

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NOS. AVU-E-17-09
APPLICATION OF HYDRO ONE LIMITED)	AVU-G-17-05
AND AVISTA CORPORATION FOR)	
APPROVAL OF MERGER AGREEMENT)	NOTICE OF INTERVENTION
)	
)	NOTICE OF VACATED
)	TECHNICAL HEARING
)	
)	ORDER NO. 34111

On July 19, 2017, Avista announced that it had entered into a merger agreement with Hydro One (“Applicants”). On September 14, 2017, the Applicants filed the above captioned joint application for approval of the merger. Approval of the Application would result in Avista becoming a wholly owned subsidiary of a Hydro One holding company.

On October 5, 2017, the Commission set an October 26, 2017, deadline for petitions to intervene. The Commission granted timely-filed motions to intervene from Idaho Forest Group, Clearwater Paper, Idaho Conservation League (ICL), the Community Action Partnership Association of Idaho (CAPAI), and the Washington and Northern Idaho District Council of Laborers (WNIDCL). Order Nos. 33914, 33916, 33931, and 33932. On April 13, 2018, the Applicants filed a Motion for Approval of Stipulation notifying the Commission that all parties had reached a full settlement. The Commission scheduled a Technical Hearing for June 27, 2018, that was later vacated and reset to July 23, 2018, to address issues raised by customers. *See* Order Nos. 33950, 34061, and 34101. The Commission also granted intervention to an unincorporated nonprofit called the Avista Customer Group. Order No. 34109.

This order addresses two additional developments: (1) on July 9, 2018, the Idaho Department of Water Resources (IDWR) petitioned to intervene and notified the Commission that IDWR plans to impose merger-related conditions on Avista's hydropower rights; and (2) Hydro One's CEO and board of directors have resigned.

FINDINGS

Petitions to intervene are governed by Rules 71-75, IDAPA 31.01.01.071-.075. Further, Idaho Code § 61-328(4) requires the Commission to include any authorization or condition imposed by the IDWR. Based on the record, we grant the IDWR’s petition to

intervene. Pursuant to statute, IDWR clearly has a direct and substantial interest. We expect that IDWR's participation will not unduly broaden the issues as required by Rule 74. We note that, per Rule 73, the IDWR is bound by all prior orders and notices issued in the case.

With regard to the issues relating to Hydro One governance, we find that with the number of questions raised by the resignations, it is imprudent to continue with the July 23, 2018, technical hearing. Rather, we find it reasonable to postpone the technical hearing until a new CEO and executive board are in place at Hydro One. Applicants are directed to update the Commission when the new management team is in place. If a CEO and new board are not in place by August 15, 2018, the Applicants are directed by the Commission to provide a status update. The future hearing will be conducted through prefiled testimony; those deadlines will be determined in a later order. Finally, the parties shall meet and confer to discuss a procedural schedule once Hydro One has a new CEO and board of directors in place.

ORDER

IT IS THEREFORE ORDERED that the Idaho Department of Water Resources' petition to intervene is granted.

IT IS FURTHER ORDERED that all parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This Intervenor is represented by the following for purposes of service:

Garrick L. Baxter
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Idaho Department of Water Resources
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IT IS FURTHER ORDERED that the July 23, 2018, Technical Hearing is vacated. The parties shall meet and confer to discuss case processing after Hydro One has a new CEO and board of directors in place.

IT IS FURTHER ORDERED that by August 15, 2018, Applicants shall update the Commission of progress relating to Hydro One executive governance.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{20th}
day of July 2018.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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