

FILED
January 12, 2018
INDIANA UTILITY
REGULATORY COMMISSION

Joint Petitioners' Exhibit 2

INDIANA UTILITY REGULATORY COMMISSION

CAUSE NO. 45038

VERIFIED DIRECT TESTIMONY

OF

JAMES MAIZ

ON BEHALF OF

MONTPELIER GENERATING STATION, LLC

SPONSORING ATTACHMENT 1

**DIRECT TESTIMONY
OF
JAMES MAIZ**

1 **Q1. Please state your name, job title, employer, and business address.**

2 A1. My name is James Maiz. I am President of Montpelier Generating Station, LLC
3 ("Montpelier Generating"). My business address is c/o Rockland Capital, LLC, 24
4 Waterway Avenue, Suite 800, The Woodlands, Texas 77380.

5 **Q2. What are your job responsibilities?**

6 A2. In my capacity as President of Montpelier Generating, I, along with the other officers of
7 the company appointed by the general partner of Montpelier Generating's ultimate parent,
8 Rockland Power Partners III, LP, will be responsible for managing Montpelier
9 Generating's business activities and performing related executive functions. These
10 activities are all focused on Montpelier Generating's role as a provider of energy, capacity
11 and ancillary services into PJM independent system operator administered markets.

12 **Q3. Please describe your professional and educational qualifications.**

13 A3. I am a Partner at Rockland Capital, LLC ("Rockland"), the management company for the
14 ultimate parent of Montpelier Generating, Rockland Power Partners III, LP. I have been
15 with Rockland since 2003, when it was formed to pursue investment opportunities in the
16 North American independent power sector. I am a lead investment professional and a
17 member of the firm's investment committee. My general duties include origination,
18 evaluation and closing of Rockland acquisitions. I am also typically appointed as an officer
19 of portfolio companies for which I was involved in the acquisition. As officer, I am
20 responsible for the management of these companies' business activities.

1 I have worked in the domestic energy industry since 1998, in both technical and
2 commercial capacities. Prior to joining Rockland in 2003, my focus was on executing
3 acquisitions, restructurings, and divestitures of independent power projects at El Paso
4 Merchant Energy, where I led and supported several successful transactions. Prior to El
5 Paso, I spent eight years with the Royal Dutch/Shell group of companies. The commercial
6 roles I held included both power plant development at Coral Energy and the acquisition
7 and development of domestic natural gas properties at Shell Exploration and Production
8 Company.

9 I hold an MBA from Tulane University and a BS in Engineering from the University of
10 South Florida.

11 **Q4. What is the purpose of your verified direct testimony?**

12 A4. My testimony provides support of the Verified Joint Petition of AES Ohio Generation,
13 LLC ("AOG") and Montpelier Generating, which is requesting Commission approval for
14 Montpelier Generating to acquire and operate the Montpelier generation station
15 ("Montpelier Station") and related equipment and land, and for a continuation of the
16 Commission's August 9, 2000 Order in Cause No. 41685 ("41685 Order") where it
17 declined to exercise jurisdiction over what is now AOG or the Montpelier Station except
18 with respect to certain specified requirements.

19 I will demonstrate Montpelier Generating's technical, financial, and managerial capacity
20 to own and operate the Montpelier Station. I will also describe the Asset Purchase
21 Agreement, dated as of December 15, 2017 ("APA"), by and among AOG, its affiliate The
22 Dayton Power and Light Company ("DP&L"), Kimura Power, LLC ("Kimura") (a direct

parent of Montpelier Generating), and, for limited purposes, Rockland Power Partners III, LP (an affiliate of Montpelier Generating), whereby Montpelier Generating, a wholly owned subsidiary of Kimura, will purchase the Montpelier Station from AOG. Finally, I will discuss Montpelier Generating's willingness to abide by the terms and conditions contained in 41685 Order, in which the Commission declined to exercise jurisdiction over the Montpelier Station.

Q5. Please describe the nature of Montpelier Generating Station, LLC's business.

A5. Subject to any necessary regulatory approvals, Montpelier Generating will operate the Montpelier Station and will sell energy, capacity, and ancillary services exclusively at wholesale. All power sales will be made pursuant to market-based rate authority, except for reactive power sales that will be made pursuant to a cost-of-service rate schedule. Montpelier Generating's sales from the Montpelier Station and all rates from those sales will be subject to regulation by the Federal Energy Regulatory Commission ("FERC").

Montpelier Generating has applied for and received authority from the Indiana Secretary of State to conduct business in Indiana as a foreign corporation. See Attachment 1, Certified Registration Statement.

Q6. Does Montpelier Generating, individually or through the affiliates, currently own any utility property in Indiana?

A6. No.

Q7. Is Montpelier Generating, individually or through affiliates, currently affiliated with any other utility in Indiana?

A7. No.

