. HAVE THE JOINT APPLICANTS PREPARED A LIST OF THE REGULATORY**  
14 **COMMITMENTS THEY ARE PROPOSING AS PART OF THEIR REVISED**  
15 **JOINT APPLICATION?**

16 **A.** Yes. In Paragraph B, Item 4 of the Procedural Order dated November 27, 2024, the Joint  
17 Applicants were directed to provide a list of regulatory commitments similar to Exhibit A  
18 to the stipulation contained in Case No. 19-00234-UT involving the acquisition of EPE.  
19 Attached as JA Exhibit JMB-4 (Revised Application) is a list of the proposed regulatory  
20 commitments supporting the Revised Joint Application using the categories specified in  
21 Exhibit A to Stipulation in Case No. 19-00234-UT. I highlight several of the regulatory  
22 commitments below.

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1   **Q.   WHAT IS THE DURATION OF THE COMMITMENTS IN JA EXHIBIT JMB-4**  
2       **(REVISED APPLICATION)?**

3   A.   Except to the extent that any of the regulatory commitments state otherwise, they will  
4       commence as of closing of the Transaction and continue to apply thereafter, unless and  
5       until altered by the Commission.

6  
7   **Q.   ARE THE JOINT APPLICANTS PROPOSING ANY REGULATORY**  
8       **COMMITMENTS PERTAINING TO NMGC CUSTOMER RATES?**

9   A.   Yes. These are listed in the section of JA Exhibit JMB-4 (Revised Application) under the  
10      heading "Rate and Capital Expenditure Commitments."

11  
12   **Q.   ARE THE JOINT APPLICANTS PROPOSING ANY CUSTOMER RATE**  
13      **CREDITS?**

14   A.   Yes. The BCP Applicants commit that NMGC will pay a \$15 million rate credit to its  
15      customers over 12 months to begin within 90 days after closing on the Transaction. This  
16      rate credit will be at the sole expense of NMGC shareholders and will not be recovered  
17      from customers. The \$15 million rate credit is in line with prior NMGC rate credits, most  
18      notably the \$11 million rate credit in the Case No. 13-00231-UT, when TECO acquired  
19      NMGC, which was estimated to be paid over the period from October 1, 2014 through  
20      December 31, 2017, a period of more than three years.

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**Q. HOW MUCH WILL CUSTOMERS RECEIVE AS A CREDIT ON THEIR BILLS FROM THE \$15 MILLION RATE CREDIT?**

**A.** A per capita distribution of the \$15 million rate credit over 12 months is estimated to provide a rate credit of \$27.31 for each customer. The Joint Applicants believe a per capita apportionment will place more money in the pockets of residential and small business customers in New Mexico.

**Q. HAVE THE JOINT APPLICANTS DETERMINED THE OVERALL ECONOMIC IMPACT OF THE CUSTOMER CREDIT DETERMINED TO NEW MEXICO?**

**A.** Dr. Erickson performed a study of the economic benefits to New Mexico from the \$15 million rate credit based on a per capita allocation of \$27.31 per customer and his study shows that the overall economic benefit to New Mexico from this \$15 million rate credit is estimated to be \$12.7 million.

**Q. ARE THE JOINT APPLICANTS PROPOSING ANY DELAY IN FILING NMGC'S NEXT RATE CASE TO BENEFIT CUSTOMERS?**

**A.** Yes. The Joint Applicants commit that NMGC will not file its next general rate case before September 30, 2026. This means that new rates will likely not go into effect until January of 2028. The Joint Applicants point out that NMGC has generally filed a new rate case every two years. NMGC's last rate case was filed in September of 2023, and the new rates from that case went into effect on October 1, 2024. Joint Applicant witness Shell indicates in his Revised Application Direct Testimony that NMGC had intended to file its next rate case in December 2025. He estimates that this rate freeze could save customers

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1 approximately \$30 to \$40 million, based on the anticipated rate request. This rate freeze  
2 supports the reasoning for the approval of BCP Applicants request for the regulatory asset  
3 discussed in more detail below..  
4

5 **Q. WHY DID THE JOINT APPLICANTS CHOOSE THE PERIOD BEFORE**  
6 **SEPTEMBER 30, 2026, AS THE RATE FREEZE PERIOD?**

7 **A.** The Joint Applicants believe that the commitment not to file a rate case before September  
8 30, 2026, with its estimated customer savings of approximately \$30 million to \$40 million,  
9 is a reasonable rate freeze period and mitigates the potential for customer rate shock  
10 resulting from a prolonged delay in filing a needed rate case. While rate freezes can save  
11 customers money, if the period between rate cases is too long, it can mean that a utility will  
12 need to file for a much larger rate increase following the rate freeze. This can result in rate  
13 shock to customers compared to more frequent and gradual rate increases.  
14

15 **Q. ARE THERE OTHER REGULATORY COMMITMENTS RELATED TO**  
16 **CUSTOMER RATES?**

17 **A.** There are. These commitments include the following:

- 18 1. All of NMGC's existing rates, rules, and forms as currently approved will  
19 remain in force and unchanged until such time as any changes are approved by  
20 the Commission;
- 21 2. Any changes in NMGC's riders, charges or tariffs before NMGC's next base rate  
22 case will only be made in the ordinary course of business and not as a result of  
23 the Transaction; and

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3. None of the direct costs of the Transaction, including, but not limited to, costs such as legal fees, investment banking fees, accounting fees, consulting fees, costs of this Commission proceeding, Hart-Scott-Rodino filing fees, FCC filing fees, and employee travel expenses, accrued by Joint Applicants will be recovered directly or indirectly from NMGC customers. However, NMGC may seek recovery of capital expenditures made in the course of completing the Transaction or as part of the transition to a standalone utility if the capital assets are used and useful after the closing of the Transaction, except as explicitly excluded in this proceeding or through the express agreement of the parties and approved by the Commission. Any such request for rate recovery will be subject to review by the Commission in the next NMGC base rate proceeding prior to any recovery.

**Q. ARE THE JOINT APPLICANTS MAKING ANY REGULATORY COMMITMENTS RELATED TO CAPITAL EXPENDITURES AND CAPITAL STRUCTURE?**

**A.** Yes. These regulatory commitments include the following:

1. NMGC will maintain a post-closing equity ratio of at least fifty percent (50%) at NMGC until the final order in the next general rate case using a capital structure that includes equity and the par amount of long-term debt only. If the twelve (12) month average equity ratio falls below fifty percent (50%) for more than two consecutive quarters, capital will be invested in NMGC to achieve the fifty percent (50%) equity ratio;



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2. NMGC will not seek a regulatory equity ratio in the next base rate proceeding in excess of fifty-four percent (54%). NMGC agrees that the Commission is not bound to accept this as the equity ratio and acknowledges that other parties may propose different equity ratios in the next rate proceeding; and

3. NMGC will not, directly or indirectly, seek to recover in any future rate case, any increased goodwill or the increase in any other intangible asset resulting from the Transaction and allocated to NMGC (“Acquisition Premium”). NMGC agrees not to revalue its assets that are a part of New Mexico regulatory rate base to reflect the Acquisition Premium. NMGC will continue to value such assets for all Commission regulatory purposes based on the original cost less accumulated depreciation valuation methodology.

**Q. WHAT REGULATORY COMMITMENTS ARE THE JOINT APPLICANTS PROPOSING RELATED TO ECONOMIC DEVELOPMENT AND CHARITABLE GIVING IN NEW MEXICO?**

**A.** The regulatory commitments relating to economic development are listed JA Exhibit JMB-4 (Revised Application) under the section heading “Economic Development and Community Commitments.” The Joint Applicants commit to \$10 million in total economic development investments by NMGC as follows:

1. NMGC will contribute \$5 million over a period of seven years to economic development projects or programs in NMGC’s service territory designed to attract new business and to retain and grow existing businesses, without seeking recovery from customers for the costs of those economic development projects or programs.

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2. NMGC will contribute another \$5 million over a period of seven years to advance or develop renewable energy projects designed to align with the environmental goals of New Mexico. NMGC will not seek recovery from customers for these contributions.

**Q. HAVE THE JOINT APPLICANTS ANALYZED THE OVERALL ECONOMIC IMPACT TO NEW MEXICO FROM THE \$10 MILLION IN ENHANCED ECONOMIC DEVELOPMENT INVESTMENTS?**

**A.** Yes. Joint Applicant witness Dr. Erickson calculates the economic benefits to be approximately \$8.6 million for the \$5 million in general economic development investments, and \$8.2 million for the \$5 million in renewable energy economic development investments.

**Q. ARE THE JOINT APPLICANTS PROPOSING OTHER ECONOMIC DEVELOPMENT MEASURES?**

**A.** Yes, specifically in the area of education. NMGC will create or enhance programs that provide entry-level training focused on engineering, management, and finance skills for the local labor force in collaboration with New Mexico educational institutions and shall use commercially reasonable efforts to provide these programs to students or workers in New Mexico in an equitable manner. In addition, NMGC will create or enhance apprenticeship programs for technical and professional positions for students in local high schools and colleges and shall use commercially reasonable efforts to provide these programs to students or workers in New Mexico in an equitable manner.

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**Q. IS NMGC COMMITTING TO EVALUATE LOWER CARBON NATURAL GAS DEVELOPMENT?**

**A.** Yes. NMGC will evaluate opportunities for the development of and investment in renewable natural gas, certified low-emission natural gas, and/or other lower-carbon energy sources including low-carbon hydrogen development, without seeking recovery from customers for the costs of those evaluations.

**Q. ARE THE JOINT APPLICANTS PROPOSING A COMMITMENT RELATED TO PROMOTING NEW MEXICO SUPPLIERS?**

**A.** Yes. NMGC will commit in its procurement policies to give a preference to New Mexico suppliers for its NMGC supply chain goods and services. The Joint Applicants believe that this commitment will provide additional economic benefits for New Mexico.

**Q. WHAT COMMITMENTS ARE THE JOINT APPLICANTS PROPOSING WITH RESPECT TO CHARITABLE GIVING?**

**A.** The Joint Applicants commit that NMGC will give a total of \$2.5 million over five years, through annual charitable contributions of cash or in-kind donations valued at a minimum of \$500,000 per year to qualified, tax-exempt organizations engaged in the development and improvement of communities and citizens in NMGC's service territory. NMGC will not seek recovery from customers of these contributions or in-kind donations.

As an addition to the foregoing commitment, NMGC will maintain its existing low-income assistance bill assistance program, HEAT New Mexico, while evaluating potential methods

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1 to improve it. HEAT New Mexico, receives contributions from customers and NMGC  
2 employees, as well as annual shareholder contributions of \$150,000 toward bill assistance,  
3 and an additional contribution of \$35,000 to \$40,000 annually to pay for the cost of  
4 program administration which is done on behalf of NMGC by the Salvation Army. NMGC  
5 also offers low-income focused initiatives as part of its NMPRC-approved Energy  
6 Efficiency programs.

7  
8 **Q. ARE THE BCP APPLICANTS AND THE NMGC GROUP PROPOSING ANY**  
9 **NMGC EMPLOYEE PROTECTIONS FOLLOWING THE CLOSING OF THE**  
10 **TRANSACTION?**

11 **A.** Yes. NMGC currently has approximately 740 local employees. Each NMGC employee  
12 as of the date of closing of the Transaction will continue their employment post-closing.  
13 The BCP Applicants and the NMGC Group commit that NMGC's current level of  
14 employees will be maintained for 36 months following closing. More specific to ensuring  
15 customer service, during this 36 month period, NMGC will maintain its current level of  
16 customer-facing positions. Notwithstanding this commitment, NMGC reserves the right  
17 to terminate employees for cause.

18  
19 **Q. IS IT ANTICIPATED THAT THERE WILL ALSO BE NEW JOBS AT NMGC IF**  
20 **THE TRANSACTION IS APPROVED?**

21 **A.** Yes. Approval of the Transaction will also bring quality new jobs to New Mexico. Emera  
22 and its affiliates are currently, and have historically, provided support services to NMGC  
23 through shared services performed in Nova Scotia, Canada and Tampa, Florida. These

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1 services will continue post-closing on a temporary basis, not to exceed 24 months, under  
2 the TSA as discussed below. During the term of the TSA, NMGC will replace certain  
3 shared service functions by hiring approximately 20 new employees in New Mexico or  
4 procuring such services from third-party vendors. Customers will benefit from having  
5 these necessary services performed locally instead of several hundreds or thousands of  
6 miles away. Joint Applicant witness Shell addresses the additional benefits to customers  
7 from the additional employees located in New Mexico where service is provided.

8  
9 In addition to the twenty new jobs at NMGC, Joint Applicant witness Dr. Erickson  
10 estimates that the \$15 million rate credit and the \$10 in total economic development  
11 investments will result in other new jobs in New Mexico.

12  
13 **Q. HAVE THE JOINT APPLICANTS ANALYZED THE ECONOMIC IMPACT**  
14 **FROM THE 20 NEW JOBS AT NMGC?**

15 **A.** In addition to certain operational benefits to NMGC and its customers from bringing certain  
16 support services back to New Mexico, and the benefit of hiring skilled employees in New  
17 Mexico, Joint Applicant witness Dr. Erickson estimates an annual economic benefit to New  
18 Mexico from the 20 new jobs to be approximately \$9.7 million.

