

Docket No. U-170970 - Vol. III

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

April 24, 2018



206.287.9066 | 800.846.6989

1325 Fourth Avenue, Suite 1840, Seattle, Washington 98101

www.buellrealtime.com

email: info@buellrealtime.com



BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of)
HYDRO ONE LIMITED (acting through its) Docket U-170970
indirect subsidiary, Olympus Equity LLC))
))
and))
))
AVISTA CORPORATION))
For an Order Authorizing Proposed))
Transaction.))
))

PUBLIC COMMENT HEARING - VOL. III

April 24, 2018

Colville Public Library

Transcribed By: Shelby Kay K. Fukushima, CCR 2028
Buell Realtime Reporting, LLC
1325 Fourth Avenue
Suite 1840
Seattle, Washington 98101
206.287.9066 I Seattle
360.534.9066 I Olympia
800.846.6989 I National
www.buellrealtime.com

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2 April 24, 2018

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4 CHAIRMAN DANNER: All right. Good afternoon, everybody.

5 COMMISSIONER RENDAHL: You have to speak up.

6 CHAIRMAN DANNER: We don't have a microphone, so I'm
7 going to use my outdoor voice. This microphone is just for
8 the purposes of the videographer who is going to be keeping
9 a record of this so that we can have a transcript of the
10 hearing today.

11 My name is Dave Danner, and I'm the chair of the
12 Washington Utilities and Transportation Commission. I'm
13 joined by my colleagues Commissioner Jay Balasbas and
14 Commissioner Ann Rendahl. And we three are the Commission
15 that regulates the rates and services of investor-owned
16 natural gas and electric utilities in the State of
17 Washington, and, of course, that means we regulate Avista.

18 And as you know, because you're here today, Avista is in
19 the process right now of seeking regulatory approval for a
20 merger with Hydro One Limited. I'm not going to go through
21 the specifics of it. You should have a handout that was
22 provided by the Attorney General's Public Counsel Unit, and
23 that lays out the specifics of the proceeding that was filed
24 on September 14, 2017. And we have before us, currently, a
25 settlement that's been proposed by several of the parties in

1 this proceeding.

2 The way the UTC works is that when we have a proceeding
3 like this, we deal with it as an adjudication; that is it's
4 just like a court case. The three of us are judges, and in
5 the proceedings before us, there are several parties.
6 Avista is a party. The Attorney General's Office is the
7 consumer advocate, and they are a party. Environmental
8 groups. Labor organizations. Large industrial customers of
9 both natural gas and electric service. So we have quite a
10 group in most of our proceedings.

11 But we also like to get out into the communities and hear
12 from the actual customers of the utilities, and get their
13 views on these proceedings that we have. And that's why
14 we're here today in Colville, and thank you very much for
15 coming out on a sunny afternoon to sit in the basement and
16 listen to me talk. I appreciate it.

17 So without further ado, we have several people signed up
18 to give us their views on the proceeding that's before us,
19 the proposed merger. And so without further ado, what I'm
20 going to do is just start at the top of the sign-in list.
21 If you want to speak and you haven't signed in, please move
22 to Mr. Roberts there. Raise your hand. He has the sign-in
23 sheets, and he would be glad to make sure that you are
24 signed up.

25 The way these proceedings work, though, is that this is

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1 your testimony to us. We will not engage in a dialogue, so
2 any questions you ask, we're going to deem them to be
3 rhetorical questions. And, unfortunately, we can't get
4 involved in a conversation. That's just not the way that
5 our processes work.

6 If you have specific questions and you're looking for
7 answers, there are representatives of Avista here. There
8 are also the Attorney General's Public Counsel. She is the
9 consumer advocate for the customers of investor-owned
10 utilities. And she's here, and she can answer any specific
11 questions you have about the particulars of the proposals
12 that are before the UTC right now.

13 So without further ado, I'm just going to call folks up.
14 And I'm going to call you up in twos so that we can move
15 things along. And I'll start at the top of the sheet, so
16 let me ask if Mark and Linda Youngblood are here, and if you
17 would like to come forward.

18 MR. YOUNGBLOOD: It will just be myself. My wife isn't
19 going to speak.

20 CHAIRMAN DANNER: All right. Please come forward, sir.
21 And, Valda Pancoast, would you also come forward.

22 MS. PANCOAST: Where do you want us?

23 CHAIRMAN DANNER: Well, have a chair right there.

24 MS. PANCOAST: Aw, we have to talk to you and not to
25 them?

1 CHAIRMAN DANNER: Well --

2 MS. PANCOAST: I'm just kidding.

3 CHAIRMAN DANNER: -- that's why we're here.

4 All right. So, Mr. Youngblood, why don't you start.

5 MR. YOUNGBLOOD: Okay. Is it okay if I read a letter
6 from former Prosecutor Brockett from Spokane? Can I read a
7 letter from him?

8 CHAIRMAN DANNER: You may do that. I would ask that any
9 remarks you make, please, because we have a lot of people
10 here, just I ask you not to take too much time.

11 MR. YOUNGBLOOD: Okay.

12 CHAIRMAN DANNER: So we're not going to call time on you
13 unless you really take a long time, but --

14 MR. YOUNGBLOOD: Okay. Thank you for...

15 CHAIRMAN DANNER: -- (inaudible).

16 MR. YOUNGBLOOD: Thank you for taking our questions, our
17 comments, and I'll just give you my own comments here.

18 I understand that Hydro One is 49 percent Ontario owned,
19 and the other 51 percent, we don't have any idea who owns
20 the other 51 percent of Hydro One.

21 And also Canada is a socialist country, and why was it
22 announced on media outlets and letters sent out to employees
23 and et cetera like it was already a done deal? I heard that
24 there were letters sent out to the employees of Avista that
25 this was pretty much going to happen.

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1 And like I said, Canada is a socialist country, and why
2 in the world would we ever allow a socialist country to
3 control any part of our infrastructure? It's a national
4 security issue, as far as I'm concerned, and it's not in the
5 public interest. And I would vote -- the Commission to vote
6 no.

7 And how can Public Counsel claim to represent the public
8 interest and be in favor of Hydro One, a company owned by a
9 socialist country, wholly owning Avista?

10 And on this brochure that I have here, the information
11 sheet, it says (as read): "The joint applicants proposed a
12 merger resulting in Avista becoming an indirect wholly-owned
13 subsidiary of Hydro One."

14 And being a republic as we are, I feel we have no
15 business being invaded by a socialist company like this
16 taking over part of our infrastructure, and I would vote --
17 I would urge you guys to vote against this for the sake of
18 our country. It's a national security issue to have any
19 foreign entity having any part of our infrastructure, and I
20 would urge you to vote no.

21 MALE SPEAKER: Amen.

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

23 MR. YOUNGBLOOD: So...

24 CHAIRMAN DANNER: All right. Ms. Pancoast, please go
25 ahead.

1 MS. PANCOAST: All right. The first thing I want to say
2 is that Avista is a public utility, and it's a monopoly.
3 There's no place else I can go to get my electricity.

4 MALE SPEAKER: Right.

5 MS. PANCOAST: The second problem I have is I have no
6 vote in Canada. I have no power if a Canadian company
7 decides to do something I don't like, and it sets a horrible
8 precedent.

9 What's to keep China from buying out Hydro One? How am I
10 going to stop that if they decide to do it that way? It is
11 simply wrong to have a public utility monopoly owned outside
12 this country, and I think you should vote against it. I'm
13 against it. I, myself, don't care. I'm not going to live
14 long enough for the rates to go up, but my children and
15 grandchildren, they're kicking the can down the road.

16 And the other thing is why are we having this in the
17 afternoon when the poor stiff who work for a living can't
18 be here?

