

**ICC Docket No. 14-0496**  
**Joint Applicants' Response to**  
**Illinois Attorney General's Data Requests AG 15.01-15.11**  
**Dated: February 6, 2015**

**REQUEST NO. AG 15.04:**

This question is directed to Mr. John Reed. Ref: JA Ex. 17.0, 3:49-58. Mr. Reed states that the due diligence process included sharing non-public financial information and projections, operational data, etc.

What specific information did WEC request Integrys or PGL to provide with regard to the AMRP? Please provide the request and the information provided in response.

- (a) Was WEC aware that the construction cost of the AMRP had escalated from \$2.2 billion to \$4.6 billion or some other similar amount before the filing of AG Exhibit 2.0? If yes, please provide the approximate date when WEC discovered this information and the expected cost of the AMRP at that point.
- (b) Does Mr. Reed believe that a capital investment program of \$4.6 billion is a material financial commitment by PGL in the context of the merger transaction? If no, what amount or level of commitment does Mr. Reed believe should be considered material to the transaction?

**RESPONSE:**

With respect to the portion of this data request that asks "[w]hat specific information did WEC request Integrys or PGL to provide with regard to the AMRP," the Joint Applicants object to this portion of the data request as being ambiguous, overbroad, and unduly burdensome, and lacking in foundation. In particular, this question fails to reflect a time frame for when such a request would be made. Further, while the \$2.2 billion figure referenced in the data request was an estimate of construction costs, which actually was revised to \$2.5 billion in the proceeding from which it originates, the \$4.6 billion represents an estimate of total AMRP costs, not just construction costs

Notwithstanding the foregoing objections and the Joint Applicants' General Objections, Mr. Reed states that he did not participate in the due diligence process between WEC and Integrys. It is Mr. Reed's understanding that the Joint Applicants have identified information provided to WEC from Integrys and PGL with regard to the AMRP as part of the due diligence process in the Joint Applicants' response to Staff data request ENG 2.10.

- (a) As stated previously, Mr. Reed did not participate in the due diligence process between WEC and Integrys. It is Mr. Reed's understanding that WEC was and is well-aware of the AMRP project, as reflected the testimonies of Messrs. Leverett and Hesselbach. With respect to the \$4.6 billion figure put forth by Attorney General witness Coppola in AG Exhibit 2.0, it is Mr. Reed's understanding that WEC was made aware as part of the due diligence process that the overall cost for the AMRP would be larger than \$2.2 billion and that it was estimated to be

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 Exhibit No. 11  
 Witness Reed 2-19-15  
 Date \_\_\_\_\_ Reporter \_\_\_\_\_

“\$4.6 billion or some similar amount.” This is reflected in identified due diligence materials. See JA ENG 2.10 Attach 02 (at page 49); JA DLH 1.02 Attach 04 CONFIDENTIAL (at page 13); WEC DLH 1.02 Attach 10 CONF & PROP (at page 4); WEC DLH 1.02 Attach 13 CONF & PROP (at pages 5-6). As reflected in the dates of these documents, WEC was aware of this information by approximately October 2013.

- (b) Mr. Reed agrees that a multiple billion dollar capital expenditure program is significant for PGL and the combined company.