19  
20 **Q. PLEASE HIGHLIGHT SOME OF THE COMMITMENTS RELATED TO THE**  
21 **CONTINUED LOCAL GOVERNANCE OF NMGC FOLLOWING CLOSING ON**  
22 **THE TRANSACTION.**

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1     **A.**     As described above, continued local governance of NMGC by its existing management and  
2             board is an integral part of the Transaction. Certain of the regulatory commitments that  
3             will ensure that local governance continues are found in JA Exhibit JMB-4 (Revised  
4             Application) under the headings “Governance Limits and Documentation” and “Local  
5             Control and Management Commitments.” These regulatory commitments include:

- 6             1. The BCP Applicants will continue, in substantially similar form, the separate  
7             local subsidiary Board of Directors for NMGC (“NMGC Board”) which will  
8             continue to provide governance oversight and guidance of the strategy and  
9             business plans of the NMGC management team;
- 10            2. NMGC will remain a separate entity, with local management and employees  
11            responsible for day-to-day operations;
- 12            3. The NMGC Board shall continue to consist of the President of NMGC, local  
13            business and community leaders, and senior executives as designated by the  
14            BCP Applicants. As is currently the practice, the majority of the NMGC Board  
15            shall be composed of local business and community leaders selected to promote  
16            diversity on the NMGC Board consistent with good governance practices. The  
17            President of NMGC will report to the NMGC Board;
- 18            4. NMGC will maintain an NMGC Board charter that documents the Board’s  
19            responsibilities, authorities, and function, including specific Board committees  
20            and committee membership, in each case, consistent with this Delegation of  
21            Authority;
- 22            5. Of the independent members of the Board, at least three will be Disinterested

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1 Directors. “Disinterested Directors” will be independent from the BCP  
2 Infrastructure Funds and their subsidiaries and affiliated entities (other than  
3 NMGC and NMGI) and BCP Management, and will have no material financial  
4 relationship with any such entities currently or within the previous five years.  
5 The terms of the Disinterested Directors will be staggered so no more than two  
6 are up for renewal each year. The initial Disinterested Directors must be  
7 identified by the shareholder within 30 days of closing the Transaction. The  
8 Disinterested Directors must be New Mexico residents;

- 9 6. The Board will set the compensation and benefits of NMGC officers, in the  
10 form and manner the Board directs, subject to shareholder approval;
- 11 7. Compensation of NMGC directors will not be tied to, reflective of, or related to  
12 the financial, operational, or other performance of any entity or interest other  
13 than NMGC;
- 14 8. NMGC’s President and other senior management who report directly to the  
15 President will (1) hold no positions with the BCP Infrastructure Funds or any  
16 of their affiliates or subsidiaries while employed by NMGC and (2) not (a) serve  
17 as an officer, employee, or other representative of any entity owned or  
18 controlled by BCP Management (excluding NMGC and NMGI), or (b) have  
19 served within one-year prior as an officer, employee, or other representative of  
20 any entity owned or controlled in whole or in part by BCP Management or any  
21 of its affiliates; provided, for the avoidance of doubt, that the foregoing section  
22 (2)(b) does not include the BCP Infrastructure Funds and its affiliates (including  
23 NMGC and NMGI); and

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1           9. Board meetings will be held in New Mexico.

2  
3   **Q.   HOW WOULD YOU DESCRIBE THE LEVEL OF SERVICE QUALITY**  
4   **PROVIDED BY NMGC?**

5   **A.**   As detailed in the Revised Application Direct Testimony of Joint Applicant witness Shell,  
6       NMGC's service quality metrics are excellent. In fact, among the reasons that BCP  
7       Management was interested in NMGC is due to its solid records on service quality and  
8       safety.

9  
10 **Q.   WHAT COMMITMENTS ARE PROPOSED TO ENSURE THAT NMGC'S**  
11 **QUALITY OF SERVICE WILL NOT BE DIMINISHED AFTER THE CLOSING**  
12 **OF THE TRANSACTION?**

13 **A.**   The BCP Applicants and the NMGC Group are committed to maintaining the quality of  
14       service and system reliability currently provided to NMGC's customers. The approval of  
15       the Transaction will in no way diminish the level of customer service or reliability NMGC  
16       provides to its customers. The subsidiary structure of the NMGC Group will not change as  
17       a result of the Transaction. NMGC will remain a separate entity, with local management  
18       and employees responsible for day-to-day operations and development of strategic  
19       initiatives. The BCP Applicants recognize that retention of local management and  
20       employees ensures continuity of the quality of service and reliability to which NMGC  
21       customers are accustomed. The BCP Applicants and the NMGC Group commit to the  
22       following specific protections to ensure that there is no diminution in NMGC's quality of  
23       service or reliability:



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- 1           1. NMGC will invest a minimum of the rolling three (3) year average for depreciation  
2           and amortization expense on an average annual basis in the NMGC system as  
3           needed to ensure reliability and safety until the issuance of the final order in  
4           NMGC's next general rate case. NMGC agrees that all investments will be subject  
5           to prudence review in NMGC's next general rate case;
- 6           2. NMGC will not close or relocate to outside of New Mexico its call center  
7           operations, and all regional or operations offices will remain open in their  
8           respective communities, unless otherwise authorized by the Commission;
- 9           3. NMGC Gas Control Operations will not be moved out of New Mexico without  
10          prior express Commission approval;
- 11          4. NMGC will continue to participate in the annual JD Power Residential Gas Utility  
12          Customer Satisfaction Surveys and provide the Commission with the results;
- 13          5. NMGC agrees to continue filing specific customer service reports as ordered in  
14          NMPRC Case No. 09-00163-UT (expired June 2013), and agrees to include in this  
15          filing supplemental customer service reports regarding leak response time and  
16          damages per 1,000 locate ticket requests; and  
17          The Transaction will not result in any disruption or adverse impact to NMGC's gas  
18          supply or associated hedging arrangements.

19  
20   **Q.   WHAT FINANCIAL RING-FENCING REGULATORY COMMITMENTS DO**  
21   **THE JOINT APPLICANTS PROPOSE WITH RESPECT TO NMGC**  
22   **FOLLOWING THE CLOSING OF THE TRANSACTION?**

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1     **A.**     The BCP Applicants are proposing ring-fencing commitments to ensure that NMGC  
2               remains financially sound and that its local management is focused on continuing to  
3               provide safe and reliable service to customers. These protections will ensure against harm  
4               to customers as a result of the Transaction. The proposed financial ring-fencing is based  
5               on NMGC's existing ring-fencing commitments as well as certain of the ring-fencing  
6               commitments approved in Case No. 19-00234-UT relating to the El Paso Electric  
7               acquisition. These commitments are set forth in JA Exhibit JMB-4 (Revised Application)  
8               under the heading "Ring-Fencing Commitments" and include certain of the following:

- 9               1. Other than the BCP Applicants, none of the other BCP companies, nor any of  
10              their respective subsidiaries, will have any ownership interest in or control over  
11              NMGC;
- 12             2. The financial health or operations of NMGC will not be adversely impacted by  
13              the existence of the Intermediate Companies post-closing;
- 14             3. NMGC will not, without prior Commission approval, pay dividends any time its  
15              credit metrics are below investment grade. The restriction on the amount of  
16              dividends that may be paid does not apply to equity infused by NMGI into NMGC,  
17              which may be transferred out of NMGC without restriction, except that such  
18              transfers may not be made if NMGC's credit metrics are below investment grade.  
19              Transfers of funds necessary to pay NMGC's tax obligations shall not be construed  
20              as dividends. NMGC agrees to continue to have its credit rating performed by one  
21              or more nationally recognized credit rating agencies so long as the BCP Applicants  
22              own direct or indirect interest in NMGC;

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- 1           4.   NMGC will not, without prior Commission approval, pay dividends in excess of  
2           net income, on a quarterly basis; provided, however, NMGC will be permitted to  
3           rollover under-utilized dividend capacity in any quarter to a subsequent period for  
4           payment. The restriction on the amount of dividends that may be paid does not  
5           apply to equity infused by NMGI into NMGC, which may be transferred out of  
6           NMGC without restriction, except that such transfers may not be made if NMGC's  
7           credit metrics are below investment grade. Transfers of funds necessary to pay  
8           NMGC's tax obligations shall not be construed as dividends;
- 9           5.   NMGC will file with the Commission a notice ("Notice") of its intent to pay a  
10          dividend at least fifteen (15) days prior to the dividend being paid and will provide  
11          NMPRC Utility Division Staff and the New Mexico Department of Justice a copy of  
12          the Notice on the same day it files the Notice with the Commission;
- 13          6.   The BCP Applicants will continue, in substantially similar form, the separate local  
14          subsidiary NMGC Board which will continue to provide governance oversight and  
15          guidance of the strategy and business plans of the NMGC management team. The  
16          NMGC Board shall continue to consist of the President of NMGC, local business  
17          and community leaders, and senior executives as designated by the BCP  
18          Applicants. As is currently the practice, the majority of the NMGC Board shall be  
19          composed of local business and community leaders selected to promote diversity  
20          on the NMGC Board consistent with good governance practices. The President of  
21          NMGC will report to the NMGC Board;
- 22          7.   NMGC will not seek to recover from NMGC's customers any costs incurred as  
23          a result of any bankruptcy of the BCP Applicants or any of their affiliates

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(excluding NMGC and its subsidiaries);

8. The BCP Applicants and NMGC will take the actions necessary to ensure the existence of NMGC's stand-alone credit and debt ratings, as applicable. The Board will ensure that NMGC will, except as otherwise approved by the Commission, be registered with at least one major nationally- and internationally-recognized credit rating agency. The Board will ensure that NMGC takes efforts to ensure that NMGC's credit ratings reflect the ring-fence provisions contemplated herein and in the Commission order approving the Transaction such that the credit rating agency provides NMGC with a stand-alone credit rating;

9. NMGC will not guarantee the debt or credit instruments of the BCP Applicants or any other affiliate (excluding NMGC);

10. Neither NMGC nor Saturn Holdco will enter into any inter-company debt transactions with any of the BCP Applicants or any of their affiliates or subsidiaries (excluding NMGC and its subsidiaries) post-closing of the Transaction, unless approved by the Commission;

11. Neither NMGC nor its subsidiaries will borrow money from the BCP Applicants or any of their affiliates or subsidiaries except on an arm's-length basis if approved by a majority of the Board, excluding the BCP Infrastructure Funds' representatives on the Board; provided, that nothing herein shall obligate NMGC's affiliates to lend money to NMGC or any of its subsidiaries at any time;

12. Neither NMGC nor Saturn Holdco will be borrowers under a common credit

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1 facility with one another nor with their affiliates, the BCP Infrastructure Funds,  
2 or any of the BCP Infrastructure Funds' affiliates or subsidiaries (excluding  
3 NMGC and its subsidiaries);

4 13. NMGC will not include in any of its debt or credit agreements cross-default  
5 provisions relating to Saturn Holdco or the BCP Infrastructure Funds, or any of  
6 their affiliates or subsidiaries (excluding NMGC). Neither NMGC nor Saturn  
7 Holdco will include in any of its debt or credit agreements cross-default  
8 provisions relating to the securities of the BCP Infrastructure Funds or any of  
9 their affiliates or subsidiaries (excluding NMGC and its subsidiaries). Under no  
10 circumstances will any debt of NMGC become due and payable or otherwise  
11 be rendered in default because of any cross-default or similar provisions of any  
12 debt or other agreement of the BCP Infrastructure Funds, Saturn Holdco, or any  
13 of their affiliates (excluding NMGC and its subsidiaries);

14 14. NMGC's debt or credit agreements will not include any financial covenants or  
15 rating-agency triggers related to Saturn Holdco or the BCP Infrastructure Funds  
16 or any of the BCP Infrastructure Funds' affiliates or subsidiaries (excluding  
17 NMGC and its subsidiaries), nor will Saturn Holdco's debt or credit agreements  
18 include any financial covenants or rating-agency triggers related to the BCP  
19 Infrastructure Funds or any of their affiliates or subsidiaries (excluding NMGC  
20 and its subsidiaries);

21 15. NMGC will not incur, guaranty, or pledge assets for any new incremental debt  
22 related to consummating the Transaction;

23 16. Following closing of the Transaction, NMGC's President and other senior

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management who directly report to the President will hold no positions with the BCP Infrastructure Funds or any of their affiliates or subsidiaries (excluding NMGC and NMGI;

17. Neither NMGC nor Saturn Holdco will transfer any material assets or facilities to any affiliates, other than a transfer that is on an arm's-length basis consistent with the Commission's affiliate standards as applicable to NMGC;

18. NMGC will maintain an arm's-length relationship with all affiliates; with Saturn Holdco; with the BCP Infrastructure Funds and its affiliates; and with all persons, entities, and interests directly or indirectly owned or controlled by BCP Management, consistent with the Commission and NMPRC affiliate standards as applicable to NMGC. Nothing in the foregoing is intended to prohibit the BCP Infrastructure Funds' management of Saturn Holdco;

19. NMGC will provide the Commission and NMPRC access to NMGC's books and records as necessary to facilitate a commission audit or review of any affiliate transactions, if any, as between NMGC and the BCP Infrastructure Funds or the BCP Infrastructure Funds' affiliates;

20. Each of NMGC and Saturn Holdco will maintain accurate, appropriate, and detailed books, financial records and accounts, including checking and other bank accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity. Charges for goods, assets and services exchanged between NMGC and the BCP Infrastructure Funds' subsidiaries or affiliates, if any, will be clearly designated and separately maintained, for easy identification and audit by the Commission Staff, as well

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1 as parties in a rate proceeding. Further, the basis for any charge will be  
2 identified (i.e., fair market price, fully distributed costs, others as applicable).  
3 NMGC and each applicable affiliate will maintain books of accounts and  
4 supporting records in sufficient detail to permit verification of compliance with  
5 Commission rules or orders regarding affiliate transactions. NMGC will  
6 maintain its own accounting system, separate from Saturn Holdco, the BCP  
7 Infrastructure Funds, or any other intermediary holding company (excluding  
8 NMGI);

9 21. Saturn Holdco will be maintained between NMGC and the BCP Infrastructure  
10 Funds for so long as the BCP Infrastructure Funds own NMGC;

11 22. NMGC's assets, revenues, or stock shall not be pledged by Saturn Holdco, the  
12 BCP Infrastructure Funds, or any of their affiliates or subsidiaries for the direct  
13 or indirect benefit of any entity other than NMGC;

14 23. The BCP Infrastructure Funds and Saturn Holdco will provide the Commission  
15 access to their books and records, as well as those of its applicable affiliates, to  
16 the extent necessary to facilitate audit or review of any affiliate transactions, if  
17 any, as between NMGC and the BCP Infrastructure Funds or the BCP  
18 Infrastructure Funds' affiliates; and

19 24. Saturn Holdco, the BCP Infrastructure Funds, and their affiliates will not  
20 represent to the public or creditors that NMGC has any liability for the  
21 obligations of Saturn Holdco or the BCP Infrastructure Funds or any of their  
22 affiliates (except for NMGC and its subsidiaries).

