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IDAHO PUBLIC
UTILITIES COMMISSION

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT	)	CASE NOS. AVU-E-17-09
APPLICATION OF HYDRO ONE	)	AVU-G-17-05
LIMITED CORPORATION	)	
FOR APPROVAL OF MERGER	)	COMMUNITY ACTION
AGREEMENT	)	PARTNER ASSOCIATION
	)	OF IDAHO'S COMMENTS IN
		SUPPORT OF MERGER

# I. INTRODUCTION

COMES NOW, the Community Action Partnership Association of Idaho (CAPAII) and, pursuant to the Commission's scheduling Order previously issued in this proceeding, hereby submits its comments in support of the Application of Avista and Hydro One for approval of a merger between Avista Corporation ("Avista") and Hydro One Limited Corporation ("Hydro One"). As detailed below, CAPAI unconditionally supports the Settlement Stipulation entered in this case between all parties on or about April 13, 2018 and filed with the Commission.

As could be expected, CAPAI assessed the settlement based primarily upon the impact that it will have on Avista's low income customers, both prior to and after the merger. This does not mean that the other provisions were not of significance to CAPAI and the settlement stipulation was viewed on the whole. After considerable negotiations, analyses and due consideration, CAPAI

believes that the merger, as proposed and as set forth in the settlement stipulation, will inure to the benefit of Avista's low income customers in ways that haven't been experienced in recent memory.

# II. COMMENTS

Following extensive negotiations, Avista drafted the Settlement Stipulation now pending before the Commission for approval. The actual substantive agreements are contained in "Exhibit A," also known as the "Master List of Commitments in Idaho." CAPAI's recommended approval of the Stipulation hinges primarily upon this substantive exhibit. Those provisions contained therein applicable to the merged company's low income customers will be the sole focus of the following section.

#### **59.** LOW-INCOME PROVISIONS:

The majority of provisions contained within the Stipulation are found in Para. 58-65 of the Stipulation. Specifically, Para 58 states that Hydro One will arrange funding of \$500,308,847 over a ten year period to fund energy efficiency, weatherization, conservation, and low income assistance programs. Said funding will be disbursed as directed by the Energy Efficiency, Weatherization, Conservation and low-income assistance committee "EWCL" a new committee of stakeholders tasked with determining which existing or new programs should receive this funding, to address energy efficiency, weatherization, conservation, and low-income needs in Avista's Idaho Service territory. The committee will consist of representatives from: Avista, Commission Staff, the Lewiston CAP, Idaho Conservation League, The Idaho Forest Group, and Clearwater Paper Corporation. The committee may add members at its discretion. The EWCL will consider the needs of all parties and remain flexible on the timing of any disbursements.

The EWCL will convene within 90 days after the close of the CAPAI purposed CAP transaction, will present a 10 year funding plan to Avista by June 1, 2019 and will revise this plan periodically as needed.

CAPAI believes that the foregoing EWCL collaborative group of stakeholders will provide a balanced perspective of necessary low-income conservation funding and will help to insure that all interests and perspectives are taken into consideration. Consequently, it provides a thorough safeguard to ensure the best possible selection of opportunities.

Paragraphs 59 and 60 though it pertains to energy proficiency has little to no bearing on CAP or CAPAI.

## **61. COMMUNITY CONTRIBUTIONS:**

Hydro One will cause Avista to make a one-time \$7,000,000 to Avista's charitable foundation at or promptly following closing. Though it remains uncertain as to how much of this \$7,000,000 will be dedicated toward low-income customers and in what respect, CAPAI sees the distinct possibilities that income customers will at least in part benefit from this fund.

#### **62. ADDRESSING OTHER LOW-INCOME ISSUES:**

Avista agrees that it will continue to work with low-income agencies to address other issues of low income customer issues, including funding for bill payment assistance.

#### **63 FEE FREE PAYMENT PROGRAM:**

Avista will continue to offer the Fee Free Payment Program to its residential customers.

This program benefits low-income customers along with others.

## E. IMPROVE PENETRATION OF LOW-INCOME PROGRAMS:

Hydro One and Avista will work with the Lewiston CAP to undertake a targeted effort with a goal of improving the penetration rate of low income programs with a focus on underserved, vulnerable, and high energy burden households. This commitment may include marketing, outreach and data analysis as appropriate. This provision is clearly directed specifically to the companies low income customers and though not yet constructed or fully defined should prove to be of considerable value to said customers.

## F. TRIBAL COMMUNITIES:

In implementing this conditions, Avista will reach out to tribal communities to encourage participation of members of such communities in receiving the benefits of this settlement. It is not surprising that members of such tribal communities contain a significant number of low income customers and, consequently is of considerable value from CAPAI's perspective.

#### G. MOST FAVORED NATIONS STATUS.

As is often the case involving settlements in most states / jurisdictions the purposed Settlement Stipulations contain a provision but which should any other state be given as a condition of settlement terms or conditions more favorable to those contained in the Idaho Stipulation than said terms or conditions are automatically incorporated into the Idaho settlement. Para. 73, pg 23 of the Stipulation clearly sets forth a typical most favored nations stipulation. This provides assurance that the state of Idaho and the parties to this case will not be disadvantaged by virtue that it settled prior to any other state who obtained more beneficial terms and conditions. The safety mechanisms provides CAPAI with the assurance that it will not in any way be disadvantage to any other state who settles the application for merger.

## III,. CONCLUSION

CAPAI is pleased with the concessions made by all parties during settlement and with the ultimate outcome of that settlement and believes it to be fair, just and reasonable to all ratepayers. CAPAI is equally pleased with the willingness of both Avista and Hydro One to seriously address the needs of their most vulnerable customers.

In light of the foregoing CAPAI respectfully submits to the Commission that the settlement should be approved.

Dated this 20th day of June, 2018.

Brad M. Purdy

Attorney for CAPAII

# **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 20th day of June 2018, I caused to be served a true and correct copy of the foregoing by the following method to:

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