

June 22, 2018

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2018 JUN 28 AM 9:14

Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

IDAHO PUBLIC
UTILITIES COMMISSION

CASE COMMENT

Case No. AVU-E-17-09

I strongly oppose the purchase of Avista Corp. by Hydro One or any other foreign entity. It is very disturbing to learn our federal government has approved this application as well as others and as I understand they have done so without any public hearings, comments or other input.

First and foremost we must consider the large amount of news reports of the vulnerable state of our national **Power Grid** of which the Avista transmission assets are a part. The electric power supplied by Avista is an essential life giving commodity not available to the masses from any other source. How many lives are at risk within the Avista service area for only a short term blackout (consider the extreme high and low temperatures)? How about longer periods of blackouts? The electricity supplied by Avista in Idaho is primary for life and must rate along with food, water and health care and impacts all. Why would we choose to allow foreign governments and or businesses access to ownership or any control of our life giving necessities?

Case No. AVU-E-17-09

Dean Gentry

Case Comment

The reports of many utilities in America having been purchased by foreign companies gives me no comfort.

The government of Canada and Toronto may be a friend to our country today and adversary tomorrow. Currently these governments are at odds with climate control / global warming, with trade and tariffs and also negation of a new Columbia River Treaty. No one has a perfect know of future relations with other countries.

Large sums of money are at stake in this proposal. As of December 31, 2017 Avista Corp had expensed \$8 million, and Hydro One reported spending \$36 million. It has been reported officers and key personnel of Avista will receive \$30 to \$40 million if and when this proposal is completed. In addition, those same persons have or will receive about \$10 per share of stock due to the announcement of this sale. As of 12/31/17 those persons owned 752,900 shares of avista stock totaling Another \$7,529,000. In addition there are reportedly severance agreements for five executives for a combined \$35.2 million. Avista tells us this proposal is good for everyone. It certainly appears the closing of this proposal will be good for the senior management and directors. I would be better convinced of that if this group were giving all of the personal gains to charities. It may be possible these amounts of personal gains sponsor bias and emotions that influence decisions that may not prove to be good for the Avista customers. I have recently read John Wayne said "there is a little larceny in everyone".

The propose settlement agreement states that no cost related to this

Proposed transaction will be charged to the Avista customers. If not, where will the money come from?

The agreement also states there will be no rate increase because of the merger. How may the IPUC determine that when Hydro One applies for a rate increase at a future date? How may you refuse an application for a rate increase when the future service for reliable and safe electricity is at risk even it is determined that risk was created by the merger?

Also, discussions of rates appear in most in not all reports of hearings and news articles pertaining to the proposed merger. To the majority of people in the hearings and readers I believe the word **rates** really means the amount of our monthly bill. When it is stated rates will not increase, we assume our monthly bill will not increase unless we use more electricity. I have recently learned different utilities submit different monthly bills which contain billing for items other than the price for the electricity. Some bills may have a separate charge for meter reading, for billing, or as Avista has, a base rate none of which charges for rates of electricity but are included in the total of the billed amount due. We do not know what Hydro One bills their customer in Toronto that may one day appear on the Avista bill as another form of revenue for Hydro One but will not be a **rate** increase for the amount of electricity used. I hope such deception will not be allowed by our Commissioners.

Report of Hydro One support for Avista's expansion of renewable energy is worrisome to me. I firmly believe both wind and solar energy

should not be forced upon utility customers. I believe wind and solar are not dependable, too costly, are subsidized by taxes, manufacture and maintenance add to carbons. I hope Idaho does not force this upon us or allow Avista to bill Idaho customers for renewable energy in our rates to pay for the costs in other states.

The proposed rate credits appear to be a sales tool; somewhat like an auction bid for approval having increased to gain agreement with the various state commissions approval. Please convert the \$15.8 million rate credit to the amount it will reduce the KWH rate. Is it a significant amount?

