



Hydro One and Avista file a Settlement Agreement in Oregon Merger Case

05/25/18

TORONTO and SPOKANE, Wash., May 25, 2018 (GLOBE NEWSWIRE) -- 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 have filed an all-parties, all-issues settlement agreement in the merger proceeding before the Public Utility Commission of Oregon ("OPUC"). This represents a full settlement which all parties have agreed is consistent with the public interest and will provide net benefits to Avista's Oregon customers. The settlement agreement is subject to review and approval by the OPUC.

"This is yet another key milestone as we navigate the path toward completing this transaction," said Mayo Schmidt, President and CEO, Hydro One. "Once complete, this merger of two leading institutions will generate tremendous value for our organization, as well as our shareholders, employees and customers. We are very pleased by the progress we have been able to achieve in cooperation with all parties involved."

"This settlement agreement is a positive next step in the process to finalize our partnership with Hydro One, for the benefit of our customers in Oregon and all of our stakeholders," Avista Chairman and Chief Executive Officer Scott L. Morris said. "With the broad support of all of the parties in Oregon, we believe the settlement agreement meets the standard for approval in Oregon and affirms the commitments we've made to continue to operate as we do today, with local decision-making and increased community support."

The settlement agreement in Oregon includes financial and non-financial commitments, and confirms Avista's commitment to its customers and the communities it serves. Under the settlement agreement, customers in Oregon would receive immediate financial benefits in the form of rate credits that would become effective at the close of the transaction, along with additional safeguards to assure the continued financial well-being of Avista.

As a result of this settlement agreement in Oregon, settlement agreements in Washington, Idaho and Alaska and commitments in Montana, the total financial commitment across all states, if approved, would be approximately \$78.6 million. No costs associated with the transaction will be recovered from Avista or Hydro One customers.

Please refer to www.puc.state.or.us for the joint application and settlement agreement (which includes the complete list of commitments).

In addition to Hydro One and Avista, the parties to the merger proceeding in Oregon include the OPUC staff, Oregon Citizens' Utility Board, Alliance of Western Energy Consumers and the Oregon and Southern Oregon District Council of Laborers.

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Alaska, Idaho, Oregon and Montana. An all-parties, all-issues settlement agreement was filed with the Washington Utilities and Transportation Commission on March 27, 2018. An all-parties, all-issues settlement agreement was filed with the Regulatory Commission of Alaska on April 3, 2018. An all-parties, all-issues settlement agreement was filed with the Idaho Public Utilities Commission on April 13, 2018. A settlement agreement with the City of Colstrip was filed with the Montana Public Service Commission on May 15, 2018.

Hydro One and Avista received the Federal Communications Commission's consent on May 4, 2018 to close their merger and antitrust clearance on April 5, 2018 after the expiration of the waiting period under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The transaction received approval from the Federal Energy Regulatory Commission on January 16, 2018 and from Avista shareholders on November 21, 2017. The Committee on Foreign Investment in the United States completed its review of the proposed merger on May 18, 2018, and has concluded that there are no unresolved national security concerns with respect to the transaction. Also required is the satisfaction of other customary closing conditions. Hydro One and Avista continue to anticipate closing the transaction in the second half of 2018.

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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 through Hydro One Telecom Inc. 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. 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 385,000 customers and natural gas to 350,000 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 March 31, 2018.