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1    **Q.    WHAT COMMITMENTS ARE THE BCP APPLICANTS AND THE NMGC**  
2           **GROUP PROPOSING TO ENSURE THERE IS NO IMPROPER SUBSIDIZATION**  
3           **OF NON-UTILITY ACTIVITIES?**

4    **A.**    The BCP Applicants and the NMGC Group make the following commitments to avoid any  
5           improper subsidization of non-utility activities by customers:

6           1. The BCP Applicants and the NMGC Group affirmatively commit to take all  
7           actions necessary to ensure that NMGC's customers do not subsidize the activities  
8           of other utilities, or non-utility activities. NMGC will meet its obligation to report  
9           any Class I transactions, and understands that in any future rate case, or upon the  
10          Commission's initiative, the Commission can inquire into any concerns regarding  
11          subsidization between other businesses and NMGC. As provided for in the TSA,  
12          support services will be provided to NMGC by Emera and its affiliates in an  
13          economically efficient manner that avoids cross subsidization and are consistent  
14          with the cost allocation manual ("CAM") that was developed in collaboration  
15          between NMGC and the Staff and filed with the Commission in 2015 as  
16          subsequently amended;

17          2. During the term the TSA is in place or in the event that NMGC begins to receive  
18          services from another investment fund company supported by BCP Management,  
19          NMGC will provide annual public submissions to the Commission of allocation  
20          information by FERC account and subaccounts, including total amounts allocated  
21          for the prior year, total amounts directly assigned to NMGC, with description of  
22          the cost, the amount and nature of cost allocated to each affiliate and utility and



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1 non-utility operations, the methodology used, including work papers for the  
2 allocations;

3 3. The books and records of NMGC will be kept separate from those of non-regulated  
4 businesses and NMGC's affiliates in accordance with the Uniform System of  
5 Accounts;

6 4. The Commission and its Staff will have access to the books, records, accounts, or  
7 documents of NMGC's affiliates, corporate subsidiaries or holding companies  
8 pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19;

9 5. NMGC agrees not to invest in businesses that do not have a significant relationship  
10 to regulated services NMGC provides;

11 6. NMGC will not invest any funds in any affiliate during the five years following  
12 closing of the Transaction;

13 7. NMGC will not finance any affiliates; and.

14 8. NMGC will comply with reporting requirements with respect to any Class I and  
15 Class II Transactions.

16  
17 **Q. WHAT DO THE BCP APPLICANTS PROPOSE TO ENSURE THAT THE**  
18 **COMMISSION'S JURISDICTION IS PRESERVED?**

19 **A.** Nothing contained in the PSA or the approval of the Transaction will diminish the  
20 NMPRC's jurisdiction. On behalf of the BCP Applicants, I affirm that the NMPRC's  
21 jurisdiction over NMGC, as well the NMPRC's jurisdiction over TECO Energy, NMGI  
22 and the BCP Applicants, as the direct and indirect holding companies of NMGC, will be  
23 preserved following closing. Additionally, as part of the Revised Joint Application, an

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Amended GDP is being filed (JA Exhibit JMB-3 (Revised Application)) which if approved as requested, affirms the NMPRC's jurisdiction over the BCP Applicants and the NMGC Group. The BCP Applicants and the NMGC Group make the further commitments with respect to NMPRC jurisdiction:

1. NMGC will continue to abide by all applicable NMPRC rules, regulations, and orders, including compliance with all Class I transaction requirements;
2. NMPRC jurisdiction over NMGC will remain in place and will not be diminished or adversely affected in any manner as a result of the Transaction;
3. The supervision and regulation of NMGC pursuant to the Public Utility Act will not be obstructed, hindered, diminished, impaired, or unduly complicated;
4. The BCP Applicants agree to the jurisdiction of NMPRC for the purpose of providing the books and records of each, and providing access to testimony of officers and directors for the purposes of NMPRC oversight and regulation of NMGC rates; and
5. Saturn Holdco will make or cause NMGC to make annual reports to the Commission regarding NMGC's compliance with the terms of the Commission order approving the Transaction for a period of five (5) years after the closing of the Transaction.

**VI. NMGC SHARED SERVICES TRANSITION PLAN**

**Q. HOW WILL THE TRANSITION OF NMGC SHARED SERVICES PROVIDED BY EMERA AND ITS AFFILIATES BE ACCOMPLISHED?**

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1     **A.**     Immediately following closing, and for a period of up to 24 months thereafter, Emera and  
2             its affiliates will continue to provide certain shared services to NMGC pursuant to the TSA  
3             as discussed in Section VII of my testimony. During the period the TSA is in effect, a  
4             dedicated Transition Management Office (“TMO”) will oversee and facilitate the transition  
5             of shared services away from the Emera and its affiliates.

6  
7             The BCP Applicants are implementing a hybrid model for shared services, where IT  
8             services will be provided to NMGC by Delta Utilities from New Orleans, and non-IT  
9             services will be performed by new NMGC employees in New Mexico. A written plan has  
10            been developed for the transition of shared services functions provided by Emera affiliates  
11            to NMGC which is provided as JA Exhibit PIT-2 (Revised Application) to Joint  
12            Applicants’ witness Tumminello’s Revised Application Direct Testimony.

13  
14    **Q.     ARE THE JOINT APPLICANTS TAKING STEPS TO ENSURE A SMOOTH**  
15            **TRANSITION FOR NMGC TO ASSUME THE SHARED SERVICE FUNCTIONS**  
16            **FROM EMERA?**

17    **A.**     Yes. Emera and Saturn Holdco have agreed to extend the TSA so that shared services from  
18             the Emera and its affiliates will be available to NMGC for up to two years following the  
19             closing of the Transaction. This will help ensure there is enough time to stand up the shared  
20             services within NMGC and to arrange for the provision of IT related shared services from  
21             Delta Utilities.

22  
23    **Q.     WHAT SERVICES ARE COVERED BY THE TRANSITION PLAN?**

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1     **A.**     The transition plan addresses all shared services that NMGC currently receives from Emera  
2             and its affiliates. These fall into two categories: (1) IT systems, and (2) broader business  
3             operations. Joint Applicants witnesses Tumminello and Miko address the IT transition in  
4             detail in their respective testimonies. I focus here on the plan to transfer responsibility for  
5             non-IT functions like payroll, benefits administration, insurance, and procurement.

6  
7     **Q.       WHAT TYPES OF NON-IT BUSINESS FUNCTIONS WILL NMGC MOVE IN-**  
8             **HOUSE FOLLOWING THE TRANSACTION?**

9     **A.**     NMGC will reclaim control of several essential business services now handled by Emera  
10            and its affiliates. These include payroll, employee benefits and retirement administration,  
11            corporate insurance, procurement, inventory management, accounting, and accounts  
12            payable.

13  
14    **Q.       WHERE WILL THOSE SERVICES BE BASED AFTER THE TRANSITION?**

15    **A.**     These services will be delivered under the direction of NMGC's local leadership. Some  
16            will be handled by existing NMGC employees who take on new responsibilities. Others  
17            will require new positions to be created and filled. The goal is to build a locally managed  
18            structure that restores accountability and improves responsiveness without disrupting  
19            service or incurring significant costs to customers.

20  
21    **Q.       WHAT IS THE PLAN FOR ENSURING THOSE FUNCTIONS ARE READY ON**  
22             **"DAY ONE" AFTER CLOSING OF THE TRANSACTION?**

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1     **A.**     We have identified which services must be operational at closing to avoid disruptions.  
2             Payroll and benefits administration, and general business insurance, fall into that category.  
3             NMGC will have internal systems and processes in place for those functions on “Day One,”  
4             even if some underlying systems still operate under Emera support in the short term.

6     **Q.     WHAT WILL HAPPEN TO THE REMAINING SERVICES AFTER DAY ONE?**

7     **A.**     Some services—like contract administration, insurance claims, and procurement—will  
8             stay under Emera support temporarily while NMGC completes the transition. Those  
9             functions will migrate gradually to ensure each system and team is ready before cutting  
10            over.

12    **Q.     HOW WILL THIS BENEFIT NMGC’S OPERATIONS?**

13    **A.**     Returning these responsibilities to New Mexico improves communication and reduces  
14             delays. Local finance and HR teams will be able to respond more quickly to issues. Vendor  
15             payments will move faster. And having in-state payroll and benefits teams will help NMGC  
16             stay agile in meeting workforce needs.

18    **Q.     WHY TAKE A PHASED APPROACH TO THE TRANSITION FROM SHARED  
19             SERVICES?**

20    **A.**     A phased approach is beneficial because cutting off support overnight would create  
21             avoidable risk. NMGC still relies on Emera for certain back-office functions. A phased  
22             transition lets us test each system, train each team, and validate each handoff. That way,  
23             we protect service quality for customers and preserve business continuity for employees.

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**Q. PLEASE PROVIDE AN OVERVIEW OF THE TRANSITION PLAN FOR IT  
SHARED SERVICES.**

**A.** As discussed by Joint Applicant witnesses Miko and Tumminello, NMGC will adopt a dedicated instance of the Oracle Fusion Cloud ERP system and Oracle Work and Asset Cloud Service (WACS) cloned from a version configured specifically for natural gas local distribution company operations that has been developed for Delta Utilities, another natural gas distribution utility within the BCP portfolio at the time of the transition. This option avoids upgrade costs, and allows NMGC to benefit from an enterprise-grade, gas-utility—specific system configuration.

In addition, because the same IT organization will have just completed the transition of two other natural gas LDCs within the BCP portfolio to this Oracle platform, many of the same team members—who bring direct, recent experience with both the IT infrastructure and systems and the business context—will be available to support the NMGC transition. This continuity offers significant implementation advantages, including greater efficiency and reduced ramp-up time, at significantly lower risk with the ability to apply lessons learned from two recently executed, substantially similar deployments, ensuring a smooth transition for NMGC.

**Q. WHAT MECHANISMS ARE IN PLACE TO ENSURE COST CONTAINMENT  
DURING THE TRANSITION?**

**A.** To ensure cost containment during the transition, the TMO will be responsible for overseeing all aspects of the transition—including planning, execution, risk management,

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1 and financial oversight from both IT and business readiness perspective—while ensuring  
2 that activities remain aligned with the transition timeline and budget.

3  
4 A central tool used by the TMO is the Key Decision Framework, which guides all major  
5 transition-related decisions through a consistent set of evaluation criteria. This framework  
6 explicitly considers the total cost of ownership, both short and long term, as well as  
7 alignment with strategic goals, transition timelines, operational risk, complexity, and  
8 sustainability. Each proposed system change, integration, or investment is evaluated  
9 against these criteria to ensure that choices are cost-effective, achievable within the TSA  
10 period, and supportive of NMGC’s long-term operational model.

11  
12 Additionally, the decision to leverage existing investments—such as the pre-configured  
13 Oracle ERP and WACS platform already in use at Delta Utilities—was itself the result of  
14 applying this framework. By avoiding redundant technology buildouts and utilizing a  
15 proven shared services support team, NMGC will be able to minimize incremental  
16 implementation and staffing costs, reduce the need for retraining, and accelerate time to  
17 value.

18  
19 The TMO will track budget, resource allocation, and timeline dependencies to ensure that  
20 early warning signs of cost overruns or delays can be proactively addressed. This  
21 structured, criteria-driven approach ensures that the transition proceeds in a manner that is  
22 both financially responsible and operationally sound, with a clear focus on delivering value  
23 to New Mexico customers.

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**Q. WHAT PLANS ARE IN PLACE TO KEEP THE TRANSITION WITHIN BUDGET?**

**A.** Budget contingencies will be included in the transition plan, including line items for unplanned resource needs, additional testing cycles, and support during stabilization. Budget-to-actuals will be monitored continuously by the TMO and finance leadership, with variance thresholds established to trigger escalation and corrective action.

**Q. ARE THERE ANY ANTICIPATED SAVINGS FOR CUSTOMERS AS A RESULT OF THE TRANSFER OF SHARED SERVICES FROM EMERA TO NMGC AND DELTA UTILITIES?**

**A.** Yes. The total projected stand-up cost to migrate NMGC Oracle Fusion Cloud ERP and Oracle Work and Asset Cloud Service platform is estimated to be in the range of \$32.5 million to \$44.86 million, which replaces a future capital outlay estimated at approximately \$56 million that NMGC would otherwise incur to upgrade or replace its legacy SAP and Hitachi Asset Suite systems, as discussed by Joint Applicant witness Shell. Additionally, Joint Applicants expect that some element of the transition costs will include proper allocation of transition costs incurred by Delta Utilities that directly benefit the NMGC standup. These allocated costs are in addition to the direct IT stand up costs of \$32.5 to \$44.86 million.

Once operational, the ongoing annual operating cost—which includes Oracle cloud subscription fees, shared IT support services, cybersecurity operations, and software maintenance—is projected to be approximately \$6.6 million per year. This is a notable



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1 reduction from the \$7.8 million NMGC currently pays annually to Emera for shared ERP,  
2 asset management, and cybersecurity services, representing a savings of \$1.2 million per  
3 year in ongoing support costs.

4  
5 **Q. ARE ANY SHARED SERVICES TRANSITION COSTS BEING PROPOSED TO**  
6 **BE RECOVERED THROUGH CUSTOMER RATES?**

7 **A.** Yes. Because the BCP Applicants are proposing a rate case application stay-out until  
8 September 30, 2026, and will incur significant capital investment in connection with the  
9 shared services transition, we are requesting authorization to accrue and record a regulatory  
10 asset to recover capital investment associated with the shared services in a future rate case.  
11 As discussed in detail by Joint Applicant witnesses Tumminello and Miko, the IT shared  
12 services assets will be used and useful to customers and will result in significant benefits  
13 and savings for NMGC's customers. The recovery of these costs through rates does not  
14 impose any incremental cost upon customers as a result of the Transaction because, as  
15 demonstrated through the Revised Application Direct Testimony of Joint Applicant  
16 witness Shell, NMGC was already forecasting approximately \$56 million of additional  
17 capital expense related to IT investment.

18  
19 **Q. WILL A COST ALLOCATION MANUAL BE FILED WITH RESPECT TO ANY**  
20 **IT SHARED SERVICES COSTS?**

21 **A.** Yes. The Joint Applicants commit to meet with NMPRC Utility Division Staff and develop  
22 a cost allocation manual for filing with the Commission.

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**VII. TRANSITION SERVICES AGREEMENT**

**Q. PLEASE DESCRIBE THE TSA THAT WILL BE ENTERED INTO BY THE PARTIES IF THIS TRANSACTION IS APPROVED.**

**A.** As part of the Transaction, Emera, TECO Energy, NMGI and NMGC will, on the Closing Date (as defined in the PSA), enter into a TSA, in the form attached as Exhibit B to the PSA (JA Exhibit JMB-2 (Revised Application) and BR-15). Under the terms of the TSA, Emera and its affiliates will continue to provide a number of support services to TECO Energy, NMGI, and NMGC for an initial period of 12 months after closing of the Transaction. These transition services include accounting, information technology, human resources and other corporate services. The Joint Applicants have agreed that the TSA may be extended for an additional 12 months, and services may be terminated as determined by the parties.