While the sizeable charitable contributions are welcome, they most definitely are a sales tool and not a true indication of the heart and generosity of Hydro One management. Like the rate credits, the charitable contributions are a short term commitment and based on the fact Hydro One contributes only \$1 million to all of the combined communities of Toronto where they serve 1.3 million customers we should not be surprised as a large part of the charitable contributions end when the five year commitment period expires.

So I ask, why is Hydro One proposing to buy Avista?

Two writers for The Spokesman Review newspaper at Spokane wrote “Canadian power companies have been buying American utilities for several years, expanding their reach into the U.S., which offers lighter regulations and potentially higher revenues.” Is this a compliment or

Challenge to our IPUC?

Two writers also state Hydro One “is heavily invested in renewable energy, including hydro, wind and solar. It also has nuclear energy in its portfolio.” After reading this I wrote to Nancy Clark at Hydro One and she replied “Hydro One does not currently own generation assets”.

My curious part wonders why Hydro One is acquiring Avista and their generating power plants. Currently Hydro One is in the business of purchasing electric power and transmitting and distributing it. It has been reported hydro power is not considered as renewable energy in Toronto. Hydro One is financing one hundred percent of the Canadian \$6.7 billion dollar price of Avista as follows;

1. Assumption of existing Avista Debt Canadian \$2.6B,
2. A combination of 5, 10, 30 year debt notes Canadian \$2.56B,
3. Conversion of Convertible Debenture to equity C\$1.54B

Hydro One currently pays of a little over 4% dividend on their stock. Avista reported U.S. \$115 million or near Canadian \$153 million net Income for their year ended 12/31/17. In order to recoup a 4% return on the purchase of Avista the net income must increase to about Canadian \$265 million. That is an increase of C\$112 million or about 73%. How might they do this? Often mergers and acquisitions achieve efficiencies by reducing administrative staff and this does not seem possible in this case if the commitments for keeping Avista employees is kept. I do not know the value of the Avista hydro power generating assets if they were to be sold but I suspect the proceeds of such a sale

could raise a large portion of the C\$6.7 B purchase price and allow Hydro One to stick with their business of purchasing, transmission and distribution here as they do in Toronto. Hydro One has purchased three electric utility companies in Toronto since 2016. All without any generating assets. Why enter into the generation business now, a business they have no experience in?

News reports often point out Hydro One is a very large company with more than \$25 billion in assets with no mention to the fact Hydro One has more than \$15 billion in liabilities and if the merger is completed Hydro One will be Canadian \$32.2 Billion dollar company with C\$22B In liabilities with a large annual debt service and with a business requiring large amounts of capital investment. The combined net income for the year ended 12/31/17 of Avista and Hydro One was about C\$835 million.

It was reported that Scott Morris said: Both utilities are heavily investing in infrastructure and technology and will benefit from economies of scale. “We can spread out our costs over a larger customer base,” Morris said. Can anyone imagine the Hydro One customers of Toronto (being the larger base) enjoying Avista costs spread to them?

As I have stated earlier Avista and Hydro One are spending many, many millions of dollars to achieve this proposed merger/acquisition. Those millions of dollars are going to Wall Street lawyers, accountants and merger and acquisition specialists who often are reported as making

millions of dollars and hundreds of millions of dollars in one year. They are paid to make this proposal happen. This is a very heavy burden placed upon the staff of our IPUC who we know are not paid that well and do not deal with mergers and acquisitions on a daily basis or have unlimited budget for outside expertise.

Many questions have been raised since the merger agreement was announced on July 19, 2017 along with many negative reports of the the quality of service provided by Hydro One to their Toronto customers. I hope our IPUC had searched for the facts and truths of Hydro Ones performance. Hopefully you have access to reliable sources similar to our Better Busines Bureau, Dunn and Bradstreet, Standard and Pours or others to help you arrive at the facts you need.

If this proposal is approved I assume there is no turning back and no method of enforcement of commitments by Hydro One or penalties upon Hydro One. Thus any failures and inconsistencies resulting from a merger will fall upon the customers of Avista.

The commitments agreed to have life of five years and it is doubtful that any of the current management and directors will be with Avista at the end of those five years.

I thank our Idaho Public Utilities Commission and staff for this opportunity to submit my comments of opposition to the approval of the proposed merger.

