

Docket No. U-170970 - Vol. IV

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

May 2, 2018



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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

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 on KTW radio tomorrow on

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

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

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, Dorothy and

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

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

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.

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

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,

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

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

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

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.

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

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

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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C E R T I F I C A T E

STATE OF WASHINGTON)
)
COUNTY OF YAKIMA)

This is to certify that I, Dani Jean Craver,
Certified Court Reporter in and for the State of
Washington, residing at Selah, reported the within and
foregoing proceedings; said proceedings being taken
before me on the date herein set forth; that said
proceedings were taken by me in shorthand and thereafter
under my supervision transcribed; and that same is a
full, true, and correct record of the proceedings.

I further certify that I am not a relative or
employee or attorney or counsel of any of the parties,
nor am I financially interested in the outcome of the
cause.

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

DANI JEAN CRAVER
CCR NO. 3352