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 1 WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

 2

 3 In the Matter of: ) Docket No.: U-170970

 )

 4 HYDRO ONE LIMITED AND )

 AVISTA CORPORATION )

 5

 6

 PUBLIC COMMENT HEARING

 7 VOLUME IV

 8

 May 2, 2018

 9 5:40 p.m.

 500 East Main Street

10 Othello, Washington

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12 Pages 195-214

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 REPORTED BY:

25 DANI JEAN CRAVER, CCR NO. 3352

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 1 APPEARANCES FOR THE WUTC:

 2 MR. DAVID DANNER, Chairman

 MS. ANN RENDAHL, Commissioner

 3 MR. JAY BALASBAS, Commissioner

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 1 MR. DANNER: Okay. Good evening, everybody. This

 2 is May 2, 2018, and this is a public hearing of the

 3 Washington Utilities and Transportation Commission.

 4 I'm Dave Danner, I'm the chair of the commission. I'm

 5 joined by my colleagues, Jay Balasbas and Ann Rendahl.

 6 And we are in Othello, Washington, today for our

 7 third public hearing in Docket U-170970, and this is

 8 the request by Hydro One and Avista seeking approval of

 9 a proposed merger.

10 There is a sheet that has been handed out by our

11 public counsel division, and if you haven't picked that

12 up, it basically gives the background on the proposed

13 settlement in this case and so I won't repeat that

14 here.

15 I will say that these public hearings basically

16 are to get the views of customers of Avista and other

17 interested stakeholders. We deal with these merger

18 proceedings and adjudications that are conducted

19 pursuant to the State's Administrative Procedures Act.

20 So we have many formal parties to this

21 adjudication, and those include the UTC staff who

22 operates a separate party, as well as the company, and

23 the attorney general's public counsel unit which

24 represents the interests of residential and small

25 business consumers. We have representatives of both

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 1 the company and public counsel in the audience today so

 2 if anyone has questions for them about this case.

 3 We commissioners only hear public testimony. This

 4 is an opportunity for us to listen. We are not in a

 5 position to engage in a dialogue or a back and forth,

 6 so if you ask us questions, we will deem them as

 7 rhetorical questions and ask you to talk to the company

 8 or to commission staff or the public counsel.

 9 So with that, we have just one person signed up so

10 far today and it is already about 5:41, so we will see

11 if more people come after they get off work and start

12 their evening, but right now I see that David Boleneus

13 has signed in wishing to speak.

14 Do you want to come forward, Mr. Boleneus?

15 MR. BOLENEUS: Yes.

16 MR. DANNER: And just for the benefit of the court

17 reporter, could you spell your last name?

18 MR. BOLENEUS: Yes. B-o-l-e-n-e-u-s, David.

19 MR. DANNER: Okay. So go ahead.

20 MR. BOLENEUS: Thank you very much. I'm a wheat

21 grower in Lincoln County. I've watched, studied,

22 analyzed this issue since August, just after it was

23 announced, recorded three YouTube videos, published

24 four reports, written this commission, presented at two

25 town halls, and will appear or KTW radio tomorrow on

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 1 the Matt Shea show.

 2 My reports are available to anyone. I volunteer

 3 to speak, just ask. I report now only a sample of

 4 comments that are fully referenced and available to the

 5 public mostly out of Ontario.

 6 The merger is wrong, dangerous, for reasons beyond

 7 the time for me to report. It offers no advantage to

 8 the customers, less promise than currently, and Hydro

 9 One conveniently avoids any guarantee of future

10 electric supply.

11 I will address the nightmarish electric situation

12 in Ontario, far-away home of Hydro One with Hydro One

13 responsible for some of these nightmarish-like

14 experiences. Then I will tell you why electricity

15 experiences currently terrorizing Ontario are coming to

16 Avista territory despite apparent stipulations

17 otherwise made by this commission with special interest

18 groups from the state that do not represent Avista

19 customers.

20 Before 2009, Ontario rates were like Avista's,

21 three and a half cents per kilowatt hour. Today no one

22 can discover their rates as I worked with electric

23 rates for many years like are available in the U.S.,

24 hidden. In 2009, Ontario's parliament and McGinty's

25 liberal government, home of Hydro One, passed the Green

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 1 Energy Act to require wind and end coal. Why? Because

 2 they were terrified of carbon dioxide. Mind you,

 3 that's the stuff you exhale as I speak and makes plants

 4 grow to feed us, is 98 percent natural, not human

 5 sourced.

