

Docket No. U-170970 - Vol. V

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

May 3, 2018



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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of:) Docket No.: U-170970
)
HYDRO ONE LIMITED AND)
AVISTA CORPORATION)

VOLUME V

PUBLIC COMMENTS HEARING

MAY 3, 2018

12:00 p.m. - 12:24 p.m.

310 Main Street

Colfax, Washington

REPORTED BY:

LEIGH DELMOND, RPR, WA CCR NO. 3332, ID CSR NO. 1090

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A P P E A R A N C E S

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
CHAIRMAN AND COMMISSIONERS:

DAVID DANNER, Chairman
JAY BALASBAS, Commissioner
ANN RENDAHL, Commissioner
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1 COLFAX, WASHINGTON; THURSDAY, MAY 3, 2018

2 12:04 p.m.

3

4

5 CHAIRMAN DANNER: Good afternoon. Today is May 3,
6 2018, and we are in Colfax, Washington, for the fourth and
7 final public hearing in Docket U-170970, which is the
8 request by Hydro One acting through Olympus Equity, LLC,
9 and Avista seeking approval of a post-merger.

10 This is a matter that the UTC, Utilities and
11 Transportation Commission, is taking up as an adjudicative
12 matter.

13 Meaning, it's kind of a trial where the commissioners
14 sit as judges and those who participate in this formal
15 adjudication are formal parties, such as the commission
16 staff, the companies involved, and the consumer advocates,
17 which are the state attorney general's public counsel unit
18 as well as environmental and labor groups and other
19 stakeholders.

20 However, we feel it's important to go out into the
21 service territory of Avista and listen to the views of
22 consumers and customers of Avista and get their views on
23 the post-merger because they're the ones more directly
24 impacted by it.

25 My name is Dave Danner, I'm chair of the Utilities and

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1 Transportation Commission, and I'm joined by my colleagues
2 Commissioner Ann Rendahl and Commissioner Jay Balasbas.

3 And as I said, we'll be sitting as the judges in the
4 adjudication but we also will be very interested today to
5 hear the views of those who are sharing their views with
6 us.

7 And thank you to all of you for taking time out of
8 your busy days to come and help us as we have to make some
9 very difficult and complex decisions in this docket.

10 Just for the ground rules: When we take public
11 testimony -- again, we're sitting as judges in this case so
12 this is not a place for us to engage you in conversation.

13 So we will hear your views but if you have -- if you
14 pose questions to us, we will treat them as rhetorical
15 questions and refer you either to the company, who has
16 representatives here in the room, or the public counsel
17 consumer advocate who represents residential and small
18 business customers of Avista Utilities.

19 And, Corey, would you raise your hand?

20 Corey is in the room here.

21 So with that, the proposed settlement in this case is
22 outlined in this document, which was available on the back
23 table if you have any questions about the specifics of the
24 proposal by the companies that is outlined here, so I don't
25 feel the need to summarize the proposal at this time.

1 So with that, we have a few people signed in so we'll
2 just begin with testimony.

3 Let me see -- all right. Lindsey Brocious, do you
4 want to come forward?

5 Did I get your name right?

6 MS. BROCIUS: Uh-huh. Hello.

7 CHAIRMAN DANNER: And, Whitney Preston, are you coming
8 forward as well?

9 MS. PRESTON: I'm more for moral support.

10 CHAIRMAN DANNER: Okay.

11 Did I get your name right?

12 MS. BROCIUS: Yes, you did --

13 CHAIRMAN DANNER: Okay.

14 MS. BROCIUS: -- Lindsey Brocious.

15 MR. DANNER: And that's B-r-o-c-i-o-u-s?

16 MS. BROCIUS: Yes.

17 CHAIRMAN DANNER: Thank you.

18 MS. BROCIUS: My name is Lindsey Brocious. I am the
19 energy assistance coordinator with the Community Action
20 Center in Pullman, Washington, and I'm here to make a
21 statement of support towards the settlement with Avista and
22 Hydro One.

23 Most importantly, for the net benefits towards the
24 community -- some of the big ones that will benefit
25 Washington state would be the 5 million over the next ten

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1 years for renewable energy projects, 4 million over the
2 next ten years towards low income weatherization projects,
3 2 million over the next ten years for manufactured home
4 replacements, and 30.7 million over the next five years for
5 rate credits.

6 More importantly, how does that affect Whitman County?
7 How is that important for us here?

8 My agency, we receive money from Avista and with the
9 proposed settlement we would continue to receive money with
10 Hydro One and Avista, specifically for weatherization and
11 energy assistance.

12 So some simple statistics: Last year we did 30
13 projects for weatherization in different homes to get them
14 all updated. Without any Avista money we only would have
15 been able to do about 14 of those, so continuing with those
16 funds is really important for us.

17 And then for energy assistance or -- I guess, more
18 specifically the LIRAP program, the Low Income Rate
19 Assistance Program, about 89 percent of our clients are
20 Avista customers and without those funds we'd be missing
21 out on a big population.

