

Docket No. U-170970 - Vol. II

**In the Matter of Hydro One Limited and Avista
Corporation**

April 23, 2018



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint
Application of:

DOCKET NO. U-170970

HYDRO ONE LIMITED (acting
through its indirect subsidiary,
Olympus Equity, LLC)

and

AVISTA CORPORATION,

for an Order Authorizing
Proposed Transaction

PUBLIC HEARING, SPOKANE VALLEY, WASHINGTON
VOLUME II

Pages 58-141

BE IT REMEMBERED that on the 23rd day of
April 2018, at the hour of 1:01 p.m., the public hearing in
the above-referenced matter was taken at the request of the
Utilities and Transportation Commission before Caryn E.
Winters, CRR, RPR, CCR, CSR, Washington CCR No. 2496, Idaho
CSR No. 237, at Spokane Valley City Hall, 10210 East Sprague
Avenue, Spokane Valley, Washington.

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1 A P P E A R A N C E S:

2

UTILITIES AND TRANSPORTATION COMMISSION

3 By: Chairman David Danner
Commissioner Jay Balasbas
4 Commissioner Ann Rendahl
Regulatory Analyst Andrew Roberts

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1 SPOKANE VALLEY, WASHINGTON

2 APRIL, 23, 2018, 1:01 P.M.

3 P R O C E E D I N G S

4 CHAIRMAN DANNER: Good afternoon, everyone.

5 We are here this afternoon to hear public comments on the
6 proposed merger of Hydro One and Avista that was filed. The
7 proposal was filed with the Utilities and Transportation
8 Commission on September 14th, 2017.

9 The applicants assert that Avista's customers
10 will benefit from being part of a larger organization due to
11 the proposed merger, and they state that the proposed merger
12 will preserve Avista's local control, employee and
13 management teams, and its commitment to community
14 involvement.

15 For Hydro One, the proposed merger with Avista
16 achieves its goal of expanding into the U.S. Pacific
17 Northwest and diversifying operations, including natural gas
18 distribution and electric generation.

19 This is docket UE-170970, and I'm Dave Danner.
20 I'm the chair of the Utilities and Transportation
21 Commission, and I'm joined by my colleagues, Commissioner
22 Ann Rendahl and Commissioner Jay Balasbas.

23 So our purpose this afternoon is to hear your
24 comments on the proposal. There is a fact sheet that was
25 put out by the Attorney General's Office, the Public Counsel

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1 Unit.

2 We're here this afternoon to hear what your
3 comments are. This is not an opportunity for you to engage
4 us in discussion. Any questions you ask of us we will deem
5 to be rhetorical and will not respond.

6 However, Lisa Gafken, who is the state's
7 consumer advocate and public counsel, is in the audience.

8 Lisa, would you raise your hand? Okay.

9 And also representatives of the company are
10 also here, so if you have specific questions about the
11 merger, maybe you can catch them and discuss it with them.

12 But this is not --

13 We're asking you not to engage us in any kind
14 of discussion of that nature. Instead, this is going to be
15 a little more one-sided. We want to hear what you have to
16 say.

17 So with that, I do want to say that this is a
18 merger that's being -- proposed merger that is before the
19 Utilities Commission. It's an adjudication, which means
20 that we, the commissioners, act as judges and that the
21 parties to the case are really formal parties to the
22 adjudication.

23 And there are several parties. They are the
24 Avista-Hydro One, the commission staff, which is a separate
25 party. And, actually, we as the commissioners cannot talk

1 to them about this case during the pendency of the
2 proceeding. The Public Counsel's Unit of the Attorney
3 General's Office, the Alliance of Western Energy Customers,
4 which represents large electric and natural gas customers,
5 Northwest Energy Coalition, the Natural Resources Defense
6 Council, Renewable Northwest, and the Sierra Club, as well
7 as the Washington/Northern Idaho District Council of
8 Laborers. So all of those parties have been involved.

9 Oh, and the Energy Project, which looks out
10 for low income consumers.

11 These parties have reached a settlement in
12 this proceeding, and they submitted that with the commission
13 on March 27th, 2018, and we have received the testimony in
14 support of that. The commission must approve the settlement
15 before this merger becomes effective, or we must --

16 Otherwise, we can reject or modify the
17 settlement. But basically this case is before us in a
18 formal process, and we will be making a decision later this
19 year.

20 Again, the fact sheet from Public Counsel lays
21 out the particulars of the settlement, so we go over it
22 here.

23 But unless my colleagues have anything
24 additional to add, I think we're ready to begin.

25 We have several people signed up to provide

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1 their comments, and we really appreciate you coming out on a
2 sunny afternoon when there could be other things to be
3 occupying your time.

4 But I would ask, because we have so many
5 people, please keep your remarks as brief as you can. And
6 if you have written comments that you'd like to submit, we
7 will make them part of the record.

8 It would be probably better to have you simply
9 summarize your written materials as opposed to read them
10 verbatim.

11 So with that, let's begin. I'll just start at
12 the beginning of page one of the sign-in sheet.

13 So, Jim LeTellier, would you come forward?

14 And then as well, Pauline Druffel and Steve
15 Corker?

16 Okay. Mr. LeTellier, go ahead.

17 MR. LeTELLIER: I'm Jim LeTellier. I live in
18 Liberty Lake.

19 I'm here to tell you that I support this
20 merger. I think that the Attorney General's Office and the
21 staff of the commission has done a great job here.

22 This document was written with input from
23 commission staff, Washington Attorney General staff, Avista,
24 Hydro One, industrial customers, environmental groups, and
25 union reps.

1 Things that I like about this was the Colstrip
2 depreciation. They moved that debt up 10 years on that from
3 2037 to 2027, which represents a huge pay down.

4 There were no ratepayer funding involved in
5 this, and so this is a savings for ratepayers. I found this
6 agreement to be very ratepayer friendly.

7 Hydro One will also commit three million
8 dollars of shareholder money to assist workers in the
9 Colstrip community in the transition away from this coal
10 fired generation plant.

11 I was encouraged by low income assistance.
12 Avista will continue to work with low income agencies on low
13 income issues, including bill payment assistance. It will
14 also provide four million dollars over and above existing
15 funding for low income weatherization.

16 Hydro One will also provide five million
17 dollars to fund renewable energy projects to benefit low
18 income customers, including site portable pay equipment and
19 community solar projects.

20 They're also committed to transport
21 electrification, working with small business owners towards
22 equipment for that, and vehicle charging equipment. And,
23 again, minimize -- implement incentives to minimize or fully
24 eliminate the cost of equipment to customers.

25 There are four points I'd like to make that I

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1 think need to be addressed going forward.

2 One is that Avista and Hydro One cannot
3 allocate any ratepayer money toward the operating this
4 Colstrip coal fired electric generation plant past 2025.
5 This date of 2027 represents the useful life of this plant,
6 and this 2025 date, I would like to see that there's no more
7 ratepayer money involved.

8 We hear arguments all the time that renewable
9 energy cannot compete with coal on a cost basis. However,
10 NorthWestern Energy, one of Avista's partners in this coal
11 fired electrical plant, has recently signed a 15-year
12 contract with the South Peak wind farm near Geysers, Montana,
13 and they're going to pay 23 dollars and three cents per
14 megawatt hour for their energy.

15 NorthWestern Energy currently pays about 60
16 dollars a megawatt hour for their share of Colstrip power.

17 The cost effectiveness of coal as a source of
18 energy continues to decline, and the maintenance and
19 operating expenses of this Colstrip plant continue to rise.

20 Avista ratepayers cannot be expected to bear
21 the burden of propping up this aging, obsolete generation
22 plant. In short, this plant has gone from being an asset to
23 a liability.

24 Avista and Hydro One have not agreed to set a
25 date for the closure of this. They will only agree to

1 accelerate a depreciation schedule of the plant to 2027 from
2 2037.

3 This depreciation schedule assumes a remaining
4 useful life of generators 3 and 4 through December 31st of
5 2027. But Avista and Hydro One have not committed to
6 retiring the plant on that date, and they must set a date to
7 plan towards this closure. This takes years of planning,
8 and there's a lot of people involved.

9 The area around the Colstrip plant is an
10 ecological disaster. There's 800 acres of leaking ash ponds
11 that have created a toxic underground plume that has
12 contaminated thousands of acres of the ground water.

13 People that are raised in the city probably
14 can't get a scope of this acreage, but anybody that was
15 raised on a ranch or a farm can see how big this area is.
16 It is completely contaminated, the ground water, with these
17 heavy metals from these ash ponds. They currently pump
18 water 30 miles -- a little over 30 miles from the
19 Yellowstone River to get water to the town of Colstrip.

20 One other thing. I think --

21 Well, wait, I'm not quite done with number
22 three here.

23 CHAIRMAN DANNER: Okay. Just in the interest
24 of making sure we hear everybody, make that fast.

25 MR. LeTELLIER: Okay.

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1 I go to one other thing. The Colstrip
2 generation plant partners own approximately 300 lines of
3 transmission infrastructure. They intersect with BP
4 transmission lines in Townsend, Montana. That represents
5 for Avista about 200 megawatts of transmission rights from
6 Montana to Washington.

7 It's a tremendously valuable asset, and Avista
8 must develop some kind of energy resources, hopefully
9 renewable resources, to replace this Colstrip power
10 currently using these transmission rights.

11 And, again, I'd like to say that I strongly
12 encourage this merger. I think it's very, very ratepayer
13 friendly. And I hope that we can address these four points
14 going forward maybe in the hierarchy.

15 CHAIRMAN DANNER: Thank you. Did you want to
16 put your written remarks in the record?

17 MR. LeTELLIER: Oh, I don't have them very
18 organized. She's getting them all.

19 CHAIRMAN DANNER: Thank you.

20 Pauline Druffel, please. And, Mr. Corker, do
21 you want to come forward as well?

22 Go ahead.

23 MS. DRUFFEL: Thank you, Utilities
24 commissioners, for coming to Spokane so we can give you our
25 perspectives on this potential merger of Avista and Hydro

1 One.

2 In general, I am open to that merger, but I do
3 have some concerns related to Avista's partial ownership of
4 the coal burning Colstrip power plant in Montana.

5 This plant is largely -- is the largest
6 greenhouse gas emitter in the western United States, thereby
7 adding to global warming, which affects all of us, and
8 causes climate change.

9 Locally we experience that warming in more
10 forest fires in the summertime. Acres of timber, as well as
11 some communities, have gone up in smoke. The smoke and ash
12 also damages our lungs here in Spokane.

13 Coal ash ponds --

14 CHAIRMAN DANNER: Miss Druffel, could you
15 speak into the microphone?

16 MS. DRUFFEL: I'm sorry. So you can't hear
17 me?

18 CHAIRMAN DANNER: Oh, we can hear you. We
19 just want to make sure we're getting it into the record.
20 We're getting a transcript.

21 COMMISSIONER RENDAHL: Pull it closer.

22 CHAIRMAN DANNER: There you go.

23 MS. DRUFFEL: Thank you.

24 Okay. Coal ash ponds are another pollution
25 issue, which Jim just spoke about, that should have been

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1 prevented in the beginning, from the beginning. 800 acres
2 of ponds are now leaking toxic chemicals from the coal ash
3 into the surrounding area.

4 Regulations had required the ponds be lined,
5 but for some reason Colstrip chose not to and bypassed those
6 safety measures. As a result, the local ground water is
7 contaminated and dangerous to drink. The area ranchers --

8 Well, and Jim just mentioned that for the
9 residents of Colstrip water is gotten from, I think he said,
10 the Yellowstone River.