 6 Ontario then built thousands of 400-foot tall

 7 bird-chopping wind turbines, five times more than in

 8 Washington, closed coal electric plants, the most

 9 reliable and efficient in North America. It guaranteed

10 renewable wind and solar providers 400 percent to

11 1,000 percent higher feed-in tariffs than available

12 procurable market-priced electricity supply, placed no

13 limits on renewables, even paid renewables when they

14 didn't produce, required because this electricity is so

15 exceedingly expensive and inefficient.

16 Immediately, Ontario's electric rates skyrocketed

17 to the highest in North America, homing in on Germany's

18 and Denmark's, the world's most expensive at 43 to 44

19 cents per kilowatt hour. Hydro One's low-density urban

20 rate rocketed to 29.9 cents in 2015 with optic rates

21 increasing 149 percent in nine years. Then electric

22 rates added 18 percent to 36 cents in 2016 or 507

23 percent higher than Avista's 7.1 cent large general

24 service rate.

25 MR. DANNER: Mr. Boleneus, can I ask you to slow

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 1 down just a little bit for the court reporter, for her

 2 benefit and for mine.

 3 MR. BOLENEUS: Okay. If I could get through the

 4 whole script that I have here, I would appreciate that.

 5 MS. RENDAHL: You need to slow down so she can

 6 type it, we're recording it, and when you're talking

 7 that fast she can't type that fast.

 8 MR. BOLENEUS: Okay. So I'll back up. Rocketed

 9 to 29.9 cents per kilowatt hour in 2015 with optic

10 rates increasing 149 percent in nine years. Then

11 electric rates added 18 percent to 36 cents in 2016 or

12 507 percent higher than Avista's 7.1 cent large general

13 service rate and 1,500 percent higher than Grant and

14 Douglas County PUDs 2.4 cent rate.

15 Ontarians were in a panic, living on the edge, and

16 here are some experiences: Joanna's electric in

17 Timmons, Ontario, was $800 per month for a family house

18 trailer. Another man said his electricity was $880 per

19 month for heating only three rooms: Kitchen, bathroom,

20 one bedroom. Mayor Lynn Watson said their Dinelles

21 grocery in Echo Bay, Ontario, had to close all its

22 froze food, refrigerated foods, and reduce its store by

23 two-thirds because it couldn't afford electricity for

24 compressors and chillers.

25 Seniors in their 80s on fixed incomes, Dorthy and

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 1 Ken Wynne in Moosonee, Ontario, had to count out

 2 pennies to pay electric, cut down on fruits,

 3 vegetables, even not eating, cooking on a barbecue in

 4 order to pay electric bills.

 5 Ms. Dobbyn, the United Way executive director in

 6 Bruce Grey, Ontario, said Wynne's and other's stories

 7 really fit the definition of energy poverty. People

 8 are told it's their fault, they left a light on.

 9 Dobbyn said the largest Hydro bill she dealt with was

10 $22,000, while others had to walk away from their

11 mortgage, give up homes because electric was so high,

12 more than their mortgage, and running backyard

13 generators. Finding wood for heat in Ontario's winter.

14 For others, electric requires -- electric requires one-

15 half of a month's take-home pay.

16 Their Smart meter program, the way to control and

17 limit electric use, already cost $2 billion in Ontario

18 was still not working as promised and most benefits

19 were not realized. The Toronto Sun reports in the

20 period of 2013 to 2017 disconnected homes grew

21 19 percent to 58,286, the number of electric accounts

22 in arrears, on the verge of disconnect grew 28 percent

23 to 392,963. And while arrears debt grew a staggering

24 40 percent to nearly $135 million.

25 The Nippissing, Ontario, Conservative Member of

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 1 Parliament Vic Fedeli said families are in his office

 2 daily looking for help to deal with their Hydro bills,

 3 absolutely having to decide whether to feed the kids or

 4 run the heater. Understand that these people suffer in

 5 silence, unable to communicate without cell phones,

 6 internet, TVs, maybe refrigeration, lights, without

 7 electricity, vehicles, perhaps even gasoline.