19 MULTIPLE SPEAKERS: Yep; yeah.

20 MS. PANCOAST: Thank you. I'm done.

21 CHAIRMAN DANNER: Thank you. Thank you very much.

22 All right. Guy Burnell and Mike Brown.

23 All right. Go ahead, sir.

24 MR. BURNELL: All right. My comments are fairly
25 scattered, actually, but they're mostly bullet points I

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1 would like to make. And I'll start off by saying that I'm
2 against the sale to Hydro One.

3 The gentleman before me gave some convincing arguments to
4 support my position here, but over the years the cost of
5 energy from Avista -- and the lady made the point that who
6 else do you go to -- from 2004, 2004 to the present, have
7 basically doubled not only in rates, but the per meter
8 charges have gone from \$5 to \$8.50, which is more than
9 double.

10 And my primary belief is that this is due to the green
11 energy movement of wind, solar, and biomass that's dictated
12 to Avista by the federal government, and if anybody can tell
13 me the cost of generating a kilowatt hour by these,
14 quote/unquote, green alternatives, I would like to see it
15 because I haven't been able to find it anywhere. Avista
16 hasn't been able to give me the cost of a kilowatt generated
17 by wind or solar or biomass, and what I have found, however,
18 is that hydroelectric power to date is the cheapest for
19 kilowatt price.

20 Who is going to have control if Hydro One buys Avista?
21 Who is going to have control over the rate increases? Will
22 the same process exist as it does today? In other words,
23 will the utility commission have the say over, or will they
24 be included in the conversation about increasing rates from
25 Hydro One? I don't know that answer, and that's a

1 rhetorical question.

2 This is not something that is new. If you'll recall, and
3 I'm sure you remember, that Puget Sound electric was sold to
4 an Australian company recently.

5 And I would like to also point out that Amanda Maxwell,
6 she seems to be a spokesperson for the Commission, made the
7 statement that we have a statute called the "net benefits
8 standard." And to me that means there has to be a benefit
9 not only to Avista and its shareholders, which seems to be
10 the primary beneficiary of this at the tune of \$5.3 billion,
11 and yet the credit, there's supposed to be a credit they
12 were to receive for ten years, and the statement was that
13 the credit would save a typical residential customer about
14 \$4.32 a year. That just doesn't seem like a net benefit.

15 So in closing, I would like to say that this reminds me
16 of -- and I'm sure you've all heard this on the news --
17 Uranium One, sale of 20 percent of U.S. uranium to Russia.
18 Thank you.

19 CHAIRMAN DANNER: Thank you, sir.

20 Mr. Brown, go ahead.

21 MR. BROWN: Hi, my name is Mike Brown. I'm the assistant
22 business manager for Local 77 of the International
23 Brotherhood of Electrical Workers. I represent
24 approximately 650 workers for Avista Utilities. And
25 yesterday I spoke in Spokane, and I just wanted to elaborate

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1 on some of my comments that I -- that I had yesterday.

2 I represent the worker, and we take a very large pride
3 and also some values in the work that we do. We represent
4 lineman, hydro operators, hydro mechanics, gas workers,
5 meter readers, so on and so forth with the company.

6 And Avista's employees and our members are union members.
7 They work really hard. They take a lot of value in the work
8 that they do, and with that, we also have a lot of value in
9 and also pride just within the industry.

10 When you look across the utility industry as a whole,
11 it's a -- it's a very complex business, and we understand
12 that. But also, too, there's a lot of workers and people
13 out there out in -- out in the right-of-ways in the streets
14 doing their thing, and they take a lot of pride and a lot
15 value in that.

16 So with that, we've had a really good relationship with
17 Avista over the years dating back to Washington Water Power,
18 and so when we learned about -- also, too, we take a lot of
19 pride and value in our apprenticeships and the way that
20 we're trained in order to put together a skilled workforce
21 that can construct and maintain the facilities of Avista,
22 and we work really hard at that.

23 And so when we learned about basically part of this
24 settlement that there was an agreement with another entity,
25 the laborers' entity in regards to doing work on the gas

1 pipeline infrastructure and even hydroelectric projects,
2 although, you know, people, you know, can do business and
3 can contract and do the work, we also take a lot of value in
4 the fact that some of these other entities may not have the
5 training or the apprenticeships to do the type of work that
6 other entities like the IBEW, or even people out in the
7 fields that do work within the pipeline infrastructure and
8 different things like that. You've got the kind of skilled
9 workforce out there that can put together an infrastructure
10 in the Avista system. Whether it be overhead power lines,
11 underground power lines, gas pipeline infrastructure,
12 whatever it may be, you definitely want people that are
13 going to be working on those types of things that's going to
14 give you the quality and the things that you want.

15 So with that, those were the -- the few things that I
16 wanted to kind of elaborate on is just the values and the
17 importance that we hold as the workers in respect to all of
18 that, and thank you very much for your time. We thank you
19 for you guys coming out and listening to the voice of the
20 public in regards to this matter, and thank you very much.

21 CHAIRMAN DANNER: All right. Thank you, Mr. Brown.

22 All right. Joel Shank and Jeanne Shank?

23 MR. SHANK: Just me.

24 CHAIRMAN DANNER: Just you. Okay, sir.

25 And Bill Kruk (phonetic); is that right?

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1 MR. KROLL: Probably Kroll.

2 COMMISSIONER BALASBAS: Kroll.

3 CHAIRMAN DANNER: Oh, Kroll. Okay. Come forward. Go
4 ahead, sir.

5 MR. SHANK: I have been a customer and a stockholder in
6 Washington Water Power since the early '70s. I was a
7 stockholder and customer of Puget Sound Energy for nearly 20
8 years. And I watched that sale take away my income that I
9 had planned to retire on as dividends, and I see those
10 profits going to Australia.

11 Now, I'm seeing the same thing appear to unfold with
12 Washington Water Power, or Avista, as it's now known. It
13 concerns me that the country is sending the money outside of
14 the United States, outside of Washington in particular.
15 Both of these companies were built in this state. They are
16 employed -- or they do employ residents of this state, and
17 now we're talking about sending whatever profit there is
18 outside of the entire country.

19 That deeply concerns me, so that I hope that you will
20 take into consideration that we're not literally offshoring
21 our money for Washington -- or Avista that we did for Puget
22 Sound Energy. I would really like to see things like this
23 stay within the country.

24 And I know that the utilities are tightly controlled. I
25 presume they will remain tightly controlled even if they're

1 held by a foreign agency, but it doesn't belong anywhere
2 else but here. That's it.

3 CHAIRMAN DANNER: Thank you, sir.

4 Go ahead.

5 MR. KROLL: Yeah, I'm Bill Kroll. I live in the area
6 around Springdale, Washington, in Stevens County. I'm just
7 here to speak for myself.

8 The wife and I lived in Clarkston, Washington, from 1984
9 to 1989. During that time, the City of Clarkston sold their
10 water rights, their water system, to an individual in
11 France. And of course they had contracts and regulations
12 that -- and regulators that he could only -- that they had
13 to be fair with the water rates and that sort of thing. And
14 then they found out that since the owner was in a foreign
15 country, all of the contracts and regulations and regulating
16 boards didn't mean a single thing. They couldn't do a thing
17 to him.

18 He doubled and tripled the water rates. The water costs
19 more than the electricity. People couldn't afford to water
20 their lawns, and after about five years, the City of
21 Clarkston bankrupted the town to buy it back from them.

22 And it was -- anyhow, the main point is that they found
23 out all of the regulations and contracts with somebody in a
24 foreign country couldn't be touched. It didn't mean
25 anything. And that seems to me the same thing is going to

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1 happen here.