Q8. Does Montpelier Generating have the technical, financial, and managerial capability to own and operate the Montpelier station?

A8. Yes. Montpelier Generating is an indirect subsidiary of Rockland Power Partners III, LP, an investment fund managed by Rockland Capital, LLC ("Rockland"). Rockland, founded in 2003, specializes in the purchase and optimization of independent power projects. Rockland's investment strategy relies heavily on a hands-on and active management approach and typically the investments made by Rockland require operational improvements and/or enhancements to realize an asset's full value. In order to effectively execute upon the firm's investment approach, Rockland has built an extensive internal organization that focuses solely on investing in and managing generating assets. Rockland's commercial and investment team is led by a partnership group that has worked together since the late 1990s and collectively has over 85 years of experience in the power industry. In addition to the investment team, Rockland has a team of experienced professionals that have vast technical, operational, and financial expertise. This includes multiple Rockland employees who individually have over 25 years of experience operating and managing power plants.

Since inception, Rockland has invested nearly \$900 million of equity capital in 28 separate private equity transactions. In total, Rockland has managed over 10 GW of electric generating capacity in the U.S. Consistent with other similar acquisitions, Rockland will provide the overall asset management services to the Facility, including all executive and managerial oversight. Several members from Rockland's internal asset management and commercial teams will be dedicated to managing the Facility. As discussed, these team members are comprised of power industry executives and skilled asset management

1 professionals with substantial experience in managing facilities such as Montpelier
2 Generating.

3 In addition to its internal resources, Rockland has hired NAES Corporation to provide the
4 day-to-day on-site operating and maintenance services for the Facility. NAES is a well-
5 known and respected industry operator that has comprehensive experience in operations,
6 maintenance and the technical support required to safely and reliably operate power plants.
7 NAES manages over 250 power plants across the U.S. and in 12 other countries. Rockland
8 has extensive experience working with NAES and has utilized the Company's services on
9 numerous other generating facilities that Rockland has owned and managed.

10 Due to Rockland's project-level knowledge and experience managing power generation
11 facilities in the U.S., in combination with the vast internal and external resources dedicated
12 to Montpelier Generating, Rockland provides the capability required to own and operate
13 the Facility in a reliable, safe, efficient, and compliant manner.

14 **Q9. Could you describe the major terms and conditions of the asset purchase agreement**
15 **pertinent to this proceeding?**

16 A9. Under the terms of the APA, certain of AOG's peaking generation assets would be sold to
17 Kimura or its affiliate designees. Except for the Montpelier Station, all other assets to be
18 sold are located in Ohio and are not the subject of the Joint Petition. Prior to closing,
19 Kimura will assign its right to acquire Montpelier Station under the APA to Montpelier
20 Generating. The sale of assets under the Asset Purchase Agreement is contingent on
21 obtaining necessary regulatory approvals, including approvals from the FERC, the Ohio

1 Power Siting Board ("OPSB") and, with respect to the Montpelier station, this
2 Commission.

3 Under the terms of the APA, within 45 days after the date of the APA, Montpelier
4 Generating or a third party operator or affiliate of Kimura shall make a Qualifying Offer
5 of Employment to each Plant Employee, as that term is defined in the APA, of the
6 Montpelier Station. Montpelier Generating shall hire each Plant Employee who wishes to
7 accept such Qualifying Offer of Employment, subject to Montpelier Generating's standard
8 hiring procedures.

9 **Q10. Will Montpelier Generating assume and comply with the conditions that the**
10 **Commission established with respect to the entity that is now AOG in the 41685**
11 **Order?**

12 A10. Yes. Montpelier Generating commits to assuming and complying with all such conditions
13 to the extent still applicable. In that regard several of the conditions were applicable during
14 the original construction of the Montpelier facility and appear to have no current force or
15 effect.

16 **Q11. Can you identify and summarize the conditions that you believe are still applicable**
17 **and would apply to Montpelier Generating upon its acquisition of the Montpelier**
18 **station?**

19 A11. Yes. I've reviewed both the Commission's order and the Stipulation that the Commission
20 approved and I believe that the following are the ongoing applicable conditions that were
21 originally imposed on DPL Energy, Inc., and would continue to be imposed on Montpelier
22 Generating.

