

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of

HYDRO ONE LIMITED and  
AVISTA CORPORATION

for an Order Authorizing Proposed  
Transaction

DOCKET U-170970

COMMISSION STAFF'S COMMENTS  
REGARDING NOTICE OF INTENT TO  
CONDUCT ADDITIONAL PROCESS

## I. INTRODUCTION

1 Staff of the Washington Utilities and Transportation Commission (Commission) submits the following comments in response to the Commission's Notice of Intent to Conduct Additional Process. In short, Commission Staff (Staff) proposes that the Commission receive additional testimony into the record and extend the deadline for its decision.

## II. BACKGROUND

2 On July 11, 2018, the entire board of directors of Hydro One Limited (Hydro One) resigned pursuant to an agreement reached with Hydro One's largest shareholder, the Province of Ontario (Ontario). In addition, Hydro One's CEO, Mayo Schmidt, retired.<sup>1</sup> Hydro One has committed to having a new board in place by August 15, 2018, and the new board will select a new CEO. In the interim, Hydro One's CFO, Paul Dobson, is serving as acting CEO.<sup>2</sup>

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<sup>1</sup> See, e.g., Maciej Onoszko and Kristine Owram, *Hydro One Faces "Ontario Overhang" After Ford Ousts Board* (July 11, 2018, 3:16 PM, updated July 12, 2018, 6:58 AM), <https://www.bloomberg.com/news/articles/2018-07-11/hydro-one-ceo-to-retire-as-ontario-s-ford-shakes-up-utility>; Maria Armental, *Canadian Utility Hydro One's Board, CEO Leave Under Agreement With Province of Ontario* (updated July 11, 2018, 11:43 p.m. ET), <https://www.wsj.com/articles/canadian-electric-utility-hydro-ones-board-ceo-leave-under-agreement-with-province-of-ontario-1531351142>.

<sup>2</sup> Hydro One Newsroom, <http://hydroone.mediaroom.com/2018-07-11-Hydro-One-Limited-Announces-Process-for-Board-Renewal-and-Retirement-of-CEO> (last visited July 17, 2018).

3 According to news accounts, the impetus for this change is the election of Ontario  
Premier Doug Ford. Mr. Ford was elected Premier June 7, 2018.<sup>3</sup> During his campaign, Mr.  
Ford promised to oust Hydro One's CEO.<sup>4</sup>

### III. DISCUSSION AND PROPOSAL

4 Staff has entered into a settlement agreement with Hydro One and Avista  
Corporation (the applicants) and all of the other parties in this docket. Staff supports the  
settlement and believes that the parties have negotiated a strong foundation of protections  
for Avista Corporation (Avista) that insulate it from Hydro One. Given the recent changes at  
Hydro One, however, Staff believes that the record could benefit from further discussion of  
the protections set forth in the settlement agreement that the applicants have committed to  
and from testimony by Hydro One's new CEO confirming his or her support of the  
applicants' commitments.

5 Under RCW 80.12.030, the Commission has eleven months to render a decision in a  
transfer of property proceeding; however, this can be extended up to four months for cause.  
The transfer of property application in this docket was filed September 14, 2017. Eleven  
months from the filing date is August 14, 2018. It is unlikely that Hydro One will have a  
new board and CEO in place in sufficient time for the Commission to complete additional  
process by August 14, especially as Hydro One may not have formed a new board until  
August 15. Staff believes that the departure of the entire board along with the CEO of Hydro  
One is cause for the Commission to extend the deadline for its decision in order to conduct  
additional process.

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<sup>3</sup> Shannon Van Sant, *Doug Ford, Brother of Late Toronto Mayor Rob Ford, Elected Premier of Ontario* (June 8, 2018, 4:13 PM ET), <https://www.npr.org/2018/06/08/618295955/doug-ford-brother-of-late-toronto-mayor-rob-ford-elected-premier-of-ontario>.

<sup>4</sup> *Supra note 1.*

6           Staff proposes scheduling a hearing to receive additional testimony from Hydro One's leadership, once a new CEO has been selected by the new board. In addition, at this hearing, the parties can provide additional detail as needed regarding the protections for Avista in the commitments that the applicants have made.

7           DATED this 18th day of July 2018.

Respectfully submitted,

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