**Q. WHY IS THE TSA NECESSARY FOLLOWING THE CLOSING OF THE TRANSACTION?**

**A.** As discussed above, while certain replacement support services will be provided locally and IT shared services will be provided through Delta Utilities, it will take a reasonable amount of time for NMGC and Delta Utilities to set up services to replace the shared services currently provided by Emera and its affiliates. The TSA provides that these shared services will continue to be provided by Emera and its affiliates in a manner that ensures that NMGC receives the support it needs for continuity of safe and reliable service to customers. During the term of the TSA, NMGC will work to phase in the New Mexico

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1 operations to replace the shared services provided under the TSA. There will be no  
2 additional costs to NMGC customers resulting from the TSA.

3  
4 **Q. HOW DO THE ESTIMATED COSTS UNDER THE TSA COMPARE TO**  
5 **EMERA'S CHARGES TO NMGC FOR SHARED SERVICES?**

6 **A.** The estimated costs for the shared services provided under the TSA are approximately \$8  
7 million per year. In 2024, NMGC was charged approximately \$12 million by Emera for  
8 shared services. The overall annual savings under the TSA are estimated to be \$4 million.  
9 There are certain costs that NMGC must incur as part of a publicly traded combined electric  
10 and natural gas utility. However, there will be no further need for these costs once the  
11 Transaction is completed.

12  
13 **Q. WILL COSTS BE INCURRED BY NMGC IN SETTING UP THE NEW**  
14 **OPERATIONS IN NEW MEXICO TO REPLACE THE CURRENT OUT-OF-**  
15 **STATE SHARED SERVICES PROVIDED BY EMERA AFFILIATES?**

16 **A.** Yes. There will be labor costs, annual operating costs, and likely other transition capital  
17 costs that will be incurred in providing support services during the transition period. These  
18 costs will eventually be offset in whole or in part by the reduced shared services costs paid  
19 by NMGC. As in the two prior acquisition cases, NMGC reserves the right to seek recovery  
20 in NMGC's next base rate proceeding of some or all of the capital expenditures made in  
21 the course of completing the Transaction, including transitioning shared services to NMGC  
22 support services if the capital assets are shown to be used and useful after the Closing. Any  
23 such claim for rate recovery would of course be subject to review by the NMPRC.

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1   **Q.   DURING THE TIME THAT THE TSA IS IN EFFECT, WILL THERE BE ANY**  
2       **CROSS-SUBSIDIZATION BETWEEN NMGC AND EMERA AND ITS**  
3       **AFFILIATES PROVIDING SERVICES?**

4   **A.**   No. The pricing under the TSA is cost-based, and consistent with the existing CAM used  
5       to provide charges from shared services. The TSA will in no way impact NMGC's  
6       currently approved rates.

7  
8           **IV.   THE AMENDED GENERAL DIVERSIFICATION PLAN**

9   **Q.   ARE THE BCP APPLICANTS AND NMGC FILING AN AMENDED GDP IN THIS**  
10       **CASE?**

11   **A.**   Yes. A Class II Transaction occurs when a public utility holding company is formed. In  
12       this case, the BCP Applicants are acquiring 100% ownership of TECO Energy which owns  
13       NMGI, which owns NMGC. As a result, NMGC will have new holding companies under  
14       Rule 450 in the form of the BCP Applicants. I understand that for any Class II Transaction,  
15       the public utility involved must file an updated GDP. The BCP Applicants and NMGC are  
16       filing an Amended GDP containing all the required Rule 450 representations and  
17       commitments and will abide by those commitments for as long as the BCP Infrastructure  
18       Funds or an affiliated entity own NMGC.

19  
20       The Joint Applicants request approval of the Amended GDP, attached to my testimony as  
21       JA Exhibit JMB-3 (Revised Application), pursuant to Rule 450. The commitments  
22       contained in the Amended GDP are sponsored by Joint Applicant witness Ryan Shell, as

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1 the current and continuing President of NMGC, and by me, as the authorized representative  
2 on behalf of the BCP Applicants. The Amended GDP contains the informational  
3 requirements and confirmations set forth in Rule 450 and, if approved, will replace and  
4 supersede NMGC's current GDP.

5  
6 **Q. WHAT ARE THE STATUTORY STANDARDS FOR CLASS II TRANSACTIONS**  
7 **IN NEW MEXICO?**

8 **A.** Section 62-6-19(B)(2) of the PUA grants the Commission authority to investigate "Class  
9 II transactions or the resulting effect of such Class II transactions on the financial  
10 performance of the public utility to determine whether such transactions or such  
11 performance have an adverse and material effect" on the provision of utility service at fair,  
12 just and reasonable rates. The evidence presented in support of the Revised Application in  
13 this case confirms that the Transaction will not have any adverse effect on the financial  
14 performance of NMGC. Nor will the Transaction interfere with NMGC's ability to provide  
15 utility service at fair, just and reasonable rates.

16  
17 **Q. WHAT IS THE COMMISSION'S STANDARD FOR APPROVAL OF A GDP?**

18 **A.** The Commission will approve a GDP if it finds that the GDP contains the information  
19 required by Rule 450.10(B), and if approval is in the public interest. Approval is in the  
20 public interest if the Commission finds that the level of investment appears reasonable, and  
21 the utility's ability to provide reasonable and proper utility service at fair, just and

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1 reasonable rates will not be adversely and materially affected as a result of the Class II  
2 transaction.

3  
4 **Q. HAVE THE JOINT APPLICANTS ADDRESSED THE PUBLIC INTEREST**  
5 **STANDARD IN THEIR TESTIMONIES?**

6 **A.** Yes. The evidence submitted in support of the Joint Revised Application in this case  
7 demonstrates that the effect of the Class II transaction on NMGC's financial performance  
8 will not materially or adversely affect the utility's ability to provide reasonable and proper  
9 utility service at fair, just and reasonable rates.

10  
11 **Q. HAVE THE BCP APPLICANTS AND NMGC PROVIDED THE RULE 450**  
12 **INFORMATION THAT THE COMMISSION REQUIRES TO APPROVE A GDP?**

13 **A.** Yes. In addition to showing that a Class II transaction will have no material adverse impact  
14 on a utility's service and rates, the utility must provide all the information required by Rule  
15 450. The BCP Applicants and NMGC have done so. The information enumerated in Rule  
16 450 is provided in NMGC's Amended GDP and supported in my testimony and the  
17 Revised Application Direct Testimony of Joint Applicant witnesses Ryan Shell.

18  
19 **Q. MUST A UTILITY CONFIRM SPECIFIC REPRESENTATIONS AS PART OF ITS**  
20 **APPLICATION FOR APPROVAL OF A GDP?**

21 **A.** Yes, and those representations have been made as part of the Joint Revised Application  
22 and evidence in this case. Specifically, pursuant to Rule 450.10(C), the utility must make  
23 certain affirmative representations to enable the Commission to make findings based on

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those representations. Accordingly, the Amended GDP contains the following representations of the BCP Applicants and NMGC:

- (1) the books and records of NMGC will be kept separate from those of nonregulated business and in accordance with the Uniform System of Accounts;
- (2) the Commission and its staff will have access to the books, records, accounts, or documents of NMGC, its corporate subsidiaries and its holding companies, including the BCP Applicants pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19;
- (3) the supervision and regulation of NMGC pursuant to the PUA will not be obstructed, hindered, diminished, impaired, or unduly complicated;
- (4) NMGC will not pay excessive dividends to its holding company, and the holding company will not take any action which will have an adverse and material effect on the utility's ability to provide reasonable and proper service at fair, just, and reasonable rates;
- (5) NMGC will not without prior approval of the Commission:
  - (a) loan its funds or securities or transfer similar assets to any affiliated interest, or
  - (b) purchase debt instruments of any affiliated interests or guarantee or assume liabilities of such affiliated interests;
- (6) NMGC has complied with, or will comply with, all applicable federal and state statutes, rules, or regulations;
- (7) when required by the Commission, NMGC will have an allocation study (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission; and
- (8) when required by the Commission, NMGC will have a management audit (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission to determine whether there are any adverse effects of Class II transactions upon the utility.

**Q. HOW WILL THE BCP APPLICANTS AND NMGC ADDRESS ANY FUTURE CLASS I AFFILIATE TRANSACTIONS THAT MAY OCCUR IF THE TRANSACTION IS APPROVED?**

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1     **A.**     NMGC currently receives shared services through affiliated transactions with Emera and  
2             its affiliates. Following the closing of the Transaction, Emera and its affiliates will  
3             continue to provide specified services to NMGC during the transition period pursuant to  
4             the TSA. However, the provision of and payment for these services will no longer  
5             constitute affiliate or Class I transactions because NMGC and Emera will no longer be  
6             affiliated. Regarding any future Class I transactions, NMGC will timely comply with the  
7             notice and information requirements of Rule 450.

**V.     RESPONSES TO BENCH REQUESTS**

10    **Q.     WHAT DO YOU ADDRESS IN THIS PORTION OF YOUR TESTIMONY?**

11    **A.**     I respond the request for information and bench requests that have been issued by the  
12             Hearing Examiners to date. In the Order Setting Filing Date for Revised Application, the  
13             Hearing Examiners directed that the Joint Applicants' Revised Application include  
14             responses to bench request and requests for supplemental information already filed in this  
15             case. This Section includes the Joint Applicants' prior responses to the Request for  
16             Supplemental Information and the Bench Requests described below. For the most part, the  
17             responses below repeat the Joint Applicants prior responses. However, where appropriate,  
18             the Joint Applicants provide updated information or materials.

19  
20    **A.   Joint Applicants' Response to Request for Supplemental Information.**



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**Q. TO WHICH ITEMS DO YOU RESPOND IN PARAGRAPH B OF THE  
PROCEDURAL ORDER DATED NOVEMBER 27, 2024?**

**A.** I respond to Items 2 and 4. Joint Applicant witness Shell responds to Items 1 and 3.

**Q. PLEASE RESPOND TO THE ITEM 2 OF THE PROCEDURAL ORDER:  
PLEASE PROVIDE A GROUP STRUCTURE CHART SHOWING THE  
CURRENT COMPANY/AFFILIATE HIERARCHY AND CONTRAST IT  
WITH HOW THE COMPANY/AFFILIATE HIERARCHY WILL CHANGE  
UPON COMPLETION OF THE PROPOSED ACQUISITION.**

**A.** Please see JA Exhibit JMB-5 (Revised Application). This was previously provided as  
JA Exhibit Supplemental Information 2.

**Q. PLEASE RESPOND TO THE ITEM 4 OF THE PROCEDURAL ORDER: IN  
CASE NO. 19-00234-UT, EXHIBIT A TO THE STIPULATION CONTAINED  
THE PARTIES' 14-PAGE LIST OF THEIR REGULATORY COMMITMENTS  
BROKEN DOWN INTO CATEGORIES: DURATION; GOVERNANCE  
LIMITS AND DOCUMENTATION; ECONOMIC DEVELOPMENT AND  
COMMUNITY COMMITMENTS; RATE AND CAPITAL EXPENDITURE  
COMMITMENTS; RING FENCING COMMITMENTS; LOCAL CONTROL  
AND MANAGEMENT COMMITMENTS; EMPLOYMENT COMMITMENTS;  
ADDITIONAL CAPITAL COMMITMENTS; AND OTHER CONDITIONS.  
PLEASE PROVIDE AN EXHIBIT THAT SETS OUT JOINT APPLICANTS'**

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**COMMITMENTS IN THE INSTANT PROCEEDING IN A SIMILAR  
CATEGORIZED FORMAT.**

**A.** Please see JA Exhibit JMB-4 (Revised Application) which is a list of the Joint Applicants' proposed regulatory commitments. This is an update to the list of proposed regulatory commitments previously provided as JA Exhibit Supplemental Information 4.

**B. Response February 19, 2025 Bench Request**

**Q. WHAT IS DO YOU ADDRESS IN THIS PORTION OF YOUR TESTIMONY?**

**A.** I respond to Hearing Examiners' Bench Requests to Joint Applicants, dated February 19, 2025 (the "February 2025 Bench Request"). The February 2025 Bench Request is directed to BCP Infrastructure Fund II, LP ("BCP Infrastructure Fund II"); BCP Infrastructure Fund II-A, LP ("BCP Infrastructure Fund II-A"); BCP Infrastructure Fund II GP, LP ("BCP Infrastructure II GP"), together with BCP Infrastructure Fund II and BCP Infrastructure Fund II-A, (collectively, the "BCP Infrastructure Funds"), and Saturn Utilities Aggregator, LP, and Saturn Utilities Topco, LP, and Saturn Utilities, LLC; Saturn Utilities Holdco, LLC; Saturn Utilities Aggregator GP, LLC; and, Saturn Utilities Topco GP, LLC, (collectively, "Saturn Companies").

**Q. ARE YOU ABLE TO RESPOND TO EACH OF THE BENCH REQUESTS ON  
BEHALF OF ALL OF THE BCP INFRASTRUCTURE FUNDS AND THE SATURN  
COMPANIES?**

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1     **A.**     Yes. I am the President of each of the Saturn Companies, and I am able to address matters  
2             concerning the BCP Infrastructure Funds.

3  
4     **Q.**     **DO YOU HAVE ANY OVERALL COMMENTS REGARDING THE BCP**  
5             **APPLICANTS' RESPONSE TO THE QUESTIONS CONTAINED IN THE**  
6             **FEBRUARY 2025 BENCH REQUEST?**

7     **A.**     Yes. As a general matter, I would first like to state that we appreciate the opportunity to  
8             provide this additional information to address the Hearing Examiners' questions. I would  
9             also like to highlight and explain several aspects of the BCP Applicants' responses. First,  
10            I think it is useful to consider the structure of the BCP Applicants and the Saturn Companies  
11            in the context of the Commission's experience with private equity acquisition and  
12            ownership of New Mexico utilities. Of course, NMGC was previously acquired and owned  
13            (indirectly) by a private equity fund, LG Continental, LLC, which was an investment fund  
14            managed by the private equity firm Lindsay Goldberg, LLC;<sup>5</sup> and, EPE is now owned  
15            (indirectly) by IIF US Holding 2 LP ("IIF"),<sup>6</sup> a fund with J.P. Morgan Investment  
16            Management Inc. ("JPMIM") as its investment advisor.