2 And just one little idea here. Grant County, Chelan
3 County, and Douglas County in the State of Washington have a
4 public utility district. They have the cheapest electricity
5 in the United States. Why don't we just put Avista into a
6 public utility district?

7 FEMALE SPEAKER: Yes.

8 MR. KROLL: Or even a cooperative. It just seems to me
9 that the whole reason behind what's going on is that
10 Avista's CEOs and things are just going to end up with a bag
11 of money, and that the customers of Avista are going to be
12 really sorry.

13 And just on a more positive note. We lived here by
14 Springdale for 29 years, and I have always been impressed
15 how they -- when we had a big windstorm or something and
16 lost power how the Avista employees could come out in the
17 middle of the night and would fix things in a hurry. They
18 were always great. Thank you very much.

19 CHAIRMAN DANNER: Thank you, sir.

20 Okay. Bob Jackma -- did I say that right? -- and Michael
21 Nichols, please come forward.

22 CHAIRMAN DANNER: All right. Who goes first?

23 MR. JACKMA: Why don't you go first.

24 MR. NICHOLS: Oh, okay. I'm Mike Nichols. I'm a
25 resident of -- close to Colville and been a customer of

1 Avista for many years. And I appreciate the fellow just
2 talked about the fact that Avista's always given really good
3 service. We've always appreciated that. And when we go to
4 a foreign entity, how are we going to be able to control
5 that quality of service?

6 They had a fellow talking about the fact that when you go
7 to a foreign entity like this, any profits go to that
8 foreign entity. So we'll have a net drain of funds in the
9 area that this affects, so it's an economy drain.

10 We had one fellow talking about the fact that he
11 represented the workers who work for the utility who are
12 under contract with the utility. We might recognize that
13 federal law requires that you don't have to contract with
14 anybody that you don't want to and by doing this, it is
15 going to require people to actually lose their -- that
16 ability to determine if they can exercise their right under
17 the law or lose their jobs because of the -- we're different
18 than they are in Canada. We are a country which often
19 people say is a democracy, but we're not. We're a republic,
20 and we have rights that other countries don't have.

21 Somebody mentioned that Canada is a communal country, and
22 the government controls them. I think that we need to
23 recognize that we need to maintain local control. We don't
24 need to have the government and Canada controlling our power
25 rates and -- and even the employees in this area. We need

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1 to keep that as local as possible so that people can
2 maintain their services, they can maintain their rights, and
3 they are not affected by -- as one person mentioned, I have
4 seen this on a number of occasions when people from foreign
5 entities bought into and then suddenly you couldn't -- they
6 had no control over it.

7 And there was -- and I think we'll find that's true to
8 some real great extent here when you get to where we don't
9 control what happens, and it gets out of our control. It
10 gets out of our country. And if we start diluting our
11 country into other situations, then what have we got anymore
12 if we can't maintain our representative form of government
13 because the foreign entity is controlling our utilities?

14 Power is it. There are two really, really important
15 things. Water and power. And we find some people trying to
16 mess with our water now and the water bank and take our
17 water rights away. But we have to have to power. And if we
18 allow that to go to a foreign entity and controls of that,
19 which we will have limited control here, then we have lost
20 something, and it's something very important.

21 And the only reason that they're doing it is somebody's
22 going to make big money off of this. They're not doing it
23 in the interest of the public because the public's got good
24 service and good rates and stuff like that. Somebody's
25 going to make big money, and it's not the people that are

1 actually paying for it.

2 I appreciate the opportunity to speak. I have done a
3 number of meetings like this where they just blah-blah and
4 you have no opportunity for input. Thank you very much.

5 CHAIRMAN DANNER: Thank you. Appreciate it.

6 All right. Mr. Jackma?

7 MR. JACKMA: Thank you for allowing us to have this say.

8 So I -- this was given out at the last moment. I had no
9 opportunity to look at it or see what it says, so I have to
10 speak without this knowledge.

11 The knowledge I do have is the information pamphlet that
12 Avista provided us in the bill, and it brings out some very
13 significant points. And I think the first thing we should
14 look at is Hydro One is on -- is Canada's largest
15 electricity transmission and distribution. It doesn't say
16 that they're the largest generator. In other words, their
17 business is transporting power from one area to another, and
18 I think this is very significant.

19 All right. Going further into the board of directors.
20 They've got nine members, four of which for Avista, five
21 for, let's say, Hydro One, which is Canada, and so already
22 the say-so of the new merged corporation is going to lie
23 with Hydro One. And then further, as to the makeup of the
24 board, what they say here of the five members, three of them
25 will reside in the Pacific Northwest.

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1 Well, that's a very broad area. Does that include
2 British Columbia? Would they be British Columbia residents
3 or citizens, or would they be Washington State citizens with
4 the interest of Washington State first and primary? So
5 that's something else. Are they going to be U.S. citizens,
6 these three people on the board, or are they going to be
7 Canadian citizens? We don't know. It's not touched.

8 But you got to go a lot by -- on these things as to what
9 they don't say, and what they don't say is what's going to
10 go -- what my opinion is, the primary reason for this whole
11 merger, and it goes back historically about three decades
12 ago. I think the real goal is to transport Canadian
13 electricity through Avista's serving area to other parts of
14 our nation southbound, perhaps areas which are power short
15 like California. Arizona. It could even be northern Mexico
16 for all we know. But, anyway, I think this is the real goal
17 because this is what Hydro One's primary business is.

18 Now, we'll go back a little bit historically, and since
19 I'm a 45-year resident of Columbia River Valley, I was
20 actively involved in what happened.

21 Approximately 30 years ago, Avista, then known as WWP,
22 attempted to bring Canadian power down through the Columbia
23 River Valley all the way to Spokane and, hence, further on.
24 I don't know.

25 But, anyway, we citizens, our neighbors, we organized an

1 opposition to this called "NOPE," Neighbors Opposed to Power
2 Exploration.

3 Anyway, so Avista, or WWP, needed the, let's say,
4 approval of the federal Department of Energy to get -- to
5 build this line, and, eventually, through our efforts and
6 other people's efforts, they decided not to. And one of the
7 reasons they decided not to is this power line was going to
8 be built through private property, not government's
9 property, federal or state forests, for instance.

10 And the reason being, we found out, is that there are
11 many environmental restrictions in order to build power
12 lines through these government properties. These
13 restrictions do not apply to private properties, especially
14 residential areas, and our concern was the Columbia River
15 Valley, which is one of the last free-flowing river sections
16 with, let's say, scenic beauty left in the United States.
17 And to run a power line down that would scar it. Disfigure
18 it.

19 And it's also an economically depressed area, and as such
20 our -- at least in my view, the only let's say possible way
21 that we can really improve the lot of our area and the
22 citizens of the, let's say, Stevens County, is through tours
23 and recreation, and this power line coming down it would
24 affect that.

25 So the Department of Energy, through our efforts and

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1 other efforts, declined to approval, and I feel that this is
2 the real -- where's the money going to come from? Who's
3 probably going to profit by selling out the -- well, let's
4 say they call it a "merger," but it's probably more a sale
5 since Hydro One's taking over. How are they going to
6 profit? We've already got low rates. We don't have a need
7 for improvement, is the way I look at it, and I think this
8 is a criteria.

9 And I think the other thing is I believe your mandate is
10 for the interest of Washington State, the public good, the
11 public welfare, and I don't think it's being met by this
12 power line. It might benefit these other areas further on
13 down, but that's about all I have to say, except one other
14 thing getting into the sovereignty issue.

15 With power, which is a very necessary thing and the --
16 our modern society is dependent upon it, you're giving what
17 essentially amounts to Hydro One having a -- let's say a
18 governing ownership percentage-wise by the government of
19 Ontario. You're giving a foreign government a right to
20 exercise eminent domain to seize the property in order to
21 build this power line, and I think there's something
22 basically wrong with that. And Canada is a good neighbor at
23 present, but we never know what's going to happen in the
24 future.

