



## Hydro One, Avista and City and Borough of Juneau reach a settlement in Alaska Merger Case

04/04/18

**TORONTO and SPOKANE, WA, April 4, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today announced the achievement of an important milestone in the regulatory approval process of their proposed merger. The companies and the City and Borough of Juneau (CBJ), the only intervenor in the case, have reached a settlement agreement in the merger proceeding currently before the Regulatory Commission of Alaska (“RCA”). The settlement agreement has been filed with the RCA. Avista serves customers in Juneau, Alaska through its subsidiary utility, Alaska Electric Light and Power Company (“AEL&P”).

“This positive step forward speaks to the long-term benefits of the union of Hydro One and Avista for customers, communities, employees and shareholders,” said Mayo Schmidt, President and CEO, Hydro One. “I would like to thank the CBJ for working with us to reach this significant milestone.”

“We’re pleased to have been able to collaborate with the CBJ, on behalf of the residents of Juneau, to arrive at an outcome that is beneficial and that represents Avista’s continued commitment to the Juneau community,” Avista President Dennis Vermillion said. “AEL&P customers can expect their utility to continue to operate as it does today, with reliable energy service, local decision-making and a continued focus on community giving and support. We’re excited about the future partnership with Hydro One and are confident that this partnership will benefit AEL&P’s customers.”

The settlement agreement includes specific commitments that preserve the ownership structure and current operations of AEL&P, ensure customer rates will not be impacted by the transaction, enhance community giving and provide a \$1 million rate credit over five years for AEL&P’s customers. This rate credit would begin at the close of the transaction.

The settlement also clarifies that the transaction will not affect the ownership of Snettisham or RCA approval requirements for any future transfer of Snettisham, formalizes AEL&P’s interconnection process and outlines a process for a biennial AEL&P system and planning presentation.

Please refer to [rca.alaska.gov](http://rca.alaska.gov) for the joint application, full settlement agreement and complete list of commitments.

The settlement agreement is subject to RCA review and approval. The parties have requested a decision from the RCA within 30 days of filing the settlement agreement.

An all-party settlement agreement was filed with the Washington Utilities and Transportation Commission on March 27, 2018. The transaction received approval from the Federal Energy Regulatory Commission on January 16, 2018 and from Avista shareholders on November 21, 2017. Hydro One and Avista continue to anticipate closing the transaction in the second half of 2018.

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Idaho, Oregon, Montana and Alaska. Approval must be obtained from the Federal Communications Commission. Also required is clearance by the Committee on Foreign Investment in the United States, and compliance with applicable requirements under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as well as the satisfaction of other customary closing conditions.

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### **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 five 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 joint application and settlement agreement 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](http://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 382,000 customers and natural gas to 347,000 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](http://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 Dec. 31, 2017.