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**Diane Holt**

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**From:** debraahava@gmail.com  
**Sent:** Wednesday, July 18, 2018 4:56 PM  
**To:** Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans  
**Subject:** Case Comment Form: Debra Estes

Name: Debra Estes  
Case Number: AVU-E-17-09  
Email: debraahava@gmail.com  
Telephone:  
Address: 856 N Maple Grove Rd, Apt 201  
Boise Idaho, 83704

Name of Utility Company: Idaho Power  
Comment: I am in opposition passionately against the proposed sale. We must keep our water rights. We must protect our water. Our power rates must not be increased. I am against this sale.

Unique Identifier: 184.99.108.144

## Diane Holt

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**From:** Sashagrove77@gmail.com  
**Sent:** Wednesday, July 18, 2018 9:31 PM  
**To:** Beverly Barker; Diane Holt; Erik Jorgensen; Matthew Evans  
**Subject:** Case Comment Form: Sasha Grove

Name: Sasha Grove  
Case Number: AVU-E-17-09  
Email: Sashagrove77@gmail.com  
Telephone: 7346491004  
Address: 212 W Ironwood Dr #516  
Coeur d Alene Idaho, 83814

Name of Utility Company: Avista through rental at RV resort  
Comment: We are planning to buy land in North Idaho.  
If Avista is sold to a foreign entity we will be reconsidering Idaho completely. Oppose the sale.

Unique Identifier: 174.208.23.2

July 16, 2018

Idaho Public Utilities Commission  
Commission Secretary  
PO Box 83720  
Boise, Idaho 83720-0074

RECEIVED

2018 JUL 19 AM 8:55

IDAHO PUBLIC  
UTILITIES COMMISSION

CASE COMMENT  
CASE #AVU-E-17-09

Dear Secretary,

This letter is to state my opposition to the purchase of Avista Corporation by Hydro One. With the recent resignation of Hydro One's board members and ouster of the Chairman this is of great concern to me in the merger process.

Much has been written about this merger and with a termination fee of \$103 million by either party, this is not something to take lightly. President Trudeau has not been making positive comments concerning United States relations, therefore, again I want to state my opposition.

I am enclosing a copy of a recent email letter submitted to the Idaho Public Utilities Commission written by Dean Gentry. He goes into great lengths regarding various points of interest as to the reason this merger is a bad idea.

Thank you for taking my letter. I appreciate your help in this matter.

Yours truly,

Colleen Smith  
88 Garden Tracts Road  
St. Maries, Idaho 83861-1766  
208.245.3878

enclosure

June 22, 2018

Idaho Public Utilities Commission  
P. O. Box 83720  
Boise, Idaho 83720-0074

CASE COMMENT

Case No. AVU-E-17-09

I strongly oppose the purchase of Avista Corp. by Hydro One or any other foreign entity. It is very disturbing to learn our federal government has approved this application as well as others and as I understand they have done so without any public hearings, comments or other input.

First and foremost we must consider the large amount of news reports of the vulnerable state of our national **Power Grid** of which the Avista transmission assets are a part. The electric power supplied by Avista is an essential life giving commodity not available to the masses from any other source. How many lives are at risk within the Avista service area for only a short term blackout (consider the extreme high and low temperatures)? How about longer periods of blackouts? The electricity supplied by Avista in Idaho is primary for life and must rate along with food, water and health care and impacts all. Why would we choose to allow foreign governments and or businesses access to ownership or any control of our life giving necessities?

Case No. AVU-E-17-09  
Dean Gentry  
Case Comment

The reports of many utilities in America having been purchased by foreign companies gives me no comfort.

The government of Canada and Toronto may be a friend to our country today and adversary tomorrow. Currently these governments are at odds with climate control / global warming, with trade and tariffs and also negation of a new Columbia River Treaty. No one has a perfect know of future relations with other countries.

Large sums of money are at stake in this proposal. As of December 31, 2017 Avista Corp had expensed \$8 million, and Hydro One reported spending \$36 million. It has been reported officers and key personnel of Avista will receive \$30 to \$40 million if and when this proposal is completed. In addition, those same persons have or will receive about \$10 per share of stock due to the announcement of this sale. As of 12/31/17 those persons owned 752,900 shares of avista stock totaling Another \$7,529,000. In addition there are reportedly severance agreements for five executives for a combined \$35.2 million. Avista tells us this proposal is good for everyone. It certainly appears the closing of this proposal will be good for the senior management and directors. I would be better convinced of that if this group were giving all of the personal gains to charities. It may be possible these amounts of personal gains sponsor bias and emotions that influence decisions that may not prove to be good for the Avista customers. I have recently read John Wayne said "there is a little larceny in everyone".

The propose settlement agreement states that no cost related to this

Proposed transaction will be charged to the Avista customers. If not, where will the money come from?

The agreement also states there will be no rate increase because of the merger. How may the IPUC determine that when Hydro One applies for a rate increase at a future date? How may you refuse an application for a rate increase when the future service for reliable and safe electricity is at risk even it is determined that risk was created by the merger?

Also, discussions of rates appear in most in not all reports of hearings and news articles pertaining to the proposed merger. To the majority of people in the hearings and readers I believe the word **rates** really means the amount of our monthly bill. When it is stated rates will not increase, we assume our monthly bill will not increase unless we use more electricity. I have recently learned different utilities submit different monthly bills which contain billing for items other than the price for the electricity. Some bills may have a separate charge for meter reading, for billing, or as Avista has, a base rate none of which charges for rates of electricity but are included in the total of the billed amount due. We do not know what Hydro One bills their customer in Toronto that may one day appear on the Avista bill as another form of revenue for Hydro One but will not be a **rate** increase for the amount of electricity used. I hope such deception will not be allowed by our Commissioners.