25 I have one more comment. I hope this doesn't go through,

1 but I think from now on our states -- and the federal
2 government has not been doing it yet. We should put as a
3 requirement on any such changes that our power lines and
4 power generators in Washington State, which is your domain,
5 be hardened against EMP and against major solar flares,
6 which knocked out our so-called electrical system, solar
7 flares did in 1859, which amount to telegraph situations.

8 And if you look at it now, it would completely devastate
9 our modern society if we had a solar flare or an EMP done by
10 hostile nations, so I thank you very much.

11 CHAIRMAN DANNER: Thank you, sir.

12 MALE SPEAKER: That was beautiful.

13 CHAIRMAN DANNER: All right. David Paperd?

14 MALE SPEAKER: He's up, huh?

15 MR. PAPERD: And this is just for recording, not for
16 increasing...

17 CHAIRMAN DANNER: That's right. You still have to use
18 your outdoor voice, but this is just for keeping the
19 (inaudible).

20 MR. PAPERD: Okay. Good enough. Well, I saw what you
21 did yesterday, and I liked that there were a lot more
22 liberals there than there are here today. I want to say
23 that I do not support the merger, and I urge you all to vote
24 against it.

25 A long time ago, personally, I put in an offer on a water

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1 company on Vashon Island where the land owner and the water
2 company owned an undivided half interest on every gallon of
3 water. I left the offer open, and after months the seller
4 came to me and said, If I bought the property, would I
5 charge for the water?

6 And I reflected on that for some length, and I answered
7 not right away, but over time, I would definitely. I'm
8 charged for every gallon used. Dividing one-half interest
9 of the ownership meant that I owned every gallon that people
10 were drinking. Sooner or later, I would charge them for it.
11 I didn't think there was anything immoral about it. I just
12 think that that's what's going to happen.

13 My opinion is that over time this merger -- if you want
14 to call it a merger. It's not a merger. It's a purchase,
15 \$5.3 million cash for all the outstanding shares, and then,
16 oh, by the way, we're not on the New York Stock Exchange
17 anymore.

18 My opinion is that over time, this will come to no good
19 for the local community. It is the community's water
20 company -- power company. It isn't Avista's. It's ours.
21 We pay for it. It's our cash flow. Our guaranteed monthly
22 cost, which we absolutely must pay for a product that we can
23 absolutely not live without, is an absolutely envious source
24 to a business. Envious source of money.

25 Wow. We are a guaranteed cash flow source to the

1 company, any company, if they have control of this asset. A
2 lovely investment for a buyer.

3 I would not presume -- I didn't presume yesterday after I
4 heard some of the comments -- I would not presume to tell
5 Avista or Hydro One how to run their businesses. That is if
6 coal strips, clean air fears, or maintenance considerations,
7 anything that the company has to do, but they do a fabulous
8 job, and I want local control to reside here for maintenance
9 and service without trying to get approval from a
10 disinterested Ontario, Canada company.

11 Yesterday I heard regarding global warming and coral reef
12 loss because of global warming. I do not share those fears.
13 I think we have a very short attention span. We only live
14 70 to 90 years, and the Earth is maybe 30, 40 billion years
15 old.

16 50,000 years ago, there was no water on either the north
17 or the south poles, so I'm not one to say that my 70 years
18 would have made a big change. We probably have, but I'm not
19 to say that.

20 If I were to presume to tell Avista how to run their
21 business, I -- and I understood they were here, so I want to
22 say this out loud -- I would tell them that they have an
23 unequivocal moral responsibility to harden their system
24 against any large stray current electrical EMT.

25 I've read an interesting book which suggests that without

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1 power on a society-wide basis, 90 percent of the people will
2 die, and that we will be thrust back 200 years. Interesting
3 notion.

4 In the event of a nuclear attack above our atmosphere,
5 which I just can't help but believe that that's in the
6 future somehow possibly, resulting in a loss of power for
7 many years, we cannot live without power.

8 I foresee no long-term benefit to us as a user community
9 for them to buy this business. It worked beautifully. Now,
10 why would you guys want to fix it? Thank you so much.

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

12 Okay. Madonna Jones and Edwin Iverson?

13 MS. JONES: Thank you for coming up to hear what we have
14 to say, and thank you for the work you've already done on
15 this merger. I'm a science teacher, so I'm coming from a
16 little bit different perspective maybe than a lot of the
17 people in the crowd because I am concerned about climate
18 change and...

19 CHAIRMAN DANNER: Can you speak up just a little bit,
20 Ms. Jones?

21 MS. JONES: Oh, okay. Schoolteacher voice.

22 CHAIRMAN DANNER: Yes.

23 MS. JONES: And I do want to see a reduction in the use
24 of fossil fuels to generate electricity, and so the issues
25 that I want to address are if the merger should pass in

1 regards to the coal strip mining.

2 So I understand that from the work that's already been
3 done if the merger goes through that the depreciation date
4 has changed from 2037 to 2027 for 3 and 4, which is what
5 Avista's involved with, so, you know, thank you for working
6 that out.

7 And from what I understand, though, that's really not a
8 guarantee that the plant will be closed. And so I would
9 like to see that that happens, as I understand the other
10 utilities that are, you know, involved in the coal strip
11 plant will be pulling out in 2027, and I think Avista should
12 do that as well.

13 I believe that the replacement energy after coal strip is
14 gone should come from renewable energy. Coal is
15 environmentally disastrous. It's an outdated technology.
16 Actually wind and solar are now at par with generation from
17 coal, and the new technology will continue to get cheaper,
18 whereas the costs of coal to human health, air, water, our
19 climate will not be declining.

20 So I just think, you know, we need to look towards the
21 future and what kinds of technology our kids will be using.
22 Just like Ford isn't still rolling out Model Ts, we
23 shouldn't be getting electricity from coal. It's just a
24 technological dead end.

25 And so, hopefully, those jobs that would be lost there

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1 could be replaced with renewable energy, and those existing
2 transmission lines could send us electricity.

3 You know, I'm just a science teacher. I can't understand
4 all of the financial aspects to big mergers like this. But,
5 clearly, there must be money to be made. Otherwise, it
6 wouldn't be happening.

7 So, you know, I live in a beautiful area. It's a
8 resource-based economy. You know, we have, you know,
9 incredible forests and streams. But as a resource-based
10 economy, our incomes are more low. Our quality of life is
11 very high, but our income's not so much.

12 And so I feel like since there must be money being made
13 if this merger goes through, the costs, which are going to
14 be enormous of cleaning up that coal strip mine and starting
15 into the new technology and the new renewable resources that
16 the money that that takes, should not come from the
17 ratepayers.

18 It's the -- the shareholders who are, you know, taking
19 financial risks. They're the one that get all of the profit
20 at the end because it's partly -- and what's not all a
21 public utility, it's -- part of it is there for profit. And
22 so if they're going to get the profits, then they also need
23 to accept the costs of cleaning up the coal plant and
24 getting us going on some of the other renewable energy.

25 So it seems like I'm, you know, at the federal level as

1 far as climate change. We're not seeing much progress. And
2 I think local utilities -- I mean, this -- you folks are
3 local government, and so I hope that you will represent us
4 in the future and to help see us move into, you know, these
5 new technologies that are just like -- you know, my dad grew
6 up farming with mules, but when he died, he had cell phones,
7 you know?

8 So if I imagine forward what my kids will see compared to
9 what I see, I hope you will consider them and to keep us
10 moving forward and the technology advances that are just
11 coming like crazy as far as energy, so thank you.