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<sup>5</sup> See *In the Matter of the Applications of Public Service Company of New Mexico and New Mexico Gas Company, Inc. for the Abandonment, Purchase and Sale of Gas Utility Assets and Services and for Related Authorizations and Variances*, Case No. 08-00078-UT, Cert. of Stip. at 26, adopted by Final Order (Nov. 24, 2008).

<sup>6</sup> *In the Matter of the Joint Application of El Paso Electric Company, Sun Jupiter Holdings LLC, and IIF US Holding 2 LP, for Approval of the Acquisition of El Paso Electric Company by Sun Jupiter Holdings LLC and IIF US Holding 2 LP; Approval of a General Diversification Plan; and All Other Authorizations and Approvals Required to Consummate and Implement This Transaction*, Case No. 19-00234-UT, amended Certification of Stipulation (Feb. 12, 2020) (adopted by Final Order (March 11, 2020)).

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1 The post-Transaction corporate structure proposed in the proposed Amended General  
2 Diversification Plan closely resembles the corporate structure in the IIF-EPE transaction,  
3 with the use of intermediate companies to provide ring-fencing and ensure non-recourse  
4 financing. This is discussed in the response to the February 2025 Bench Request Number  
5 7.

6  
7 To my understanding, the Commission has not in any way been hindered by private equity  
8 ownership in its ability to regulate public utilities, nor has New Mexico seen any  
9 degradation in utility service associated with private equity ownership, nor have customers  
10 or the public been harmed in any other way – and perhaps have not even experienced any  
11 difference or awareness of any difference – versus publicly-traded ownership.

12  
13 Finally, the BCP Applicants note that several commitments stated in JA Exhibit JMB-4  
14 (Revised Application) affirm the Commission’s jurisdiction. For example, the Joint  
15 Applicants’ have committed that the Commission’s “jurisdiction over NMGC, as well as  
16 the [Commission’s] jurisdiction over the NMGC Group and the BCP Applicants, as the  
17 direct and indirect public utility holding companies of NMGC, will be preserved”  
18 (Commitment 72); that the Commission’s “jurisdiction over NMGC will remain in place  
19 and will not be diminished or adversely affected in any manner as a result of the  
20 Transaction” (Commitment 71); and that the “supervision and regulation of NMGC  
21 pursuant to the Public Utility Act will not be obstructed, hindered, diminished, impaired,  
22 or unduly complicated” (Commitment 73).

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**Q. ARE THERE DIFFERENCES BETWEEN PRIVATE EQUITY OWNERSHIP AND PUBLICLY-TRADED OWNERSHIP THAT BEAR ON THE APPLICATION AND THE BCP APPLICANTS' RESPONSES TO THE QUESTIONS IN THE BENCH REQUEST?**

**A.** Yes. There are, to be sure, certain differences between publicly-traded ownership and private equity ownership. A benefit of private equity ownership is that it brings a set of stable investors with a long-term mindset. Even if there is the potential for a future sale of a utility (as occurred with Lindsay Goldberg to TECO Energy), the investors have a strong interest in being good stewards of the utility so that it performs well for customers and the public and maintains its value to both. Unlike public investors, private equity investors cannot exit with the press of a button. Private equity ownership can, accordingly, be particularly well-aligned with the interests of customers, regulators, and the public.

At the same time, that work in managing the direct relationships with long-term investors necessitates some fundamental differences in how investments are negotiated and arranged, as compared to public securities markets. The following are among the key differences. First, there are differences simply in how entities are organized and owned. The prior examples and this Joint Application all involve ultimate parent fund entities that receive investment management support from a non-affiliate. And, the structures in EPE-IIF and here both incorporate the use in part of partnership entities (rather than incorporated entities). Those differences appear throughout the answers to the February 2025 Bench Request.

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1 Second, different securities laws and regulations apply to publicly-traded entities versus  
2 “private” long-term investments. The former requires public disclosures because they are  
3 advertising to all types of investors, regardless of the financial capacity or knowledge on  
4 the part of the investors. In contrast, laws around “private” investment partly necessitates  
5 the “privacy” element. They do this by effectively prohibiting public dissemination of  
6 investment information because it could otherwise be considered to be, in effect,  
7 advertising to public investors.

8  
9 Finally, there is significant competition in private equity for high-quality, long-term  
10 investors, as well as for investment opportunities. Competitiveness on both of those  
11 elements is critically important for a private equity management partnership and for the  
12 funds they sponsor. As noted above in describing the benefits of having high-quality, long-  
13 term investors, that element is one from which customers and the public also benefit. In  
14 identifying such investors and securing their investments, the whole of the relationship is  
15 important – this is not a simple matter of projected or expected returns. Disclosure of  
16 certain information related to terms of agreements or communications to investors that  
17 have no bearing on utility customers’ experience could harm the BCP Applicants’  
18 relationship with the investment community with respect to this transaction and future  
19 investments, as well as BCP Management’s ability to organize future funds and  
20 transactions.

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**Q. HAVE THE BCP APPLICANTS SOUGHT CONFIDENTIAL TREATMENT OF ANY OF THE MATERIAL THEY ARE SUBMITTING IN RESPONSE TO THESE BENCH REQUESTS?**

**A.** Yes. Except for JA Exhibit BR-5 Supp. Confidential Unredacted and JA Exhibit BR-6 Confidential Unredacted referenced below, the Commission, in its June 26, 2025, Order Granting Interlocutory Appeal. *See* Order, ¶¶ 30, 72, determined that all of the other materials designated below as confidential are confidential. The Hearing Examiners granted the BCP Applicants' Request for Confidential Treatment as to JA Exhibit BR-5 Supp. Confidential Unredacted *See* April 23, 2025, Order Granting BCP Applicants' Request for Confidentiality. JA Exhibit BR-6 Confidential Unredacted is the subject of an accompanying Request for Confidential Treatment filed concurrently with this testimony. The Joint Applicants are filing redacted public versions of the confidential materials with this testimony. The confidential versions of the materials are being submitted under seal pursuant to the Protective Order. The exhibit numbers used for the exhibits submitted in response to the Bench Requests below are being retained to facilitate ease of cross-reference and to more easily confirm the materials that were previously found to be confidential by the Commission.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 1: PROVIDE THE REGISTRATION DOCUMENTS AND ARTICLES OF INCORPORATION FOR EACH OF THE BCP INFRASTRUCTURE FUNDS AND EACH OF THE SATURN COMPANIES.**

**A.** The registration documents and either the articles of incorporation or the certification of

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1 limited partnership (the equivalent to articles of incorporation for partnership entities) for  
2 each of the BCP Infrastructure Funds and each of the Saturn Companies are attached as JA  
3 Exhibits BR-1(1), BR-1(2), BR-1(3), BR-1(4), BR-1(5), BR-1(6), BR-1(7), BR-1(8), BR-  
4 1(9). Each entity is duly registered and has either articles of incorporation or a certification  
5 of limited partnership.

6  
7 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 2: PROVIDE CORPORATE**  
8 **STATUS, TAX, AND HISTORY INFORMATION AS PROVIDED BY THE STATE**  
9 **OF DELAWARE, DIVISION OF CORPORATIONS, FOR EACH THE BCP**  
10 **INFRASTRUCTURE FUNDS AND EACH OF THE SATURN COMPANIES.**

11 **A.** The corporate status, tax, and history information are attached as JA Exhibit BR-2. Each  
12 of the BCP Infrastructure Funds and the Saturn Companies are in good standing and have  
13 no tax currently due.

14  
15 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 3: PROVIDE THE LIMITED**  
16 **PARTNERSHIP AGREEMENTS OF THE BCP INFRASTRUCTURE FUNDS,**  
17 **AND SATURN UTILITIES AGGREGATOR, LP, AND SATURN UTILITIES**  
18 **TOPCO, LP.**

19 **A.** The initial response to this request indicated that the limited partnership agreements for the  
20 BCP Infrastructure Funds had not been finalized, but that it was anticipated that the form  
21 of the limited partnership agreement in the form attached as Exhibit BR-3(1) Redacted  
22 (Revised Application) and Exhibit BR-3(1) Confidential Unredacted. The limited  
23 partnership agreements for the BCP Infrastructure Funds have now been executed and are



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1 attached as JA Exhibit BR-3(1) Redacted (Revised Application) and JA Exhibit BR-3(1)  
2 Confidential Unredacted (Revised Application).<sup>7</sup> The limited partnership agreement for  
3 Saturn Utilities Aggregator, LP is attached as JA Exhibit BR-3(2) Redacted and JA Exhibit  
4 BR-3(2) Confidential Unredacted.<sup>8</sup> The limited partnership agreement for Saturn Utilities  
5 Topco, LP is attached as JA Exhibit BR-3(3).<sup>9</sup> To be clear, while each refers to an “Initial  
6 Limited Partner,” there is no expectation of adding or changing the respective limited  
7 partners.

8  
9 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 4: PROVIDE THE PRIVATE**  
10 **PLACEMENT MEMORANDA, OR THE FUNCTIONAL EQUIVALENT,**  
11 **GOVERNING THE BCP INFRASTRUCTURE FUNDS, AND SATURN**  
12 **UTILITIES AGGREGATOR, LP, AND SATURN UTILITIES TOPCO, LP.**

13 **A.** The Private Placement Memorandum (“PPM”) for BCP Infrastructure II, LP and BCP  
14 Infrastructure Fund II-A, LLP is attached as JA Exhibit BR-4 Redacted and JA Exhibit  
15 BR-4 Confidential Unredacted.<sup>10</sup> There is no separate PPM for BCP Infrastructure Fund  
16 II, GP. To be clear, however, the PPM is not in any sense a “governing document;” for  
17 each entity, the applicable partnership agreement will be the governing document. Rather,  
18 the PPM is a disclosure document to provide certain information about an investment

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<sup>7</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

<sup>8</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

<sup>9</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

<sup>10</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

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1 opportunity, including the structure and risks of the investment opportunity. The PPM is  
2 analogous to a prospectus for a public offering of securities.

3  
4 Because third-party investment will be made at the BCP Infrastructure Funds level, and  
5 not at Saturn Utilities Aggregator, LP or Saturn Utilities Topco, LP, the latter do not have  
6 PPMs associated with them. The sole investors in the latter will be their respective parent  
7 entities, leading up ultimately to the BCP Infrastructure Funds.

8  
9 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 5: NAMES OF GENERAL AND**  
10 **LIMITED PARTNERS, OR MEMBERS, WHERE APPLICABLE, OF THE BCP**  
11 **INFRASTRUCTURE FUNDS AND SATURN COMPANIES.**

12 **A.** The original response to this Bench Request was supplemented on April 8, 2025, which is  
13 the basis for this response. The limited partners in the BCP Infrastructure Funds, include  
14 large institutional investors (*i.e.* public employee retirement funds, union annuity and  
15 benefit funds, and corporate investors). The names of these limited partners responsive to  
16 the Bench Request are set forth in JA Exhibit BR-5 Supp. Confidential Unredacted The  
17 exhibit is being filed under seal in accordance with the Commission's Protective Order, for  
18 the reasons set forth in the Request for Confidential Treatment that accompanied the  
19 original filing of this response and for the reasons stated in the Order Granting Interlocutory  
20 Appeal. Additional limited partners will be identified in the future as the information  
21 becomes available. JA Exhibit BR-5 Supp. Redacted is also being produced.

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1 For Saturn Utilities Aggregator GP, LLC and Saturn Utilities Topco GP, LLC: BCP  
2 Infrastructure Fund II, GP is the general partner, and BCP Infrastructure Fund II, LP and  
3 BCP Infrastructure Fund II-A, LP are the limited partners.

4  
5 For Saturn Utilities Aggregator, LP: Saturn Utilities Aggregator GP, LLC is the general  
6 partner, and the BCP Infrastructure Funds are limited partners.

7  
8 For Saturn Utilities Topco, LP: Saturn Utilities Topco GP, LLC is the general partner, and  
9 Saturn Utilities Aggregator, LP is the sole limited partner.

10  
11 For Saturn Utilities, LLC: Saturn Utilities Topco, LP is the sole member (owner).

12  
13 For Saturn Utilities Holdco, LLC: Saturn Utilities, LLC is the sole member (owner).

14  
15 These are depicted in JA Figure JMB-1 (Revised Application) above and in JA Exhibit  
16 JMB-5 (Revised Application) and set forth in the Amended GDP (JA Exhibit JMB-3  
17 (Revised Application)).

18  
19 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 6: PROVIDE THE**  
20 **FOLLOWING, ON A QUARTERLY BASIS FOR THE LAST EIGHT (8)**  
21 **QUARTERS, Q1 2023 – Q4 2024, FROM THE BCP INFRASTRUCTURE FUNDS**  
22 **AND SATURN COMPANIES:**

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**A. BALANCE SHEETS, INCOME STATEMENTS, AND CASH FLOW STATEMENTS.**

**B. DEBT-TO-EQUITY RATIOS, BOTH MARKET AND BOOK VALUE.**

**C. A NARRATIVE OF THE CHANGES IN LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS OVER THE LAST EIGHT (8) QUARTERS, OR IF FORMED WITHIN THAT TIME FRAME, FROM THE POINT OF FORMATION THROUGH Q4 2024.**

A. In the initial response to this Bench Request, it was noted that each of the BCP Infrastructure Funds and the Saturn Companies was formed within the last twelve months and did not yet have operations or ownership of entities other than one another. Accordingly, they did not have balance sheets, income statements, cash flow statements, debt-to-equity ratios, or long-term or short-term debt obligations.

As an update to the foregoing the following information is provided:

A. The BCP Infrastructure Funds were formed just over a year ago (in June of 2024) and only recently (as of 3/31/2025) have operations and ownership of entities. The BCP Infrastructure Funds have unaudited fund financial statements as of 3/31/25. The Saturn Companies were formed within the last twelve months and did not yet have operations or ownership of entities. Accordingly, they do not have balance sheets, income statements, cash flow statements, debt-to-equity ratios, or long-term or short-term debt obligations.

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1 B. Please refer to the unaudited fund financial statements for the BCP Infrastructure Funds  
2 attached as JA Exhibit BR-6 Confidential Unredacted and JA Exhibit BR-6 Redacted  
3 (Revised Application).

4 C. Approximately \$129 million was borrowed by the BCP Infrastructure Funds in  
5 connection with a closing on 3/31/25, which borrowing was repaid shortly thereafter.  
6 There are no current outstanding BCP Infrastructure Funds or Saturn Companies level  
7 debt obligations.

