

DEC 17 2018

Boise, Idaho



Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

VIA Electronic and Overnight Mail

December 17, 2018

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Petition for Reconsideration and Rehearing in Docket U-170970

Avista Corporation hereby submits an original and five (5) copies of the Petition for Reconsideration and Rehearing. A service list is attached, with the parties on the service list receiving a complete copy of this filing by overnight mail.

If you have any questions, please do not hesitate to contact David Meyer on behalf of Avista Corporation at 509-495-4316 or david.meyer@avistacorp.com or Liz Thomas on behalf of Hydro One Limited, at 206-370-7631 or liz.thomas@klgates.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Andrea", is written over a horizontal line.

Michael Andrea
Senior Counsel

Cc: Service List in U-170970

Press Release

Hydro One and Avista file request to reconsider decision in Washington merger case

TORONTO and SPOKANE, WA, Dec. 17, 2018 – As announced on December 10, 2018, Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today filed a petition requesting that the Washington Utilities and Transportation Commission (“UTC”) reconsider its December 5, 2018 order denying approval of Hydro One’s acquisition of Avista, together with a petition requesting that the UTC rehear the matter to accept new evidence.

Under Washington law, the UTC has 20 days to act on the petition for reconsideration. If the UTC grants the petition for reconsideration, it may modify its prior order or take any actions it deems appropriate, including extending the timeframe for its deliberations.

A copy of the filing can be found at www.utc.wa.gov.

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For further information:

Hydro One

Media:

Jay Armitage

Director, Corporate Communications

media.relations@hydroone.com, 416-345-6868

Investors:

Omar Javed

Vice President, Investor Relations

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Avista

Media:

Casey Fielder, Communications Manager

casey.fielder@avistacorp.com, 509-495-4916

Investors:

Jason Lang, Director of Finance

jason.lang@avistacorp.com, 509-495-2930

About Hydro One Limited

We are Ontario's largest electricity transmission and distribution provider with more than 1.3 million valued customers, over C\$25 billion in assets and 2017 annual revenues of nearly C\$6 billion. Our team of over 7,400 skilled and dedicated regular and non-regular employees proudly and safely serves suburban, rural and remote communities across Ontario through our 30,000 circuit km of high-voltage transmission and 123,000 circuit km of primary distribution networks. Hydro One is committed to the communities we serve, and has been rated as the top utility in Canada for its corporate citizenship, sustainability, and diversity initiatives. We are one of only six utility companies in Canada to achieve the Sustainable Electricity Company designation from the Canadian Electricity Association. We also provide advanced broadband telecommunications services on a wholesale basis utilizing our extensive fibre optic network. Hydro One Limited's common shares are listed on the Toronto Stock Exchange (TSX: H).

Forward-Looking Statements and Information

This press release and the filing to which it refers may contain "forward-looking information" within the meaning of applicable securities laws. Words such as "expect", "anticipate", "intend", "attempt", "may", "plan", "will", "can", "believe", "seek", "estimate", and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance or actions and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Some of the factors that could cause actual results or outcomes to differ materially from the results expressed, implied or forecasted by such forward-looking information, including some of the assumptions used in making such statements, are discussed more fully in Hydro One's filings with the securities regulatory authorities in Canada, which are available on SEDAR at www.sedar.com. Hydro One does not intend, and it disclaims any obligation, to update any forward-looking information, except as required by law.

About Avista Corporation

Avista Corporation is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 383,000 customers and natural gas to 348,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.myAvista.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2017 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2018.

**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 UE-170970

DECLARATION OF KARI L. VANDER
STOEP IN SUPPORT OF HYDRO ONE
LIMITED'S AND AVISTA
CORPORATION'S PETITION FOR
RECONSIDERATION AND
REHEARING

1 I, Kari L. Vander Stoep, declare as follows:

2 1. I am duly licensed to practice law in the State of Washington and before the
3 Washington Utilities and Transportation Commission (the "Commission"). I am a partner
4 with the firm K&L Gates LLP and am an attorney of record for Hydro One Limited ("Hydro
5 One") in the above-referenced action. I make this declaration based upon my own personal
6 knowledge, and can testify as to the truth of the statements contained herein if called upon to
7 do so.

8 2. I make this declaration in support of Hydro One Limited's and Avista
9 Corporation's Petition for Reconsideration and Rehearing filed concurrently herewith.