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

13 All right. Go ahead, sir.

14 MR. IVERSON: Yes. My name is Edwin Iverson. I'm
15 opposed to this merger or buyout for the reasons that's
16 already been mentioned, one of them being national security.

17 The energy resource is a critical resource for national
18 security, and we have just been through -- for the last 50
19 years, we have been through an attempt to regain energy
20 independence from the Arab states, and here we are right in
21 the middle of giving energy independence away to a foreign
22 entity. I think that's an extremely dangerous precedent.

23 And the other thing is, is that with -- the rates are --
24 I can't imagine what -- they won't go up after this buyout,
25 for some of the same reasons that my table mate here just

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1 mentioned that Canada is hell-bent for alternative energy
2 resources. I think the time has not come anywhere near
3 for -- for it to be considering that. Alternative energy is
4 still very much more expensive than hydro and other sources
5 of power and, therefore, since Canada is so obsessed with
6 alternative energy and green energy, that's going to drive
7 the decisions regarding the resources that our energy comes
8 from.

9 So those are all the things that have already been
10 mentioned, but I come from -- most recently I come from the
11 Pullman area in Washington, and so I have been through some
12 of the dam wars. And so there's a lot of concern -- I think
13 justified -- that if we are controlled by -- if our energy
14 resources are controlled by a company that is obsessed with
15 alternative energy, they're also -- we know that they're
16 hostile to our hydroelectric dams, and so there's going to
17 be a lot of pressure, a renewed pressure, to take out the
18 dams.

19 And this has got a lot of implications on agriculture, on
20 shipping, on recreation, and all of that, in addition to
21 rates, and so I believe that it would be a very bad
22 precedent to give authority or give this kind of authority
23 to a foreign agency that is obsessed with alternative
24 energy. So I encourage you to vote against it.

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

1 Okay. We have some people who have signed up as maybe,
2 so maybe you can clarify yes or no.

3 Mary Selecky, would you like to come forward? I haven't
4 seen you on this side of the state before.

5 MS. SELECKY: Well, it's my home for 44 years.

6 CHAIRMAN DANNER: I know that.

7 MS. SELECKY: My name is Mary Selecky, and I have been a
8 customer of both Washington Water Power and Avista. And my
9 point for speaking today is to (a) say thank you to them for
10 the excellent kind of service they have given to us. I was
11 recently -- now three summers ago -- in a huge windstorm,
12 and they worked night and day to restore power just out the
13 Tiger (phonetic) Highway 16 miles.

14 So my request of the Commission is should this go through
15 that you hold whatever the new company is called to standard
16 that certainly we've been used to and should be used to
17 because Avista's set the bar quite high. And I'm pleased
18 with the kind of work they have done, so make sure we get
19 good service in our rural areas, okay?

20 CHAIRMAN DANNER: Thank you very much.

21 MS. SELECKY: Nice to see you, David.

22 CHAIRMAN DANNER: Nice to see you.

23 MS. SELECKY: And you too, Jay. And I'm sorry. I don't
24 know you, but, Hello.

25 COMMISSIONER RENDAHL: It is good to meet you.

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1 CHAIRMAN DANNER: All right. Ken and Candy Barker, you
2 also signed in as maybes.

3 MR. BARKER: She's not going to, but I will.

4 CHAIRMAN DANNER: Okay. Come forward.

5 MR. BARKER: Because I came in a couple minutes late, you
6 guys represent who?

7 CHAIRMAN DANNER: We are the Utilities and Transportation
8 Commission, so we're the State --

9 MR. BARKER: Of the Washington State?

10 CHAIRMAN DANNER: We're the State agency that --

11 MR. BARKER: Okay.

12 CHAIRMAN DANNER: -- regulates our utilities.

13 MR. BARKER: My name is Ken Barker, and I live in Loon
14 Lake. And I'm 110 percent against this. I wonder how many
15 people have thought of this word, "treason," happening to
16 our country. And by some foreign entity coming into our
17 country -- such as the power -- is highly treasonous, and I
18 hope to be able to talk to Inslee about it which might not
19 go any place.

20 Also the Seattle deal with the Australian company taking
21 that water system -- that was a water system, if I remember
22 right. That is another treasonous act to our country, and
23 I'm against all of this stuff that's going on.

24 The last administration sunk us down the tube, and now
25 with this power stuff that's coming on, I just don't think

1 we should be doing it at all or even entertaining it. Thank
2 you.

3 CHAIRMAN DANNER: Thank you, sir.

4 All right. Holly O'Connell. You signed up as maybe.
5 Okay. So you're a yes, too?

6 MS. O'CONNELL: Yes.

7 CHAIRMAN DANNER: Come forward.

8 .MS. O'CONNELL: Thank you. Yes. My name is Holly
9 O'Connell, and thank you for you folks coming here to
10 Colville. I've had property here for over 50 years, so this
11 is not someplace I just happened into, and I have a couple
12 of questions for you.

13 I would like to know what renewable energy sources will
14 be the focus point, and I see in some of your literature it
15 discusses gas.

16 And so is that -- does that mean that they're going to be
17 pushing for more gas consumption and transmission? Because
18 I pay close attention to the pipeline for the oil through
19 central United States, and I watched on C-SPAN the hearings
20 relative to that pipeline that was going over our major
21 farming areas of the United States and an acknowledgement
22 finally by the Canadian company that was really pushing for
23 this that this wouldn't be any oil sold in the United
24 States. Their objective was to get that oil to Texas where
25 it would be refined and shipped around the world, so you

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1 know there's -- the rest of the story is always important
2 from what it looks like on the surface.

3 And in this area, as Donna Jones mentioned, you know, the
4 income isn't all that great. And so I have serious feelings
5 about numbers that are sent out like the average household
6 will use this much or their rates will increase this much
7 and this is what it will cost you. Because if you've been a
8 schoolteacher, as she suggested, that you know if you have
9 two zeros in the classroom and two one hundreds, the average
10 is fifty, which represents no one. So if your head is in
11 the refrigerator and your feet are in the oven, on average,
12 you're just right, right?

13 Okay. And I just recently looked up the demographics for
14 this area, and 30 percent of the people in this area have a
15 household income of \$35,000 or less. That's 30 percent.
16 And so rate increases mean a great deal, and so somebody
17 with incomes greater than that don't realize what a -- you
18 know what -- how much this impacts so many families.

19 And I had -- I was in Spokane Valley -- I used to live
20 there and -- where they have Inland Power, and it's a co-op
21 as was suggested. And the PUD, of course, got
22 electrification to all of this rural area previously, so
23 bigger is not always better.

24 And I would like to know. I have concerns about what the
25 compensation packages are going to be for those in

1 administration, whether it's Avista or it goes to another
2 entity. You know how much is -- when they raise our rates,
3 how much is going into those kinds of benefits for those who
4 are not acknowledging those with incomes of \$35,000 or less,
5 okay? It's important.

6 And relative to other countries having an impact on us, I
7 think Canada is a great neighbor, you know, and I think they
8 do lots of wonderful things.

9 My greater concern right now is the recent acknowledgment
10 of hacking not only into our election system, which most
11 people have heard about, but it sort of got mentioned and
12 then passed on by, that hacking had also been done to our
13 electric grid and our water grid.

14 So my -- those are my greater concerns about how we use
15 technology to protect ourselves or use whatever means and
16 the research that needs to be done on protecting our grids
17 from hackers, okay?

18 So those are -- I think I pretty well covered the things
19 that were uppermost in my mind, and I thank you again for
20 coming and sitting so patiently to -- listening to all of
21 us, and thank you.

