

## Diane Holt

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**From:** info@wbidaho.com  
**Sent:** Friday, February 23, 2018 3:03 PM  
**To:** Beverly Barker; Diane Holt; Matthew Evans  
**Subject:** Case Comment Form: Wendel Bergman

Name: Wendel Bergman  
Case Number: AVU-E-17-09  
Email: info@wbidaho.com  
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Hope Idaho, 83836

Name of Utility Company: Avista

Comment: I am a customer of Avista Utilities in Hope, Idaho. I strongly object to this proposed merger of Avista with a Canadian company. As an Idahoan, I believe we must retain 100% ownership of our water resources in Idaho & Washington including water rights and hydropower dams. One only needs to review the history of the Montana Power Co sale that was enabled by the Montana Legislature in 1997. The investor stockholders who funded the building of that company over many years lost virtually all their investments because of this sale. In addition, the customers of Montana Power were subsequently subjected to huge rate increases.

Following is an article published by the Montana River Action Organization that summarizes the story of this debacle:

### THE FAILURE OF THE MONTANA POWER COMPANY (MPC)

MPC was built with money from citizens' pockets as a public utility with guaranteed profits of 13%. The whole snafu started when the 1997 legislature passed Senate Bill 390, the so-called "Energy Deregulation Bill." This was a blunder of historic proportions; it allowed the company to sell its subsidiaries for billions of dollars:

- \* Eleven hydroelectric dams sold to Pennsylvania Power & Light Co. (PP&L) of Allentown, PA.
- \* Four coal-burning thermoelectric plants sold to PP&L.
- \* Thousands of miles of electric transmission lines sold to Northwestern Energy (NWE).
- \* Thousands of miles of electric distribution lines sold to NWE.
- \* Thousands of miles of gas transmission and distribution lines sold to NWE.
- \* Western Energy Coal, the Absoloka and Rosebud Mines, and a mine in Texas all sold to a Westmorland Coal subsidiary.
- \* Western Syn Coal, an energy plant near Colstrip which heats up coal to draw off water in order to make a cleaner fuel, was sold.
- \* A natural gas exploration, production and marketing subsidiary sold to Pan Canadian Petroleum Ltd. Of Calgary, Alberta, Canada.
- \* Water rights contained with all the hydro and coal-fired electricity generating facilities sold to PP&L.

The \$2.7 billion from the sale of the above facilities were spent on installation of 18,000 miles of fiberoptic cable in a failed venture called Touch America. Touch America filed for bankruptcy and sold its facility for \$43 million to 360 Networks of Vancouver, British Columbia. Touch America's chief executive officer, Bob Gannon, along with New York Wall Street firm Goldman Sachs orchestrated the sale at a huge loss. Some profited by this \$2,457 million loss, however. Goldman Sachs received \$20 million and four executives collected \$5.4 million. Then Representative John Harp of Kalispell, chairman of Touch America Credit Committee, gave \$500,000 additional bonuses to Touch America managers for a smooth transition into bankruptcy. Harps' Construction Co. did the fiberoptic cable installation.

Montana River Action is concerned about the water rights that sold with the dams and thermoelectric generation plants. The fastest growing disincentive to water conservation is the growing corporate influence in the water world. The increasing role of for-profit water systems creates a water-wasteful mindset, controlled by the amount of water sold and not by how much is saved. Privatizing water can lead to development of the watershed and companies will sell off as real estate, opening the watershed to pollution runoff. Ultimately, consumers will pay more and have inferior service from private water systems. ~ First and foremost, the Idaho and Washington utility commissions must answer all the questions raised by this past debacle in Montana to prevent the same from happening here in Idaho and Washington by the purchase of the Avista power company by outside Canadian interests.

Unique Identifier: 67.143.192.157