 8 So here's the promise, that these practices are

 9 coming to Avista territory. Diaene Vernile, member of

10 provincial providence in Kitchener, Ontario, says this

11 on YouTube, quoting Ms. Vernile, "To build Ontario's

12 infrastructure, Ontario will sell off 60 percent of

13 Hydro One in an IPO but maintain control, control Hydro

14 One's board, appoint its director, maintain veto power,

15 nominating authority to its subsidiaries, maintain

16 regulatory control, and set rates." Will Ontario set

17 Avista's rates? She says so.

18 The 36 cent electric charges were only one problem

19 but larger was the extra fee due even before turning on

20 the lights. This is called the Global Adjustment

21 Charge in Ontario. It triples electric bills. It's a

22 Hydro One fee for Ontario's sweetheart deals made to

23 pay renewable providers and even paying generators full

24 time when the wind's not blowing or sun is not shining,

25 while gifting electricity to Quebec, Manitoba, paid by

0204

 1 Ontarians.

 2 In 2016, Ontarians had already overpaid for

 3 electricity by $37 billion, said the auditor general,

 4 with future overpayments on 133 billion more coming in

 5 the next 13 years.

 6 How about Hydro One's record? Its outages last

 7 30 percent longer and are 24 percent more frequent, it

 8 charges ratepayers more money for systems in decline,

 9 the least reliable in Canada, but that's their main

10 business. It's inefficient, lacks incentive to produce

11 or to become productive, builds cost overruns into its

12 budget, and games the Ontario Energy Board to get more

13 money claiming its assets in poor condition. The

14 Fraser Institute says it's wasted $2.25 billion on

15 conservation efforts. Hydro One promised yet another

16 $285 rate increase before 2019.

17 Then, 40 miles east of Detroit in Chatham Kent,

18 Southwest Ontario, installing foundations for wind

19 turbines have destroyed local underground water

20 supplies, the water is brown. It's a black plague as

21 farmer Marc Saint Pierre displays the black toxic

22 sludge on YouTube that affects his wife's health and is

23 only useful for bathing and toilets and that started as

24 pile driving continued to work on the foundations.

25 There's no way it's safe to drink.

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 1 Then Ontario's Energy Ministry committed another

 2 really stupid act. They would rebate 9 cents to reduce

 3 electric to 27 cents for ten years, calling this the

 4 Fair Hydro Plan. Well, Toronto's Consumer Policy

 5 Institute calls it a mirage plan and it misleads

 6 customers as the Financial Accountability Office

 7 reports, rebates now cost $18.4 billion borrowed to

 8 2028, costing 21 billion in interest which could jump

 9 to 30 billion if interest costs do not rise more than 1

10 percent.

11 The 18.4 billion rebate and the 30 billion

12 interest could cost 48 billion in future customers --

13 to future customers, excuse me, with nothing gained

14 while this political stunt gambles customers'

15 electricity future. The Ministry promises you will pay

16 14 cents more added to 50 cents per kilowatt hour

17 rather than 36 had there been no rebate. And the Fair

18 Hydro mirage does nothing to address the lucrative

19 contracts made with generators which is at the root of

20 the problem.

21 Reported so far is Green Energy Act, Round 1.

22 It's only began. Green Energy Act, Round 2, so it was

23 called by the locals after they realized what was

24 coming to them, began in 2017 promising more costs,

25 more deprivation to the already impossible burden. It

0206

 1 certainly promises widespread death to the 13.6 billion

 2 residents of Ontario and this is not the end.

 3 Hydro One wants Avista and its 13 hydroelectric

 4 plants. Why? Ontario requires green energy, clean,

 5 renewable, whatever that is. Ontario mandates its

 6 greenhouse gas emissions fall by 80 percent below 1990

 7 levels by 2050, adding another $3,247 per month to each

 8 household. It's their Climate Change Action Plan. The

 9 Avista acquisition assures Hydro One can meet the 2020

10 checkpoint while Hydro One avoids paying $8 billion to

11 buy Carbon Credits to Al Gore's Chicago Climate

12 Exchange, Jerry's exchange there in California, saving

13 them $1.3 billion and it also gains control over

14 Avista's 13 hydroelectric assets. How smart? But

15 pretty dumb of us.

16 It's only one part of the Climate Change Action

17 Plan which amounts not to merger or an acquisition

18 action but an Ontario-orchestrated raid on U.S.

19 utilities. You see, storming Avista is only a small

20 peg in Ontario's cross-border foray. The semantics

21 important here.