Sincerely,

A handwritten signature in black ink that reads "Dean Gentry". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Dean Gentry

P. O. Box 321

St. Maries, Idaho 83861

Case No. AVU-E-17-09

Dean Gentry

Case Comment

Diane Holt

From: Brett@blpi.com
Sent: Thursday, June 28, 2018 10:18 AM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Brett Bennett

Name: Brett Bennett
Case Number: AVU-E-17-09
Email: Brett@blpi.com
Telephone: 2083011449
Address: 1021 Randall Flat Road
Moscow Idaho, 83843

Name of Utility Company: Clearwater Power

Comment: My concern is my family operates 2 sawmills whom both use a considerable amount of inexpensive power and we directly employ 260 people and indirectly employ hundreds more. With Avista being bought out by a out of country company and control over that many dams and power production i feel it will be too easy for electricity prices to go up to offset cost of purchase and that will gravely effect sawmills in region and cause more closures and loss of jobs.

Unique Identifier: 64.126.160.168

Diane Holt

From: lkg_ipipe@yahoo.com
Sent: Thursday, June 28, 2018 11:04 AM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Leroy Gill

Name: Leroy Gill
Case Number: AVU-E_17-09
Email: lkg_ipipe@yahoo.com
Telephone: 2086595679
Address: 6511 N Colfax St
Dalton Gardens Idaho, 83815

Name of Utility Company: Avista

Comment: Since we as consumers have no choice in the company that we buy our natural gas and electricity from , the possible sale of Avista to a Foreign Government is a disaster!! I believe Avista has the wright to sell, but selling to a Foreign entity is not in the best interest's of the Citizens of Idaho.

Unique Identifier: 98.145.133.172

Diane Holt

From: fasterflier@gmail.com
Sent: Thursday, June 28, 2018 11:14 AM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: JACK ABEL

Name: JACK ABEL
Case Number:
Email: fasterflier@gmail.com
Telephone:
Address: 4406 EAST 51ST LANE
SPOKANE WA, 99223

Name of Utility Company: AVISTA

Comment: I AM TOTALLY AGAINST THIS SALE. WHAT IS THE REASON AND ARE THE BENEFITS FOR UTILITY USERS?
I WAS AGAINST THE NAME CHANGE FROM WASHINGTON WATER POWER.
WHAT PREVENTS HYDRO ONE SELLING CONTROLLING INTEREST TO THE CHINESE IN THE FUTURE.
THERE IS NO REASON FOR THIS SALE EXCEPT TO BENEFIT THOSE RECIPIENTS OF THE \$51 MILLION.

Unique Identifier: 73.42.210.159

Diane Holt

From: reestimber@aol.com
Sent: Thursday, June 28, 2018 8:41 AM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Matt Rees

Name: Matt Rees
Case Number: AVU-E-17-09
Email: reestimber@aol.com
Telephone: 5093194190
Address: 5012 E Union ave
Spokane Valley Washington, 99212

Name of Utility Company: Avista
Comment: I Matt Rees as a Avista customer do not support the merger of Avista with a foreign owned company.

Unique Identifier: 98.247.3.93

Diane Holt

From: 2015ybs@earthlink.net
Sent: Wednesday, June 27, 2018 7:26 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: John Samuelson

Name: John Samuelson
Case Number: AVU-E-17-09
Email: 2015ybs@earthlink.net
Telephone: 208.773.4673
Address: 915 East 12th Ave
Post Falls ID, 83854

Name of Utility Company: Avista

Comment: Comment: As a 50+ year Avista consumer (Kenneth Samuelson estate 2 Avista power meters presently and many rentals prior)

I COMPLETELY OPPOSE THE MERGER of
Hydro-One and Avista, there is absolutely NO upside and many downsides to that plan.