8  
9 **Q. FEBRUARY 2025 BENCH REQUEST NUMBER 7: JOINT APPLICANTS STATE**  
10 **THAT SATURN COMPANIES WILL BE ABLE TO “FACILITATE DEBT**  
11 **FINANCING THAT IS NON-RECOURSE TO NMGC.”<sup>11</sup> PROVIDE MORE**  
12 **DETAIL REGARDING THE CONTRACTUAL RELATIONSHIP BETWEEN THE**  
13 **BCP INFRASTRUCTURE FUNDS, THE SATURN COMPANIES, TECO**  
14 **ENERGY, LLC, NEW MEXICO GAS INTERMEDIATE, INC. (“NMGI”), AND**  
15 **NEW MEXICO GAS COMPANY, INC. (“NMGC”), THAT WILL MAKE NON-**  
16 **RECOURSE FINANCING TO NMGC POSSIBLE.**

17 **A.** The BCP Infrastructure Funds and the Saturn Companies will not have contractual  
18 relationships with NMGC. In combination, that absence of contractual relationships, the  
19 structural separation through the use of intermediate companies, and multiple of the Joint  
20 Applicants’ commitments, ensure that there is appropriate ring-fencing that would avoid

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<sup>11</sup> *Id.*, JA Exhibit JMB-3 (Revised Application), Amended General Diversification Plan at p. 33.

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1 potential recourse to NMGC for any debt that were held by the BCP Infrastructure Funds  
2 (which will not themselves contain debt) or the Saturn Companies.

3  
4 NMGC will have multiple steps of corporate separation from the Saturn Companies, and  
5 the Saturn Companies provide additional levels of corporate separation. NMGC will not  
6 be directly owned by any Saturn Company, and, therefore, will not be an asset of any such  
7 company. Saturn Holdco will not engage in any business except for serving as the sole  
8 member of TECO Energy; Saturn Utilities will, in turn, not engage in any business except  
9 for serving as the sole member of Saturn Holdco. This structure promotes the non-recourse  
10 nature of financing for the benefit of NMGC by ensuring that, in the event of a default by  
11 an upstream parent entity (which is absolutely not anticipated as a possibility here), the  
12 only asset of the defaulting entity would be its immediate subsidiary; NMGC would,  
13 reinforced by the continued existence of NMGI and TECO Energy, have multiple levels of  
14 remoteness from any defaulting entity, and would thereby be protected from any recourse  
15 against the defaulting entity.

16  
17 In the EPE-IIF proceeding, the ring-fencing benefit from the use of a structure with  
18 intermediate companies of this nature was specifically acknowledged in the approved  
19 Stipulation, and the Certification of Stipulation cited supporting testimony to that effect.<sup>12</sup>

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<sup>12</sup> The existence of the Intermediate Companies is desirable in order to implement debt financing that is non-recourse to EPE as well as provide structural flexibility during IIF US 2's long-term investment in EPE. None of the Intermediate Companies has any employees or officers, and each is managed by its direct parent." Stipulation at p. 8. See also Certification of Stipulation at 15 ("According to Mr. Gilbert, the existence of the Intermediate Companies is desirable to implement debt financing that is non-recourse to EPE and provide structural flexibility during IIF US 2's investment in EPE.").

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In addition, relevant commitments in the Revised Application which confirm that non-recourse financing is available include (as set forth in JA Exhibit JMB-4 (Revised Application)):

33. NMGC will not without prior approval of the Commission: (a) loan its funds or securities or transfer similar assets to any affiliated interest, or (b) purchase debt instruments of any affiliated interests or guarantee or assume liabilities of such affiliated interests.

40. The books and records of NMGC will be kept separate from those of nonregulated businesses and NMGC's affiliates in accordance with the Uniform System of Accounts.

43. NMGC will not finance any affiliates.

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 8.A: MR. JEFFREY BAUDIER, IN HIS DIRECT TESTIMONY, STATES THAT “SATURN HOLDCO INTENDS TO FUND THE PURCHASE OF THE EQUITY INTERESTS OF TECO ENERGY THROUGH A MIX OF EQUITY AND DEBT CONSISTING OF \$448,900,000 OF EQUITY FROM THE BCP INFRASTRUCTURE FUNDS, \$250,000,000 OF PRIVATE DEBT, WHICH IS NON-RECOURSE TO NMGC, AND THE ASSUMPTION OF APPROXIMATELY \$550,000,000 OF PORTABLE DEBT CURRENTLY AT NMGC.”<sup>13</sup>**

**A. PROVIDE THE PERCENTAGE AND DOLLAR VALUE OF THE \$448,900,000 IN EQUITY THAT EACH BCP INFRASTRUCTURE FUND WILL CONTRIBUTE SATURN HOLDCO, LLC.**

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<sup>13</sup> Direct Testimony of Jeffrey Baudier (“Baudier Dir.”) at p. 23.

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1     **A.**     The relative size of the investments made by each BCP Infrastructure Fund has not been  
2             determined, except that BCP Infrastructure Fund II, GP will have only a de minimis equity  
3             contribution and equity interest. The relative size of the equity contributions of BCP  
4             Infrastructure Fund II, LP and BCP Infrastructure Fund II-A, LP will depend upon the  
5             investments made into the two funds, and will not be finalized until close to or in  
6             conjunction with a closing of this Transaction.

7  
8     **Q.     FEBRUARY 2025 BENCH REQUEST SUBPART 8.B: MR. JEFFREY BAUDIER,**  
9             **IN HIS DIRECT TESTIMONY, STATES THAT “SATURN HOLDCO INTENDS**  
10            **TO FUND THE PURCHASE OF THE EQUITY INTERESTS OF TECO ENERGY**  
11            **THROUGH A MIX OF EQUITY AND DEBT CONSISTING OF \$448,900,000 OF**  
12            **EQUITY FROM THE BCP INFRASTRUCTURE FUNDS, \$250,000,000 OF**  
13            **PRIVATE DEBT, WHICH IS NON-RECOURSE TO NMGC, AND THE**  
14            **ASSUMPTION OF APPROXIMATELY \$550,000,000 OF PORTABLE DEBT**  
15            **CURRENTLY AT NMGC.”<sup>14</sup>**

16            **B.     PROVIDE THE CONTRACTUAL MECHANISM(S) BY WHICH**  
17            **EACH OF THE BCP INFRASTRUCTURE FUNDS WILL CONVEY THE**  
18            **EQUITY CONTRIBUTION TO SATURN HOLDCO, LLC.**

19     **A.**     The equity contributions will be effectuated by actions by the respective directors or  
20             partners (as applicable) for each of the entities, not by a contractual mechanism.

21  

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<sup>14</sup> Direct Testimony of Jeffrey Baudier (“Baudier Dir.”) at p. 23.



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1   **Q.   FEBRUARY 2025 BENCH REQUEST SUBPART 8.C: MR. JEFFREY BAUDIER,**  
2       **IN HIS DIRECT TESTIMONY, STATES THAT “SATURN HOLDCO INTENDS**  
3       **TO FUND THE PURCHASE OF THE EQUITY INTERESTS OF TECO ENERGY**  
4       **THROUGH A MIX OF EQUITY AND DEBT CONSISTING OF \$448,900,000 OF**  
5       **EQUITY FROM THE BCP INFRASTRUCTURE FUNDS, \$250,000,000 OF**  
6       **PRIVATE DEBT, WHICH IS NON-RECOURSE TO NMGC, AND THE**  
7       **ASSUMPTION OF APPROXIMATELY \$550,000,000 OF PORTABLE DEBT**  
8       **CURRENTLY AT NMGC.”<sup>15</sup>**

9           **C.    DO THE BCP INFRASTRUCTURE FUNDS PLAN TO REFINANCE**  
10          **THE ASSUMPTION OF \$550,000,000 OF NMGC DEBT WITHIN SIX (6)**  
11          **MONTHS AFTER CLOSING?**

12   **A.   No.**

13  
14   **Q.   FEBRUARY 2025 BENCH REQUEST SUBPART 8.D: MR. JEFFREY BAUDIER,**  
15       **IN HIS DIRECT TESTIMONY, STATES THAT “SATURN HOLDCO INTENDS**  
16       **TO FUND THE PURCHASE OF THE EQUITY INTERESTS OF TECO ENERGY**  
17       **THROUGH A MIX OF EQUITY AND DEBT CONSISTING OF \$448,900,000 OF**  
18       **EQUITY FROM THE BCP INFRASTRUCTURE FUNDS, \$250,000,000 OF**  
19       **PRIVATE DEBT, WHICH IS NON-RECOURSE TO NMGC, AND THE**  
20       **ASSUMPTION OF APPROXIMATELY \$550,000,000 OF PORTABLE DEBT**

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<sup>15</sup> Direct Testimony of Jeffrey Baudier (“Baudier Dir.”) at p. 23.

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1       **CURRENTLY AT NMGC.”<sup>16</sup>**

2               **D.     PROVIDE THE LENDERS AND TERMS, INCLUDING THE**  
3               **ANTICIPATED OR ACTUAL TENOR AND RATE, OF THE \$250,000,000**  
4               **DEBT FINANCING TO BE USED TO PURCHASE TECO. AGAINST**  
5               **WHAT ASSETS WILL THE DEBT FINANCING BE SECURED?**

6    **A.**     The Note purchasers (i.e., lenders), the maturity date, and the rate are identified in JA  
7               Exhibit BR8(D) Redacted and JA Exhibit BR8(D) Confidential Unredacted.<sup>17</sup>

8  
9               All personal and real assets (subject to certain exceptions and exclusions) of Saturn Holdco  
10              will secure the loan. The only material assets of Saturn Holdco will be the equity of TECO  
11              Energy. The loan will be non-recourse to NMGC.

12  
13   **Q.     FEBRUARY 2025 BENCH REQUEST NUMBER 9:   PROVIDE A DETAILED**  
14              **DESCRIPTION OF THE PROPRIETARY, FINANCIAL, AND CONTRACTUAL**  
15              **RELATIONSHIPS BETWEEN BERNHARD CAPITAL PARTNERS**  
16              **MANAGEMENT, LP, AND THE BCP INFRASTRUCTURE FUNDS.**

17   **A.**     BCP Infrastructure Fund II GP, LP, the general partner of BCP Infrastructure Fund II, LP  
18              and BCP Infrastructure Fund II-A, LP, has at the initial closing of the BCP Infrastructure  
19              Funds, contractually delegated day-to-day management of the BCP Infrastructure Funds to  
20              BCP Management (whose sole member is Bernhard Capital Partners Management, LP)

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<sup>16</sup> Direct Testimony of Jeffrey Baudier (“Baudier Dir.”) at p. 23.

<sup>17</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

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pursuant to a Management Agreement. Notwithstanding this delegation, the General Partner retains (and has not delegated to the BCP Management) authority with respect to all decisions, consents and other determinations (including, without limitation, decisions, consents and other determinations relating to the acquisition, disposition and voting of securities or other investments on behalf of the BCP Infrastructure Funds, distributions by the BCP Infrastructure Funds of cash and other securities, reservation for or payment of expenses, liabilities, and other obligations of the BCP Infrastructure Funds and amendments to the agreement of the BCP Infrastructure Funds). BCP Management does not manage the affairs of, act in the name of or bind the BCP Infrastructure Funds.

That Management agreement between BCP Infrastructure Fund II GP, LP, and BCP Infrastructure Management, LLC was finalized on March 18, 2025. The Management Agreement is attached as JA Exhibit BR-9. The Management Agreement relies on the Amended and Restated Agreement of Limited Partnership of BCP Infrastructure Fund II, LP and BCP Infrastructure Fund II-A, LP (the "LP Agreement"), which was also finalized on March 18, 2025, and is being provided in response to Bench Request 3.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 10: WHILE THE JOINT APPLICANTS STATE THAT THE BCP INFRASTRUCTURE FUNDS OWN ONE HUNDRED PERCENT (100%) OF THE SATURN COMPANIES, IN WHAT**

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**INDIVIDUAL PROPORTION DO THE BCP INFRASTRUCTURE FUNDS OWN  
THE SATURN COMPANIES?<sup>18</sup>**

A. The relative proportion of ownership among the BCP Infrastructure Funds has not been determined. It will be finalized depending on the investments that are made into the respective funds.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 11: PROVIDE A CURRENT  
LIST OF ALL OTHER COMPANIES OWNED BY EACH OF THE BCP  
INFRASTRUCTURE FUNDS.**

A. The BCP Infrastructure Funds do not currently own any companies other than the other BCP Applicants. To be clear, however, the BCP Applicants note that other investment funds managed by BCP Management do own other companies.<sup>19</sup> The other funds are BCP Fund II, LP; BCP Fund III, LP; BCP Energy Services Fund, LP; and BCP Infrastructure Fund, LP (collectively, the “Non-Participating BCP Funds”). Their combined portfolio is set out in JA Table JMB-1 (Revised Application) as follows:

**JA Table JMB-1 (Revised Application)**

<b><u>Portfolio Company</u></b>	<b><u>Fund</u></b>	<b><u>Individual Companies in which BCP is Currently Invested</u></b>
<b>Allied Power</b>	BCP Fund II, LP	1. Allied Power Holdings, LLC
		2. Dominion Engineering, Inc.
		3. Radiation Safety & Control Services, Inc.

<sup>18</sup> Application at p. 3; Baudier Dir. at 20.; and, New Mexico Gas Company, Inc., Amended General Diversification Plan, at p. 8.

<sup>19</sup> This is similar to how, in Case No. 08-00078-UT, LG Continental LLC existed to invest in Continental Energy Systems, but other investment partnerships managed by Lindsay Goldberg LLC had ownership interests in eighteen companies, which were represented as having no business dealings or transactions of any sort with LG Continental, LLC, Continental, or Continental’s subsidiaries.