11 Area ranchers and their livestock, though, are
12 suffering if they're dependent on the creeks and other --
13 which they have been using for the livestock for hundreds of
14 -- a hundred years at least. This --

15 And the same must also be true for wildlife in
16 that area because it also could be dangerous for them to be
17 drinking from that water in those creeks.

18 I'm eager for Avista to relinquish ownership
19 of that aging, polluting power plant, but I expect them to
20 clean up their share of the damage to air and water before
21 or while merging with Hydro One.

22 I've read in your background information that
23 Avista and Hydro One agreed to set aside three million
24 dollars from shareholders to fund community development in
25 Colstrip, Montana. I don't know what all is included in

1 that, but I applaud that that money is there. But I also
2 hope that it will include clean up of the air and water
3 pollution, as well as remediation of the damage that's been
4 caused already to health, as well as property value. That
5 seems only fair.

6 The shareholders benefited over these many
7 years, while major costs of burning the coal were
8 externalized onto the people in the Colstrip area. They
9 suffer loss of health and of property value because of the
10 pollution. The sooner such clean up can happen, the better
11 it will be for the people living there, although I would
12 expect it to cost more like 300 million dollars.

13 Many of us here in Spokane and elsewhere have
14 been seeing this as an issue of justice and have been urging
15 Avista to push for change, and I hope that it will come now.
16 Thank you.

17 CHAIRMAN DANNER: Thank you very much.

18 Mr. Corker?

19 MR. CORKER: Thank you for the opportunity. I
20 am speaking here really with two hats on. One as a former
21 two-term city council member of the city of Spokane, but
22 I've been asked today on behalf of the Spokane Symphony to
23 come and speak to you on the concern of the issues of
24 community involvement on the part of the utility and its
25 history as it relates to the city of Spokane.

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1 I moved here in 1970 and watched the
2 transition from a local resource entity, Washington Water
3 Power, to a U.S. regional Avista type of power, and now
4 observing the opportunity for an international corporation
5 to take over.

6 Washington Water Power had a tremendous
7 history of community involvement, civic, political community
8 service, and there was a slight diminishing of that type of
9 commitment that came with the regionalization. And I have a
10 concern that as this becomes an international corporation
11 that that commitment that this local utility made to the
12 community, to the civic life, will be diminished.

13 And this is my concern: That oftentimes big
14 is not necessarily better, and once these giant corporations
15 start taking over the lives of the employees and the
16 commitment that comes from the activities that result from
17 the resources generated from the ratepayers that there will
18 be a diminishing of that commitment that historically this
19 utility has had to the city of Spokane, to the Valley, and
20 to this particular region.

21 I share that concern and am just saying that
22 oftentimes the economic issues should not be the dominant
23 issue that goes into a decision of a merger of this type but
24 the impact that it has on the region it directly serves.

25 Thank you.

1 CHAIRMAN DANNER: All right. Thank you. Sir.

2 All right. So I'd like to call up the next
3 three and ask you all to come forward.

4 Lawrence Luton.

5 John O'Leary, you said maybe. Do you want to
6 come forward?

7 MR. O'LEARY: Not yet.

8 CHAIRMAN DANNER: Well, this might be your
9 only shot. I'm not sure we're going back on the list. So I
10 will pass you for now.

11 Mike Brown and Tom Horne.

12 Why don't you go ahead?

13 MR. LUTON: Good afternoon. My name is Larry
14 Luton. I live in Spokane, Washington, and I came to speak
15 in favor of the proposed merger of Avista and Hydro One.

16 Because one of my main concerns is what we can
17 do to reduce or mitigate the impacts upon the -- of climate
18 change, I'm particularly pleased that this sale involves
19 ending Avista's use of coal-fired energy from the Colstrip
20 plant in 2027.

21 I hope that upon further examination Hydro One
22 will decide that Colstrip can be taken out of the mix
23 earlier than 2027. This afternoon would be okay by me.

24 I also applaud the commitments made to
25 renewable energy, low income assistance, electric vehicle

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1 charging stations, and home energy outlets.

2 There are, however, some items that the
3 commission needs to address.

4 Avista and Hydro One have not agreed to set a
5 closure date for the Colstrip plant. They need to set a
6 date. Avista and Hydro One need to contribute adequately to
7 a designated fund for environmental clean up and
8 remediation, including plant decommissioning and demolition.

9 Any electrical transmission rights that are
10 reserved for coal-powered electricity need to be amended to
11 prioritize electricity generated using renewable resources
12 such as wind or solar.

13 Climate change is here, and more is coming.
14 We need to take action to reduce its impacts now. The
15 sooner we end our dependence on coal and other fossil fuels,
16 the better. Thank you.

17 CHAIRMAN DANNER: All right. Thank you, sir.

18 All right. Mr. Brown?

19 MR. BROWN: Hi. My name is Mike Brown. I'm
20 the assistant business manager for Local 77 of the
21 International Brotherhood of Electrical Workers. Our main
22 office is based out of Seatac, Washington. We have
23 satellite offices in Kennewick, Washington, and Spokane,
24 Washington.

25 Currently we represent about 650 workers for

1 Avista Utilities. Those range anywhere from journeymen
2 linemen to hydro operators, hydro mechanics, electricians,
3 warehouse facilities, and also gas workers, main fitters,
4 and gas servicemen, gas metermen.

5 And what I want to speak on today is the
6 opposition to the agreement between Avista Corporation and
7 Washington and Northern Idaho District Council of Laborers.

8 We've been representing gas workers for Avista
9 since the late 1950s, and we've got a joint apprenticeship
10 training committee, so apprenticeships have been with the
11 company since 1949. And those apprenticeships are
12 registered through the Department of Labor of the United
13 States, and three of those 11 apprenticeships are in the gas
14 industry.

15 We have a high value in the training in the
16 apprenticeship -- within apprenticeships. Apprenticeships
17 give workers the advantage of having on-the-job training for
18 a period of time to make a skilled work force. And with
19 that, having established programs and apprenticeships can
20 provide good education, on-the-job training, and the
21 credentials of skilled workers that are beneficial to the
22 consumer, to the public, and to the commission.

23 We have evidence and testimony to the quality
24 of work being performed by contractors to Avista.
25 Therefore, this agreement of the level of training received

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1 by other entities without the time spent in accredited
2 apprenticeship and on-the-job training becomes a safety
3 concern to the consumer, to the public, and to the employees
4 of Avista Utilities.

5 Employees of Avista and IBEW's members, and
6 the employees of contractors, can be compromised if adequate
7 training and on-the-job experience is not provided.

8 WNIDCL may argue that employees working on gas
9 pipeline infrastructure must be operator qualified in
10 accordance with the Pipeline Hazardous Materials and Safety
11 Administration, and that their employees are qualified.

12 Although this may be true to an extent, there
13 is also evidence to show that contractors for Avista
14 Utilities have not met the requirements set forth by PHMSA.

15 The definitions of these types of
16 qualifications and types of tasks needed to be qualified are
17 clearly outlined within the regulations of PHMSA.

18 The safe maintenance of gas pipeline
19 infrastructure requires work performed by various crafts,
20 including pipefitters, operating engineers, electricians,
21 and laborers. For the laborers to have leveraged their own
22 separate deal negotiated in secret with the exclusion of all
23 other crafts --

24 REPORTER: Excuse me. Could you slow down in
25 your reading?

1 MR. BROWN: Sorry about that.

2 With the exclusion of all other crafts that
3 are involved in the work is pure opportunism and does not
4 serve the public well.

5 While the laborers want this agreement for
6 their own benefit, the agreement does not benefit the public
7 or ratepayers. Instead, the agreement has the potential to
8 exclude trades that traditionally performed important work
9 related to gas pipeline infrastructure and to require the
10 use of laborers to perform work that's not historically
11 performed by their trade.

12 The commission should not let their process be
13 hijacked by an opportunistic labor organization. A contrary
14 outcome will result in other labor organizations engaging in
15 similar tactics in future matters before the commission.

16 Through this public statement, IBEW Local 77
17 asks the WUTC to reconsider its approval of the mentioned
18 docket. The agreement between Avista Corporation and WNIDCL
19 is not beneficial to the integrity of the infrastructure of
20 Avista's system, the consumer, the public, or any worker
21 involved. Thank you.

22 CHAIRMAN DANNER: Thank you. Now, do you have
23 written remarks that you would like to have made part of the
24 record?

25 MR. BROWN: Right here.

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1 CHAIRMAN DANNER: So would you hand those to
2 Mr. Roberts over there?

3 I do want to just clarify something. You said
4 that the UTC should reconsider its support. The UTC, the
5 three of us, have not made any decision in this proceeding,
6 nor will we.

7 The UTC staff is separate, and they have
8 signed onto the proposed settlement.

9 So just want to clarify that.

10 MR. BROWN: Okay. Thank you.

11 CHAIRMAN DANNER: Mr. Horne?

12 MR. HORNE: Thank you for this opportunity.

13 My name's Tom Horne. I live in Nine Mile
14 Falls. I've been an Avista customer for 41 years now, and I
15 think we need to take a very long view on this change.

16 These short-term sweeteners, they're not going
17 to last 41 years. We ought to be thinking in that time
18 frame. This is a capitalist country, free enterprise and
19 competition, animated by the profit motive that made us
20 prosperous.

21 Hydro One is controlled by a political entity,
22 the Canadian province of Ontario, which owns 49.9 percent of
23 it. The rest of the ownership is diverse. So Ontario is
24 going to be the driving force behind this company.

25 I've got three problems with that. Hydro

1 One's not constrained by the profit motive in the purchase
2 of Avista. They're backed by the assets of the taxpayers of
3 Ontario.

4 Presumably, if there was some other competitor
5 wanting to purchase Avista, they couldn't compete with that.
6 That's a --

7 The purchase is fundamentally anti-free
8 enterprise and anti-capitalist.

9 Normally a purchase is made to benefit the
10 purchaser. In this case, the province of Ontario. I don't
11 live in Ontario. I don't care to benefit the province of
12 Ontario. I don't care to subsidize the ratepayers of the
13 province of Ontario.

14 The other problem is that Hydro One is not
15 constrained by the profit motive in the operation of Avista.
16 They can operate Avista with political motives. They could
17 follow a radical green agenda, using Avista to somehow
18 fulfill Ontario's green energy political agenda.

19 They can operate Avista as a market for wind
20 and solar-generating equipment that would not be economic
21 without mandates and subsidies. That's milking the
22 ratepayers and the taxpayers of this country.

23 So that's all I got to say about it. I hope
24 you think this thing through seriously. I'm sure you will.
25 But this is not the way business should --

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1 A business in this country should not have to
2 compete with an enterprise owned by somebody whose first
3 name is prince or whose major stockholder is a province, a
4 government province. Thank you.

5 CHAIRMAN DANNER: All right. Thank you, sir.

6 All right. I'd like to call the next panel.

7 Larry Blanchard, Brian Henning, and George
8 McGrath, please come forward.

9 Go ahead, sir.

10 MR. BLANCARD: I'd just like to say that I'm
11 opposed to the merger for a couple of reasons.

12 CHAIRMAN DANNER: And you're Mr. Blanchard?

13 MR. BLANCHARD: Larry Blanchard, yes. Sorry
14 about that. I live in Spokane Valley.

15 I don't like the idea of being owned by an
16 international company. Right now we've got very good
17 relations with Canada, and I see no aspect that that's going
18 to change in the near future, but it's always a possibility.

