



**REVISED APPLICATION REBUTTAL TESTIMONY OF  
KAREN E. HUTT  
NMPRC CASE NO. 24-00266-UT**

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

2 **A.** My name is Karen E. Hutt, and I am the Chief Strategy and Growth Officer of Emera Inc.  
3 (“Emera”). My business address is 5151 Terminal Road, Halifax, Nova Scotia, B3J 1A1.

4  
5 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?**

6 **A.** Yes. I filed Direct Testimony in this case on October 28, 2024, Rebuttal Testimony on  
7 May 16, 2025 and Revised Direct Testimony on July 3, 2025.

8  
9 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

10 **A.** In this Revised Application Rebuttal Testimony, I will respond to the testimony of various  
11 intervenor witnesses in the areas covered by my Revised Direct Testimony in this case.

12  
13 **Q MR. WALTERS OPINES THAT DURING THE BIDDING PROCESS FOR THE**  
14 **SALE OF NEW MEXICO GAS COMPANY (“NMGC”), EMERA DID NOT MAKE**  
15 **OPERATIONAL EXPERIENCE A CRITERIA FOR SELECTING THE**  
16 **PURCHASER. WALTERS P. 14, LN 8 THROUGH PAGE 15, LN 9. IS THIS TRUE?**

17 **A.** No. I explained in great detail in my Revised Application Direct Testimony the bidding  
18 process that Emera engaged in. (Revised Application Direct Testimony pages 4-11). This  
19 process was both competitive and exhaustive as we narrowed the bids down from an initial  
20 pool of 45 to 1. Throughout this process, one factor that we understood was that the sale  
21 required regulatory approval to close. Having owned NMGC for nine years, having been  
22 through the acquisition process to acquire NMGC, having been through rate cases, a Storm

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1 Uri fuel cost recovery case, energy efficiency cases, amongst other regulatory proceedings,  
2 the one thing we knew was that the New Mexico Public Regulation Commission  
3 (“NMPRC”) is concerned about the utilities it regulates and that operational experience is  
4 always considered by the NMPRC as it regulates its utilities. So, while the words  
5 “operational experience” do not appear in the bidding documents, it is absurd to opine that  
6 Emera did not make operational experience a factor for selecting bidders to participate in  
7 the bidding process and in ultimately selecting the purchaser. As stated in the Round 1  
8 Process Letter, JA Exhibit KEH-2, attached to my Revised Application Direct Testimony,  
9 participants in the bidding process were asked to include information relating to the  
10 bidder’s operation and ownership of public utilities. Among the criteria identified in JA  
11 Exhibit KEH-2 (Revised Application), were the bidders’ “management and employee  
12 plans”, as well as the internal and external “approvals” that would be required to  
13 consummate the transaction. Both of these factors include consideration of the bidders’  
14 operational experience and plans. For example, Bernhard Capital Partners (“BCP”)  
15 Management’s appreciation of NMGC’s senior management team as critical to the  
16 business’ continued success and its commitment to maintain and support that team was a  
17 factor in Emera’s evaluation.

18  
19 **Q. MR. SANDBERG AND MR. WALTERS EACH OPINE THAT EMERA DID NOT**  
20 **CONSIDER THE INTERESTS OF CUSTOMERS DURING THE BIDDING**  
21 **PROCESS. IS THIS CORRECT?**

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1   **A.**   No. For all the reasons identified in the previous response, it is naïve to think that a  
2           company entering into a \$1.25 billion transaction would not evaluate all aspects of the sale  
3           including the sale’s impact upon the customers of the company being sold. Emera is proud  
4           of NMGC’s strong track record of operational excellence, safety and customer focus while  
5           under Emera ownership, and was interested in finding a buyer that would permit NMGC  
6           to continue this standard of operations.

