

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NOS. AVU-E-17-09
APPLICATION OF HYDRO ONE LIMITED)	AVU-G-17-05
AND AVISTA CORPORATION FOR)	
APPROVAL OF MERGER AGREEMENT)	ORDER NO. 34136
)	

On July 19, 2017, Avista and Hydro One (the “Applicants”) announced they had entered into a merger agreement. On September 14, 2017, the Applicants jointly applied for approval of the merger. Assuming other public utilities’ commissions approve the Applicants similar filings in their states, this Commission’s approval of the Application would result in Avista becoming a wholly owned subsidiary of a Hydro One holding company. The following parties intervened in this case: Idaho Forest Group, Clearwater Paper, Idaho Conservation League, the Community Action Partnership Association of Idaho, the Washington and Northern Idaho District Council of Laborers, an unincorporated nonprofit called Avista Customer Group (ACG), and the Idaho Department of Water Resources (IDWR).

On April 13, 2018, the Applicants and Commission Staff filed a Motion for Approval of Stipulation. The Motion notified the Commission that all parties (except for ACG and IDWR, which had not yet intervened in the case)¹ had signed a settlement Stipulation to fully resolve the case.

As part of its review process, the Commission issued notice of the 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. To date, Commission Staff, Community Action Partnership, 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. On July 3, 2018, the Commission scheduled a July 23, 2018, technical hearing for the parties to specifically address the concerns and issues raised in public comments and testimony.

¹ ACG and IDWR did not intervene until two months after settlement was reached, and they are not parties to the proposed settlement. On July 25, 2018, IDWR reached a separate agreement with the Company regarding subordination of Avista’s Post Falls water rights, and as a result now supports the proposed settlement. ACG opposes the proposed merger.

In mid-July, however, the Commission learned that the Hydro One CEO and board of directors had resigned—apparently removed by the company’s largest shareholder, the province of Ontario, Canada. The management change and the post-settlement intervention of ACG and IDWR led the Commission to vacate the technical hearing, Order No. 34111. The Commission also directed the parties to meet and confer to discuss further case processing after Hydro One named a new CEO and board of directors.

On August 15, 2018, the Applicants reported to the Commission that a new Hydro One board of directors had been named, but that a permanent CEO would not be hired until a later date. The Applicants requested that the Commission direct the parties to meet and confer about re-establishing a case schedule despite the CEO not yet being named. In response, ACG noted the Commission had clearly ordered the parties not to meet until after the board *and* CEO are put in place.

DISCUSSION

The ACG is correct in its literal reading of Commission Order No. 34111. Our order contemplated designation of a board and CEO prior to resetting a procedural schedule. However, at this time, we find that directing the parties to discuss a schedule for further case processing is appropriate to expedite proceedings, and will allow the parties to consider the supplemental proceedings in other jurisdictions when developing a proposed schedule. Once a proposed schedule is developed, Commission Staff shall report the proposed schedule to the Commission.

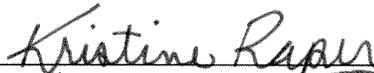
ORDER

IT IS HEREBY ORDERED that the parties meet and confer to develop a proposed schedule, and that Staff report that proposed schedule to the Commission.

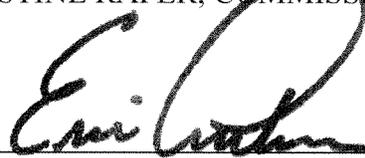
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31
day of August 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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