19 Secondly, even if it never changes, sooner or
20 later there's going to be a resource allocation problem
21 where a company has got to make a decision between Canadian
22 ratepayers and U.S. ratepayers. And as a Canadian-owned
23 company they're going to decide in favor of the Canadians,
24 and they should. You know, that's what they're there for.

25 But for those two reasons I'm leery about that

1 sort of international influence. I'm old enough to remember
2 when most utilities were owned by the local government, you
3 know. And I'm sorry that changed, but that ship has sailed.

4 So for those reasons I'm opposed. Thank you.

5 CHAIRMAN DANNER: All right. Thank you, sir.

6 MR. HENNING: Good afternoon. My name is
7 Brian Henning. I'm a local ratepayer in Spokane and
8 professor of philosophy and environmental studies at Gonzaga
9 University.

10 I'm here to speak in favor of the settlement
11 agreement being reached between Avista and Hydro One.

12 I submitted my comments in writing, so I'll
13 focus on a couple of brief points.

14 My primary concern has to do with the
15 environment, and climate change in particular. If we take
16 the science seriously, and we're going to address climate
17 change and meet our Climate Agreement commitments, we need
18 to keep 80 percent of fossil fuels in the ground. So we
19 need to look for every opportunity that we can to transition
20 from dirtier forms of energy to cleaner forms.

21 In this particular case with this settlement,
22 there are a lot of very positive things that are being moved
23 toward. Moving from the 2037 to 2027 for retiring the coal
24 plant is an excellent decision and a very positive aspect of
25 the settlement.

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1 I would just ask that we use this opportunity
2 to encourage Avista and Hydro One to commit to a time to
3 retiring this plant so that ratepayers don't have the
4 possibility of propping up a dying form of energy,
5 specifically the Colstrip coal-fired plant.

6 My second comment has to do with the legacy
7 that that plant leaves not only as the largest source of
8 carbon pollution in the western United States, and that
9 we've been benefiting from in terms of the electricity rates
10 here for many decades. We've had low rates, and we've
11 benefited from that electricity, but in the long-term the
12 people, the locals, will disproportionately suffer from the
13 long-term consequences of that plant, not only in terms of
14 water pollution but the failure to have sufficient funding
15 set aside for just transition.

16 So there are two specific issues there. The
17 three million dollars that is being agreed to to set aside
18 to help with just transition doesn't to me seem sufficiently
19 large to account for the fact that this is the primary
20 source of income for many people, especially the -- many of
21 the people on the Crow indian reservation.

22 And, secondly, at least of my reading of this
23 agreement, is that there's no money set aside for the clean
24 up of the area of the site. And that is particularly unjust
25 because that means that the -- that locals will suffer for

1 many decades with a very dirty site, and then ultimately
2 federal taxpayers will have to clean up that.

3 As Marie Cantwell suggested just recently, we
4 need to end the practice of self-bonding these coal
5 companies and require the companies who have benefited
6 financially to have to pay to clean up the environment after
7 they've left. Thank you.

8 CHAIRMAN DANNER: Thank you, sir.

9 Mr. McGrath?

10 MR. McGRATH: Good afternoon. My name's
11 George McGrath, and I'm a Spokane native.

12 I do want to express my appreciation for you
13 showing up here to listen to the people of Spokane, or the
14 Spokane area anyway. I believe we've got some people in
15 here from Montana also who are giving you their opinions on
16 this.

17 Unfortunately, many of their opinions are very
18 emotional. They're not realistic. They're not thought
19 through.

20 If any of you were watching when the United
21 States got rid of its manufacturing, and you saw the rust
22 belts that occurred like Detroit, Michigan, you see what can
23 happen with poor and improper planning by a giant
24 organization, which is what happened with the auto industry
25 in this country, and the steel industry.

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1 Now, the idea of the rate system here being,
2 you know, a benefit by replacing that nasty old coal
3 industry, which has generated electricity for many, many,
4 many years --

5 And it happens to be a resource that we have a
6 gigantic supply of, the idea of coal. We've got something
7 like two or 300 years' worth of coal in the ground, and this
8 is generating the electricity quite realistically, quite
9 reasonably for we, the ratepayers.

10 The other one is we're going to take a look at
11 getting rid of hydro by eliminating dams. Now, that's
12 almost as smart as hitting yourself on the thumb with a
13 hammer and then continuing to do it to see if it really
14 hurts.

15 Now, the idea that the wind and solar can
16 replace the natural resources that we're using is totally
17 asinine. Wind is something in the neighborhood of 104 times
18 more costly to produce a kilowatt hour of electricity than
19 what the hydro is. And even the coal is more costly than
20 what the hydro is.

21 So here we've got those three, plus we also
22 have nuclear energy that is being used to produce
23 electrical.

24 And as I read or heard recently, if Hydro One
25 is doing such a wonderful job in Ontario, why is it that a

1 great many of the ratepayers, at least in the urban areas,
2 are having to decide whether they're going to heat their
3 homes in the bitter cold of winter or have food on their
4 table? That is how badly Ontario has messed with the rates
5 of the taxpayer -- or, the customers of their electrical
6 system.

7 Now, if Hydro One can continue to guarantee me
8 that my rate per kilowatt hour for the first 800 hours of
9 usage will be .0814 cents per kilowatt hour, I'll say, hey,
10 maybe they are talking truthful. But I don't believe it.

11 Every time you see any type of business
12 grabbing, buying, purchasing another one, it's for one
13 reason. Profit. That is the bottom line, and that's what
14 they're looking for.

15 And whenever you look at what they're going to
16 give you, where does it come from? Not from their pockets.
17 It's from the pockets of the people who are the actual
18 customers. Or if it's the government, it's the taxpayers'
19 money being given back to them but first taken from those
20 people.

21 So as far as I'm concerned, this has all of
22 the actual charm of a pile of cow manure out in the field.
23 Thank you.

24 CHAIRMAN DANNER: Okay.

25 The next panel, Steven Peters, David Randall,

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1 and -- I can't read your writing. Michael Bell? Is that
2 correct?

3 Go ahead, sir.

4 MR. PETERS: Good day. My name is Steven
5 Peters. I live here in the beautiful metropolis of
6 Millwood, Washington, which is surrounded by Spokane Valley.

7 I've lived here all my life and have been an
8 Avista customer, a Washington Water Power customer. And
9 after listening to some of the comments today, most of my
10 questions, my comments have already been placed.

11 The only comment that I would have is I'm
12 concerned about the rates and I'm concerned about the supply
13 of gas from the northern fields, which would be principal
14 and in control of the company that proposes to buy Avista.
15 And I would like to hear more testimony to see what people
16 really feel about this.

17 And that would be my comment. Thank you.

18 CHAIRMAN DANNER: All right. Thank you, sir.

19 Go ahead.

20 MR. RANDALL: Hello. My name's Dave Randall,
21 and I live in Spokane.

22 I'm not here to either approve or disapprove
23 of the merger. I'm here to offer a third alternative and to
24 explain that there are two main reasons that -- two main
25 issues that must be addressed in the decision to approve the

1 sale of Avista.

2 One, and most important, is protecting the
3 environment, and, two, protecting the ratepayers from the
4 cost of clean up of the Colstrip plant.

5 Yesterday I watched a very depressing
6 documentary called Chasing Coal. Because of human-caused
7 climate change, coral reefs are dying all around the world,
8 and all coral reefs may be forever dead within 30 years.

9 In September 2017 the Scripps Institute of
10 Oceanography released a scientific study indicating there is
11 a one-in-20 chance that by the year 2050 there will be a
12 catastrophic climate change that humans will not be able to
13 adapt to, and because of that, by the year 2100 there will
14 be no humans alive on the planet. That's a five-percent
15 chance that in 80 years all human life will be dead.

16 This may happen due to CO2 omissions released
17 by plants like the Colstrip coal-fired generator, which must
18 be shut down immediately.

19 I believe these two issues can best be
20 addressed in terms of Avista by citizens reclaiming our
21 public utilities and making Avista a publicly owned utility.
22 This can be accomplished by exerting the right of eminent
23 domain over this as a public necessity.

24 Selling public utilities is insanity, and we
25 have to take the profit motive out of energy generation. If

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1 we do this, all of our utility rates will go down. Thank
2 you.

3 Oh, and I have a copy of the summary of the
4 Scripps Institute that I'll leave over there that you can
5 read.

6 CHAIRMAN DANNER: All right. You should put
7 your name on that so that we will incorporate it by
8 reference with your comments.

9 MR. RANDALL: Okay. Thank you.

10 CHAIRMAN DANNER: All right. Thank you, sir.
11 Okay. Go ahead, sir.

12 MR. BELL: I am Mike Bell. I'm a resident of
13 Spokane, retired CPA.

14 I'm opposed to the merger between Hydro One
15 and Avista. I see that we've got nothing to gain and
16 potentially a lot to lose through this merger.

17 One of the benefits that was mentioned by the
18 chairman initially was local control. We already have local
19 control, and having a Canadian company acquire Avista is not
20 going to improve that, and, in fact, there's a good chance
21 it will reduce it.

22 We also talk about the benefits to customers.
23 In the last 35 years the U.S. has had thousands of mergers
24 of corporations becoming bigger corporations, and each time
25 they promise that ratepayers and customers will benefit from

1 this, and each time we see the costs go up, the prices go
2 up, and the corporations become more profitable, and we've
3 never actually seen those promises maintained.

4 With this merger you provide the opportunity
5 for a large corporation to shuffle costs between districts
6 or jurisdictions in an effort to manipulate the cost numbers
7 to allow the rate commission to see numbers that they want
8 to see, that allow rates to be jacked up using artificially
9 inflated cost figures.

10 The large corporations can very easily shuffle
11 costs around their geographic locations to benefit their own
12 operations and pretty much manipulate the figures that are
13 presented to the rate commissions.

14 The other thing that we've heard is all of the
15 benefits that this merger is going to provide to the local
16 customers of Avista. And my question is, which of those
17 benefits can't be provided by Avista on its own? It's got
18 the resources. It's got the profitability. It's got the
19 bottom line. It's got everything it needs to do everything
20 that's on the list of things that Hydro One has promised to
21 do.

22 And I appreciate Hydro One presenting that
23 list of things that they want to do because that would be a
24 great list for Avista to pursue. And I appreciate all of
25 them, but there's no need for Hydro One to be the catalyst

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1 for those changes. Avista can do it all by itself.

2 And so, again, my comments are that I'm
3 opposed to the merger. I see nothing to gain by this
4 merger, and potentially a lot to lose. Thank you.

5 CHAIRMAN DANNER: All right. Thank you, sir.

6 The next panel. Margaret Herzog.

7 Dorothy Ochsner, did you decide -- you said
8 you didn't know if you wanted to speak or not. Have you
9 decided?

10 MS. OCHSNER: No, I have nothing to say.

11 CHAIRMAN DANNER: And, Steve Busch, you didn't
12 indicate whether you wanted to speak or not. Do you wish to
13 go forward?

14 MR. BUSCH: Yes.

15 CHAIRMAN DANNER: All right.

16 Go ahead.

17 MS. HERZOG: Thank you. I'm Margaret Herzog.
18 I live in the city of Spokane.

19 Hydro One hopes to acquire all outstanding
20 common stock of Avista. Avista then will be wholly owned by
21 Olympus Energy, LLC, which is a wholly owned subsidiary of
22 Hydro One. The combined company headquarters will be based
23 in Toronto.