22 So concerns that we might have with the settlement is
23 just that the local involvement and presence in the
24 community is maintained. It's super important to us.

25 And that's all I have today. Thank you.

1 CHAIRMAN DANNER: All right. Thank you. Could I ask
2 you -- in regard to the LIRAP, how far do you go in meeting
3 the needs of the community?

4 I'm sorry, my microphone just went out.

5 MS. BROCIIOUS: That's okay.

6 CHAIRMAN DANNER: How much unmet need is there at the
7 current funding levels?

8 MS. BROCIIOUS: Gosh, that's a good question.

9 I think for Whitman County we're kind of a little bit
10 special. We're so spread out that we have a really great
11 fund to spend, but I think there's a lot of people who
12 don't know about the program that we constantly work on
13 advertising for and Avista has been generous enough to help
14 us with new ways to let people know.

15 So I do know there are folks who definitely qualify
16 who we're not reaching currently, but we would love to get
17 them in.

18 CHAIRMAN DANNER: Okay. There would be resources
19 available to help those people?

20 MS. BROCIIOUS: Absolutely. Yeah.

21 CHAIRMAN DANNER: Okay. Thank you very much.

22 MS. BROCIIOUS: Thank you.

23 CHAIRMAN DANNER: Any other questions for
24 Ms. Brocious?

25 All right. Thank you very much.

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1 MS. BROCIIOUS: Thank you.

2 CHAIRMAN DANNER: Okay. Tim Hatten?

3 Good morning, sir.

4 MR. HATTEN: Good morning. As you said, my name is
5 Tim Hatten. I just wanted you to know first off that I'm
6 not a Washington state resident, I'm just across the line
7 in Idaho so I will only take a minute of your time.

8 CHAIRMAN DANNER: That's all right. You may take as
9 much time as you need.

10 MR. HATTEN: Okay. So but I am -- you know,
11 obviously, I live in Moscow, Idaho, and so I'm in the
12 Avista service area so this is certainly a concern to me.

13 I'd just like to say first of all that I'm in favor of
14 this merger agreement because of several reasons. First of
15 all, it appears that this merger is -- it looks like it's
16 going to -- there's momentum for it and it seems that for
17 Avista, this is the best way to proceed to continue to
18 operate so I'm in favor of it for the ratepayers in the
19 service area.

20 I'm very in favor of this agreement as well because of
21 certain environmental benefits that the merger agreement
22 will provide for, if approved.

23 And one of the agreed to items in the merger agreement
24 is depreciation of the Colstrip coal-fired power plant by
25 2027, which advances depreciation of the potential closure

1 of that power plant by close to ten years.

2 I think this is really important because Colstrip is
3 the fifth largest emitter of CO2 from a coal-fired power
4 plant in the Western U.S so to the extent that we can get
5 this power plant closed earlier, I think it's a good thing.

6 I'm also in favor of the 3 million dollars of
7 transition funding for the Colstrip community paid for by
8 the shareholders of Colstrip.

9 I just think it's good to be thinking about that
10 community and to help the residents there be able to
11 transition away from that -- that source of work for them
12 because I know that Colstrip provides pretty well for
13 themselves.

14 I'm in favor of seeing incentives paid out to the
15 Colstrip community and I'm in favor of providing 6 million
16 dollars of funding to low income energy efficiency
17 programs, which I think is going to be a great thing for
18 moving our public utilities commissions in the right
19 direction in the near future.

20 I'm also in favor of providing 5 million dollars for
21 new renewable energy projects in the service area and I
22 think that will also be -- benefit the entire service area
23 including Idaho, I hope.

24 I know there's going to be a meeting in Idaho --
25 public utility commission meetings in Idaho as well, but

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1 this -- some of these agreed to items look like they will
2 benefit the entire service area so I'm in favor of that.

3 And I think with that, I will close.

4 CHAIRMAN DANNER: All right. Well, thank you very
5 much.

6 MR. HATTEN: You bet.

7 CHAIRMAN DANNER: We appreciate your comments.

8 MR. HATTEN: You bet.

9 CHAIRMAN DANNER: Okay. Alan Hodgdon or --

10 MR. HODGDON: Hodgdon.

11 CHAIRMAN DANNER: H-o-d-g-d-o-n?

12 MR. HODGDON: Yes.

13 CHAIRMAN DANNER: Okay. Thank you. Come forward.

14 MR. HODGDON: Now, I live in Pullman and I'm also in
15 favor of the merger. A lot of the reasons for that are due
16 to the fact that I think Avista and this merging company
17 would still go with the agreements about renewable energy
18 and the future retirement of the Colstrip mine and energy
19 development there.

20 And I also liked hearing about -- the lady that was
21 talking about energy efficiency in manufactured homes, that
22 seems to be a big drain on the energy picture in this area.

23 So I don't have much more to say than that, but I'm
24 very much in favor of the merger.

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

1 sir.