22 CHAIRMAN DANNER: Thank you.

23 MS. O'CONNELL: We'll look forward to your conclusion.

24 CHAIRMAN DANNER: Thank you very much.

25 MS. O'CONNELL: Thank you.

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1 CHAIRMAN DANNER: So I just want to clarify. The
2 materials that were handed out today, this sheet is from the
3 Attorney General's consumer advocate office and the Attorney
4 General. The other one was from Avista. So we actually
5 haven't handed out anything and...

6 MS. O'CONNELL: Thank you.

7 CHAIRMAN DANNER: But they're here in the room, so if you
8 have those questions, you should direct them to the company
9 or to the --

10 MS. O'CONNELL: Thank you.

11 CHAIRMAN DANNER: -- consumer advocate.
12 Thank you very much.

13 All right. Roland Hornor, are you here, and Sally Leque
14 come forward.

15 MS. LEQUE: Hi.

16 CHAIRMAN DANNER: Hi. Go ahead.

17 MS. LEQUE: My name is Sally Leque, and --

18 CHAIRMAN DANNER: Oh, okay.

19 MS. LEQUE: -- I live in the Loon Lake area.

20 My main purpose to be here today is concerning the coal
21 strip plant in Montana, and I would -- four points I would
22 like to make; that no more ratepayer money past the year
23 2025 going to -- you know, to prop up the coal strip plant.
24 The ratepayers should not be expected to pay for the
25 maintenance of that plant.

1 And the second point is the depreciation schedule assumes
2 a remaining useful life until 2027, but there is presently
3 no plan by Avista to close the coal strip by a specific
4 date. So I would be looking for Avista to formulate a plan
5 and set a firm date for shut down of that plant.

6 My third point concerns that Avista start setting money
7 aside for cleanup and demolition of the plant. There's
8 an -- 800 acres of ash ponds which continue to feed toxic
9 underground water and -- that's leaked from ponds and has
10 contaminated groundwater.

11 The fourth point: Avista has 10 percent ownership share
12 of the transmission lines that run about 300 miles to tie
13 into the BPA transmission grid. Avista must make a plan for
14 transmission of new renewable energy resources from Montana
15 to Washington so as not to lose the rights to this
16 transmission asset.

17 And that's mainly my concerns. I don't want to leave the
18 people in Montana suffering as that coal mine comes to its
19 close.

20 CHAIRMAN DANNER: All right. Thank you very much.

21 MS. LEQUE: Thank you for being here.

22 CHAIRMAN DANNER: Thank you.

23 All right. Mr. Hornor?

24 MR. HORNER: Roland Hornor from Colville, Wyoming -- how
25 about Washington.

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1 These dams in the Bonneville Power Administration, which
2 are up and down the Columbia River and in my understanding,
3 even on the Snake River. And I think Avista has a vested
4 interest in a good many of them, if not -- I don't know how
5 many, but a large number of them.

6 These were all built by taxpayer money. American
7 taxpayer money. It was built by American labor. American
8 engineering. Sits on American soil. They're American
9 assets. They're major assets which most countries in the
10 world would give their right arm to have if they
11 collectively could have such and do such to have them.

12 To give control over American valuable assets such as
13 power generating systems, coal, nuclear or natural gas
14 generating systems, giving them -- even remotely allowing a
15 foreign entity to have control or input into the management
16 or the use or whatever it may be on the hidden agenda,
17 what's really behind the scenes on this, there's no business
18 in allowing an alien entity to have this.

19 Anybody that was born and raised in the United States,
20 hopefully, is interested in assets which will benefit our
21 people. These are already, in most cases, completed and
22 fixed assets. Most of them -- I don't know if their debts
23 are all paid off on that or not. You folks would know more
24 about that than I do, but a large percentage of the debts on
25 them are completed, and some are and some aren't.

1 I don't want these given to any foreign corporation.
2 We've got enough trouble with our own management, domestic
3 management and the problems that they create without
4 worrying about what a foreign entity may do.

5 Ontario Power has pretty much clearly stated that they
6 are really seriously interested in alternative energy. I
7 have no opposition personally to alternative energy other
8 than the fact on a widespread scale, you know, for industry
9 and things that we needed, you know, it's -- the sun doesn't
10 shine.

11 Anybody live in northeast Wyoming? They realize that
12 there's very little sunshine for about four months out of
13 the year. It's just -- it can be done, and people do have
14 it. But this is us on a private scale. This is not on a
15 national or a statewide or a regional scale. It's just not
16 practical at this point in time.

17 If you lived in Yuma, Arizona, that would be a little
18 different story. Yuma, Arizona, has a reputation of being
19 possibly one of the most sunniest spots on the entire
20 planet. That would be the spot to put your alternative
21 energy type of things.

22 Ontario Hydro is, of course, a Canadian corporation.
23 They're under the Paris accord. We, to the best of my
24 understanding, are not actually under (inaudible) them
25 except as far as I believe the governor of the State of

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1 Washington seems to want to override whatever the federal
2 policy is. He's not necessary the only one, but one of
3 many.

4 And under Ontario Hydro, being a Canadian company or
5 corporation very likely in reality is just an offshoot of
6 the Bank of England, the Bank of England owning a large
7 percentage of the assets of many corporations in Canada, and
8 probably secretly many of them down here.

9 The Bank of England has been looting the planet for 300
10 years, and I look at this possibly as maybe a backdoor
11 method of getting the Aryan colonies back gradually under
12 the wing of the crown, you know? And that doesn't mean the
13 king. Crown is a corporation. I'm not -- it has nothing to
14 do with Queen Elizabeth or anything. Crown in England is a
15 corporation of which the Bank of England, of course, is
16 merely a part of it.

17 One of the main concerns should be about the possibility
18 of tearing out the existing dams that we already have. They
19 have hinted at it, and, of course, hinted that they may make
20 up for the loss of power by the alternative energy sources.
21 Depending on the part of the country you are living in, it
22 might be practical, but we don't live in that part of the
23 country, unfortunately.

24 The lady that was here a moment ago was mentioning
25 something about the coal strip plant over there in southern

1 Montana. It's right on the border between Montana and
2 Wyoming, and I want to mention a couple of things.

3 The Powder River Basin. I worked for 25 years in the
4 Powder River Basin railroad. I have been in at virtually
5 every mine in the Powder River Basin. I couldn't tell you
6 how many times. I have been in many, not necessary all, a
7 lot of the regional generating stations.

8 And what should be known is when I retired -- this is --
9 and they were producing close to 40 percent of the
10 generating coal utilized in the entire United States. The
11 State of Wyoming, eastern Montana, western North Dakota have
12 enough coal -- this is fact -- for 200 years minimum; the
13 next 200 years at present rates of usage. The real truth is
14 it's closer to 400 years.

15 This is discounting the immense amounts of coal that are
16 found in other regions of the United States. United
17 States -- this is -- this is something that you folks on the
18 Commission should know, and you should be telling the public
19 instead of the public telling you -- the United States is
20 the Saudi Arabia of coal on the planet. We have more coal
21 in the United States than any other country in the world.
22 There's lots of other coal deposits all around the world,
23 but nobody's got what we have.

24 We are afraid to use it as if it's dirty.

25 FEMALE SPEAKER: It is.

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1 MR. HORNER: I have -- a friend at University of Wyoming
2 just told me here about a month ago, Wyoming is a poor state
3 compared to Washington or California and so forth. And they
4 don't have quite the infrastructure that some of the states
5 out here have, but they have begun to build transmission
6 lines out of the state. They send stupendous amounts of
7 coal out, but they've got to the point where they're putting
8 in generating stations within Wyoming. They always had a
9 few, but they got newer ones. Anyway, they opened a new
10 generating station, and the output particulates, and all
11 this sort of thing, is virtually nonexistent.