- o Montpelier Generating will not permit another entity to connect to or obtain gas service from the connection that exists between a gas transmission line that crosses the Montpelier property and the Montpelier Station.
- o Montpelier Generating waives any special rights, powers and privileges granted to Indiana public utilities, including but not limited to the power of eminent domain and the use of public rights-of-way.
- o Montpelier Generating agrees to be responsible for any material adverse impact on the transmission system caused by the operation of and/or sale from the Montpelier Station.
- o In the event that Montpelier Generating wants to add additional peaking units or capacity at the site above the current level, Montpelier Generating will file a new petition with the Commission for such additions.
- o Montpelier Generating will notify the Commission of any sale or transfer of the Montpelier station or the rights granted to AOG and continued to Montpelier Generating herein and, regardless of the method of transfer, will seek approval of the transfer, if appropriate. The trading or sale of the equity interests of Montpelier Generating or of its direct parent, Kimura Power, LLC, or of its indirect parents, Taky Power, LLC or Rockland Power Partners III, LP, shall not constitute a transfer of assets or rights under this paragraph.¹
- o Montpelier Generating agrees to obtain prior approval of the Commission before selling any electricity to an entity that is a Montpelier Generating affiliated regulated Indiana utility (or any affiliate thereof).
- o Montpelier Generating agrees to operate the Montpelier station in a manner consistent with good utility practice that will not harm or cause harm to Indiana retail customers.
- o Montpelier Generating agrees to file with the Commission an annual report as provided in I.C. 8-1-2-49 and to provide such other information as the Commission may from time to time request.
- o Montpelier Generating has or will obtain all appropriate air permits in accordance with the law.
- o So long as retail power supply remains an electric service subject to regulation by the Commission under Indiana law, Montpelier Generating will not

¹ Prior to consummation of the proposed transaction, Rockland Power Partners II, LP ("RPP II") may acquire up to 9.99 percent of the voting interests in Taky Power, LLC. RPP II's general partner is Rockland Power Partners II GP, LLC, which is managed by Rockland Capital, LLC.

1 sell at retail in the State of Indiana any of the electricity generated by the Montpelier
2 Station without further order of the Commission.
3

4 **Q12. Are there any clarifications with respect to these conditions that Montpelier**
5 **Generating is requesting?**

6 A12. Yes. Montpelier Generating is requesting that the Commission's order in this Cause clarify
7 that the requirement for pre-approval of any future transfer be limited to a transfer to
8 unaffiliated entities. The original condition carves-out certain types of transactions where
9 the stock of DPL Energy is sold. As applied to Montpelier Generating, this would allow,
10 for example, internal corporate reorganizations where the equity interests in Montpelier
11 Generating is transferred to some other affiliate within the set of entities that are all under
12 the ultimate parent company of Montpelier Generating. But absent clarification, it is not
13 certain that this would allow a drop-down of the assets into a subsidiary of Montpelier
14 Generating or a dividend up to Montpelier Generating's parent with a drop-down to an
15 entity also owned 100% by Montpelier Generating's parent.

16 **Q13. Do you agree with Witness Miller from AOG that the Sale will have zero or negligible**
17 **effects on Indiana retail customers?**

18 A13. Yes. Montpelier Generating will not be making retail sales into Indiana. We will continue
19 to make wholesales sales under market based rates subject to FERC jurisdiction and
20 oversight.

21 **Q14. Is the sale of the Montpelier station in the public interest?**

22 A14. Yes. Montpelier Generating will operate the Montpelier station in a manner consistent with
23 good utility practice which will continue to support electric reliability in Indiana. There
24 will be continued minimal or no effect on the reliability of the interconnecting transmission

1 company or any neighboring system and no or negligible effects on Indiana's retail
2 customers.

3 **Q15. Does this conclude your testimony?**

4 A15. Yes.

VERIFICATION

I, James Maiz, President of Montpelier Generating Station, LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



James MaizDated: 1/11/18

Attachment 1: Certified Indiana Secretary of State Registration Statement

Direct Testimony of James Maiz

On Behalf of Montpelier Generating Station, LLC

State of Indiana
Office of the Secretary of State

Certified Copies

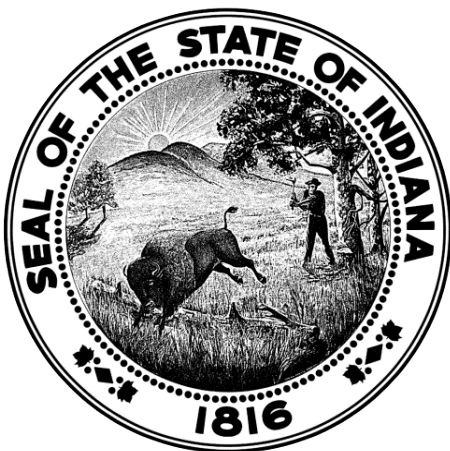
To Whom These Presents Come, Greeting:

I, CONNIE LAWSON, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records and the proper official to execute this certificate.

