

April 23, 2018  
Docket # UE-170970 Avista-Hydro One acquisition  
Public Comment by:  
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When the proposed sale of Avista Utilities to HydroOne was announced last fall, I looked for information about HydroOne. Two items stood out to me. First, Hydro one had serious billing and customer service issues in 2014. The ombudsman in Ontario said trying to resolve the problems through Hydro One customer service was like “wrestling with a slippery pig.” That was not reassuring. Also the province of Ontario has outlawed electricity generated by coal. The province of Ontario is still the largest single shareholder in Hydro One. How would the public shareholders of Hydro One in Ontario respond to Hydro One’s purchase of 15% of Colstrip Units 3 and 4?

UTC must decide if the sale of Avista to Hydro One is of net benefit to Washington customers and in the public interest. I was not sure this would be the case until I read the settlement released last month. **I am now a supporter of the acquisition.**

I am reassured that the UTC has the authority to enforce the terms of the settlement, and that the settlement terms commit to maintaining Avista’s safety and reliability standards and service quality in a manner that is comparable to, or better than, the current standards.

The most important item in the settlement is a new depreciation of Colstrip that assumes a remaining useful life through December 2027. This is vitally important to protect ratepayers from the burden of stranded physical assets. Furthermore, using the electric Rate Credit, the settlement plans to depreciate Colstrip sooner than previously planned and reduce customers rates by \$3.4 million! This is clearly of net benefit to customers in Washington. Coal-generated electricity is a 19th century technology that is the dirtiest way to make electricity and is quickly becoming one of the more expensive ways to produce electricity. If Washington enacts a carbon fee program, Avista’s ownership share of Colstrip will become even more of a liability. The imminent bankruptcy of Westmoreland Coal is of tremendous concern to the viability of Colstrip in the near future as well. I urge you to continue to protect customers from expense and exposure to risk from Colstrip liabilities, in this transaction and in the future.

I am further convinced by the Low Income Assistance Commitments listed in the settlement that this acquisition is of benefit to the customers and in the public

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interest. In addition to continuing Avista's charitable contributions, and energy efficiency and rate assistance programs, Hydro One and Avista make several commitments to improve service to low-income customers, including:

- \$5 million renewable generation projects which benefit Avista's low-income customers.
- additional \$4 million to fund low income weatherization in Washington
- expanding access to transportation electrification for all customers, and to significantly increase electric vehicle service equipment that serves low-income residential customers, with 30% of the funds dedicated to projects that serve low-income customers.

I am a Avista customer at my residence and at my small business, and I support the acquisition under the terms outlined in the settlement.