

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-40, SUB 160

In the Matter of
Joint Application of Frontier Natural Gas)
Company and Ullico Infrastructure)
Hearthstone Holdco, LLC for Approval)
of the Sale and Transfer of Stock)

REBUTTAL TESTIMONY

OF

TESTIMONY OF SONIA AXTER

June 15, 2021

1 **INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS**
3 **ADDRESS.**

4 A. My name is Sonia Axter, and I am a Vice President of UIF GP, LLC (“UIF GP”),
5 which is the general partner of the Ullico Infrastructure Master Fund, LP (together
6 with UIF GP, “UIF or the “Fund”). I am also a Vice President of Ullico
7 Infrastructure Hearthstone Holdco, LLC (“UIHH”). My business address is 111
8 South Wacker Drive, Suite 3925, Chicago, IL 60606.

9 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN THIS PROCEEDING?**

10 A. Yes, I prefiled testimony in this proceeding on January 27, 2021.

11 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

12 A. I am testifying on behalf of UIF GP, which is the general partner of the Ullico
13 Infrastructure Master Fund, L.P. The Ullico Infrastructure Master Fund, L.P., in
14 turn, owns UIHH.

15 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
16 **PROCEEDING?**

17 A. The purpose of my rebuttal testimony is to respond to matters raised in the joint
18 direct testimony of Public Staff witnesses Julie Perry, Neha Patel and John R.
19 Hinton. These matters involve the agreement between the UIHH and Frontier
20 Natural Gas Company (collectively the “Applicants”) and the Public Staff to the
21 Regulatory Conditions to be applicable to UIHH’s proposed acquisition of GEP
22 Bison Holdings, Inc. (“GBH”) and GBH’s subsidiaries, including Hearthstone
23 Utilities Inc. (“HUI”) and Frontier Natural Gas Company (“Frontier”).

1 **Q. WHAT MATTERS WOULD YOU LIKE TO DISCUSS REGARDING THE**
2 **REGULATORY CONDITIONS FILED BY THE PUBLIC STAFF?**

3 A. I would like to describe the process that led to those Regulatory Conditions and
4 explain UIHH's position with respect to those conditions.

5 **Q. PLEASE DESCRIBE THE PROCESS THAT WAS UNDERTAKEN BY THE**
6 **APPLICANTS AND THE PUBLIC STAFF IN FORMULATING THE**
7 **REGULATORY CONDITIONS ATTACHED TO THE PUBLIC STAFF'S**
8 **JOINT TESTIMONY.**

9 A. Following the filing of the application in this proceeding, the Public Staff undertook
10 a very detailed analysis of UIHH's proposed acquisition GBH and its subsidiary,
11 Frontier. That investigation involved the issuance of 13 sets of data requests by the
12 Public Staff containing in the aggregate more than 125 interrogatories and requests
13 for production of documents. It also involved a virtual meeting during which the
14 proposed acquisition and its potential impacts on North Carolina customers were
15 discussed. Following this investigation, the Applicants and the Public Staff engaged
16 in settlement discussions aimed at reaching agreement on regulatory conditions that
17 would support the Public Staff's conclusion that the proposed acquisition was in
18 the public interest. These discussions were marked by substantial compromises by
19 all parties in order to reach agreement on the Regulatory Conditions attached to the
20 Public Staff's joint testimony.

21 **Q. DOES UIHH SUPPORT THE REGULATORY CONDITIONS PROPOSED**
22 **BY THE PUBLIC STAFF?**

1 A. Yes. We believe that the agreed-upon Regulatory Conditions are balanced and
2 adequate to protect the interests of ratepayers and the Commission with respect to
3 the proposed acquisition and to ensure that the transaction will meet the
4 Commission's enunciated standards for approval of proposed utility transactions.

5 **Q. WHAT ARE YOU ASKING THE COMMISSION TO DO WITH THE**
6 **PROPOSED REGULATORY CONDITIONS?**

7 A. We are asking that the Commission approve the proposed transaction in this docket
8 subject to the agreed Regulatory Conditions filed by the Public Staff.

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

10 A. Yes.