Unique Identifier: 207.170.236.210

Diane Holt

From: motorhommie@gmail.com
Sent: Wednesday, June 27, 2018 6:10 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Tim Carson

Name: Tim Carson
Case Number:
Email: motorhommie@ gmail.com
Telephone:
Address: 14007 N Newport Hwy
Mead Wa, 99021

Name of Utility Company: Avost
Comment: Foreign countries should not own our power. The grid is imperative to our security and safety and not to be trusted to out of country sources.

Unique Identifier: 174.216.10.151

Diane Holt

From: Michelle.hadian@gmail.com
Sent: Wednesday, June 27, 2018 6:04 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: michelle hadian

Name: michelle hadian
Case Number: AVU-E-17-09
Email: Michelle.hadian@gmail.com
Telephone: 4253441566
Address: PO BOX 715
Chattaroy WA, 99003-0715

Name of Utility Company: Avista

Comment: Please DO NOT approve the merger!!! WE are in WA State and have Avista, and are extremely concerned about the effects of this merger, if approved.

If approved, Avista would be fully owned by a foreign company which is controlled by the Province of Ontario holding 41% of its shares and maintains control over Hydro One. Hydro One operates under Canadian law and is governed by the Green Energy Act and other energy policies. Avista would be operating under foreign laws if this merger is approved. The founder of Hydro One is Maurice Strong, a declared socialist who was considered the Father of False Global Warming, and was the promoter of Global Governance by the UN, where he was the Energy Program Founder and architect of the Kyoto Protocol.

Unique Identifier: 174.31.199.71

Diane Holt

From: dbramblett@benewahcounty.org
Sent: Wednesday, June 27, 2018 5:37 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Deanna Bramblett

Name: Deanna Bramblett
Case Number: AVU-E-17-09
Email: dbramblett@benewahcounty.org
Telephone: 2082453212
Address: 701 W College Ave Suite 101
St. Maries ID, 83861

Name of Utility Company: Avista Corp

Comment: Benewah County is concerned about the impact that the proposed Hydro One/Avista merger will have on the ownership and control of Avista's dams, particularly the Post Falls dam, lake and river levels, water rights and all of the associated economies.

Since Hydro One and Avista have not addressed these concerns or provided information to the Commission on these issues, the merger application should be denied.

Respectfully,

BENEWAH COUNTY BOARD OF COMMISSIONERS
BY: Deanna Bramblett, clerk

Unique Identifier: 199.253.26.82

Diane Holt

From: denny.lydeen@gmail.com
Sent: Wednesday, June 27, 2018 5:34 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: Dennis Lydeen

Name: Dennis Lydeen
Case Number: AVU-E-17-09
Email: denny.lydeen@gmail.com
Telephone: 2086917418
Address: 2805 N Fruitland Ln
Coeur d Alene Idaho, 83815

Name of Utility Company: Avista utilities

Comment: Please do not sell to Canada Hydro 1 Please keep Avista co as the Power company Don't make it a Monopoly Look what happened to the deregulation of the Phone company's. Keep the moneys in the USA so NO to outside buyout.

Just look at a bigger picture and see what happened in New York and the other Eastern states The big picture of controlling the water ways for power will effect the fisheries and Dams Now we have control the big sellout will only line the pockets of the CEO's and the customers will have to pay more so Please don't let it happen Thankyou

Unique Identifier: 12.54.92.10

Diane Holt

From: james.larned@gmail.com
Sent: Wednesday, June 27, 2018 5:13 PM
To: Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans
Subject: Case Comment Form: James Larned

Name: James Larned
Case Number: AVU-E-17-09
Email: james.larned@gmail.com
Telephone:
Address:
Sandpoint ID, 83864

Name of Utility Company: Avista

Comment: I am adamantly opposed to the proposed sale of Avista to Hydro One. It makes no sense for a foreign company to control our electrical infrastructure and dams. Hydro One also has a horrid track record. This is a horrible deal and will be terrible for Idahoans. Please don't allow this sale.