7

8   **Q.**   **MR. SANDBERG OPINES THAT CERTAIN REGULATORY COMMITMENTS IN**  
9           **THE REVISED JOINT APPLICATION, INCLUDING THE RATE CREDIT AND**  
10          **INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS DO NOT**  
11          **DEPEND UPON THE PROPOSED TRANSACTION AND COULD BE**  
12          **ACCOMPLISHED BY NMGC AND ITS CURRENT OWNERS, WITHOUT ANY**  
13          **CHANGE IN OWNERSHIP. WOULD EMERA AGREE TO THESE THINGS IN**  
14          **THE ABSENCE OF THE PROPOSED TRANSACTION?**

15   **A.**   No. In the event that this Transaction is not approved and NMGC were to remain under  
16          Emera’s ownership, Emera would not agree to offer the regulatory commitments that are  
17          incremental to the commitments that remain in effect from NMPRC Case No. 15-00327-  
18          UT (for Emera’s acquisition of NMGC) or are required for compliance with applicable law.  
19          This includes, for example, the rate credits, investments in economic development  
20          projects, or the proposed rate stay-out being offered in this Case. These incremental  
21          benefits and protections offered by the BCP Applicants in the Revised Joint Application  
22          would be lost if the Transaction were not to be approved.

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1 **Q. DR. BLANK, IN RECOMMENDING CREATION OF A REGULATORY**  
2 **LIABILITY “EQUAL IN VALUE TO THE GOODWILL PAID (LESS ANY**  
3 **BENEFIT AMOUNTS DESIGNATED BY THE COMMISSION FOR SPECIFIC**  
4 **PURPOSES IN THIS CASE),” STATES THAT HE “WOULD EXPECT THAT RE-**  
5 **NEGOTIATION OF THE PURCHASE PRICE MAY BE NECESSARY FOR THIS**  
6 **TRANSACTION TO SURVIVE.” WOULD EMERA AGREE TO RENEGOTIATE**  
7 **THE PURCHASE PRICE DOWNWARD TO ACCOUNT FOR DR. BLANK’S**  
8 **PROPOSAL?**

9 **A.** No. Emera does not agree to adjust the purchase price to accommodate Dr. Blank’s  
10 recommendation. As discussed in detail in my Revised Application Direct pages 12-13,  
11 and as discussed in the Revised Application Direct and Rebuttal Testimony of Joint  
12 Applicant witnesses Quilici, Kelly and Talley, there is no sound basis for sharing with  
13 customers, or creating a regulatory liability based upon, any acquisition premium or  
14 goodwill that might result from this Transaction. The Joint Applicants have made a  
15 commitment to not, directly or indirectly, seek to recover in any future rate case, any  
16 increased goodwill resulting from this Transaction. Customers should therefore be  
17 indifferent to any acquisition premium, as the decision to pay more than the depreciated  
18 original cost of an asset has been borne by the investor, not customers. Moreover, the  
19 Purchase and Sale Agreement was negotiated by the buyer and sellers and there is no basis  
20 for ordering the reopening of negotiations on the contract.

21

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1 **Q. MR. SANDBERG OPINES THAT EMERA DID NOT MENTION THE SIX**  
2 **FACTOR TEST OR THE PUBLIC INTEREST STANDARD IN THE DOCUMENTS**  
3 **PREPARED AND RELIED ON DURING THE BIDDING PROCESS. SANDBERG**  
4 **P. 15, LNS 5-8. IS THIS CORRECT?**

5 **A.** Yes. The documents referenced by Mr. Sandberg at this place in his testimony are  
6 documents that are passing back and forth between bidders to a financial transaction. The  
7 ability for a buyer to get regulatory approval is always a consideration in M&A  
8 transactions, references to a specific legal test for regulatory approval would have been out  
9 of place in such documents as each party had recourse to counsel of their choosing who  
10 would be better positioned to opine, if desired, on the standard for and likelihood of  
11 approval. Frankly, there was no contemplation of putting a summary of the standards for  
12 regulatory approval in these documents, and nothing should be implied from their absence.

13  
14 **Q. CERTAIN PARTIES HAVE PROMOTED THE NARRATIVE THAT EMERA**  
15 **PROVIDES CRITICAL OPERATIONAL SUPPORT TO NMGC WHICH WILL BE**  
16 **LOST IF THE TRANSACTION IS APPROVED. IS THIS A CORRECT**  
17 **NARRATIVE?**

18 **A.** No. While I believe Emera has provided value to NMGC, including through the back  
19 office and IT shared services functions that have been provided by Emera and TECO,  
20 NMGC, led by its management team under the direction of Ryan Shell, is and has been  
21 solely responsible for carrying out its day-to-day operations of providing safe and reliable  
22 gas service to New Mexicans. This is similar to how the BCP Applicants have explained