24 Of interest to me was the electrical
25 generation of both companies, and I've got the papers here

1 for you to look at too. But for the sake of those that
2 don't see this, particularly since Hydro One has a Canadian
3 five year climate change action plan that calls for
4 customers -- their customers to pay up to 157 dollars in
5 monthly utility charges starting 2020.

6 Further, Hydro One's electricity costs are the
7 highest in North America.

8 And I'd like to comment that I'm not pulling
9 this out of anywhere. All the facts in this presentation
10 were gleaned from business journals, news articles, company
11 information, notices to their ratepayers, public records, as
12 well as website research.

13 As far as Hydro One's electricity, 58 percent
14 of their electricity comes from nuclear energy. Avista's
15 electricity generation has 48 percent hydro.

16 Also note that the Ontario provincial
17 government is the largest shareholder of Hydro One stocks.
18 I believe someone else mentioned that, but I think it's
19 important.

20 Returning to the hydro nuclear electricity
21 production, please consider these factors. Its nuclear
22 power, which is 58 percent of its production, is a
23 nonrenewable resource, and remember it is obliged to
24 Canadian green laws. At some point that plant must close.

25 And I did some further research and said look

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1 at the case of Three Mile Island in Pennsylvania. To close
2 one tower took 14 years and 973 million dollars. The
3 nuclear waste was shipped to Hanford. That's us. And I
4 think Hanford's clean up efforts are already Washington's
5 nightmare.

6 Will Avista customers be liable for such a
7 cost when Hydro One decides to close its nuclear plant, and
8 will Canada's green laws be required of Avista's customers?

9 Another point to keep in mind is that merger
10 laws of the United States say that ratepayers need to be
11 receiving a net profit for the merger to go forward. All
12 the articles that you read emphasize the 53 dollars a share
13 that will be received by stockholders. The headlines in the
14 newspapers crowed about stockholder approval. Well, of
15 course.

16 For example, Mr. Scott, who is the president
17 -- and he just happened to be the only one that I could find
18 some share numbers on -- owns 183,894 shares of Avista
19 stock, which is fine. He, of course, will get a one-time
20 profit of 9,746,382 dollars from this merger. So of course
21 stockholders approve.

22 But information about ratepayers say that by
23 the year 2020 the base electric rate for the typical Avista
24 ratepayer -- this is base rate -- will increase to a hundred
25 dollars a month, and an increase of natural gas bill will

1 increase to 65 dollars a month. Where does the ratepayer
2 benefit?

3 Oddly enough, the Hydro One rate ratepayers,
4 according to the Hydro Fair Plan in Ontario, will see a 25
5 percent reduction in their electric bill by 2020.

6 Yes, Avista customers were advised that they
7 would receive a dollar 27 a month for five years in a recent
8 newspaper article, but note that was part of the plan to
9 kind of sweeten the deal. But note that the proposed rate
10 increase for Avista's electric and gas by 2020 will be 14
11 dollars and 43 cents a month. Is that a net benefit to the
12 ratepayer?

13 Also consider, have Avista customers been
14 fairly warned that reliance should not be placed on
15 forward-looking statements and information? And all of
16 these are the kinds of things that are touted in letters and
17 newspaper articles to them.

18 The market understood the risk. When the
19 merger was published Hydro One's stock fell 5.4 percent.

20 Avista, on the other hand, was run so well
21 that one analyst said he was surprised to hear the company
22 was out for being acquired. In other words, my point of
23 view is Avista doesn't need Hydro One. Hydro One needs
24 Avista.

25 Consider the following -- and I'm sorry here,

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1 we're going to do some rhetorical questions, sir. Does
2 Hydro One governance over Avista's subsidiaries? Avista
3 lists 17 businesses in which Avista has 85 to a hundred
4 percent stockholder control. Who will control these
5 businesses, and to what advantage to the ratepayer?

6 The advertising affirms the payment of
7 Avista's 1.9 billion dollar debt by the merger. But do
8 Avista ratepayers then assume the 2.6 billion dollar debt of
9 Hydro One?

10 Since Hydro One is a foreign entity, will they
11 obligate U.S. customers to comply with Canadian-powered
12 electric and gas regulation? If so, from my point of view
13 this becomes regulation without representation.

14 Is Hydro One subject to Washington Utility and
15 Transportation Commission fair rate change requests, or are
16 requests only ruled by the Ontario government, which owns
17 slightly less than half of its stock?

18 An article in the Spokesman Review said that
19 Avista after the merger would no longer be a publicly traded
20 company. I'm kind of questioning that because Hydro One is
21 listed on the TSX as H, which is publicly traded.

22 From my point of view, there are no obvious
23 advantages to the Avista ratepayer from this merger. It
24 should not be allowed to go forward.

25 And let me repeat, Avista does not need Hydro

1 One. Hydro One needs Avista. Thank you very much.

2 CHAIRMAN DANNER: All right. Thank you. And
3 the questions that you have were not rhetorical. I just
4 want to remind you that our state consumer advocate public
5 counsel is here to answer your questions. And the company
6 also has some representatives here, and they'd be glad to
7 answer some of your questions.

8 MS. HERZOG: Thank you.

9 CHAIRMAN DANNER: Thank you.

10 MS. HERZOG: And these go where?

11 CHAIRMAN DANNER: Mr. Roberts will take them
12 from you.

13 Sir?

14 MR. BUSCH: Yeah, my name is Steve Busch, and
15 I live in Colbert, Washington. I've been an Avista customer
16 for as long as I can remember. And I'm here --

17 I just did a little research on the Hydro One
18 company, so I have some questions for the representatives
19 here, if they can answer.

20 Looking back, Hydro One was established in
21 1999 as a part of the settlement over the parent company,
22 Ontario Hydro, which ran up a 38.1 billion dollar debt. It
23 was restructured into --

24 Let me just read this real briefly. I can
25 enter this into the written testimony, this whole file.

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1 Ontario Electricity Financial Corporation,
2 which this report is, is one of the entities established by
3 the Electricity Act of 1998 as part of the restructuring of
4 the former Ontario Hydro.

5 Under the Act, the former Ontario Hydro was
6 restructured into Ontario Power Generation, Hydro One, the
7 independent electricity system operator, the Electrical
8 Safety Authority, and the Ontario Electricity Financial
9 Corporation.

10 As far as I can tell -- I'm not a budget guy,
11 not a lawyer, so I have to read between the fine print here
12 -- this is the corporation that's charged with making sure
13 the debt is repaid. And they've done a pretty good job over
14 the last 20 years. They've gotten some 19 billion dollars
15 paid down. But the outstanding debt, as far as I can tell,
16 is still 20.1 billion dollars.

17 So my question is, as an Avista utility payer,
18 if Hydro One takes over will I be paying part of my utility
19 bill to settle that debt which is still ongoing? This could
20 take another 20 years to pay. I don't know.

21 The other question I have is who owns Hydro
22 One? We know that the Ontario provincial government owns 49
23 percent, or that's what we've been told. Who are the other
24 major shareholders? That's information I've not been able
25 to get. I think it should be public. I'd like to know who

1 owns the company that I'm paying a rate for.

2 That's basically all I have. The report
3 speaks for itself. I'll put it in the --

4 CHAIRMAN DANNER: All right. Thank you. And
5 please make sure that your name's on that so that we can
6 incorporate it with your comments.

7 MR. BUSH: Sure.

8 CHAIRMAN DANNER: All right. Thank you, sir.
9 Rebecca MacMullan, please come forward.

10 And I'm having some -- Dr. Bill Mills [sic]?
11 And I believe Ms. Slavic?

12 UNIDENTIFIED SPEAKER: She just had to leave.
13 Fawna.

14 CHAIRMAN DANNER: What's her first name?

15 UNIDENTIFIED SPEAKER: Fawna Slavic. She just
16 left.

17 CHAIRMAN DANNER: All right. Go ahead.

18 MS. MACMULLAN: Good afternoon. Thank you for
19 traveling to Spokane and holding the hearing here, as the
20 UTC must decide if the sale of Avista to Hydro One is of a
21 net benefit to Washington customers and in the public
22 interest.

23 I was not sure this would be the case earlier
24 in the fall when I started looking at some of the
25 information about Hydro One, but having read the proposed

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1 settlement that was released last month, I am now a
2 supporter of the acquisition.

3 I'm reassured that in the settlement the UTC
4 has the authority to enforce the terms of the settlement and
5 that the settlement terms commit to maintaining Avista's
6 safety and reliability standards and their service quality
7 in a manner that is comparable to or better than the current
8 Avista standards.

9 But the most important item in the settlement
10 is the new depreciation of Colstrip that assumes Colstrip's
11 remaining useful life through December of 2027. This is
12 vitally important to protect we ratepayers from the burden
13 of stranded physical assets.

14 Using the electric rate credit, the proposed
15 settlement plans to depreciate Colstrip sooner than
16 previously planned and reduce the customers' rates by 3.4
17 million. I would say that is a good negotiation, and this
18 is clearly a net benefit to customers.

19 Now, coal-generated electricity is a 19th
20 Century technology that is the dirtiest way to make
21 electricity, and it is quickly becoming one of the more
22 expensive ways to produce electricity.

23 If Washington state does enact a carbon fee
24 program in the coming years, Avista's ownership of Colstrip
25 will become even more of a liability.

1 And the imminent bankruptcy of Westmoreland
2 Coal is a tremendous concern to the viability of Colstrip in
3 the near future as well. Colstrip is completely dependent
4 on the Rosebud Mine, the adjacent mine which is owned by
5 Westmoreland Coal, which has lost 97 percent of its value in
6 the past 12 months, and is -- the Securities and Exchange
7 Commission is in the process of delisting Westmoreland from
8 NASDAQ. They're looking for a hundred million dollars in
9 bankruptcy protection right now.

10 So if we can't get the coal to the coal plant,
11 that is literally a stranded asset that will sit there, and
12 ratepayers shouldn't be exposed to that risk.

13 And I'm further convinced by the low income
14 assistance commitments that are listed in the settlement.
15 The renewable generation projects to benefit Avista's low
16 income customers, four million above and beyond existing
17 weatherization programs, and expanding transportation
18 electrification, and specifically outlining 30 percent of
19 that to low income customers.

20 So I'm an Avista customer of 15 years at both
21 my residence and at my small business, and I support the
22 acquisition under the terms of the proposed settlement.

23 Thank you.

24 CHAIRMAN DANNER: All right. Thank you very
25 much.

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1 DR. MILLER: Bill Miller.

2 CHAIRMAN DANNER: Mr. Miller? Or, Dr. Miller?

3 DR. MILLER: Okay. I have to sit up tall
4 here.

5 Yes, I'm Bill Miller. I live in Spokane. I'm
6 a citizen member of 350 Spokane.

7 And in a perfect world Avista would be a
8 publicly owned utility. In this world I support the
9 purchase of Avista by Hydro One with these considerations:

10 First, as you've heard prior, the coal field
11 -- coal-fired plant must be decommissioned as soon as
12 possible. Climate change is upon us. Two years ago fires
13 in Washington burned the same amount of acreage as the
14 entire state of Rhode Island. These fires were accelerated
15 by climate change and only the beginning of the catastrophic
16 impacts if we do not act now.

17 Second, Avista and Hydro One need to take
18 responsibility for the environmental damage the coal field
19 plant has inflicted on its neighbors. They have made
20 millions from this utility and need to take responsibility
21 for the clean up.