12 What I am telling you, the technology is here. It's not
13 in the future. It's not fairytale. It's here now, and it
14 is in use. We have the cleanest generating stations on the
15 planet now, and the ones coming on stream now are cleaner
16 yet. They can't even find any traces of pollution or
17 particulates.

18 You people should be aware of this. To think about
19 tearing out billions of dollars' worth of facilities,
20 whether they're in Montana near a coal strip, in the
21 generating stations there, or in a mine, that means that
22 you're tearing out all sorts of infrastructure or -- I
23 understand we have several generating plants on the west
24 side over there. You folks are from the west side. You
25 know more about that than I do, but I understand there are

1 some over there.

2 And whether the people have -- or the governor has
3 forbidden the use of them, I'm not familiar with that. But
4 you're talking about hundreds and -- tens of hundreds of
5 millions, and maybe even a billion dollars each for these
6 generating plants and stations. And to tear them out, this
7 is a criminal use of taxpayer money because the taxpayers or
8 ratepayers paid for every one of them.

9 You know, whether it's a mine, whether it's a railroad
10 infrastructure, whether it's a -- generating plants,
11 taxpayers and customers and consumers pay for every bit of
12 that, and nobody's got a right to tear that out. That's a
13 taking. That is theft on a national -- and if we have a
14 foreign corporation in here running an outfit like Avista,
15 you've got alien philosophies and alien people running and
16 potentially damaging long term your country.

17 I think -- I don't have to tell you that I'm (inaudible)
18 very much opposed to this merger. I think it's -- I think
19 it's -- I think the occupants of the lunatic asylums have
20 been turned loose, and I think they've been put into
21 positions of authority to even consider something like this.

22 So I trust that you use some reason, logic, and common
23 sense and oppose this. Thank you.

24 CHAIRMAN DANNER: Thank you, sir.

25 Okay. Barry Smith, will you come forward, sir, and

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1 William Zuehl. William Zuehl here? He signed in maybe.

2 Go ahead, sir.

3 MR. SMITH: Well, this is going to be very brief and
4 personal. From my appearance, you can tell that I'm a
5 retired worker for Avista, and I went to work there right
6 after the Korean War. I was a CB for four years,
7 electrician, and went with the company, and it was a great
8 company.

9 And I worked at relay and test and the electric shop
10 going in, and then I spent a lot of time as a system
11 operator, worldwide sale and broker, you know, and the other
12 two people are equated with that.

13 And I agree with just about everything that gentleman
14 said, and I (inaudible) that to it because it would just be
15 excessive.

16 But some of my colleagues with whom I worked asked me to
17 mention what happens to retirement funding when Hydro One
18 takes over. I realize the transportation and utilities
19 commission doesn't generally want to delve into the public
20 situations of corporations, but this is something that's
21 very serious to the best part of a thousand people.

22 And when you're almost a hundred, why you don't just go
23 out and get another job. You depend on your pension and
24 other things, and so it's a pretty serious question. And
25 there hasn't been a word said in the papers about it, and I

1 think it is something that's underpublished.

2 And I think you guys also need a good sound system. You
3 get in the back of this room, you can't hear yourself talk.

4 FEMALE SPEAKER: That's right.

5 CHAIRMAN DANNER: I'm sorry.

6 MR. SMITH: And believe it or not, we come down here to
7 hear what the individuals have to say. And when you get
8 down here and you're 25 or 30 feet away and you can't hear
9 them, it is serious. And sound systems aren't that
10 expensive.

11 I have been down to Arizona for winters. I've had enough
12 of the cold weather up here. And they're in the same
13 problem, the Four Corner plats (verbatim) up in the
14 northeastern Arizona as you know. The environmentalists
15 want to shut down all of the coal plants.

16 Well, it puts hundreds of the Indian tribes out of work,
17 the Apaches, and they -- the Navajos both have staff in the
18 plants from the coal mines.

19 And it's going to create a real economic problem, and all
20 I could see happening from the brokering that I did in hydro
21 with the modern generation, coal -- actually, from my
22 standpoint to -- wind and solar are simply -- something
23 you'd want to talk about and improve drastically before you
24 put millions or even billions of dollars into effective
25 installment plants and wind farms and the like.

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1 Now, hydro, the minute Hydro One gets all the hydro from
2 water power, watch the price goes up. And I don't care what
3 they guarantee as to that not happening, but it's a fact of
4 life. Hell, I saw it happen 20, 30 years ago when we had
5 some kind of a situation that put the pressure on a plant or
6 something. Nobody had cheap power for sale anymore. I
7 mean, it's just basic economics.

8 So I have to say I'm against the merger. And I know you
9 folks do a nice job looking at it and trying to make things
10 work, but I don't have much faith in the outcome. Thanks
11 very much.

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

13 MR. SMITH: And get a new system.

14 CHAIRMAN DANNER: All right. So this is everybody who
15 has signed up.

16 Is there anyone who has not signed up who wishes to
17 comment in this proceeding?

18 COMMISSIONER RENDAHL: Come on up.

19 CHAIRMAN DANNER: Come on forward. Have a seat, yeah.

20 MS. SHANK: I changed my mind. My name is Jeanne Shank,
21 and I'm from Colville.

22 CHAIRMAN DANNER: Okay. And you signed up already?

23 Yes --

24 MS. SHANK: Well, I did --

25 CHAIRMAN DANNER: -- you did. All right.

1 MS. SHANK: -- and then I backed out. But I thought of
2 something.

3 I wondered if it had been taken into consideration the --
4 Avista's waste to energy programs, because the one out in
5 Kettle Falls is really a jewel. It's a national -- it's
6 nationally recognized, and what will happen to that over
7 time?

8 There's also -- there's a waste energy in Spokane, but
9 I'm more familiar with the one in Kettle Falls. I took a
10 tour of it, and it's amazing. It's really high tech and
11 very good and I just wondered -- because there's a whole lot
12 of garbage that is transported there and into the Spokane
13 waste energy systems, too -- what happens if it becomes
14 something that maybe the Canadians are not interested in,
15 you know, and maybe just -- they let it sort of go by the
16 wayside, or they don't want to put money into it? Where
17 does all that garbage go?

18 That means more -- they're going to need more landfills
19 and -- I don't know. I look at it as I -- I know people are
20 worried that the Canadians are so pro-alternative energy,
21 but they don't have a sterling, you know, reputation for
22 environmentalism. So I wouldn't be too afraid that they
23 want to knock the dams down. I really wouldn't worry about
24 that. They have a lot of environmental issues up there
25 that -- you know, so I wouldn't worry that they want to take

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1 our dams down at all.

2 I also wonder if they might look upon Avista -- or what
3 would it become? -- Hydro One. Since it's in this country,
4 if we would sort of be the maybe not unwanted, but unnoticed
5 stepchild, basically, because we aren't Canadian. That's
6 all.

7 COMMISSIONER RENDAHL: Thank you.

8 CHAIRMAN DANNER: Thank you very much.

9 Okay. Is there anyone else who did not sign up who
10 wishes to speak?

11 Sir, come forward.

12 MALE SPEAKER: I wouldn't mind (inaudible), too, because
13 I don't have much to say.

14 CHAIRMAN DANNER: And you are?

15 MR. PRIDDY: My name is Pat Priddy.

16 CHAIRMAN DANNER: Okay. And how do you spell that?

17 MR. PRIDDY: P-r-i-d-d-y.

18 CHAIRMAN DANNER: All right.

19 MR. PRIDDY: I'm opposed to the -- this merger also, but
20 I think the one thing that people need to keep in mind, with
21 today's technology, all the alternative power has -- it can
22 never be prime power because if the wind doesn't blow and
23 the sun doesn't shine, you have no power.

24 So they have to have -- you have to have -- they could
25 put wind farms clear across the state, and they still have

1 to have, say, some hydro or some nuclear plants or some coal
2 fire plants in case that wind doesn't blow or that sun
3 doesn't shine. And that's all I've got to say.