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1           they intend for NMGC to continue to operate if the Transaction closes. The Joint Applicants  
2           have committed to retain the current employees and management of NMGC, and as  
3           explained in the Revised Application Rebuttal Testimony of Mr. Baudier, are in agreement  
4           with Staff Witness Velasquez’s recommendation to extend employee protections from 36  
5           months to 60 months to further ensure the maintenance of safe and reliable gas operations.  
6           NMGC will also add approximately twenty new local jobs resulting in more New Mexicans  
7           providing services to New Mexico residents. While NMGC will largely continue to operate  
8           as a separate utility, it will still have the ability to share best practices and lessons learned  
9           with the other utilities that BCP Management managed funds have in their investment  
10          portfolios, much like existing practice with Emera.

11  
12   **Q.   HOW DO YOU RESPOND TO THE CLAIM BY WESTERN RESOURCE**  
13   **ADVOCATES (“WRA”) WITNESS CEBULKO THAT NOW THAT EMERA HAS**  
14   **SOLD ONE OF ITS OTHER COMPANIES IT NO LONGER NEEDS TO SELL**  
15   **NMGC?**

16   **A.**   WRA Witness Cebulko has misinterpreted Emera’s statements regarding potential asset  
17   sales. Notwithstanding the prior sale of Emera’s interest in the Labrador-Island Link,  
18   Emera remained interested in advancing the sale of NMGC and Emera reached an  
19   agreement with BCP to sell NMGC on commercial terms which were acceptable to Emera.  
20   If Emera had no desire to sell NMGC it simply could have closed the auction process.

21

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1 **Q. DID EMERA OWN OR OPERATE ANY GAS LDC SYSTEMS AT THE TIME IT**  
2 **ACQUIRED NMGC?**

3 **A.** No. It did not. Prior to its acquisition of TECO, which included NMGC and Peoples Gas  
4 System in Florida, Emera had not previously owned or operated any gas LDCs.

5  
6 **Q. DOES EMERA BELIEVE THAT NMGC IS CAPABLE OF OPERATING**  
7 **SUCCESSFULLY AS A STANDALONE UTILITY AT THIS TIME, PENDING THE**  
8 **TRANSITION VIA THE TRANSITION SERVICES AGREEMENT AND THE BCP**  
9 **APPLICANTS' PROPOSED IT SYSTEM UPGRADE?**

10 **A.** Yes. Emera believes that NMGC will operate successfully as a standalone utility. We  
11 believe the Transition Services Agreement provides a clear path to NMGC standing up for  
12 itself the incremental business elements that it will need to replace shared services presently  
13 provided by Emera and TECO, and provides ample time for that to take place in an orderly  
14 and economical manner.

15  
16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A.** Yes.



**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.** )  
 ) **Docket No. 24-00266-UT**  
 )  
**JOINT APPLICANTS** )  
\_\_\_\_\_ )

**ELECTRONICALLY SUBMITTED AFFIRMATION OF**  
**KAREN HUTT**

In accordance with 1.2.2.35(A)(3) NMAC and Rule 1-011(B) NMRA, Karen Hutt, Chief Strategy and Growth Officer, for Emera Inc., affirms and states under penalty of perjury under the laws of the State of New Mexico: I have read the foregoing Revised Application Rebuttal Testimony. I further affirmatively state that I know the contents of my Rebuttal Testimony and it is true and accurate based on my personal knowledge and belief.

**SIGNED** this 10<sup>th</sup> day of October 2025.

*/s/Karen Hutt*  
\_\_\_\_\_  
Karen Hutt

**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, ) Case No. 24-00266-UT  
LLC. )  
**JOINT APPLICANTS** )

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**CERTIFICATE OF SERVICE**

I CERTIFY that on this date I sent via email a true and correct copy of the *Revised Application Rebuttal Testimony of Karen E. Hutt*, to the people listed here.