22 That said, I approve the merger. Thank you.

23 CHAIRMAN DANNER: All right. Thank you, sir.

24 All right. Next up, Don Mortenson, Judy
25 Fitzpatrick, and Julie Honekamp.

1 All right. Mr. Mortenson?

2 MR. MORTENSON: My name is Don Mortenson. I
3 live in North Spokane. I've been an Avista customer for
4 over 40 years. And I'd just like to read some --

5 Pardon me for repetition here, but here's what
6 I've thought about.

7 Your first responsibility to us as ratepayers
8 is to us, not to the corporation Avista, nor to the Hydro
9 One Canadian corporation. The commissioners and our local
10 media haven't really broached the subject to us ratepayers,
11 other than just nominally.

12 As has been pointed out, the shareholders have
13 done very well, and will with this proposed sale. And so
14 far they have 32.5 percent return on their investment for
15 the one year, and so that's a good reason for them to want
16 to approve it.

17 All three of our local T.V. stations gave me
18 no response after repeated efforts to discuss this with them
19 or to meet with them. And also my three representatives in
20 the state of Olympia refuse to engage or discuss it as well.
21 So politics is really strong in this area.

22 Why would we ratepayers have to pay
23 substantial charitable contributions that Avista is making
24 without a voluntary consent? That's not to say that we
25 don't want to be charitable, but Avista has made some

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1 charitable contributions clear across the country. So I
2 think that will be a question to me.

3 Although the Avista board and directors are
4 going to remain here, we do know that all the important
5 decisions will be coming from Canada. Now, since Canada is
6 a foreign socialist country, how will that affect the
7 legislation in Canada that's brought to bear on this
8 corporation, and how will that have to be implemented if
9 Hydro One takes over?

10 Some while back in letters to the editor a man
11 from Spokane had written or talked to his sister in Ontario
12 after learning that she was a customer of Hydro One, and he
13 wanted her opinion about the sale. And she said this, and
14 this was his quote in the letter, "Get ready to be hosed."

15 Their rates, as has been pointed out, are
16 among Canada's highest.

17 So this sale is really going to guarantee huge
18 rate increases in the next few years. Despite this really
19 nice PR-sounding promise that they will act in the best way
20 for all us ratepayers, this promise is so vague, so
21 nonspecific that it's practically meaningless.

22 It's very easy, as has been pointed out by a
23 former CPA here, for a corporation to pad their expense
24 ledgers and thereby justify huge rate increases. And we've
25 seen that happen.

1 My personal experience when I moved here, we
2 were with a smaller water company. Within two years it was
3 sold to a corporation in Pennsylvania. The rates just went
4 up through the roof.

5 After about three years the ratepayers decided
6 they would form their own water company, which they did.
7 It's not a PUD. It's a water company. Our rates stopped
8 going up right then, and I think I can only recall one
9 slight increase in this period of time.

10 So that's one case where -- actual case where
11 bigger was a mistake for us.

12 The other one is my garbage. And the garbage
13 was owned by a smaller company. It was bought out by this
14 corporation that owns it today. And the rates have risen
15 substantially, and there's a new raise just about every
16 year.

17 So a foreign corporation for us in Spokane is
18 not good. So our Avista from my standpoint has evolved into
19 a really fine utility. They're responsive to the customers.
20 If you call up you get to talk to a real person. They give
21 good service and good repair and so forth. So why would we
22 want to tie up with a huge foreign corporation and become
23 one of two million customers? And as it's pointed out,
24 bigger is not better.

25 Last week I was talking to a local heating

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1 contractor about the possible changing over in the house I
2 have from electric to gas. And his comment was, since we
3 got to talking about this proposal, oh, he was strongly
4 against it. And he said this: That all the heating people
5 that he knew -- he'd been in the business for 20 years. He
6 says they're all against it, and he didn't elaborate. But
7 he said quite a few people from Avista have or will be
8 leaving, and he didn't give me the explanation.

9 So with Spokane wages less than some other
10 areas, many people can't afford to pay these huge increases.

11 This particular man that I spoke with in the
12 heating business, in his personal house he said his last
13 winter's biggest electric bill was 700 dollars, and he said
14 he had a good amount of insulation. So I can only imagine
15 what his bill might be in two or three years. Some people
16 just can't afford those kind of rates.

17 I had a few pointed questions. One, how will
18 Hydro One's commitment to this green or clean energy and so
19 forth affect our rates? Will we be partially responsible
20 for what they have to do in Canada? And personally I doubt
21 that Canada is going to want to clean up and pay for the
22 Colstrip mine. I just can't see that.

23 So what about the profits that Hydro One
24 earns? Will they be taxed and paid to Canada or to
25 Washington or who?

1 What if there's a lawsuit involved? What if a
2 group or individuals have a valid suit against Avista? Who
3 will they sue? A Canadian corporation? Can they do that?
4 I'm not sure.

5 I feel that a PUD, public utility district, is
6 very much needed in this instance. And I know they're not
7 easy to set up, but we're talking, folks, you know, 20, 30,
8 40 years in the future. We're not talking about the next
9 five years.

10 Right now Avista is a real nice plum for a
11 corporation to absorb and to take over and reap in large
12 profits. We can understand that. But I feel that the
13 commission owes it to us ratepayers to facilitate or help or
14 encourage a thorough investigation of a PUD solution to our
15 future power needs and our structure of this.

16 I feel that the ratepayers should have a
17 really strong voice in this final decision. We don't have
18 any other place to go for power. There's no alternative
19 companies here for us. So it's basically a public utility
20 that's owned by a corporation. And I don't know the
21 legality, but we're -- this is a public situation.

22 So I want to thank you for your time and for
23 your effort.

24 As far as this customer rate credit of a
25 dollar and 27 cents a month, that's kind of a joke. It will

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1 hardly pay for the accounting to handle that. We're talking
2 about a dollar 27 a month. It won't begin to do the
3 accounting work.

4 Well, thanks again for your time, and I'll
5 submit this in writing.

6 CHAIRMAN DANNER: All right. Thank you. Mr.
7 Roberts will take your paperwork. Thank you very much.

8 Miss Fitzpatrick?

9 MS. FITZPATRICK: Hi. My name is Judy
10 Fitzpatrick, and I actually live in Pend Oreille County, but
11 my husband and I own property in Spokane and have been
12 Avista ratepayers for many, many years.

13 I'm going to be kind of taking the 30,000-foot
14 view of this. I'm a big-picture person. I'm a retired
15 teacher and not a climate scientist, but I'm here because
16 I'm really concerned about the effects that climate change
17 are having on our planet already.

18 Just a few quick examples. The amount of rain
19 that fell on Houston in that storm last year, in the Harvey
20 storm, I saw graphics on the internet that showed a cube --
21 if you had a cube that was almost three miles on each side,
22 and filled that with water, that's an amazing amount of
23 water that fell on Houston in less than 24 hours. And so,
24 of course, we know what the effects of that were on people.

25 Also the thinning sea ice and what effect

1 that's having on ocean currents and even the jet stream.

2 And here more locally, as has already been
3 mentioned, the -- how our summers are just being dominated
4 by our fear of wildfires.

5 So it's clear we need to stop putting carbon
6 into the atmosphere as quickly as possible. And it seems to
7 me like a hugely impactful way to do that as -- that as
8 mergers like this take place, and as companies like Hydro
9 One and Avista plan on spending the millions and millions of
10 dollars that they are going to spend going forward, that
11 that money needs to be spent on clean energy infrastructure
12 rather than on fossil fuel energy.

13 Since Colstrip is the biggest carbon emitter
14 west of the Mississippi River, that plant needs to be
15 retired as soon as possible.

16 So Avista needs to formulate a plan and set a
17 firm date for the shutdown. 2025 would be awesome because
18 then they'd have two years to mitigate for environmental
19 damage before 2027, when they've decided to -- the word is
20 escaping me at the moment -- that they were done for that
21 date.

22 Also, ratepayers should not have to pay for
23 more expensive energy. As has been previously reported
24 here, Montana -- in Montana wind energy is being produced at
25 23 dollars for a megawatt hour, while coal -- Colstrip coal

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1 is being produced at 60 dollars a megawatt hour.

2 So getting that cheaper energy onto the grid
3 is tricky, and so Avista's going to need to pay very close
4 attention to what it does to its transmission lines coming
5 out of Colstrip so that that cheaper energy can make it to
6 the BPA power lines.

7 So as this merger is considered, I just think
8 it's an opportunity for the -- I urge Avista to spend its
9 money to make the changes needed to move to cheaper, cleaner
10 energy sources rather than propping up Colstrip
11 unnecessarily into the future.

12 CHAIRMAN DANNER: All right. Thank you very
13 much.

14 All right. Go ahead.

15 MS. HONEKAMP: Good afternoon, Chairman
16 Danner, Commissioner Balasbas, and Commissioner Rendahl. My
17 name is Julie Honekamp, and I serve as the CEO of Spokane
18 Neighborhood Action Partners, also know as SNAP.

19 For 52 years SNAP has served as Spokane's
20 community action agency and the primary provider of energy
21 assistance, weatherization, and also plays a large role in
22 economic development for low income people.

23 In 2017 SNAP served just shy of 49,000
24 unduplicated low income individuals through 30 programs,
25 either stabilizing households or equipping them as a

1 priority.

2 In the subset of our work, SNAP provided
3 energy assistance to 16,296 unduplicated low income
4 households. SNAP weatherized 216 households and created 108
5 jobs either by starting or expanding 48 businesses.

6 My intention today is to share our hopes and
7 our thoughts about the proposed Avista and Hydro One merger
8 and settlement proposal.

9 After taking time to review the highlights of
10 the proposed settlement, which I know took many months to
11 work on, by many partners, and after reading all summaries,
12 I believe at a macro level with regard to the low income
13 consumer segment that the net benefit test appears to me to
14 be met.

15 While individual consumers may feel otherwise,
16 I do believe Avista's taking the long view about our future,
17 and I know that the IOU industry is really consolidating and
18 shrinking, and if you're going to be a player that's left at
19 the table, at least you can be strategic about who to
20 partner with.

21 So I believe there are many good parts of this
22 proposed settlement; the rate credits, increased community
23 contributions, low income weatherization, security deposit
24 elimination, and continued funding for the pilot projects
25 that are underway. All are strong signals of a commitment

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1 to low income housing in Washington.

2 I'm particularly pleased to see
3 acknowledgements around the need for advanced metering at
4 the structure, around consumer protections, particularly
5 with regard to remote disconnect and prepayment. Things we
6 care very deeply about.

7 Funding for low income renewables. For many
8 years renewables and equipment have been out of the reach of
9 low income households, and we feel that's important as well.

10 As the lead in Spokane area weatherization
11 providers, we know well the efficiency challenges around
12 older manufactured homes. We walk up to them every day, and
13 in many cases have to walk away. So we were pleased to
14 learn of Avista and Hydro One's openness to a manufactured
15 home replacement project.

16 Like renewables, electric vehicles and the
17 equipment associated also have remained out of the
18 possibility of many low income households, so we were
19 pleased to see that included as well.

20 So I believe, as was mentioned by others, that
21 Avista plays a key role in our community. Their commitment
22 to maintaining their corporate headquarters here and their
23 leadership is very important.

24 If I have any concerns at all about the
25 proposed merger, it's not for the next five or 10 years but

1 for the longer-term horizon, the 20 to 50 year time frame.
2 Will the low income ratepayers that I bring voice to today
3 be as considered in 50 years as they are today? Will Hydro
4 One consider the needs of low income customers as much as
5 industrial users or environmental concerns?