Unique Identifier: 50.120.67.161

Jeanette Bradley
444 E Dragonfly Drive
Coeur d'Alene, ID 83815

RECEIVED

2018 JUN 28 AM 9:14

IDAHO PUBLIC
UTILITIES COMMISSION

June 25, 2018

Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

RE: Case Comment, AVU-E-17-09 / AVU-G-17-05

To whom it may concern;

I am a current Avista electric and natural gas customer residing in Coeur d'Alene, Idaho and wish to express my concern over the announcement of my utility provider, Avista and the proposed sale of the corporation with Pacific Northwest assets and services provided to me.

Currently, both natural gas and electrical rates charged to home owners like myself; are relative to the wages earned in North Idaho. While we struggle to feed family, pay a mortgage and utility bills to provide heat, water and electric, Idaho does find itself to be on the growing end of population increasing at an alarming rate. As published in the "Inlander" dated January 11, 2018, "Coeur d'Alene is the fastest growing metropolitan area in the fastest growing state in the nation, United States Census Bureau data shows the 11th fastest in the country." Predictions from the Census Bureau predict 51,000 to 81,000 by 2035 in Coeur d'Alene alone. Post Falls, Idaho will surpass Coeur d'Alene's population between the years of 2025 and 2027.

Fleeing other states in favor of North Idaho's (current) low cost of living, in one year (July 2016-2017) Idaho grew 2.2% more than other states in the country, or an increase of 37,000 people.

The increase of people and the demands of basic needs such as electricity, natural gas, and water falls not only to living quarters, but to businesses including schools for the increase in power consumption. There can only be the reality of a growing need in these utility areas.

Growth is not only in the Pacific Northwest, but to the north of us in Canada and to date reports indicate the Canadian deliverance of basic utilities is falling very short to meet with basic need.

Hydro One has 1.3 million "valued" customers in the Ontario area alone. Ontario's government currently owns 47% of Hydro One with full disclosure of the remaining 53% not clearly recognized to the general public.

53% of any business which may be sold at any point in time should be a red flag to our Public Utilities Commission when considering this Avista sale.

While rates remain relatively low (currently) in the Pacific Northwest, the utility rates for customers in Canada have not only continually increased but are driven by availability. A purchase of Avista should adjust and possibly lower Canadian customer's charges; however, studies have proven 25 % of electricity is lost in transit. My concern in regards to the electric source created from Avista being diverted to Canadian usage first, with up sale charges passed back to North Idaho not only increasing rates, but making the availability less to those at the source of creation. With less available, the need will too drive an increase in rates.

Along with the creation of electricity from hydro dams, where are the hiccups with tribal councils, those who actually own the waterways where Avista has placed hydro dams? Are the local councils in agreement with a foreign entity taking over control of ownership for an original local owner?

We have seen US investors value growth of population, while to the North the Canadian investors value dividends, what better way to make a profit, than sell BACK electricity made in the PNW for high dividend yield?

Other areas for this commission to consider are the assets owned by Avista and the shift to foreign control over the assets. There will always be buyers, 53% of Hydro One may or may not be multiple investors looking to only make profit on their investment. This sale could trade hands multiple times, with an increase on cost to the American consumer.

The only givens so far, are the growth coming to Idaho, growth in population, which will drive business and education structure growth. The need is here and my feeling and concern is that this Public Utilities Commission places value on the population here first. The basic need for light, heat, and a means to prepare or store food for consumption in our homes and at a local and/or regional level are very relevant to survival and why we have created councils for oversight and require your involvement at this time.

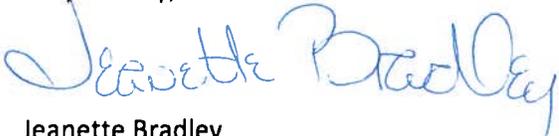
Please consider:

- 1) The assets Avista owns and would be transferred without US control and zero ability to hit reset or undo after a sale.
- 2) The expected growth to our area and the growing need for continued support
- 3) The rate change and realistic increase in rates due to a sale for another country that will place that country's needs first over where the energy is truly created.
- 4) A foreign government owning a large part of the utility company purchasing ownership of assets, and utility creation within our country's boundary.

The decision this commission makes will affect thousands of people for decades to come, and should not be considered only on a monetary basis.

I thank you for your time.

Respectfully,



Jeanette Bradley