

## **For Immediate Release**

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### **Avista and Hydro One Ask PSC to Approve \$5.3 Billion Merger**

**Helena, Mont.** – Avista Corporation (“Avista”) and Hydro One Limited (“Hydro One”) today jointly filed with the Montana Public Service Commission an application requesting approval of a merger agreement under which Hydro One will acquire Avista in a \$5.3 billion all-cash transaction.

Under the agreement, Hydro One, a Canadian firm, will pay Avista shareholders \$53 per common stock share, a 24 percent premium to Avista’s July 18 closing price. The deal would create one of North America’s largest regulated utilities, serving approximately 2 million customers throughout Ontario and the Pacific Northwest.

Avista, a Spokane, Wash. based utility, serves 700,000 electric and natural gas customers in eastern Washington, Oregon, Idaho, and Alaska. The company also provides service to 32 Montana customers located near its Noxon Rapids hydroelectric facility in Northwest Montana. Those 32 customers place Avista under the definition of a public utility in Montana, subject to regulation by the Commission.

“Although the proposed merger would only impact a handful of Montana customers, the Commission will carefully review every aspect of the application before us, including any potential impacts to Avista’s owned generating assets located in the state,” said Commissioner Bob Lake, R-Hamilton.

In addition to its 466 megawatt Noxon Rapids generating station, Avista maintains a 15 percent ownership interest in Colstrip units 3 and 4. The company's share of the power plant equals 222 megawatts or enough to power about 160,000 homes.

According to the application submitted to the Commission, Avista will continue to operate as a wholly owned subsidiary of Hydro One. Rates for customers of either utility will not be impacted by any of the costs associated with the transaction, and no layoffs are expected as a result of the sale.

Hydro One is Ontario's largest electric utility and power transmission company. The Government of Ontario is the firm's largest minority shareholder, controlling 49 percent of Hydro One's stock.

The Toronto Stock Exchange-traded company plans to finance the purchase of Avista through a combination of medium and long-term borrowings and the net proceeds from its previously completed issue of C\$1.54 billion of convertible unsecured debentures.

The transaction is expected to close in the second half of 2018 subject to regulatory and government approvals and clearances, including approval by the Washington Utilities and Transportation Commission, the Public Utility Commission of Oregon, the Idaho Public Utilities Commission, the Regulatory Commission of Alaska, the Public Service Commission of the State of Montana, the U.S. Federal Energy Regulatory Commission, 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.

To view the complete application, visit: <http://bit.ly/2vYEdgZ>

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*Made up of five elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.*