<b>NM Gas Company</b>	
Thomas M. Domme	<a href="mailto:TMD@jkwlawyers.com">TMD@jkwlawyers.com;</a>
Brian J. Haverly	<a href="mailto:BJH@jkwlawyers.com">BJH@jkwlawyers.com;</a>
NMGC Regulatory	<a href="mailto:NMGCRegulatory@nmgco.com">NMGCRegulatory@nmgco.com;</a>
<b>BCP Applicants</b>	
Dana S. Hardy	<a href="mailto:DHardy@hardymclean.com">DHardy@hardymclean.com;</a>
Timothy B. Rode	<a href="mailto:TRode@hardymclean.com">TRode@hardymclean.com;</a>
William DuBois	<a href="mailto:WDubois@wbklaw.com">WDubois@wbklaw.com;</a>
Ed. Baker	<a href="mailto:Ebaker@scottmadden.com">Ebaker@scottmadden.com;</a>
Raymond Gifford	<a href="mailto:RGifford@wbklaw.com">RGifford@wbklaw.com;</a>
Richard L Alvidrez	<a href="mailto:RALvidrez@mstlaw.com">RALvidrez@mstlaw.com</a>
<b>Coalition for Clean Affordable Energy</b>	
Charles De Saillan	<a href="mailto:Desaillan.ccae@gmail.com">Desaillan.ccae@gmail.com;</a>
Cara R. Lynch	<a href="mailto:Lynch.Cara.NM@gmail.com">Lynch.Cara.NM@gmail.com;</a>
Don Hancock	<a href="mailto:Sricdon@earthlink.net">Sricdon@earthlink.net;</a>
Mark Ewen	<a href="mailto:Mewen@indecon.com">Mewen@indecon.com;</a>
Angela Vitulli	<a href="mailto:AVitulli@indecon.com">AVitulli@indecon.com;</a>
Jason Price	<a href="mailto:JPrice@indecon.com">JPrice@indecon.com;</a>
Stefani Penn	<a href="mailto:Spenn@indecon.com">Spenn@indecon.com;</a>
<b>Federal Executive Agencies</b>	
Jelani Freeman	<a href="mailto:Jelani.Freeman@hq.doe.gov">Jelani.Freeman@hq.doe.gov;</a>
Emily Medlyn	<a href="mailto:Emily.Medlyn@hq.doe.gov">Emily.Medlyn@hq.doe.gov;</a>
Dwight Etheridge	<a href="mailto:DEtheridge@exeterassociates.com">DEtheridge@exeterassociates.com;</a>
<b>Incorporated County of Los Alamos</b>	
Daniel A. Najjar	<a href="mailto:dnajjar@virtuelaw.com">dnajjar@virtuelaw.com;</a>
Philo Shelton	<a href="mailto:Philo.Shelton@lacnm.us">Philo.Shelton@lacnm.us;</a>
Thomas L. Wyman	<a href="mailto:Thomas.Wyman@lacnm.us">Thomas.Wyman@lacnm.us;</a>