I further certify that this is a true and complete copy of this 3 page document consisting of the following records filed in this office:

Certification Date: January 10, 2018
Business Name: MONTPELIER GENERATING STATION, LLC
Business ID: 201801091232264

Transaction	Date Filed	No. of pages
Registration Statement	01/10/2018	3
Total No. of pages		3



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, January 10, 2018

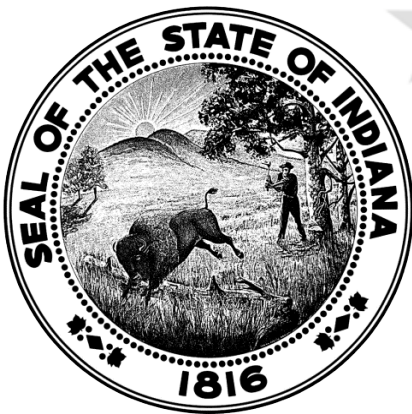
Connie Lawson

CONNIE LAWSON
SECRETARY OF STATE

State of Indiana
Office of the Secretary of State
Foreign Registration Statement
of
MONTPELIER GENERATING STATION, LLC

I, CONNIE LAWSON, Secretary of State, hereby certify that an Registration Statement of the above Foreign Limited Liability Company has been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Code.

NOW, THEREFORE, with this document I certify that said transaction will become effective Tuesday, January 09, 2018.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, January 10, 2018

Connie Lawson

CONNIE LAWSON
SECRETARY OF STATE

201801091232264 / 7802203

To ensure the certificate's validity, go to <https://bsd.sos.in.gov/PublicBusinessSearch>



FOREIGN REGISTRATION STATEMENT

State Form 56369 (8-17)
Approved by State Board of Accounts, 2017

Indiana Code 23-0.5-5-3
23-0.5-9-26
23-0.5-9-29

FILING FEE:
For-Profit Entities: \$125.00
Foreign Master LLCs: \$250.00
Nonprofit Corporations: \$75.00

FOREIGN REGISTRATION STATEMENT

The undersigned, desiring to register a foreign entity with the Secretary of State pursuant to the provisions of Indiana Code 23-0.5-5-3, executes the following Foreign Registration Statement.

ARTICLE I – NAME OF ENTITY

Legal name of the entity (The name must comply with Indiana Code 23-0.5-3-1.)

Montpelier Generating Station, LLC

If the name does not comply with Indiana Code 23-0.5-3-1, the alternate name of the entity adopted under Indiana Code 23-0.5-3-6

ARTICLE II – ENTITY INFORMATION

Entity type (select one)

☐ Corporation, including Benefit Corporation and Profession Corporation ☐ Nonprofit Corporation ☒ Limited Liability Company
☐ Master Limited Liability Company ☐ Series ☐ Limited Liability Partnership ☐ Limited Partnership

If the entity is a nonprofit corporation, indicate if the corporation will have members.

☐ Yes ☐ No members

If the corporation had been incorporated in Indiana, it would be a (select one):

☐ Public Benefit Corporation ☐ Mutual Benefit Corporation ☐ Religious Corporation

If the entity is a Limited Liability Company or Master Limited Liability Company, the Limited Liability Company will be managed by its manager or managers.

☐ Yes ☒ No ☒ The LLC will be a single-member LLC. (optional)

If the entity is a Master Limited Liability Company, the Master LLC is authorized transact business in Indiana in accordance with Indiana Code 23-18.1 and is organized under a law that allows for the designation of one (1) or more series.

The jurisdiction of formation

Delaware

Date the entity was formed in its jurisdiction of formation (month, day, year)

December 18, 2017

ARTICLE III – STREET ADDRESS

The street address of the foreign entity: c/o Rockland Capital, LLC, 24 Waterway Avenue, Ste 800, The Woodlands, TX

Number and street	City	State	ZIP code
24 Waterway Avenue, Ste 800	The Woodlands	TX	77380

ARTICLE IV – REGISTERED AGENT INFORMATION

The registered agent for the entity is a: (select one)

☒ Commercial registered agent ☐ Noncommercial registered agent

Name of registered agent

C T Corporation System

If the registered agent is a noncommercial registered agent, please provide the address of the registered agent.

Number and street	City	State	ZIP code
		IN	

The following information is required for both a commercial registered agent and a noncommercial registered agent.

E-mail address of the registered agent at which the registered agent will accept electronic service of process

☒ By checking the box, the Signator(s) represent(s) that the Registered Agent named in the Foreign Registration Statement has consented to the appointment of Registered Agent.

In Witness Whereof, the undersigned duly authorized representative of the entity executes this Foreign Registration Statement and verifies,

subject to penalties of perjury, that the statements contained herein are true, this 8th day of January, 2018

Signature

Printed name

James Maiz

Title

President of the sole member

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "MONTPELIER GENERATING STATION, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTH DAY OF JANUARY, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "MONTPELIER GENERATING STATION, LLC" WAS FORMED ON THE EIGHTEENTH DAY OF DECEMBER, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.

INDIANA SECRETARY OF STATE
RECEIVED
2018 JAN -9 AM 11:45



6669944 8300

SR# 20180061763

You may verify this certificate online at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State

Authentication: 201918343

Date: 01-04-18