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<b>Arena</b>	BCP Fund III, LP	4. Apogee Engineering, LLC
		5. Duotech Services, LLC
<b>Aventia</b>	BCP Fund III, LP	6. BEM Systems, Inc.
		7. ELOS Environmental, LLC
		8. KC Harvey Environmental, LLC
<b>Brailsford &amp; Dunlavey</b>	BCP Fund III, LP	9. Brailsford & Dunlavey, Inc.
<b>TechServ</b>	BCP Fund III, LP	10. TechServ
<b>Delta Utilities</b>	BCP Infrastructure Fund, LP and BCP Infrastructure Fund, LP II	11. Delta Utilities

<b>Brown &amp; Root Industrial Services</b>	BCP Energy Services Fund, LP	12. BRIS Engineering, LLC
		13. H&H Technical Welding & Mechanical, LLC
		14. Maintenance Enterprises, LLC
		15. Petrin Holdings, LLC
<b>Clear Current</b>	BCP Infrastructure Fund, LP	16. Scaffolding Rental & Erection Services, LLC
		17. Clear Current, LLC
<b>Elevation</b>	BCP Infrastructure Fund, LP	18. LMH Utilities, Inc.
		19. Elevation Home Energy Solutions, Inc.
<b>Enveniam</b>	BCP Fund II, LP	20. Boston Government Services, LLC
		21. SE&C, LLC
		22. Strategic Management Solutions, LLC
<b>Grace Herbert Curtis (“GHC”) Architects</b>	BCP Fund III, LP	23. BSSW Architects, Inc.
		24. Bullock Tice Associates, LLC
		25. Grace Hebert Curtis Architects, LLC
		26. Hahnfeld Hoffer Stanford [asset sale]
		27. Hastings & Chivetta Architects, LLC
		28. The Orcutt/Winslow Limited Liability Company
<b>Gray Surety</b>	BCP Fund II, LP	29. The Gray Casualty & Surety Company, LLC
<b>Green Meadow</b>	BCP Fund II, LP	30. Greenway Environmental Services, LLC
<b>Lemoine</b>	BCP Fund II, LP	31. DCMC, LLC
		32. Macro Logistics, LLC

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		33. The Lemoine Company, L.L.C.
		34. Workforce Group, LLC
<b>National Water Infrastructure (“NWI”)</b>	BCP Infrastructure Fund, LP	35. National Water Infrastructure, LLC
<b>Optimum Energy</b>	BCP Fund III, LP	36. Optimum Energy Co, LLC
<b>RailWorks</b>	BCP Fund II, LP	37. H&H Engineering Construction, Inc.
		38. RailWorks Corporation
		39. RailWorks Ironman Holdings, LLC

TechServe and Delta Utilities have been added to the foregoing table since the initial response to this Bench Request.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 12: PROVIDE A DESCRIPTION OF THE CURRENT LIFE-CYCLE (FUND TERM) STATUS OF EACH BCP INFRASTRUCTURE FUND.**

**A.** The initial response to this Bench Request provided the life cycle status of each BCP Infrastructure Fund on a confidential basis in Exhibit BR-12 Confidential Redacted and Exhibit BR-12 Confidential Unredacted. The BCP Applicants no longer seek confidential treatment of this information and publicly filed Exhibit BR-12 on April 8, 2025. The initial term of each BCP Infrastructure Fund is twelve years, with the potential for three subsequent one-year extensions to the term.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 13: PROVIDE A DESCRIPTION OF THE CURRENT CAPITAL COMMITMENTS VS. THE CAPITAL CALLED ON ALL BCP INFRASTRUCTURE FUNDS AND THE LIMITED PARTNERSHIP (LP) SATURN COMPANIES.**

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1     **A.**     At this time, there are no capital commitments and no capital has been called. Capital  
2             commitments will be entered into at the time limited partners join the BCP Infrastructure  
3             Funds.

4  
5     **Q.**     **FEBRUARY 2025 BENCH REQUEST NUMBER 14: PROVIDE A DESCRIPTION**  
6             **OF THE WATERFALL DISTRIBUTION, AND COST AND ATTRIBUTION OF**  
7             **MANAGEMENT FEES, WITHIN ALL BCP INFRASTRUCTURE FUNDS AND LP**  
8             **SATURN COMPANIES.**

9     **A.**     For the BCP Infrastructure Funds' and Saturn Companies' waterfall distributions are set  
10            forth in the attached JA Exhibit BR-14 Redacted and JA Exhibit BR-14 Confidential  
11            Unredacted.<sup>20</sup>

12  
13    **Q.**     **FEBRUARY 2025 BENCH REQUEST NUMBER 15: PROVIDE AN**  
14             **UNREDACTED COPY OF THE PURCHASE AND SALE AGREEMENT.**

15    **A.**     An unredacted version of the Purchase and Sale Agreement is being submitted as BR-15  
16             Confidential Unredacted, as Confidential Material Pursuant to Protective Order ¶ (K)(3)  
17             and the Order Granting Interlocutory Appeal. A redacted version of the PSA is attached  
18             as JA Exhibit JMB-2 (Revised Application).

19  

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<sup>20</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

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**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 16.A: PROVIDE, AS REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>21</sup>

**A. A LIST OF ALL THE SPONSORS;**

**A.** Please see JA Exhibit JMB-2 (Revised Application) and BR-15 Confidential Unredacted. The Sponsors are listed in BR-15 Confidential Unredacted, which is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 16.B: PROVIDE, AS REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>22</sup>

**B. A COPY OF ANY AND EACH DEBT COMMITMENT LETTER;**

**A.** The Debt Commitment Letter is attached as JA Exhibit BR-16B Confidential Unredacted and JA Exhibit BR-16B Redacted.<sup>23</sup>

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 16.C: PROVIDE, AS REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>24</sup>

**C. THE NAMES AND PERCENTAGES OF EACH DEBT FINANCING SOURCE TO THE PROPOSED TRANSACTION UNDER THE PURCHASE AND SALE AGREEMENT;**

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<sup>21</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>22</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>23</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ K(3).

<sup>24</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).



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1     **A.**     Please see JA Exhibit BR-8(D) Confidential Unredacted and JA Exhibit BR-16(C)  
2             Confidential Unredacted and JA Exhibit BR-8(D) Redacted and JA Exhibit BR-16(C)  
3             Redacted.<sup>25</sup>

4  
5     **Q.**     **FEBRUARY 2025 BENCH REQUEST [SUBPART 16.D: PROVIDE, AS**  
6             **REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>26</sup>

7                     **D.     A COPY OF THE LIMITED GUARANTEE;**

8     **A.**     The Limited Guarantee is attached as JA Exhibit BR-16D Redacted and JA Exhibit BR-  
9             16D Confidential Unredacted].<sup>27</sup>

10  
11    **Q.**     **FEBRUARY 2025 BENCH REQUEST SUBPART 16.E; PROVIDE, AS REFERRED**  
12             **TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>28</sup>

13                     **E.     A COPY OF ANY ALTERNATIVE DEBT COMMITMENT;**

14    **A.**     There is no Alternative Debt Commitment.

15  
16    **Q.**     **FEBRUARY 2025 BENCH REQUEST SUBPART 16.F: PROVIDE, AS REFERRED**  
17             **TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>29</sup>

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<sup>25</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ K(3).

<sup>26</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>27</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

<sup>28</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>29</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

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**F. A STATEMENT DESCRIBING ANY ALTERNATIVE DEBT  
FINANCING, IF OCCURRING, AND THE RESPECTIVE  
ALTERNATIVE DEBT FINANCING LETTER;**

**A.** There is no Alternative Debt Financing being provided, and there is no Alternative Debt Financing Letter.

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 16.G: PROVIDE, AS  
REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>30</sup>

**G. A COPY OF THE SELLER DISCLOSURE LETTER;**

**A.** The Seller Disclosure Letter is attached as JA Exhibit BR-16G Confidential Unredacted and JA Exhibit BR-16G Redacted.

**Q FEBRUARY 2025 BENCH REQUEST SUBPART 16.H: PROVIDE, AS  
REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>31</sup>

**H. A COPY OF THE EQUITY COMMITMENT LETTER;**

**A.** The Equity Commitment Letter referenced in the Purchase and Sale Agreement is attached as JA Exhibit BR-16H Confidential Redacted and JA Exhibit BR-16H Unredacted.<sup>32</sup>

The Equity Commitment Letter is preliminary in nature, and the entities who provided their commitments within this letter will not be participating in the acquisition of

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<sup>30</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>31</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>32</sup> An unredacted version is being submitted as Confidential Material pursuant to Protective Order ¶ (K)(3).

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NMGC. Upon the first close of equity in the BCP Infrastructure Funds, these commitments will be transferred and assigned to the BCP Infrastructure Funds, which will ultimately provide the equity contribution for the Transaction, as permitted under the Equity Commitment Letter.

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 16.I: PROVIDE, AS REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>33</sup>

**I. A COPY OF ANY ALTERNATIVE EQUITY FINANCING.**

**A.** There is no Alternative Equity Financing.

**Q. FEBRUARY 2025 BENCH REQUEST SUBPART 16.J: PROVIDE, AS REFERRED TO IN THE PURCHASE AND SALE AGREEMENT:**<sup>34</sup>

**J. A LIST OF ANY CO-INVESTORS.**

**A.** There are no Co-Investors. Co-Investors may be added at a later date.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 17: HAVE ANY OF THE JOINT APPLICANTS OR ANY GENERAL PARTNER IN THEIR PERSONAL CAPACITY BEEN OR ARE THEY CURRENTLY INVOLVED IN A CIVIL, CRIMINAL, OR REGULATORY INVESTIGATION OR CAUSE OF ACTION? IF SO, PROVIDE A DETAILED DESCRIPTION OF THE CAUSE OF ACTION**

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<sup>33</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

<sup>34</sup> Joint Applicant Exhibit, JMB-2 (Revised Application).

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**INCLUDING JURISDICTION AND ANY PENALTIES ASSESSED.**

**A.** No.

**Q. FEBRUARY 2025 BENCH REQUEST NUMBER 18: PROVIDE ANY AND ALL  
OF THE BCP INFRASTRUCTURE FUNDS' AND SATURN COMPANIES'  
REGISTRATIONS AND FILINGS WITH THE SECURITY AND EXCHANGE  
COMMISSION ("SEC") WITHIN IN THE LAST EIGHT (8) QUARTERS, Q1 2023  
– Q4 2024, INCLUDING, BUT NOT LIMITED TO, ANNUAL AUDITS, FORM D,  
FORM PF, AND THOSE UNDER SCHEDULE 13.**

**A.** No such registrations or filings have been made, nor have any otherwise been due.

**C. Response to March 24, 2025 Bench Request**

**Q. WHAT DO YOU ADDRESS IN THIS PORTION OF YOUR TESTIMONY?**

**A.** I respond to the Hearing Examiners' March 24, 2025 Bench Request to Joint Applicants  
for Further Information ("March 2025 Bench Request").

**Q. MARCH 2025 BENCH REQUEST QUESTION 1.A: JOINT APPLICANTS ("JA"),  
IN THEIR RESPONSE TO BENCH REQUEST ("BR") 16(H), STATE:  
THE EQUITY COMMITMENT LETTERS ARE PRELIMINARY IN NATURE,  
AND THE ENTITIES WHO PROVIDED THEIR COMMITMENTS WITHIN THE  
LETTERS WILL NOT BE PARTICIPATING IN THE ACQUISITION OF NMGC.  
THESE COMMITMENTS WILL BE REPLACED BY EQUITY COMMITMENT  
LETTERS TO BE EXECUTED BY THE BCP INFRASTRUCTURE FUNDS, WHO**

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1 WILL ULTIMATELY PROVIDE THE EQUITY CONTRIBUTION FOR THIS  
2 TRANSACTION. UPON THE FIRST CLOSE OF EQUITY IN THE BCP  
3 INFRASTRUCTURE FUNDS, THESE EXISTING COMMITMENTS WILL BE  
4 TRANSFERRED AND SUBSTITUTED WITH EQUITY COMMITMENT  
5 LETTERS FROM THE BCP INFRASTRUCTURE FUNDS.

6 AT THE SAME TIME, THE PURCHASE AND SALE AGREEMENT (“PSA”)  
7 PROVIDED BY THE JA STATES:

8 THE COMMITMENT LETTERS [I.E., THE DEBT COMMITMENT LETTER  
9 AND EQUITY COMMITMENT LETTER] HAVE NOT BEEN AMENDED OR  
10 MODIFIED PRIOR TO THE DATE HEREOF, NO SUCH AMENDMENT OR  
11 MODIFICATION BY BUYER IS CONTEMPLATED OR PENDING, AND THE  
12 RESPECTIVE COMMITMENTS CONTAINED IN THE COMMITMENT  
13 LETTERS HAVE NOT BEEN WITHDRAWN, TERMINATED OR RESCINDED  
14 IN ANY RESPECT, AND TO BUYER’S KNOWLEDGE, NO SUCH  
15 WITHDRAWAL, TERMINATION OR RESCISSION IS CONTEMPLATED.<sup>1</sup>  
16 [EMPHASIS ADDED]

17 a. IF THE EQUITY COMMITMENT LETTER, PROVIDED BY JA IN  
18 RELATION TO THE PSA AND PURSUANT TO THE BENCH  
19 REQUEST 16(H), WITH SPECIFIED FINANCIAL  
20 COMMITMENTS AND SIGNATURES INDICATED THEREIN, IS  
21 PRELIMINARY AND SUBJECT TO CHANGE, WHY DO THE  
22 TERMS OF THE PSA STATE THAT NO AMENDMENT OR  
23 MODIFICATION OF THE LETTER IS CONTEMPLATED?

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1     **A.**     The Equity Commitment Letter is preliminary only insofar as it will be assigned to BCP  
2             Infrastructure Fund II, LP; BCP Infrastructure Fund II-A, LP; and BCP Infrastructure Fund  
3             II GP, LP. The terms of the Equity Commitment Letter specifically permit such an  
4             assignment in Section 15 (“Assignment”):

5             This letter agreement shall be binding upon and inure to the benefit of the  
6             parties hereto and their respective successors and permitted assigns, but  
7             neither this letter agreement nor any rights, benefits or obligations set  
8             forth herein shall be assigned, delegated or otherwise transferred, by  
9             operation of law or otherwise, by any of the parties hereto without the prior  
10            written consent of the Sellers; *provided*, that each Sponsor may transfer  
11            its rights and obligations under this letter agreement, in whole or in part,  
12            without the prior written consent of any other party hereto or the Sellers  
13            to one or more Person(s) that agree to assume such Sponsor’s obligations  
14            hereunder; *provided, further*, that in the event of any assignment  
15            pursuant to the foregoing proviso without the consent of the Sellers, such  
16            assigning Sponsor shall remain obligated to perform its obligations  
17            hereunder to the extent not performed by such Person(s) and such  
18            Assignment shall not otherwise prevent, impair or delay the consummation  
19            of the Closing in any material respect.

20  
21            This assignment is what I was referencing in my Supplemental Testimony and Exhibits in  
22            Response to the February 2025 Bench Request above when I stated:

23            [t]he Equity Commitment Letters are preliminary in nature, and the entities  
24            who provided their commitments within the letters will not be participating  
25            in the acquisition of NMGC. These commitments will be replaced by  
26            Equity Commitment letters to be executed by the BCP Infrastructure Funds  
27            . . . .