2 MR. HODGDON: You're welcome.

3 CHAIRMAN DANNER: We appreciate it.

4 And, Pat Rathmann, you don't want to testify; is that
5 correct?

6 MS. RATHMANN: Pardon me?

7 CHAIRMAN DANNER: You signed up saying you did not
8 want to testify or did not want to comment?

9 MS. RATHMANN: Well, I can do a really quick comment.

10 CHAIRMAN DANNER: Sure, come forward.

11 MS. RATHMANN: Why not?

12 CHAIRMAN DANNER: And did I get your name right? Is
13 it --

14 MS. RATHMANN: Rathmann, yes.

15 CHAIRMAN DANNER: -- Rathmann?

16 Okay. R-a-t-h-m-a-n-n?

17 MS. RATHMANN: Yes.

18 Thank you so much for inviting me to testify even
19 though I said I didn't want to testify. But after
20 listening to this, I happened to think of another reason
21 why I am in favor of this merger.

22 And I would like to also say -- I would like to thank
23 Avista for all their experts in encouraging sustainable
24 renewables for our areas and their buck a -- you know,
25 their program --

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1 CHAIRMAN DANNER: Buck-A-Block?

2 MS. RATHMANN: Yes, you got it. That allows us to
3 choose when --

4 I think those are all wonderful reasons to encourage
5 going down the road with this merger, and I thought of
6 another reason:

7 The use of coal in energy production is one of the
8 main reasons for folks with asthma and other health
9 reasons, so I feel that the sooner we phase out coal the
10 better off we will be and we will certainly -- our young
11 people will live longer.

12 That's it.

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

14 And we have a few people signed in not wishing to
15 testify and so just like Ms. Rathmann, now is the chance to
16 change your mind if you decide you would like to testify.

17 So, Ms. Burnham, and, Mr. Albertson, if you do want to
18 come forward, you're welcome to.

19 All right. K. Meyer, also signed in but not wishing
20 to testify; is that correct?

21 Okay. That's the end of our sign-in list then. So is
22 there anyone else in the room who wishes to share their
23 comments with us about this proposed merger?

24 All right. Hearing none -- for those -- if you know
25 people who were not able to make it this afternoon to speak

1 directly to us, we will be taking written comments until
2 May 30th and that is -- those comments can be e-mailed to
3 the UTC and that's at comments@UTC.WA.GOV.

4 MR. HATTEN: Could you repeat that please, the
5 address?

6 CHAIRMAN DANNER: Sure.

7 MS. RENDAHL: It's actually on the back of --

8 MR. HATTEN: Okay.

9 CHAIRMAN DANNER: It's comments@UTC.WA.GOV.

10 MR. HATTEN: Okay.

11 CHAIRMAN DANNER: And you can see there's also a phone
12 number, 1-800-333-WUTC, so you can also phone in your
13 comments and we will have somebody on the line who will
14 take them down.

15 And, of course, we also take them by U.S. Mail. If
16 people are still using that, we do accept letters. And,
17 again, that address is on the sheet that public counsel has
18 made available.

19 So with that, I believe that those -- that that takes
20 us through the list of people who wanted to comment today
21 and I do appreciate, again, folks coming out and taking
22 time out of their busy days to come forward.

23 So with that -- I'm sorry, did you have a question,
24 sir?

25 MR. HODGDON: Yeah. What's the deadline on the

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1 comments?

2 CHAIRMAN DANNER: The comments are May 30th --

3 MR. HODGDON: May 30th.

4 CHAIRMAN DANNER: -- we'll take them through the close
5 of May 30th.

6 MR. HODGDON: Thank you.

7 CHAIRMAN DANNER: Our evidentiary hearing in Olympia
8 will take place on May 23rd, but we will leave the record
9 open for public comments for another week.

10 MR. HODGDON: Okay.

11 CHAIRMAN DANNER: All right. I think that takes us --
12 so for those of you who came in after we started, I just
13 wanted to remind you that we have representatives of the
14 company here.

15 So if you have any questions about the proposed
16 merger, the people on this side of the room in the back
17 look like they are ready to take your questions.

18 We also have the attorney general's office
19 representative for the public counsel unit who represents
20 the residential and small business customers of Avista in
21 our proceedings, and that's Corey.

22 Corey, could you raise your hand?

23 All right. So with that, I think we are adjourned.

24 Yes, we are adjourned. Thank you.

25 (Proceedings concluded at 12:24 p.m.)

C E R T I F I C A T E

1

2 STATE OF WASHINGTON)
) ss.
 3 COUNTY OF WHITMAN)

4

5 This is to certify that I, Leigh Delmond, RPR,
 6 Certified Court Reporter in and for the State of Washington and
 7 Certified Court Reporter and Notary Public in and for the State
 8 of Idaho, residing in Pullman, reported the within and foregoing
 9 proceeding; said proceeding being taken before me on the date
 10 herein set forth; and that said proceedings were taken by me in
 11 shorthand and thereafter under my supervision transcribed, and
 12 that same is a full, true and correct record of the testimony of
 13 said witnesses, including all questions, answers and objections,
 14 if any, of counsel.

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

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

20

21 _____
 22 LEIGH DELMOND, RPR, CCR, CSR
 WA CCR NO. 3332, ID CSR NO. 1090

23

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