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**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF Avista Corporation and) REGULATORY DIVISION
Hydro One Limited’s Application for)
Authorization of the Proposed Sale and Transfer) DOCKET NO. D2017.9.71
of Avista Corporation)
)

APPLICANTS’ JOINT PRE-HEARING MEMORANDUM

Hydro One Limited (“Hydro One”), acting through Olympus Equity LLC, an indirect, wholly-owned subsidiary, and Avista Corporation (“Avista” and collectively with Hydro One, “Joint Applicants”) hereby submit to the Montana Public Service Commission (“Commission”) this Pre-hearing Memorandum.

INTRODUCTION

This docket is a joint application by the Joint Applicants for authorization of the proposed sale and transfer of Avista. The Montana Consumer Counsel (“MCC”), the Montana AFL-CIO, and the City of Colstrip have intervened in this docket.

ISSUES

The sole issue for the Commission to resolve in matter is whether the proposed transaction satisfies the “no harm” to consumers standard. As no parties have filed contrary testimony, and Avista has only approximately 30 customers in Montana, the Joint Applicants contend this issue is uncontested.

WITNESSES

All testimony in this docket has been pre-filed. Avista intends to call its witnesses as described below. The Joint Applicants will present their case in chief through the direct and supplemental testimony of the following witnesses:

- (1) Scott Morris
- (2) Mayo M. Schmidt
- (3) Mark T. Thies
- (4) Christopher F. Lopez
- (5) Kevin J. Christie
- (6) Ferio G. F. Pugliese
- (7) Patrick D. Ehrbar
- (8) Jason R. Thackston

The Joint Applicants reserve the right to recall these witnesses for rebuttal purposes, if necessary.

EXHIBITS

The Joint Applicants will pre-mark and introduce into evidence the following testimony with all necessary exhibits thereto:

- AVISTA-01 Joint Application and supporting documents (Testimony and witness exhibits excluded)
- AVISTA-02 Direct testimony of Scott Morris inclusive of the following:
 - Illustrations No. 1 and 2
 - Table No. 1
 - Exhibit No. ____ (Exhibit No. 1, S. Morris, Avista)
- AVISTA-03 Direct testimony of Mayo M. Schmidt inclusive of the following:
 - Illustrations No. 1, 2, 3, and 4
 - Exhibit No. ____ (Exhibit No. 2, M. Schmidt, Hydro One)
- AVISTA-04 Direct testimony of Mark T. Thies inclusive of the following:
 - Illustrations No. 1 and 2
 - Unlabeled table
 - Table No. 1
 - Exhibit No. ____ (Exhibit No. 3, M. Thies, Avista)
- AVISTA-05 Direct testimony of Christopher F. Lopez inclusive of the following:
 - Illustration No. 1
 - Table 1
 - Exhibit No. ____ (Exhibit No. 4, C. Lopez, Hydro One)
- AVISTA-06 Supplemental direct testimony of Christopher F. Lopez inclusive of the following:
 - Illustrations No. 1 and 2
- AVISTA-07 Direct testimony of Kevin J. Christie
- AVISTA-08 Direct testimony of Ferio G. F. Pugliese inclusive of the following:
 - Exhibit No. ____ (Exhibit No. 6, F. Pugliese, Hydro One)
- AVISTA-09 Direct testimony of Patrick D. Ehrbar inclusive of the following:
 - Exhibit No. ____ (Exhibit No. 7, P. Ehrbar, Avista)
- AVISTA-010 Supplemental direct testimony of Patrick D. Ehrbar inclusive of the following:
 - Exhibit No. ____ (Exhibit No. 9, P. Ehrbar, Avista)
- AVISTA-011 Direct testimony of Jason R. Thackston inclusive of the following:

Unlabeled table
Table No. 1

AVISTA-012 Supplemental direct testimony of Jason R. Thackston inclusive of the following:

Exhibit No. ____ (Exhibit No. 10)

AVISTA-013 Second supplemental direct testimony of Jason R. Thackston

The Joint Applicants reserve the right to introduce additional exhibits during cross-examination, and rebuttal.

DATA REPOSES

The Joint Applicants will introduce Data Responses into evidence, if necessary, during the cross-examination of opposing party witnesses.

SPECIAL SCHEDULING NEEDS

The Joint Applicants' witnesses are available on May 17, 2018, and therefore they request prior notice if the Commission anticipates the hearing taking more than one day. Additionally, Mark Thies is unable to travel to Montana in person for the hearing. The Joint Applicants, therefore, request permission to admit Mark Thies's pre-filed testimony without his appearance at the hearing, or that he be permitted to attend the hearing by telephone.

Dated this 2nd day of May, 2018.

CROWLEY FLECK PLLP

/s/ MICHAEL GREEN

Michael Green

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K&L GATES LLP

/s/ KARI VANDER STOEP

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CERTIFICATE OF SERVICE

I hereby certify that on May 2, 2018, a true and accurate copy of the foregoing document was served via U.S. Mail and electronic mail on the parties listed below:

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