6 So to this end, I encourage Avista to seek and
7 maintain a board member who brings a strong regional low
8 income weatherization and energy assistant perspective.
9 This governance-level perspective will help to ensure that
10 low income voices are heard over the long-term.

11 So I want to express in closing my gratitude
12 to the Avista staff. Maybe other visions are different, but
13 in the end we are certainly complementary of each other and
14 share a desire for a healthy, robust community, and I'm
15 grateful for their working style and our strong partnership.

16 And then thank you all for hearing this and
17 for coming to Spokane today. I'm really pleased to see such
18 a large turnout. Thank you.

19 CHAIRMAN DANNER: All right. Thank you.

20 Miss Honekamp, you mentioned 49,000. Over
21 what period is that again?

22 MS. HONEKAMP: One year.

23 CHAIRMAN DANNER: After one year? Okay. And
24 the 16,000?

25 MS. HONEKAMP: Is one year as well.

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1 CHAIRMAN DANNER: Is one year as well?

2 MS. HONEKAMP: Uh-huh.

3 CHAIRMAN DANNER: All right. Thank you very
4 much.

5 All right. Next, Cindy Zabotocky and Ed
6 Rieger and Gilbert Preuss, please come forward.

7 MS. ZABOTOCKY: I'm Cindy Zabotocky. I'm a
8 ratepayer in Spokane.

9 This has already been mentioned, but this is
10 my written testimony. My question is, who owns Hydro One of
11 Canada? This is the most important information that the
12 commission needs to ascertain on behalf of the citizens of
13 Spokane and the state of Washington.

14 We know the province of Ontario owns 49
15 percent of Hydro One, but no one knows who owns the other 51
16 percent because, unlike with U.S. laws, in Canada ownership
17 can be kept a secret.

18 If it's like the notorious Uranium One deal
19 with Canada, the secret co-owner was Russia, which is now
20 buying uranium from the United States. Citizens are very
21 angry about that.

22 We do know that utility rates in Ontario are
23 much higher than in Spokane today due to their disastrous
24 carbon credit scheme that is bankrupting Canadians.

25 U.S. citizens have thankfully resisted such

1 plans so far.

2 Please do not join our region to the failed
3 policies of the shadowy company in Canada that won't tell us
4 who controls their decision-making. Say no to the Hydro One
5 purchase of our treasured Avista utility. Look at other
6 alternatives that will benefit you and your fellow citizens.

7 I wanted to note, listening to the
8 testimonies, that Colstrip should be cleaned up, and it can
9 be cleaned up by Avista. It's going to cost a lot of money
10 to do it no matter who does it. If Avista does it, the
11 ratepayers will pay.

12 Companies are not autonomous. It's
13 interesting to hear people talk. Companies are not
14 organized to pay these kind of fees. People have to pay
15 those fees, and in this case it's the ratepayers. And I
16 don't believe that the Canadian ratepayers, who are already
17 struggling in Ontario, are going to pay for the Colstrip
18 clean up.

19 The question is how will it be paid for? The
20 best plan to me is to do it over as long a period of time as
21 you can so that the millions of dollars that are going to be
22 needed to clean that Colstrip will be done in a very
23 organized and cost-effective way. We have new technologies
24 to clean up Colstrip.

25 It's interesting to note that Colstrip is nine

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1 percent of Avista's energy output, and the reason for
2 Colstrip is to back up the wind farm in Pullman, Washington.

3 As we all know, solar and wind technology is
4 not perfected. I have a son who is an electrical engineer
5 in Albuquerque, New Mexico. He works for Sandia Labs, which
6 is a massive government research facility, and he's worked
7 in solar technology, and he keeps telling me that it's not
8 perfected.

9 One of the things he told me which I thought
10 was interesting, one of the problems with solar energy is
11 the storage of electrical output. And he said the beauty of
12 our dams in Washington state is that the reservoirs like the
13 one behind Grand Coulee Dam are really reservoirs for
14 electricity production. I had never thought of it that way.

15 So the reason that Grand Coulee was built was
16 for irrigation in Central Washington state. It ended up
17 being an electrical producer, which was sort of a secondary
18 purpose for Grand Coulee.

19 But it's interesting that the lake -- I didn't
20 realize how far up to the Canadian border the lake went
21 until I took a trip for the Lilac Festival last year. Lake
22 Roosevelt goes almost all the way to the Canadian border,
23 and any time we are lacking electricity they can let more
24 water through the turbine houses.

25 Very little water now goes down over the

1 spillway because the water is being put through the turbines
2 so that they can produce electricity.

3 The grid for Grand Coulee goes all the way up
4 into Canada, it goes all the way to Chicago, and it goes
5 down into Mexico. The grid for Grand Coulee alone is a
6 massive electrical grid. And the beauty of it, again, which
7 Chris told me, is that you can store water behind the dam,
8 and then that really is electrical, you know, storage.

9 That's the problem with solar, is that it has
10 to -- those grids have to be rebuilt every 15 to 20 years.
11 So they're very expensive. There's maintenance in those
12 systems.

13 Wind is the same way. My son was telling me
14 that wind generation is expensive when you have to replace
15 the blades and replace the electrical parts of the
16 windmills. I also didn't know that --

17 He told me that the average cost of putting
18 the base in for one windmill is 3 million dollars because
19 the blades are so huge that the cement parts that go down
20 into the ground go down something like a hundred feet. And
21 you have to build this huge, heavy base onto these windmills
22 to hold them in place so they don't shake the wrong way and
23 break down. And right now they're having trouble with that
24 because the system breaks down because of the shaking and
25 because of the pull on the electrical.

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1 So these systems are not perfected yet. And,
2 like I said, the coal plant backs up the Pullman wind farm.
3 And until we have an alternative for that, we're going to
4 have to keep these coal plants. It's a process that we're
5 going through.

6 I think that's all I have. I really
7 appreciate you coming to Spokane, like others have said, to
8 listen to what the ratepayers have to say. So, again, thank
9 you on behalf of the citizens that we have this opportunity.

10 CHAIRMAN DANNER: Thank you very much.

11 MR. PREUSS: Gil Preuss. I live up in Mead.
12 I used to be a ratepayer down here with Inland Power.

13 Ever since I heard about this I've wondered
14 why would a Canadian company want to come down here and buy
15 us and support the clean up of the power plant in Montana?
16 And the answer is they want our power.

17 And Canadians are paying high rates. We're
18 paying low rates. If we try to equalize that out, we pay
19 more money.

20 So as a ratepayer I look at it as Avista rates
21 go up, sooner or later we're going to follow with Inland
22 Power. And I just can't imagine this being good for us.
23 That's all I have.

24 CHAIRMAN DANNER: All right. Thank you, sir.

25 All right. Eve Prescott, Samijo Tinsley.

1 Please go ahead.

2 MS. TINSLEY: Hi. I'm Samijo Tinsley, and I'm
3 a vocational agriculture natural resource educator by trade.
4 And I have a very interesting history with Washington Water
5 Power. And I'm pleased to meet you, Jay, David, and Ann.
6 Good to meet you in person.

7 I'm so proud of this community. Being an
8 educator and coming from a family that has been owning land
9 for over 65 years, where I grew up --

10 We overlook Long Lake Dam, and so our land
11 comes in and out of Avista property now. And so my grandma
12 took me buttercup looking on land that my grandparents put
13 roads in. And it was a very symbiotic relationship.

14 So I come from a very different kind of angle.
15 It's about this is our livelihood. But as I was saying, I'm
16 so proud of the people that get up here because my people
17 don't public speak, and this is very intimidating. And I am
18 just really --

19 I realize that from my experience Washington
20 Water Power is my -- what I usually say, but what I'm trying
21 to say, Avista has been a very community-friendly
22 organization, and I have a unique memory of that.

23 I'm 57 years old now, and when I was 11 years
24 old Washington Water Power ran a public relations contest,
25 and I won a 50 dollar savings bond from them drawing Reddy

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1 Kilowatt and Dandy Blue Flame helping their forest friends.
2 And so they've always been concerned about the environment
3 and public relations and young people.

4 And being an educator, I taught with the FFA
5 for many years before becoming a full-time mom. But my son
6 and daughter have been trained up in the local FFAs that
7 work with farmland that Avista and the Department of Natural
8 Resources co-manage. And they use it for educational
9 purposes, training up the young people, and they've also
10 taught them in agriculture issues. And they're competing
11 today in Stanwood in a natural resources competition.

12 And I got my master's at Eastern, and I get my
13 alumni magazine that just showed that Avista has invested a
14 lot of money in collegiate education and technology. And
15 that is just amazing.

16 So with this history and the symbiotic
17 relationship that we've always had that's been more than a
18 handshake, we've been leasing land from Avista. My grandpa
19 says it was a 99-year lease.

20 And that's the part that concerns me, is now
21 that the Avista company is getting their ducks in a row to
22 create this merger, the whole relationship has not been what
23 we've been used to. And I'm a very positive person.

24 The other aspect of the angle that hasn't been
25 presented here is I prayer walk down to the lake every day.

1 And I truly -- this is my home, and always has been for
2 generations. We're on the fifth generation now of people
3 that have managed this land with Avista.

4 Where I live I have prevented myself --

5 We get osprey on the power lines, and that
6 causes fires at times when the nesting sticks fall. And so
7 I've had to put a couple of fires on the power lines that
8 are near our house out myself. And I've in the last few
9 years probably called 911 --

10 Because I look across the lake, and we're
11 right at the tri-county line, and we have --

12 Yes, I'm always calling 911 for fire patrol.
13 We have an amazing fire patrol but a lot of land has burned.
14 But because I believe that the Lord protects us, it's burned
15 all around us, including Avista land.

16 But ours has been preserved because we have
17 done a lot of the limbing and thinning and underbrush
18 control through the years. And, of course, we live there
19 and care, and we're all there to help fight fire when we're
20 there. So it's a very personal issue about losing that
21 community touch.

22 After getting online for some research, I
23 realized they have stakeholder meetings, which I'd be very
24 interested in becoming a part of because I am a huge
25 stakeholder in this, and I'm not seeing the benefits.

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1 Everything that is a proposed benefit, when
2 they propose it being community-oriented and keeping those
3 is not a long-term example. And I think from experience we
4 are now seeing that when we've lost that small town
5 community feel where we're face-to-face talking about these
6 issues in this kind of format that it becomes a big
7 corporation.

8 And all my neighbors have had court cases now
9 where they've spent tens of thousands of dollars. And they
10 see Avista as this giant, and they recommended that I don't
11 say anything, that I come here and just lay low or else
12 because I'm next. And they are very discouraged that that
13 friendly relationship is no longer there. They fear the big
14 corporation, and that would not change for the better by
15 going international.

16 And that's where me personally, I continue to
17 pray about this to the point where if this is not a good
18 thing that I would pray that the president would intervene
19 with security issues when it comes to our power and
20 infrastructure issues that concern us on a daily basis.

21 And I know I'm supposed to make this short, so
22 I'll conclude with I'll continue to pray for you and hope
23 that it is a wise decision that --

24 But personally I would urge you to continue
25 doing the good things that you've been doing, Avista, in the

1 past and be cautious of greed because only bad things happen
2 in that line. So thank you for this time.