10 3. Attached hereto as **Exhibit A** is a true and correct copy of a letter from
11 Stephen Rhodes, the Deputy Minister of Energy for the Province of Ontario, dated
12 November 29, 2018.

13 I declare under penalty of perjury pursuant to the law of the State of Washington that
14 the foregoing is true and correct.

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Respectfully submitted this 17th day of December 2018.



By: _____
Kari Vander Stoep, Partner, WSBA No. 35923
K&L Gates LLP
On Behalf of Hydro One Limited and
Olympus Equity LLC
925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
kari.vanderstoep@klgates.com

Ministry of Energy,
Northern Development
and Mines

Ministère de l'Énergie,
du Développement du Nord
et des Mines



Office of the Deputy Minister of Energy

Bureau du sous-ministre de l'Énergie

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November 29, 2018

Tom Woods
Chair, Hydro One Ltd.
483 Bay Street,
8th Floor, South Tower
Toronto, ON M5G 2P5

Dear Mr. Woods,

Re: Proceeding before the Public Utility Commission of Oregon regarding the proposed acquisition of Avista Corporation ("Avista") by Hydro One Limited ("Hydro One") – Request for Affidavit from the Province of Ontario

I am sending this in response to email correspondence I received from you on November 6, 2018. I understand that Hydro One is requesting that the Province of Ontario, as represented by the Minister of Energy, Northern Development and Mines ("Province"), provide a sworn affidavit to be filed in support of the ongoing proceedings before the Public Utility Commission of Oregon ("OPUC") related to the proposed acquisition of Avista by Hydro One ("OPUC Proceedings"). A draft copy of the proposed affidavit, as well as a briefing note on this matter, was included in your email to me.

I understand that the purpose of the proposed affidavit would be to provide assurance that the Province will not exercise any substantial influence over the policies and actions of Avista after the company has been acquired by Hydro One. You advised that there may be a concern amongst the parties to the OPUC Proceeding regarding the Province's potential influence over Avista after it has been acquired by Hydro One.

I understand that Hydro One has already indicated to OPUC that there are a number of factors that mitigate against the risk that the Province might be able to exercise a substantial influence over Avista after the transaction is completed. First, the rights that the Province might normally be able to exercise as the largest shareholder of Hydro One are significantly limited by the terms of the Governance Agreement. Moreover, all of the directors on Hydro One's Board (and all of Hydro One's subsidiary boards) are independent of the Province and there are no provincial nominees or representatives among the corporation's senior management team. Finally, Hydro One has already made a series of governance and ring-fencing settlement commitments that are intended to insulate Avista's business operations after Avista has been acquired by Hydro One.

I also understand that Avista and Hydro One have proposed a series of further stipulated commitments that would facilitate immediate intervention by the OPUC in the event that (1) Avista's CEO or any other member of the Avista board believes the Province is directly or indirectly exercising substantial influence over Avista's policies or actions; or, (2) the Hydro One Board or any member thereof becomes aware of a proposal to amend, effectively modify, or eliminate the Governance Agreement. I have been advised that these additional stipulations should provide the OPUC with direct avenues for any regulatory action it considers appropriate should either of these circumstances arise.

In light of the factors set out above, the affidavit Hydro One has requested from the Province does not appear to be necessary for the purposes of the OPUC Proceedings. The evidence already provided by Hydro One should be sufficient to address any concerns that the parties to the OPUC Proceeding may have with respect to the Province's relationship with Hydro One. In addition, as you know, there are significant restrictions on the legal authority of government officials to bind the future exercise of legislative and regulatory powers and any affidavit would need to be carefully tailored with these restrictions in mind. We are of the view that it would be preferable that Hydro One not offer to provide any such affidavit to OPUC.

I want to reiterate the Ministry's commitment to supporting Hydro One in its efforts to complete the Avista acquisition.

Should you have any further questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Rhodes". The signature is fluid and cursive, with a large initial "S" and "R".

Stephen Rhodes
Deputy Minister, Energy
Ministry of Energy, Northern Development and Mines (ENDM)

cc: Nina Chiarelli – Chief of Staff, Minister of ENDM
Carolyn Calwell – ADM, Strategic, Network and Agency Policy Division, ENDM
Maud Murray – Legal Director, Energy