

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE JOINT</b>	)	<b>CASE NOS. AVU-E-17-09</b>
<b>APPLICATION OF HYDRO ONE LIMITED</b>	)	<b>AVU-G-17-05</b>
<b>AND AVISTA CORPORATION FOR</b>	)	
<b>APPROVAL OF MERGER AGREEMENT</b>	)	<b>NOTICE OF TECHNICAL</b>
	)	<b>HEARING</b>
	)	
	)	<b>ORDER NO. 34101</b>
	)	

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On July 19, 2017, Avista announced that it had entered into a merger agreement with Hydro One (“Applicants”). On September 14, 2017, the Applicants filed the above captioned joint application for approval of the merger. Approval of the Application would result in Avista becoming a wholly owned subsidiary of a Hydro One holding company. Idaho Forest Group, Clearwater Paper, Idaho Conservation League (ICL), the Community Action Partnership Association of Idaho (CAPAI), and the Washington and Northern Idaho District Council of Laborers (WNIDCL) intervened as parties.

After settlement discussions between the Applicants, the intervenors, and Commission Staff, on April 13, 2018, the Applicants and Commission Staff filed a Motion for Approval of Stipulation. The Motion notified the Commission that all parties had signed a settlement Stipulation to fully resolve the case.

The Commission is not bound by the proposed settlement, but will review it consistent with Commission Rules 271-280 (IDAPA 31.01.01.271 – 280) to determine whether it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

As part of its review process, the Commission issued notice of proposed settlement and set deadlines for interested persons to submit written comments. The Commission also held public hearings in Moscow, Sandpoint, and Coeur d’Alene for Avista’s customers and other interested persons to testify in this case. To date, Commission Staff, CAPAI, and the Idaho Conservation League have filed comments in support of the Stipulation. The Commission has also received about 400 written comments from customers and other interested persons, most of whom oppose the merger. Most recently, on June 27, 2018, the “Avista Customer Group,” which identified itself as “an unincorporated nonprofit association, composed of utility ratepayers, taxpayers and concerned citizens,” filed a petition asking to intervene as a party in the case. *See* Avista Customer Group’s Petition to Intervene. The Commission has not yet ruled on this Petition.

On June 22, 2018, Commission Staff recommended that the Commission schedule a technical hearing for the parties to specifically address the concerns and issues raised in public comments and testimony. These concerns and issues have included, without limitation, concerns about Hydro One being a foreign company that is owned, in part, by the Province of Ontario, Canada; Hydro One's intentions and financial ability; the merger's affect on American waterways, dams, and infrastructure; the "Golden Share" ring-fencing provision in the settlement; this Commission's jurisdiction over Avista after the merger; the ownership of Avista's assets; Canadian laws and regulations being imposed on Avista and its Idaho customers; Avista ratepayer obligations related to Hydro One debt; the merger's impact on Avista's costs to serve customers, and those customers rates; resulting costs of and rates for supplying service after the merger; and if the Company has provided the Commission with sufficient information including the cost allocation methodology for the allocation of costs to Avista and its customers. *See* Comments of Avista Customer Group.

The Commission now finds it appropriate to issue this order scheduling the requested technical hearing.

### **NOTICE OF TECHNICAL HEARING**

YOU ARE HEREBY NOTIFIED that the Commission will convene a technical hearing in this matter on MONDAY, JULY 23, 2018, AT 9:30 AM (MDT) IN THE COMMISSION'S HEARING ROOM, 472 WEST WASHINGTON, BOISE, IDAHO. The purpose of this hearing will be to take the technical evidence of the parties in this matter relating to concerns and issues raised in the public hearings and comments, and whether the proposed settlement is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy, in light of those concerns. The Company, and if they desire the intervenors and Commission Staff, should be prepared to present live direct testimony at the hearing on these issues and the proposed settlement.

YOU ARE FURTHER NOTIFIED that this hearing will be held in a facility that meets the accessibility requirements of the Americans with Disabilities Act. In order to participate, understand testimony and argument at a public hearing, persons needing the help of a sign language interpreter or other assistance may ask the Commission to provide a sign language interpreter or other assistance as required under the Americans with Disabilities Act. The request for assistance

must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, ID 83720-0074  
(208) 334-0338 (TELEPHONE)  
(208) 334-3762 (FAX)

YOU ARE FURTHER NOTIFIED that the Commission is exploring options for making the hearing available online, either through video and audio, or audio only. The Commission will issue a separate notice of how to access the hearing online if and when those details become available.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

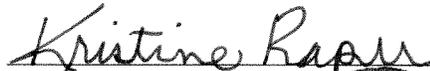
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

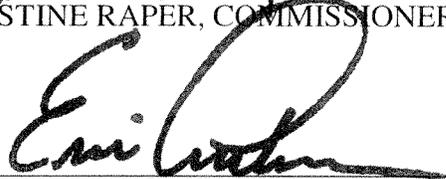
ORDER

IT IS HEREBY ORDERED that the Commission will hold a technical hearing on July 23, 2018, at 9:30 AM (MDT) at the Commission hearing room to address public comments.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3<sup>rd</sup> day of July 2018.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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