3 CHAIRMAN DANNER: All right. Thank you very
4 much.

5 Again, Eve Prescott, are you still here?

6 Okay. And we have one person signed up where
7 none of the three of us can read your handwriting. We
8 believe your first name is David. You live on South
9 Greenwood in --

10 MR. PAPERD: That's me. Paperd.

11 CHAIRMAN DANNER: What is it?

12 MR. PAPERD: David Paperd.

13 CHAIRMAN DANNER: All right. That's possible.
14 Okay. And could you spell your last name?

15 MR. PAPERD: P-A-P-E-R-D.

16 CHAIRMAN DANNER: Okay. You are at Liberty
17 Lake?

18 MR. PAPERD: Pardon me?

19 CHAIRMAN DANNER: Liberty Lake?

20 MR. PAPERD: Yes, Liberty Lake.

21 CHAIRMAN DANNER: Thank you, sir. Go ahead.

22 MR. PAPERD: You know, I woke up this morning
23 and an amazing thing happened. I popped some toast in the
24 toaster and it worked.

25 So we have all the electricity that we need

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1 right this instant. And I've been here for 30-some years.
2 In that 30 years we've lost power twice.

3 The guys that are running the corporation have
4 done a fabulous job. They do a fabulous job.

5 From my point of view, I'm only going to make
6 an emotional appeal here. I have to say if I were voting
7 I'd vote absolutely no. I could not begin to support this
8 whole notion, and the reason why is because of the fact that
9 we are a moderate to small community.

10 Any civil society depends on three things, and
11 without those three things everything that we are currently
12 doing and everything that's going on out there ceases to
13 exist.

14 One of them is electrical power, the second is
15 gas for heat, and the third is water to drink. And I see no
16 benefits in joining an organization or having an
17 organization come and take our wonderful electrical company
18 over again, and I see no benefits in them coming here and
19 taking -- taking the system over.

20 I asked my wife this morning just off the top
21 of her head, very, very smart lady, "So what do you think
22 about Hydro One buying Avista?" And she said, "It means our
23 rates are going to go up."

24 Of course they are. And I'm not sure that I
25 think that that's an important reason to say no. I think

1 it's important that these guys were already doing as good a
2 job as can be done and that there will be no benefits except
3 for financial benefits to those people who are deeply
4 involved with it owning stock, and that, by and large, it's
5 not going to help any of the rest of us.

6 I don't want to call us ratepayers. We're
7 customers, we're brothers, we're neighbors. We need the
8 power, and I think the people who are managing and doing it
9 now are doing a great job. And I urge you, please, don't
10 say yes.

11 CHAIRMAN DANNER: Okay. Let's see. David
12 White, William Geibel, and Brian Parker.

13 Go ahead, sir.

14 MR. WHITE: Good afternoon. My name is David
15 White. I live in Valleyford currently but I have property
16 in Spokane and up in Mead. I've lived here since 1967. I
17 appreciate you gentlemen being here.

18 What you see before you of the great city of
19 Spokane Valley didn't exist when I came here. There was a
20 drive-in theater up here at the exit on Sprague-Appleway.
21 There was a drive-in theater over on Trent. There was the
22 community of Millwood around the saw mill there. There was
23 Kaiser, and that was about all that was here except for a
24 few farms.

25 All that's here wasn't here. There was no

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1 breweries, no wineries. All the great stuff that's been
2 built here has been built because of the abundance of cheap,
3 affordable electric locally managed. And that is what the
4 basic truth is that we're going to be dealing with here, is
5 what is in the best interest.

6 You folks are the Washington state Utilities
7 Commission. I would assume that your best interests is for
8 the citizens of Washington. I ask you sincerely what is in
9 the best interest of the citizens here who have done so much
10 to transfer control of our most sacred --

11 It made us what we are, our cheap water, our
12 abundant water, the electric. How to put that under control
13 of it even out of the state, another country? Work in our
14 best interest. Work in your best interests.

15 We can't trust the government anymore. It's
16 sad but true. Everything's packaged to sell things to
17 environmental issues or whatever the issue of the day is.
18 We will have people look at us and lie straight to our face.

19 Let me tell you about what it was when I got
20 here. We moved here -- I'm the son of a military man,
21 career military man. He got stationed at Fairchild. I-90
22 wasn't even complete when we came through. We drove down
23 through Kellogg, Idaho.

24 When we drove through that there was nothing
25 alive in Kellogg. The river was yellow. It was -- you

1 couldn't --

2 When we came into Spokane here there was
3 nothing basically from Coeur d'Alene until you got to
4 Spokane. There was just the state line where all the young
5 kids used to go to drink because they had an 18 year old
6 drinking age when we had 21. There was nothing here.

7 What has been built here has been built here
8 because of the abundance of water. You couldn't fish in the
9 Spokane River. There wasn't any fish in there. Kellogg had
10 ruined -- from the mining there had ruined everything coming
11 clear down in through the Spokane River. There was no
12 fishing here.

13 And that's what I'm trying to express, is
14 we've come --

15 Yeah, there's a Colstrip mine over in Montana,
16 and, yes, that's a serious problem. But when you compare it
17 to what it was in 1967 when I moved here, and how far we've
18 come, there's fish in the water here, all the industries
19 here. This town of Spokane Valley, this has all become our
20 benefit and our great place to live because of the cheap,
21 abundant water. We need to keep it here. We need to keep
22 the control here.

23 I can see if there's an issue if Avista was a
24 troubled company. But time after time after time we hear
25 record profits for their stakeholders. Why? Why do we need

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1 to sell? Why do we need to change? It doesn't make any
2 sense, and I don't think there's any value to the citizens
3 here who have worked so hard to make this what it's become.

4 I urge you in the strongest possible way,
5 don't turn this over to another country, for God's sake.
6 Let us have what we have here and keep it here. That's in
7 our best interests. It's also in your best interests.
8 Thank you.

9 CHAIRMAN DANNER: All right. Thank you, sir.
10 Go ahead, sir.

11 MR. GEIBEL: Hi. Thank you for coming to
12 Spokane to hear us. My name's William Geibel. I'm speaking
13 for myself here today, as well as my small business. I own
14 a small business called Wired or Wireless here in the
15 Spokane Valley. I've been a long-time resident of Spokane
16 and have owned a small business in one form or another for
17 over 20 years in this area.

18 My current business, Wired or Wireless,
19 supplies rural internet services to much of the territory
20 that Avista supplies power. We cover about 25,000 square
21 miles in this area, and we do that with 14 employees total.

22 The shareholders of Avista have benefited for
23 years as Avista being a regulated monopoly has a guaranteed
24 net margin that they're allowed to receive through their
25 budgeting process. It's a huge corporation, makes a lot of

1 money, but essentially it is funded and paid for and created
2 by the ratepayers of Avista.

3 And you can say that the real owners are the
4 ratepayers. The owners of the infrastructure, they've
5 certainly paid for the infrastructure that is there, that
6 exists from Avista.

7 The idea of selling that infrastructure to a
8 foreign entity is something that I just believe we shouldn't
9 even consider. That infrastructure, which is so key to the
10 happiness and survival of the people of this area, should
11 not be outside of the control of our government.

12 If we go through the little info sheet that
13 was handed out, you asked a question "Why does the public
14 counsel believe the settlement is in the public interest and
15 meets the net benefit standard?"

16 Some of the examples you give are a customer
17 rate credit of 30.7 million dollars. And that sounds like a
18 big number, but I looked up on the internet while I was
19 waiting, Avista has roughly 1.6 million customers. So that
20 works out to just 19 dollars and 19 cents per customer.
21 Further, it's paid out over five years, so that works out to
22 four dollars per customer per year. That's a very
23 insignificant number, in my opinion.

24 Low income benefits. The settlement includes
25 significant low income benefits, including about 1 million

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1 dollars in commitments for manufactured home replacement and
2 additional low income weatherization, et cetera. Again,
3 that works out to about six dollars and 88 cents per
4 customer, a very insignificant number.

5 The Colstrip. It is stated that units three
6 and four -- "will be able to recover the cost for units
7 three and four quicker than currently planned. The
8 settlement allows Avista to recover the cost by 2027 without
9 increasing the amount collected from customers by using the
10 excess deferred income tax credit by recent federal tax
11 legislation."

12 That's money paid by the taxpayers, so that's
13 a tax credit that's being given back. Again, that's
14 taxpayer money.

15 "Applicants also commit to providing at least
16 three million to Colstrip." Again, with 1.6 million
17 customers, that's an insignificant number.

18 Environmental benefits. States here "The
19 settlement also includes funding for free home energy audits
20 for 2,000 customers." Woo, that number gets me excited.
21 That's a whole 0.13 percent of the customers.

22 "Service quality metrics be maintained for 10
23 years." Only 10 years, would be my question? Only 10
24 years? That's a very short period of time when you look
25 forward.

1 Further, we've heard comments here about a lot
2 of people that are worried about the environment. And I too
3 think that we should be a steward of our environment, but if
4 those who fall in Al Gore's, I don't know, fear of our
5 environment, you know, much of our coastline in his
6 predictions would be -- already be underwater today.

7 I would recommend that the commission go to
8 FriendsOfScience.org and read carefully the counter
9 arguments to that fearmongering that's coming from the
10 global warming side of the house.

11 I appreciate your time, and thank you very
12 much.

13 CHAIRMAN DANNER: Okay. Again, Brian Parker,
14 you still here?

15 John Pierson and Vic -- I can't read your last
16 name. Vic from Deer Park. Are you still here?

17 MR. ULBER: Yeah, I'm here.

18 CHAIRMAN DANNER: Come forward.

19 MR. ULBER: I don't have any --

20 CHAIRMAN DANNER: Okay.

21 MR. ULBER: Yeah.

22 CHAIRMAN DANNER: So just for the record, what
23 is your last name?

24 MR. ULBER: Ulber.

25 CHAIRMAN DANNER: How do you spell that?

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1 MR. ULBER: U-L-B-E-R.

2 CHAIRMAN DANNER: Okay. Thank you.

3 Rog Repp?

4 MR. REPP: Yep.

5 CHAIRMAN DANNER: Come forward.

6 Lamont Warden, if you're still here?

7 Okay. Who wants to go first?

8 MR. REPP: Okay. Well, most of this has
9 already been said before I got up here. Number one, I
10 remember a few years ago, back when Avista -- Water
11 Washington Power sold off our water district to these
12 wonderful people in France because we were an
13 underperforming water district in charges. As soon as they
14 got a hold of it the rates started going up to bring it up
15 to their level of whatever collection that they wanted.

16 Eventually we were able to buy that back. And
17 I'm not sure, but I think we're still paying for it out here
18 in the Valley.

19 I am against selling what should be a public
20 utility to a foreign company.

21 And my other thing is, yeah, maybe Avista owns
22 those dams. They don't own the water. We, the people, own
23 the water. How could they sell our water? And that's what
24 -- that's what they're doing to generate their electricity
25 and so forth. And that's just --

1 I'm just against foreign ownership of what
2 should be a public utility. If you want to sell it to them,
3 sell it to them this year and do like every other nation in
4 this world has done to us, nationalize it and make it a
5 public utility.

6 That's the other option, eminent domain, or
7 get the ratepayers all together and buy it ourselves and
8 keep it as a public utility.

9 And that's basically all I got to say.

10 CHAIRMAN DANNER: All right. Thank, you sir.

11 MR. REPP: Uh-huh. Thank you.

12 CHAIRMAN DANNER: All right. Go ahead.

13 DR. WORDEN: Hi. My name is William Lamont
14 Warden. I actually live in Greenacres. Been a Washington
15 resident and love this state all my life. Grew up in
16 Richland, but I've been here in the Spokane Valley since
17 1985.

