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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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IN THE MATTER OF THE JOINT	)	
APPLICATION OF HYDRO ONE	)	CASE NO. AVU-E-17-09
LIMITED AND AVISTA CORPORATION	)	AVU-G-17-05
FOR APPROVAL OF MERGER	)	
AGREEMENT	)	<b>FIRST AMENDMENT TO</b>
		<b>STIPULATION AND SETTLEMENT</b>

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This First Amendment to Stipulation and Settlement (hereinafter "First Amendment") is entered into by and among the following parties in this case: Signatories include: Hydro One Limited ("Hydro One"), acting through its indirect, wholly-owned subsidiary Olympus Equity LLC, and Avista Corporation ("Avista") (sometimes hereafter jointly referred to as "Joint Applicants" or the "Companies"), the Staff of the Idaho Public Utilities Commission ("Staff"), Clearwater Paper Corporation ("Clearwater"), Idaho Forest Group, LLC ("Idaho Forest Group"), Idaho Conservation League ("ICL"), the Community Action Partnership Association of Idaho ("CAPAI") and, the Washington and Northern Idaho District Council of Laborers ("WNIDCL"). These entities are collectively referred to as the "Signatories". The Signatories understand this First

Amendment is subject to approval by the Idaho Public Utilities Commission ("IPUC" or the "Commission").

1. On April 13, 2018, all parties (excluding the Idaho Department of Water Resources ("IDWR") and the "Avista Customer Group" ("ACG")<sup>1</sup>) entered into, and filed, a Stipulation and Settlement meant to resolve all issues in this proceeding and recommending approval of the Joint Applicants' Application to exercise substantial influence over Avista (hereinafter referred to as the "merger transaction").

2. Attached to the April 13<sup>th</sup> Stipulation and Settlement as Exhibit A, were a set of agreed-upon commitments, numbering 73 in total, that allowed all parties (excluding IDWR and the ACG, who had not yet intervened), to support the Stipulation and Settlement.

3. Hydro One entered into an agreement with the Province of Ontario dated July 11, 2018 for the purpose of the orderly replacement of the Board of Directors of Hydro One and the retirement of Mayo Schmidt as the chief executive officer (hereinafter referred to as "management changes").

4. The technical hearing previously scheduled for July 23, 2018 was vacated, in light of the news of the management changes.

5. On August 15, 2018, the Joint Applicants notified the Commission that the members of the new Hydro One Board of Directors had been named, and the Joint Applicants requested that the Commission direct the parties to meet and confer about re-establishing a case schedule. On September 10, 2018, the parties met (including ACG and IDWR) and agreed upon a proposed

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<sup>1</sup> IDWR and the ACG were late intervenors in the Case. IDWR petitioned to intervene and was granted intervention on July 20, 2018. The ACG petitioned to intervene and was granted intervention on July 19, 2018.

schedule, which was later approved by the Commission on September 20, 2018, with technical hearings set for November 26, 2018, carrying over to November 27, 2018, if needed.


6. Based on supplemental testimony submitted by the parties, as well as continuing discussions among all parties, the Signatories have reached an agreement on revisions/additions to the commitments originally attached as Exhibit A to the April 13<sup>th</sup> Stipulation and Settlement. These revisions/additions address the impact of the management changes and the potential for Provincial involvement in the affairs of Hydro One and Avista, as well as addressing concerns by the IDWR. These revised commitments are attached as Revised Exhibit A to this First Amendment. This revised list of commitments should supplant, in its entirety, the list of commitments previously attached as Exhibit A to the April 13<sup>th</sup> Stipulation and Settlement. In all other respects, the provisions of the April 13<sup>th</sup> Stipulation and Settlement remain in full force and effect.

7. Revised Exhibit A to this First Amendment consolidates all commitments into final form and is attached. (Staff Witness Carlock is sponsoring as Exhibit 101, this revised set of commitments.)

8. Exhibit B to this First Amendment shows in redlined form the changes that have been made to the original Exhibit A to the April 13<sup>th</sup> Stipulation, for ease of comparison, and is also attached.

DATED this 14<sup>th</sup> day of November, 2018.

**HYDRO ONE LIMITED**

By:   
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Kari Vander Stoep, Partner, K&L Gates LLP  
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**CLEARWATER PAPER CORPORATION**

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Attorneys for Clearwater Paper

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**IDAHO CONSERVATION LEAGUE**

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Benjamin Otto  
Idaho Conservation League


**WASHINGTON AND NORTHERN IDAHO DISTRICT COUNCIL OF LABORERS**

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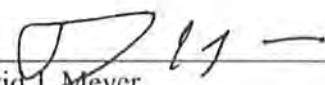
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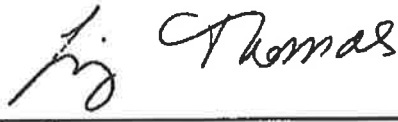
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