Report of Hydro One support for Avista's expansion of renewable energy is worrisome to me. I firmly believe both wind and solar energy

should not be forced upon utility customers. I believe wind and solar are not dependable, too costly, are subsidized by taxes, manufacture and maintenance add to carbons. I hope Idaho does not force this upon us or allow Avista to bill Idaho customers for renewable energy in our rates to pay for the costs in other states.

The proposed rate credits appear to be a sales tool; somewhat like an auction bid for approval having increased to gain agreement with the various state commissions approval. Please convert the \$15.8 million rate credit to the amount it will reduce the KWH rate. Is it a significant amount?

While the sizeable charitable contributions are welcome, they most definitely are a sales tool and not a true indication of the heart and generosity of Hydro One management. Like the rate credits, the charitable contributions are a short term commitment and based on the fact Hydro One contributes only \$1 million to all of the combined communities of Toronto where they serve 1.3 million customers we should not be surprised as a large part of the charitable contributions end when the five year commitment period expires.

So I ask, why is Hydro One proposing to buy Avista?

Two writers for The Spokesman Review newspaper at Spokane wrote "Canadian power companies have been buying American utilities for several years, expanding their reach into the U.S., which offers lighter regulations and potentially higher revenues." Is this a compliment or

## Challenge to our IPUC?

Two writers also state Hydro One “is heavily invested in renewable energy, including hydro, wind and solar. It also has nuclear energy in its portfolio.” After reading this I wrote to Nancy Clark at Hydro One and she replied “Hydro One does not currently own generation assets”.

My curious part wonders why Hydro One is acquiring Avista and their generating power plants. Currently Hydro One is in the business of purchasing electric power and transmitting and distributing it. It has been reported hydro power is not considered as renewable energy in Toronto. Hydro One is financing one hundred percent of the Canadian \$6.7 billion dollar price of Avista as follows;

1. Assumption of existing Avista Debt Canadian \$2.6B,
2. A combination of 5, 10, 30 year debt notes Canadian \$2.56B,
3. Conversion of Convertible Debenture to equity C\$1.54B

Hydro One currently pays of a little over 4% dividend on their stock. Avista reported U.S. \$115 million or near Canadian \$153 million net Income for their year ended 12/31/17. In order to recoup a 4% return on the purchase of Avista the net income must increase to about Canadian \$265 million. That is an increase of C\$112 million or about 73%. How might they do this? Often mergers and acquisitions achieve efficiencies by reducing administrative staff and this does not seem possible in this case if the commitments for keeping Avista employees is kept. I do not know the value of the Avista hydro power generating assets if they were to be sold but I suspect the proceeds of such a sale



could raise a large portion of the C\$6.7 B purchase price and allow Hydro One to stick with their business of purchasing, transmission and distribution here as they do in Toronto. Hydro One has purchased three electric utility companies in Toronto since 2016. All without any generating assets. Why enter into the generation business now, a business they have no experience in?

News reports often point out Hydro One is a very large company with more than \$25 billion in assets with no mention to the fact Hydro One has more than \$15 billion in liabilities and if the merger is completed Hydro One will be Canadian \$32.2 Billion dollar company with C\$22B In liabilities with a large annual debt service and with a business requiring large amounts of capital investment. The combined net income for the year ended 12/31/17 of Avista and Hydro One was about C\$835 million.

It was reported that Scott Morris said: Both utilities are heavily investing in infrastructure and technology and will benefit from economies of scale. "We can spread out our costs over a larger customer base," Morris said. Can anyone imagine the Hydro One customers of Toronto (being the larger base) enjoying Avista costs spread to them?

As I have stated earlier Avista and Hydro One are spending many, many millions of dollars to achieve this proposed merger/acquisition. Those millions of dollars are going to Wall Street lawyers, accountants and merger and acquisition specialists who often are reported as making

millions of dollars and hundreds of millions of dollars in one year. They are paid to make this proposal happen. This is a very heavy burden placed upon the staff of our IPUC who we know are not paid that well and do not deal with mergers and acquisitions on a daily basis or have unlimited budget for outside expertise.

Many questions have been raised since the merger agreement was announced on July 19, 2017 along with many negative reports of the the quality of service provided by Hydro One to their Toronto customers. I hope our IPUC had searched for the facts and truths of Hydro Ones performance. Hopefully you have access to reliable sources similar to our Better Business Bureau, Dunn and Bradstreet, Standard and Pours or others to help you arrive at the facts you need.

If this proposal is approved I assume there is no turning back and no method of enforcement of commitments by Hydro One or penalties upon Hydro One. Thus any failures and inconsistencies resulting from a merger will fall upon the customers of Avista.

The commitments agreed to have life of five years and it is doubtful that any of the current management and directors will be with Avista at the end of those five years.

I thank our Idaho Public Utilities Commission and staff for this opportunity to submit my comments of opposition to the approval of the proposed merger.

Sincerely,

Dean Gentry

P. O. Box 321

St. Maries, Idaho 83861

Case No. AVU-E-17-09

Dean Gentry

Case Comment