18 I'm a retired emergency room doctor and
19 lieutenant colonel Vietnam vet. I consider myself a
20 scientist, as most doctors do, and I respect the scientific
21 method.

22 And I didn't come here to advocate any
23 particular position. In fact, when I initially signed in I
24 said I didn't care to speak. But I'd like to give the
25 council some feedback from basically an impartial observer.

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1 I attended a Board of Health meeting downtown
2 in Spokane several months ago because a friend of mine is
3 concerned about a certain segment of the community that's
4 against vaccinations. These anti-vaccination people are
5 getting a lot of opportunity to share their opinions and to
6 hopefully in their position influence the Board of Health to
7 allow their unvaccinated children to attend school and
8 basically not be required to do what most scientists think
9 is the prudent thing to do, and that's to be vaccinated.

10 As I sat there and listened to the testimony,
11 I was really floored by the polarization in the room of
12 those who like myself would be just adamant supporters of
13 public vaccination. And it just didn't seem to matter how
14 much those who had a medical background seemed to try to
15 support their argument with statistics or facts or history,
16 the other side had a very emotional and passionate reason
17 for resisting that. And that's what I want to kind of
18 counsel you today.

19 First of all, this -- not first of all. I've
20 already been talking for a minute. But I love the fact that
21 you're here. It's what democracy is about. And I'm
22 grateful that we live in a country where we can have free
23 speech, and we can have open forums like this, and people
24 can have the opportunity to express their views on both
25 sides. So thank you for being here and thank you for

1 listening.

2 And I also wish you inspired decision-making
3 when it comes time to make a difficult decision, because you
4 can see -- we've heard it for a couple of hours now --
5 there's strong feelings on both sides. As I said, impartial
6 --

7 Oh, by the way, I'm an Inland Power & Light
8 ratepayer, so I really don't have a horse in this game.
9 There was one time that I wished I could be an Avista
10 customer because we have outings more often than that other
11 gentleman mentioned.

12 But I just want you to hear that I've observed
13 a certain polarization in the room today. And if I were to
14 summarize that or generalize that, and sometimes that's not
15 fair, but I think it made me feel strong enough that I
16 wanted to say it aloud.

17 It appears to me that the room could be
18 divided into basically those who are looking forward and
19 those who are looking backward. I'm not going to say it's
20 an age difference because, you know, I'm 70, and I think
21 most people here don't have to work and can come easier when
22 you're retired. So I don't think age is the major factor.

23 It's more of an attitude and a philosophy and
24 those that are looking back to a time when electricity was
25 cheaper and coal wasn't the demon that it is today, and they

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1 wish that things were kind of the way they used to be.

2 And then I see those like the lady from
3 Newport who said she was looking from 30,000 feet that was
4 really kind of addressing the global issue.

5 And to those who have said they don't see any
6 benefit to the local ratepayers and such, I would remind
7 them that we are all citizens of this planet, and we all are
8 dependent upon our environment, and the future depends on us
9 making wise decisions to conserve those resources.

10 Once again, science comes in from my
11 perspective, and the vast, vast majority of scientists
12 believe and support and promulgate the idea that global
13 warming is really real, and, further, human beings are a
14 great source of that global warming.

15 The industrial age started in, what, the 1800s
16 or so. And combustible engines have gotten better and
17 better, and everybody's got a car or two. And we humans
18 have really changed this planet.

19 And you can try to put an emotional thing on
20 it by demonizing Al Gore. I think I'll go with the
21 scientists that are researching this and drilling ice cores
22 in the Arctic and Antarctic. And when I read in the
23 National Geographic that we'll soon be able to take a cruise
24 ship to the North Pole, that tells me things are real
25 different than when I was a little kid. Polar bears are now

1 mating with Grizzly bears, and trees are getting diseases
2 from things that they didn't used to because the bugs
3 couldn't survive the cold winters. But now with global
4 warming they're moving northward.

5 So, anyway, I'm not here to try to convince
6 those that are in the room, because I talked to some before
7 the meeting that don't believe in global warming. And I
8 would say you might as well not believe in vaccinations, and
9 to deny science is a dangerous thing.

10 Somebody said they heard "Get ready to get
11 hosed," and my thought when I heard that was, you know, if
12 we don't protect this planet, and if we don't protect the
13 environment and our climate, and do something about global
14 warming where we can make a change, get ready to get worse
15 than hosed.

16 Five percent chance was quoted today that
17 humans won't exist in a hundred years. That's a low number
18 but it's still a number. And I like my life. I like my
19 planet. I've got grandkids. I've got family. And I want
20 to leave the planet in a better place than I found it.

21 So I urge you to kind of step back a little
22 bit and try to not get caught up in the emotions of the
23 different sides that have tried to make this a passionate
24 plea on one side or the other but go with science, go with
25 facts. And however that plays out with Hydro One and

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1 Avista, I don't know, because I haven't read everything and
2 studied the specifics.

3 I just want you to know that I am a
4 forward-looking person, and I want to see less fossil fuels
5 burned. I want to see more renewable energies, and I want
6 to see the planet survive. Thank you very much.

7 CHAIRMAN DANNER: All right. Thank you, sir.

8 All right. Mr. O'Leary, I'm going to ask one
9 more time if you're interested in coming forward?

10 MR. O'LEARY: I might just have a little bit
11 to say now.

12 CHAIRMAN DANNER: Okay. Just sometimes that's
13 a precursor to a very long monologue, so --

14 MR. O'LEARY: No, it's not. Guaranteed.

15 CHAIRMAN DANNER: Okay. Go ahead, sir.

16 MR. O'LEARY: My name's John O'Leary. I'm
17 from Spokane.

18 One question I'd like to ask, and since you're
19 not answering questions, I'll just throw it out there. I
20 was wondering whether you people are ever going to go up
21 there to Canada to the home site of Hydro One and spend some
22 time up there asking the people what they think, get to know
23 this thing from that end and let's see. I think that would
24 be very important to me.

25 The other thing I'd like to know is, I never

1 heard of you people. I don't know you from a load of coal.
2 And it would be very interesting to me to know your
3 backgrounds because I'd like to know here's your people that
4 are going to make the decision based on probably some of
5 your background is going to enter into it. And I'd like to
6 know that.

7 I think it should be public knowledge, and I
8 don't know whether it is because I haven't had time to
9 investigate it. But that would -- to me would be an
10 important thing to know too, is if we're going to be really
11 informed about this whole Hydro One thing.

12 And then the last thing is, is I hate -- I sit
13 here and I listen to all these people about the environment
14 and climate change and global warming, and all I can say is
15 that I think there's a whole lot of uninformed people that
16 have bitten into this global warming thing beyond belief,
17 and I doubt very much whether any of them have spent an iota
18 of time studying globe warming, studying the whole item of
19 climate change.

20 You hear some things hear, and you hear people
21 repeat it, and then you hear things here, and people repeat
22 it back and forth. But I don't think a whole lot of people
23 know a whole lot about global warming. They don't know what
24 happened 2,000 years ago or 50,000 years ago or they're
25 worried about the fires that burned locally in the last

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1 years, so they want to blame that on global warming.

2 You need to investigate way back, way up now
3 and do a real study before you make a decision that we're
4 destroying the planet. I don't believe, me as a human
5 being, I don't believe everybody in this room could get
6 together and destroy this planet. The whole world couldn't
7 destroy this planet. It's a stupid concept to me.

8 And with that, I'll end my comments.

9 CHAIRMAN DANNER: All right. Thank you.

10 MR. O'LEARY: Thanks.

11 CHAIRMAN DANNER: All right. Larry Snider,
12 you have signed in, and I believe that is the last name that
13 has signed up this afternoon. So you get the last word,
14 sir.

15 MR. SNIDER: I guess that's a good thing. My
16 name's Larry Snider. I'm a lifetime resident of Spokane,
17 Washington. I'm also an Avista stockholder.

18 What I'd like to bring to your attention, and
19 many people here have already done that, is that this city
20 was founded on water power. I think it's a legacy. I think
21 it's a natural gift. And I think it can be akin to looking
22 at our National parks, which I think are crown jewels in our
23 society.

24 I think it's on you as gate keepers and
25 stewards of our resources to really think about a decision

1 that's in the best interests of us as citizens of this
2 community, not in the money or whatever's driving this
3 takeover of Hydro One buying, which should be, and was
4 brought up, I believe, a public utility.

5 It has a legacy also during World War II, as
6 you remember, through Kaiser and Boeing and stuff, which is
7 another reason to prize this and be proud of that, and it's
8 in the hands of our citizens.

9 So I believe that this is driven really by big
10 money. And I'm a shareholder. I'm going to double my
11 money, you know.

12 And I see the small amount of money that's
13 going to be given out to the constituents here, a dollar 38
14 here or there for a term of 10 years. I think that's
15 peanuts. Somebody's making a whole boat load of money. And
16 some people who have invested in this as stockholders -- I
17 personally voted against it as a stockholder, but I don't
18 own enough shares to really make a difference.

19 Finally, I think if you think a manager 4,000
20 miles away and in a foreign country is going to think about
21 our best interests and have our sensitivity to our
22 environment and the legacy that this company has in this
23 community, I think you're really mistaken.

24 It's about the money. So I urge you to do the
25 right thing, be a steward of our natural resource. I think

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1 that's a heavy weight to put on you, but I think you should
2 really think that seriously.

3 I think I, again, bring this akin to us
4 looking to selling part of other National parks to a foreign
5 country. How would that play out to most people?

6 So I think, you know, let's not give away a
7 treasure that really belongs to the citizens of Spokane.
8 Thank you.

9 CHAIRMAN DANNER: Thank you.

10 All right. Is there anyone else who has not
11 yet signed up who wishes to say anything this afternoon?

12 All right. Then we have come to the end of
13 our public testimony this afternoon. I want to thank you
14 all for taking the time out on a beautiful Monday afternoon.

15 This has been very helpful. We do take these
16 comments very seriously as we go forward with our
17 deliberations and our adjudication.

18 Again, we are going -- we have made no
19 commitments. The three of us have made no commitments so
20 far. We're going to look at the record in its entirety. We
21 have to comply with what's called the Administrative
22 Procedures Act, and that governs what we can include in the
23 record and what we can't. But we expect to do a very
24 thorough job.

25 This is going to be a difficult decision, but

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1 STATE OF WASHINGTON)
: ss: REPORTER'S CERTIFICATE
2 COUNTY OF SPOKANE)

3 I, Caryn E. Winters, a certified court
4 reporter in and for the states of Washington and Idaho,
5 do hereby certify:

6 That the foregoing Utilities and Transportation
7 Commission public hearing was taken on the date and at the
8 time and place as shown on Page 58 hereto;

9 That the final page count of this transcript is
10 84.

11 That the foregoing is a true and correct
12 transcription of my shorthand notes of the requested
13 public hearing transcribed by me or under my direction;

14 WITNESS my hand this 16th day of
15 May 2018.

16
17 CARYN E. WINTERS, CRR, RPR
WA CCR No. 2496, ID CSR No. 237.
18 (This transcript and billing have been prepared/submitted
19 for final preparation and delivery in accordance with all
Washington state laws, rules and regulations, including WAC
20 308-14-130, WAC 308-14-135, RCW 18-35, and applicable Court
21 Rules regulating formatting and equal terms requirements.
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