22 In the last two years, Ontario raiders have gained

23 control of $80.8 billion worth of U.S. clean assets.

24 Forbes.com lists ten other U.S. companies to future

25 target, for instance, MDU Resources in North Dakota,

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 1 Montana, South Dakota, and Idaho Power in Idaho. Once

 2 anchored, Hydro One will swoop up more, perhaps Inland

 3 Power, Kootenai Electric, Northern Lights, Seattle City

 4 Light, Chelan and Douglas County PUDs.

 5 Even the Bank of Montreal and Crysler's CEO warned

 6 of serious harm coming to Ontario's economy with jobs

 7 disappearing and 1 in 20 businesses closing. At this

 8 point, demonstrations against the high electric cost

 9 were happening all across Ontario according to

10 Ontario-Wind-Resistance and stopthesethings.com.

11 Now, I have several other pieces which are human

12 interest stories about the high cost of electricity and

13 how it affects individuals. They're very personal but

14 they were recorded on YouTube. Do I have permission to

15 go through these? Perhaps you don't want all of them

16 so one, maybe two would give you a flavor but I have

17 about five.

18 MR. DANNER: So what I would suggest, if they are

19 either written materials or they reference videos that

20 we can -- we can make those part of the record in the

21 case by reference. I will allow you to go ahead with

22 one of them, whatever one you think is most

23 illustrative, but the others we will make part of the

24 record if you give them to Mr. Roberts.

25 MR. BOLENEUS: I'll just do this one that's in

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 1 front of me, it's from Bancroft, Ontario, it's listed

 2 on YouTube, and it's entitled "Increasing hydro prices

 3 are devastating rural Ontario." And I think it was

 4 published in like a three-minute YouTube from the

 5 channel 5, I really don't know the name of the station.

 6 Apparently it's from or near Ontario.

 7 So it starts out the commentator says,

 8 "Electricity prices according to Statistics Canada in

 9 Ontario jumped 16 percent in the last year," that is to

10 August 2016. "Residents in rural Ontario are being

11 hardest hit by increasing cost of electricity." And

12 "Residents in Bancroft have reached a breaking point

13 with soaring Hydro (electricity) costs."

14 First comes one resident Jessup in Bancroft, he

15 says, "We have to decide between heating the house and

16 feeding the kids." Hydro prices -- and that Hydro they

17 speak of is their electricity bill even though they

18 speak of it as Hydro. "Hydro bills were nearly $600 a

19 month and a father of two couldn't keep up. Hydro One

20 installed a load limiter with a Smart meter. Jessup

21 said it only made matters worse. He could not run the

22 microwave oven now. I'd rather feed my kids than

23 anything, but in the end I'm behind in my Hydro bill.

24 It's a never ending battle."

25 And then the Bancroft Councillor Bill Kilpatrick

0209

 1 says, "Bancroft has been hardest hit by the cost of

 2 electricity. When you need to choose between basic

 3 necessities, that's a crisis. We are in a crisis.

 4 Half of the cost of bills are delivery costs." And

 5 that's the global adjustment fee I speak of and that

 6 global adjustment fee can be 70 percent of the bill,

 7 that is what's added onto the actual cost of the

 8 electric use. The costs are at least several hundred

 9 dollars during summer and double that amount during the

10 winter. That's more than a mortgage payment.

11 And then speaking is social worker, Marcia

12 Deportier, electric costs forced her to sell her house

13 and downsize. The level billing was $798 per month but

14 still at the end I still owed $798 more. "Over one

15 half of my paycheck is going to hydro costs. Thank you

16 Premier Wynne. Thank you Hydro One. I'm broke."

17 And then finally, Bancroft resident Ian Seaborn

18 speaking says, "I was disconnected. With my family

19 help, I was able to get a generator to heat my house."

20 Even in budget billing and ditching TVs and computers

21 he couldn't keep up. Right now we are thinking about

22 moving in with parents so we can afford to live. Thank

23 you.

24 MR. DANNER: Okay. And again, anything that you

25 have, written materials or references to YouTube with

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 1 citations to those YouTube videos, we can make those

 2 part of the records in the case. If you give those to

 3 Mr. Roberts, then that would be --

 4 MR. BOLENEUS: I have more than I can send. But I

 5 do have some questions, if I could ask them perhaps you

 6 can answer me.