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

5 Okay. So this brings us to the end of the sign-in
6 sheets -- oh, I see a hand, sir. Come forward.

7 UNIDENTIFIED MALE SPEAKER: I would like the State's
8 attorney general representative to please come forward.

9 MS. GAFKIN: I'm right here.

10 UNIDENTIFIED MALE SPEAKER: Come forward, please.

11 CHAIRMAN DANNER: Sir, we'll --

12 UNIDENTIFIED MALE SPEAKER: Just a minute, please.

13 CHAIRMAN DANNER: Well, all right. This is unusual.

14 UNIDENTIFIED MALE SPEAKER: I know this is (inaudible).
15 Please come forward.

16 CHAIRMAN DANNER: So this is not the way we're going to
17 do the public hearing, sir.

18 UNIDENTIFIED MALE SPEAKER: This is a --

19 CHAIRMAN DANNER: So --

20 UNIDENTIFIED MALE SPEAKER: This is a public hearing.
21 She's a representative that allowed this document, that she
22 represented to us --

23 CHAIRMAN DANNER: Yes.

24 UNIDENTIFIED MALE SPEAKER: -- and she needs to be
25 present.

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1 MS. GAFKIN: I am present.

2 CHAIRMAN DANNER: Well, she's not here to testify, so...

3 UNIDENTIFIED MALE SPEAKER: (Inaudible). She's not here
4 to testify.

5 CHAIRMAN DANNER: No, she's not, sir.

6 UNIDENTIFIED MALE SPEAKER: I know.

7 CHAIRMAN DANNER: You are.

8 UNIDENTIFIED MALE SPEAKER: Please stand up front.

9 MS. GAFKIN: So I am here, and I would be happy to answer
10 questions about the paper.

11 UNIDENTIFIED MALE SPEAKER: Okay. Now.

12 MS. GAFKIN: But if you have comments to provide to the
13 Commissioners, that's (inaudible).

14 UNIDENTIFIED MALE SPEAKER: (Inaudible).

15 CHAIRMAN DANNER: All right. So we're going to adjourn
16 this hearing now.

17 MS. PANCOAST: No.

18 UNIDENTIFIED MALE SPEAKER: No, you're not.

19 (Inaudible colloquy)

20 MS. PANCOAST: (Inaudible). Come on.

21 MALE SPEAKER: Listen to the people.

22 CHAIRMAN DANNER: We are listening to people.

23 UNIDENTIFIED MALE SPEAKER: No, you're not.

24 MALE SPEAKER: Shut your mouth and listen.

25 UNIDENTIFIED MALE SPEAKER: The question is this. Wait a

1 minute.

2 To the attorneys: Are these people appointed by Jay
3 Inslee?

4 MS. GAFKIN: No.

5 UNIDENTIFIED MALE SPEAKER: Who are they -- who appointed
6 them?

7 MS. GAFKIN: The people of Washington voted for the
8 Attorney General. I am not an elected official.

9 UNIDENTIFIED MALE SPEAKER: I asked about these people.

10 CHAIRMAN DANNER: Oh, sir. I can answer that question
11 for you.

12 UNIDENTIFIED MALE SPEAKER: Okay. Are you appointed by
13 the governor?

14 CHAIRMAN DANNER: Yes. I'm appointed by the governor for
15 a six-year term.

16 UNIDENTIFIED MALE SPEAKER: Okay. Now, Mr. Inslee has
17 violated federal law in this instance by taking and ignoring
18 the President's edict that we are not part of the Paris
19 accord. That is under federal law, and it takes two people,
20 whether it's domestic or an actual criminal act of
21 terrorism, to be charged with treason.

22 You, as board members, may be charged as co-conspirators.

23 FEMALE SPEAKER: For what?

24 UNIDENTIFIED MALE SPEAKER: For treason.

25 MALE SPEAKER: Oh.

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1 UNIDENTIFIED MALE SPEAKER: You are giving up an asset
2 that is not only, as been described, a critical asset. It
3 is a critical asset of defense. It is a critical asset of
4 government.

5 We, the taxpayers, pay your salaries. We also pay for
6 the taxes that keep the lights on, keep our military going,
7 and the rest of government. This will increase
8 tremendously.

9 I know people in Arizona who are dealing with these
10 people already. They have jumped the rates eight times
11 already. At eight times my rate that I -- paying per month
12 for electricity will go from \$150 a month to \$1200 a month.
13 That's over -- well over \$12,000 a year.

14 People out here don't have that kind of money. Many are
15 retirees. And I am at the place right now, and I'll tell
16 you this. If this goes through, I will. And I know I can
17 get a second person to do so, and that's what's required by
18 the Constitution, charging people with treason. That's all
19 I have to say.

20 CHAIRMAN DANNER: Thank you, sir.

21 UNIDENTIFIED MALE SPEAKER: And that goes to your boss.

22 CHAIRMAN DANNER: All right. So that brings us to the
23 end of the testimony today.

24 You have something to say? Please come forward.

25 MS. PANCOAST: I would just like to see a show of hands,

1 since we're all here.

2 If you're in favor of Hydro One buying Avista, please
3 raise your hand.

4 If you're opposed, please raise your hand.

5 MS. PANCOAST: I think that's information for you, sir.

6 CHAIRMAN DANNER: So, yes. And I just want to say
7 something. We have been listening to testimony all
8 afternoon. We understand everybody's testimony here today.
9 It is very clearly stated, and we appreciate everyone coming
10 out and talking to us.

11 We have to go through certain processes because that's
12 our job, so we are listening to testimony. We are going to
13 four different cities in Avista's service territory to
14 listen to what folks have to say. And as we go forward, we
15 will take everything that has been said under advisement,
16 but we have to give everybody their day in court, and that
17 includes Avista.

18 So we aren't going to be making any statements here about
19 how we might vote. That has to come later. But I will say
20 we take this very seriously. We have a lot of information
21 still to gather. You have raised very important concerns
22 today, and we are going to be looking at everything that
23 people have said today.

24 So I don't want to -- we didn't come out here because we
25 are trying to force something on you. We came out here

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1 because we wanted to hear what you had to say, and that's
2 the point.

3 And my objection to the last gentleman who came up was
4 really that he was -- as I saw it, was trying to force a
5 dialogue here that was not consistent with the processes
6 that we are bound to follow by law.

7 And so he -- if he can charge us with treason, I believe
8 that I'm a patriotic American, and I'm going to do what I
9 have to do under the law. But that's how we're going to go
10 forward, so, again, I want to thank you all for coming out.
11 That's the way the process works.

12 UNIDENTIFIED MALE SPEAKER: I would like to point out
13 something else.

14 In 1950, Harry S. Truman started changing the laws in
15 this nation. It was not before that time that an individual
16 of a foreign nation or a foreign corporation in the United
17 States could own property unless it was prior under our land
18 grant or something like down in the southwest, or the
19 Spanish or the British had given a land grant. Otherwise,
20 you couldn't own property.

21 CHAIRMAN DANNER: All right. Thank you for that
22 information.

23 All right. We are now adjourned, so thank you very much,
24 people.

25 (Conclusion of hearing.)

C E R T I F I C A T E

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STATE OF WASHINGTON)
)
COUNTY OF KING)

I, the undersigned, do hereby certify under penalty of perjury that the foregoing court proceedings were transcribed under my direction as a certified court reporter; and that the transcript is true and accurate to the best of my knowledge and ability, including any changes made by the trial judge reviewing the transcript; that I received the audio and/or video files in the court format; that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of May, 2018.

Shelby Kay K. Fukushima



Shelby Kay K. Fukushima, CCR#2028