28            I did not intend to convey that the Equity Commitment Letter is in any way “subject to  
29            change” other than insofar as it is to be assigned to the BCP Infrastructure Funds.

30  
31            The PSA and Equity Commitment Letters were structured this way because fundraising for  
32            the BCP Infrastructure Funds had not been formally commenced at the time the PSA was  
33            executed. The BCP Infrastructure Funds did not yet contain the capital necessary to

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1 complete the acquisition of NMGC. Fundraising is now ongoing, and a substantial portion  
2 of the limited partner investments into the BCP Infrastructure Funds have closed, making  
3 significant progress toward the aggregate target size of the funds. I was, and remain, fully  
4 confident that the BCP Infrastructure Funds will themselves meet the capital requirements  
5 to close the purchase. As a contractual matter in the PSA, however, the additional  
6 guarantee that there would be adequate capital was provided to Emera, Inc. by having other  
7 entities with then-existing capital provide the Equity Commitment Letter.

8  
9 Once the BCP Infrastructure Funds are of such a size that they can fully satisfy the equity  
10 commitments reflected in the Equity Commitment Letter, the current participants in the  
11 Equity Commitment Letters will assign the Equity Commitment Letter to the BCP  
12 Infrastructure Funds, who will replace the current participants.

13  
14 **Q. MARCH 2025 BENCH REQUEST QUESTION 1.B: HAVE ANY OF THE**  
15 **COMMITMENTS CONTAINED IN THE EQUITY COMMITMENT LETTER**  
16 **REFERENCED IN THE PSA AND PROVIDED BY THE JA BEEN WITHDRAWN,**  
17 **TERMINATED OR RESCINDED IN ANY RESPECT? IF SO, PLEASE PROVIDE**  
18 **A DESCRIPTION OF THESE CHANGES.**

19 **A.** No commitments contained in the Equity Commitment Letter referenced in the PSA and  
20 provided by the Joint Applicants have been withdrawn, terminated, or rescinded in any  
21 respect.

22  
23 **Q. MARCH 2025 BENCH REQUEST QUESTION 1.C: IF THE EQUITY**

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**COMMITMENT LETTER IS PRELIMINARY, OR IF ANY OF THE  
COMMITMENTS HAVE BEEN WITHDRAWN, TERMINATED OR RESCINDED  
IN ANY RESPECT, THEN WHEN WILL THE COMMISSION RECEIVE THE  
FOLLOWING FINALIZED INFORMATION FROM THE JA:**

**i. THE NAME OF THE SPECIFIC FUND PROVIDING EQUITY AND/OR  
FUNDS FOR THIS TRANSACTION;**

**ii. THE DOLLAR AMOUNT OF THE CONTRIBUTION; AND,**

**iii. THE PERCENTAGE OF THE CONTRIBUTION IN RELATION TO  
THE TOTAL TRANSACTION?**

**A.** Please see the response to March 2025 Bench Request 1(a), above. In particular: (i) the BCP Infrastructure Funds are providing the equity for this transaction; (ii) the purchase price is known and stated in the Revised Application, except that it remains subject to customary adjustments at closing; and (iii) the contribution percentages will be determined soon before a closing of the Transaction.

**Q. MARCH 2025 BENCH REQUEST QUESTION 2: WHEN WILL THE  
COMMISSION KNOW THE DOLLAR AMOUNT AND PERCENTAGE  
CONSTITUTING THE DE MINIMIS INTEREST OF BCP INFRASTRUCTURE  
FUND II, GP, IN SATURN UTILITIES HOLDCO, LLC?**

**A.** While the precise percentage will not be determined until just before closing, approximate percentages are known now. BCP Infrastructure Fund II, GP will have an approximately 2% participation in the equity contribution to Saturn Utilities Holdco, LLC.



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1   **Q.   MARCH 2025 BENCH REQUEST QUESTION 3: IN RESPONSE TO BR 5, JA**  
2       **STATE THAT “[L]IMITED AND GENERAL PARTNERS HAVE NOT BEEN**  
3       **DETERMINED FOR THE BCP INFRASTRUCTURE FUNDS AT THIS TIME.”**  
4       **WHEN DO JA INTEND TO HAVE THESE LIMITED AND GENERAL**  
5       **PARTNERS DETERMINED?**

6   **A.**   Several limited partners of the BCP Infrastructure Funds have now been determined. There  
7       is no deadline to close additional limited partners into the BCP Infrastructure Funds prior  
8       to the Transaction closing date. No general partners will be added to BCP Infrastructure  
9       Fund II, LP or BCP Infrastructure Fund II-A, LP. The general partner of BCP Infrastructure  
10      Fund II GP, LP is BCP Fund UGP, LLC.

11  
12   **Q.   MARCH 2025 BENCH REQUEST QUESTION 5: WHAT FINANCIAL**  
13       **METHOD(S) OF VALUATION ARE THE JA USING TO VALUE THE TARGET**  
14       **COMPANY? AND, ACCORDING TO THESE METHODS, WHAT HAS BEEN**  
15       **THE HISTORICAL VALUATION (EXCLUDING ANY ACQUISITION**  
16       **PREMIUM) OF THE TARGET COMPANY’S EQUITY INTERESTS AND LDC**  
17       **ASSETS ON A QUARTERLY BASIS OVER THE LAST TWELVE (12)**  
18       **QUARTERS, FOR PURPOSES OF THIS TRANSACTION?**

19   **A.**   The valuation of NMGC was the result of a negotiation between the BCP Applicants and  
20       Emera. Unlike a publicly-traded utility holding company, there is no ongoing, objective  
21       “valuation” of a utility subsidiary such as NMGC. There are multiple methods of  
22       considering the potential valuation of a utility such as NMGC, no one of which is a  
23       “correct” method or is itself controlling. These include consideration of: (a) market value

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of comparable publicly-traded companies; (b) sales prices of other, non-publicly-traded utility operating companies, including by comparing multiples to the utility's rate base, with or without regard to then-prevailing interest rates or other factors. And, there are subjective factors that could factor into valuation at a "moment in time" when a transaction is being contemplated, such as the quality of a utility's existing operations and management or the eagerness of an existing owner to exit its investment. For these reasons, it is not possible for the BCP Applicants to recreate specific historical valuations of NMGC.

**Q. MARCH 2025 BENCH REQUEST QUESTION 6: WHAT IS THE ANTICIPATED ACQUISITION PREMIUM THAT WILL BE PAID IN ACQUIRING THE TARGET COMPANY? HOW DOES THIS PREMIUM AMOUNT INFLUENCE THE POST-CLOSE DEBT, PROFITABILITY, AND VALUATION OF THE TARGET COMPANY AND THE BCP INFRASTRUCTURE FUNDS?**

**A.** The BCP Applicants estimate the acquisition premium as approximately \$175 million - \$225 million. The amount of the acquisition premium (as distinct from the sales price as a general matter) does not impact the post-close debt.

As a basic financial accounting matter, earnings and other factors being equal, a smaller investment being made to achieve the same earnings would be generally considered more profitable. The acquisition premium in and of itself does not impact profitability, but the sales price itself could be considered to do so.

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As to the valuation of NMGC: again, it is the purchase price itself -- not an acquisition premium per se – that is effectively a “valuation” of NMGC. Going forward, that valuation at a moment in time would become a factor in how NMGC might be valued, but would need to be considered among other factors.

**Q. MARCH 2025 BENCH REQUEST QUESTION 7: WHY IS THE NEW MEXICO GAS COMPANY, INC., ALREADY PRESENTED AS A PORTFOLIO ASSET OF BERNHARD CAPITAL PARTNERS ON ITS WEBSITE, [HTTPS://WWW.BERNHARDCAPITAL.COM/PORTFOLIO/](https://www.bernhardcapital.com/portfolio/)?**

**A.** The status of NMGC is identified on the website as “Announced, Not Closed.” BCP typically adds companies that reflect announced acquisitions to its website once agreement announcements have been published. The identification of companies is intended to be indicative of the investment blueprint approach(es) BCP Management supports, which is why both existing companies and announced transactions are included.

**D. Response to April 11, 2025 Bench Request**

**Q. WHAT DO YOU ADDRESS IN THIS PORTION OF YOUR TESTIMONY?**

**A.** I respond to the Hearing Examiners’ April 11, 2025 Bench Request to Joint Applicants for Further Information (“April 2025 Bench Request”).

**q. APRIL 2025 BENCH REQUEST QUESTION 1: DESCRIBE, GENERALLY, THE ACTUAL OR INTENDED TYPE, CLASS, DIVIDEND STRUCTURE, AND NUMBER OF SATURN UTILITIES HOLDCO SHARES, AND THEIR**

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**PROPORTION (NUMERICAL RATIO) TO ONE ANOTHER.**

**A.** Saturn Holdco has a single class of limited liability company interests, which are uncertificated and non-unitized. Saturn Holdco's sole member, Saturn Utilities, LLC, holds 100% of the limited liability company interests and is entitled to all distributions from Saturn Holdco.

**Q. APRIL 2025 BENCH REQUEST QUESTION 2: WILL THE TYPE, CLASS, DIVIDEND STRUCTURE, NUMBER, OR PROPORTION OF TECO ENERGY SHARES CHANGE POST-CLOSING, AND IF SO, HOW?**

**A.** Immediately after closing, we intend to amend and restate the limited liability company agreement of TECO Energy to be on a short-form limited liability company agreement similar to the one used for Saturn Holdco which will provide that TECO Energy post-closing has a single class of limited liability company interests, which will be uncertificated and non-unitized. TECO Energy's sole member post-closing, Saturn Holdco, will hold 100% of the limited liability company interests and will be entitled to all distributions from TECO Energy.

**VI. CONCLUSION**

**Q. WHAT IS YOUR CONCLUSION ABOUT THE WHETHER THE JOINT APPLICANTS HAVE MADE THE NECESSARY SHOWING FOR THE REQUESTED APPROVALS IN THIS CASE?**

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1     **A.**     The Joint Applicants have satisfied the six factor tests applied by the NMPRC in the review  
2             of utility acquisitions. I discuss each of the factors below.

3  
4     **Q.     WILL THE PROPOSED TRANSACTION BENEFIT CUSTOMERS?**

5     **A.**     Yes, particularly with the addition of the \$15 million customer rate credit and the  
6             commitment not to file a new rate case until after September 30, 2026, which is expected  
7             to save customers between \$30 million and \$40 million dollars. Low income customers  
8             will benefit from the continued support of NMGC's low income programs.

9  
10            Customers will also benefit from NMGC having financially stable and experienced new  
11            owners who wish to own NMGC and make significant investments in its continued success.  
12            This includes the benefit of NMGC being in a portfolio of companies that includes Delta  
13            Utilities, which will operate separately, but exchange best practices. NMGC customers  
14            will also benefit from the return of several back-office functions to New Mexico instead of  
15            being performed in Florida or Nova Scotia with the prospect of savings from shared IT  
16            services through Delta Utilities.

17  
18            There are also numerous indirect customer benefits from new jobs in New Mexico,  
19            economic development investments, continued charitable contributions, educational  
20            programs and a preference for local suppliers of goods and services.

21  
22     **Q.     ARE THERE BENEFITS TO NEW MEXICO FROM THE TRANSACTION?**

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1     **A.**     Yes. There are significant benefits for New Mexico from the Transaction, including the  
2             continued operation of an excellent performing natural gas utility available to meet the  
3             needs of residents with safe, reliable and cost-effective energy, which support economic  
4             development in the state. The economic benefit to the state from the customers rate credits  
5             is estimated to be \$12.7 million. There will also no doubt also be economic benefits to the  
6             state due to the estimated savings of \$30 million to \$40 million from NMGC's commitment  
7             not to file a rate case until September 30, 2026. The estimated economic benefit to New  
8             Mexico from the \$10 million in total economic investments is nearly \$16.8 million. The  
9             twenty new jobs will result in an economic benefit to the state of approximately \$9.7  
10            million.

11  
12    **Q.     WILL THE COMMISSION'S JURISDICTION BE PRESERVED?**

13    **A.**     Yes. My testimony and the testimony of Joint Applicant witness Kelly discuss in detail  
14             the numerous regulatory commitments to ensure that the NMPRC's jurisdiction over  
15             NMGC will be preserved.

16  
17    **Q.     WILL NMGC'S QUALITY OF SERVICE BE DIMINISHED AS A RESULT OF**  
18             **THE TRANSACTION?**

19    **A.**     No. As discussed, Joint Applicant witness Shell's testimony and my testimony, NMGC's  
20             quality of service will be maintained and there are many regulatory commitments outlined  
21             above to assure continued quality of service.

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**Q. WILL THERE BE ANY IMPROPER SUBSIDIZATION OF NON-UTILITY ACTIVITIES?**

**A.** There will not be improper subsidization of non-utility activities and there are numerous commitments to protect against this as confirmed in my testimony.

**Q. ARE BCP MANAGEMENT AND THE BCP APPLICANTS QUALIFIED AND FINANCIALLY CAPABLE OF ACQUIRING NMGC?**

**A.** As discussed above, BCP Management has nearly \$6 billion in assets and its portfolio companies have over 20,000 employees. BCP Management portfolio companies, specifically Delta Utilities, have many years of experience in the utility business in general and the gas utility business in particular. While BCP management will not be an owner of NMGC, NMGC will be among the portfolio companies of BCP Management. The BCP Infrastructure Funds that are purchasing NMGC will have total funding of at least \$2 billion and currently have actual or committed funding of \$455 million. My testimony also confirms the qualifications, experience and financial capabilities of BCP Management and the BCP Infrastructure Funds.

**Q. ARE THERE ADEQUATE PROTECTIONS IN PLACE TO PREVENT HARM TO CUSTOMERS FROM THE TRANSACTION?**

**A.** Yes. I address the numerous commitments which protect customers from potential harm in my Direct Testimony. The additional ringfencing commitments and other commitments discussed above provide even more customer protections.

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1     **Q.     IN YOUR OPINION, IS APPROVAL OF THE TRANSACTION IN THE PUBLIC**  
2           **INTEREST?**

3     **A.**     Yes. As laid out in the Revised Application Testimonies of the Joint Applicant witnesses,  
4           the Transaction satisfies all of the six (6) factors the Commission has evaluated in prior  
5           proceedings to determine whether an acquisition was in the public interest. The  
6           Transaction will bring many significant benefits to customers and New Mexico, while also  
7           providing robust commitments that will both benefit and protect NMGC customers.

8  
9     **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

10    **A.**     Yes.