



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

August 3, 2018

**NOTICE OF PROCEDURAL SCHEDULE
FOR
THE CONDUCT OF ADDITIONAL PROCESS**

(Hearing scheduled for October 23, 2018)

RE: *In the Matter of the Joint Application of Hydro One Limited and Avista Corporation for an Order Authorizing Proposed Transaction, Docket U-170970*

On September 14, 2017, Avista and Hydro One filed their Joint Application for an Order Authorizing Proposed Transaction whereby Olympus Equity LLC would acquire all of the outstanding common stock of Avista, and Avista would become a direct, wholly-owned subsidiary of Olympus Equity LLC and an indirect, wholly-owned subsidiary of Hydro One. All Parties in this docket filed a Settlement Stipulation and Agreement (Settlement) with the Commission on March 27, 2018, that, if approved, would resolve all issues in these proceedings.¹ The Commission heard evidence concerning the Settlement on May 22, 2018, in Olympia, Washington, and conducted public comment hearings in Avista's service territory on April 23, April 24, May 2, and May 3, 2018, in Spokane, Colville, Othello, and Colfax, Washington, respectively. The record includes both prefiled and live testimony from Hydro One witnesses, and comments from members of the public, concerning the continuing role of the Province of Ontario as the largest shareholder in Hydro One since its privatization in 2015. This testimony came sharply into focus on July 11, 2018, when Hydro One issued a press release announcing that Hydro One and the Province of Ontario "entered into an agreement for the purpose of the orderly replacement of the board of directors of Hydro One and Hydro One Inc. and the retirement of Mayo Schmidt as the chief executive officer effective today."

The Commission gave notice on July 12, 2018, of its intent to conduct additional process

¹ The settling parties include: Hydro One, Avista, Commission Staff, Public Counsel, AWEC, The Energy Project, NWEC/RNW/NRDC, Sierra Club, and WNIDCL. They filed an amendment to the Settlement Stipulation on May 7, 2018.

and providing an opportunity for parties to submit comments concerning these developments. The Commission's Notice stated, among other things, that:

[I]t is unclear how these developments may bear on our ongoing consideration of the proposed transaction. The Commission anticipates, however, that additional process will be required to develop a record in this proceeding concerning how these changes in executive management and the board of directors at Hydro One bear on the Joint Applicants' request for a Commission order authorizing the proposed transaction under RCW Chapters 80.01 and 80.12. The required form of process remains to be determined.

Avista and Hydro One filed joint comments in response to the Commission's notice. Staff, Public Counsel, and The Energy Project each filed comments. These parties observe, among other things, that Hydro One has committed to completing the transition process to a new board of directors by August 15, 2018. Because this date is one day after the statutory deadline for a Commission order in this proceeding, the Commission gave notice on July 20, 2018, that it would extend this deadline by as much as four months, until December 15, 2018, as authorized by RCW 80.12.030(2).

THE COMMISSION GIVES NOTICE THAT it is reopening the record in this proceeding to receive additional evidence and any written comments from members of the public that are not now included in the record. The Commission will continue to accept written comments until the close of the evidentiary hearing of which notice is given below. The Commission will conduct the additional process indicated on the procedural schedule that is appended to this notice as Attachment 1.

THE COMMISSION GIVES FURTHER NOTICE THAT it may establish by subsequent notice such additional process as it deems most appropriate to develop a record concerning the ongoing changes in Hydro One's corporate management and board of directors.

NOTICE OF HEARING: The Commission will hold an evidentiary hearing in this matter beginning on October 23, 2018, at 9:30 a.m., in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

DENNIS J. MOSS
Chief Review Judge

cc: All Parties

ATTACHMENT 1

PROCEDURAL SCHEDULE FOR THE CONDUCT OF ADDITIONAL PROCESS

DOCKET U-170970

EVENT	DATE
Avista/Hydro One Supplemental Testimony	9/6/2018
Staff, Public Counsel, and Intervenor Response Testimony and Exhibits	10/4/2018
Avista/Hydro One Rebuttal Testimony and Exhibits; Staff, Public Counsel, and Intervenor Cross-Answering Testimony and Exhibits	10/15/2018
Discovery Deadline – Last Day to Issue Data Requests Seven business day response required until 9/6/2018; Five business day response required after 9/6/2018; Three business day response required after 10/15/2018	10/16/2018
Cross-Examination Exhibits, Witness Lists, and Time Estimates	10/19/2018
Evidentiary Hearing	10/23/2018
Post-Hearing Briefs	To be determined
Statutory Deadline (reflecting 4 month extension as authorized by RCW 80.12.030(2))	12/15/2018