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of Karen E. Hutt

Case No. 24-00266-UT

<b>New Mexico AREA</b>	
Peter J. Gould	<a href="mailto:Peter@thegouldlawfirm.com">Peter@thegouldlawfirm.com</a> ;
Kelly Gould	<a href="mailto:Kelly@thegouldlawfirm.com">Kelly@thegouldlawfirm.com</a> ;
Katrina Reid	<a href="mailto:office@thegouldlawfirm.com">office@thegouldlawfirm.com</a> ;
Joseph Yar	<a href="mailto:Joseph@velardeyar.com">Joseph@velardeyar.com</a> ;
Shawna Tillberg	<a href="mailto:Shawna@velardeyar.com">Shawna@velardeyar.com</a> ;
<b>New Mexico Department of Justice</b>	
Gideon Elliot	<a href="mailto:GElliot@nmdoj.gov">GElliot@nmdoj.gov</a> ;
Maria Oropeza	<a href="mailto:MOropeza@nmdoj.gov">MOropeza@nmdoj.gov</a> ;
Nicole Teupell	<a href="mailto:Nteupell@nmdoj.gov">Nteupell@nmdoj.gov</a> ;
<b>New Energy Economy</b>	
Mariel Nanasi	<a href="mailto:mnanasi@newenergyeconomy.org">mnanasi@newenergyeconomy.org</a> ;
Christopher Sandberg	<a href="mailto:CKSandberg@me.com">CKSandberg@me.com</a> ;
Collin Poirot	<a href="mailto:CPoirot@jd18.law.harvard.edu">CPoirot@jd18.law.harvard.edu</a> ;
<b>NMPRC – Utilities Staff</b>	
Ryan Friedman	<a href="mailto:Ryan.Friedman@prc.nm.gov">Ryan.Friedman@prc.nm.gov</a> ;
Nicholas Rossi	<a href="mailto:Nicholas.Rossi@prc.nm.gov">Nicholas.Rossi@prc.nm.gov</a> ;
Kaythee Hlaing	<a href="mailto:Kaythee.Hlaing@prc.nm.gov">Kaythee.Hlaing@prc.nm.gov</a> ;
Naomi Velasquez	<a href="mailto:Naomi.Velasquez1@prc.nm.gov">Naomi.Velasquez1@prc.nm.gov</a> ;
Bryce Zedalis	<a href="mailto:Bryce.Zedalis1@prc.nm.gov">Bryce.Zedalis1@prc.nm.gov</a> ;
Jacqueline Ortiz	<a href="mailto:Jacqueline.Ortiz@prc.nm.gov">Jacqueline.Ortiz@prc.nm.gov</a> ;
Timothy Martinez	<a href="mailto:Timothy.Martinez@prc.nm.gov">Timothy.Martinez@prc.nm.gov</a> ;
Daren Zigich	<a href="mailto:Daren.Zigich@prc.nm.gov">Daren.Zigich@prc.nm.gov</a> ;
Marc Tupler	<a href="mailto:Marc.Tupler@prc.nm.gov">Marc.Tupler@prc.nm.gov</a> ;
Larry Blank	<a href="mailto:LB@tahoeconomics.com">LB@tahoeconomics.com</a> ;
Felicia Jojola	<a href="mailto:Felicia.Jojola@prc.nm.gov">Felicia.Jojola@prc.nm.gov</a> ;
Agata Malek	<a href="mailto:Agata.Malek@prc.nm.gov">Agata.Malek@prc.nm.gov</a> ;
<b>Prosperity Works</b>	
Cara R. Lynch	<a href="mailto:Lynch.Cara.nm@gmail.com">Lynch.Cara.nm@gmail.com</a> ;
Ona Porter	<a href="mailto:Ona@prosperityworks.net">Ona@prosperityworks.net</a> ;
<b>Western Resource Advocates</b>	
Cydney Beadles	<a href="mailto:Cydney.Beadles@westernresources.org">Cydney.Beadles@westernresources.org</a> ;
Anna Linden Weller	<a href="mailto:Annalinden.Weller@westernresources.org">Annalinden.Weller@westernresources.org</a> ;
Caitlin Evans	<a href="mailto:Caitlin.Evans@westernresources.org">Caitlin.Evans@westernresources.org</a> ;
Michael Kenney	<a href="mailto:Michael.Kenney@westernresources.org">Michael.Kenney@westernresources.org</a> ;
Bradley Cebulko	<a href="mailto:BCebulko@currentenergy.group">BCebulko@currentenergy.group</a> ;
Meera Fickling	<a href="mailto:MFickling@currentenergy.group">MFickling@currentenergy.group</a> ;

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Case No. 24-00266-UT

<b>PRC General Counsel Division</b>	
Scott Cameron	<a href="mailto:Scott.Cameron@prc.nm.gov">Scott.Cameron@prc.nm.gov</a> ;
LaurieAnn Santillanes	<a href="mailto:Laurieann.Santillanes@prc.nm.gov">Laurieann.Santillanes@prc.nm.gov</a> ;
Alejandro Rettig y Martinez	<a href="mailto:Alejandro.Martinez@prc.nm.gov">Alejandro.Martinez@prc.nm.gov</a> ;
Russell Fisk	<a href="mailto:Russell.Fisk@prc.nm.gov">Russell.Fisk@prc.nm.gov</a> ;
<b>Hearing Examiners Division</b>	
Patrick Schaefer Co-Hearing Examiner	<a href="mailto:Patrick.Schaefer@prc.nm.gov">Patrick.Schaefer@prc.nm.gov</a> ;
Ana C. Kippenbrock, Law Clerk	<a href="mailto:Ana.Kippenbrock@prc.nm.gov">Ana.Kippenbrock@prc.nm.gov</a> ;

**DATED** October 10, 2025

/s/Lisa Trujillo

Lisa Trujillo

Project Manager, Regulatory Affairs

505-697-3831

[lisa.trujillo@nmgco.com](mailto:lisa.trujillo@nmgco.com)