 7 MR. DANNER: Well, okay. So what I would

 8 recommend is Corey, do you want to raise your hand

 9 there, this gentleman represents the Attorney General's

10 Public Counsel Office, so in our proceedings he

11 represents the residential and small business consumers

12 so he should be able to take your questions and get a

13 response to them.

14 MR. BOLENEUS: Okay. Okay. Yeah, we talked a bit

15 outside and I got some idea of the procedure. It

16 sounds like it's still coming. And one question was,

17 you know, what is the last date to submit anything?

18 MR. DANNER: Oh, okay. That's a question for us.

19 MR. BOLENEUS: You can answer that?

20 MR. DANNER: We will take that question. I don't

21 know if we've decided on the last date. Our hearing

22 dates are -- I think that's a week from the evidentiary

23 which is the 23rd of May.

24 MS. RENDAHL: So that would be the 30th of May

25 would be a week after.

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 1 MR. DANNER: May 30th.

 2 MR. BOLENEUS: Okay. Can I ask the other

 3 questions and you can tell me whether --

 4 MR. DANNER: You can ask. I'm not sure if we'll

 5 answer them.

 6 MR. BOLENEUS: So who represents the customers?

 7 MR. DANNER: Well, again, the customers are

 8 represented by the public counsel. The industrial

 9 customers, there's a group called the Industrial

10 Customers of Northwest Utilities who are participating

11 in this group. There's also another group called

12 Northwest Industrial Gas Users who represent the gas

13 customers of -- the industrial gas customers.

14 So there's different rate classes that -- again,

15 the residential and small business are represented by

16 the public counsel and the industrial and large

17 commercial are represented by the industrial groups,

18 ICNU and NIGU.

19 MR. BOLENEUS: So you will make a decision by 30

20 May, is that --

21 MR. DANNER: No. No. No. 30 May is the last day

22 for us to accept written comments. We will have an

23 evidentiary hearing on the 23rd of May and then we will

24 take the matter under advisement and we will issue a

25 decision in due course and so I can't promise you an

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 1 end date.

 2 MR. BOLENEUS: So you wouldn't promise a date?

 3 MR. DANNER: No. We have a lot to go through in

 4 this proceeding.

 5 MR. BOLENEUS: There's other items I've submitted,

 6 and I can't possibly go over that here because I give

 7 presentations on these topics often, but my question is

 8 do you understand the three factors that drive Hydro

 9 One to our door?

10 MR. DANNER: Okay. So that is a question that we

11 will not entertain here as part of this decision,

12 because that gets us into a discourse that I don't

13 think is appropriate for this kind of proceeding, but

14 those are questions that you can certainly bring to

15 Corey or to any company representatives.

16 MR. BOLENEUS: Yeah, I wasn't even going to

17 disclose what they are, thinking that you must already

18 know. Okay. Thank you.

19 MR. DANNER: Thank you very much.

20 All right. So it is 6:02 and we noticed this

21 public hearing to begin at 5. So far Mr. Boleneus is

22 the only person who's signed up to testify, you know,

23 we've had scores of people show up at our other

24 meetings so I'm -- I don't know if I should say I'm

25 surprised by the low turnout or I didn't know what to

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 1 expect in terms of turnout tonight, but it looks like

 2 that completes our public testimony for this meeting in

 3 Othello.

 4 So unless there's anything else to come before the

 5 commission this evening on this matter, I'm prepared to

 6 adjourn with your consent.

 7 All right. In that case, we are adjourned. Thank

 8 you very much.

 9 (PROCEEDINGS ADJOURNED AT 6:02 P.M.)

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 1 C E R T I F I C A T E

 2 STATE OF WASHINGTON )

 )

 3 COUNTY OF YAKIMA )

 4

 5 This is to certify that I, Dani Jean Craver,

 6 Certified Court Reporter in and for the State of

 7 Washington, residing at Selah, reported the within and

 8 foregoing proceedings; said proceedings being taken

 9 before me on the date herein set forth; that said

10 proceedings were taken by me in shorthand and thereafter

11 under my supervision transcribed; and that same is a

12 full, true, and correct record of the proceedings.

13 I further certify that I am not a relative or

14 employee or attorney or counsel of any of the parties,

15 nor am I financially interested in the outcome of the

16 cause.

17 IN WITNESS WHEREOF I have set my hand this 16th

18 day of May, 2018.

19

20

21 DANI JEAN CRAVER

22 CCR NO. 3352

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