

**HYDRO ONE LIMITED  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	OREGON	DATE PREPARED:	11/05/2018
CASE NO.:	UM 1897	WITNESS:	Scott Morris
REQUESTER:	Bench	RESPONDER:	Casey Fielder
TYPE:	Data Request	DEPT:	Corporate Communications
REQUEST NO.:	Bench – 001(AVA)	TELEPHONE:	509-495-4916
		EMAIL:	casey.fielder@avistacorp.com

**REQUEST:**

In order to have a fully informed record in this proceeding, I direct Hydro One Limited and Avista Corporation to provide details regarding their community outreach with respect to their merger application in Avista’s service territory, including samples of any mailers or announcements they may have circulated and any meetings they may have held with interested persons in the region.

**RESPONSE:**

Community outreach for Avista’s Oregon service territory is provided in the following attachments:

Bench\_DR\_001 Attachment A is a print advertisement/announcement. The run dates and publication for this advertisement are as follows:

<b>Print Advertisement Run Dates and Locations:</b>		
<b>Jul-17</b>		
<b>City</b>	<b>Publication</b>	<b>Run Date</b>
Medford	Medford Mail Tribune	7/23/2017
Ashland	Ashland Daily tidings	7/22/2017
LaGrande	LaGrande Observer	7/26/2017
Roseburg	Roseburg News-Review	7/23/2017
Klamath Falls	Klamath Falls Herald and News	7/23/2017
Grants Pass	Grants Pass Daily Courier	7/23/2017

Bench\_DR\_001 Attachment B is a print advertisement/announcement. The run dates and publication for this advertisement are as follows:

<b>Print Advertisement Run Dates and Locations:</b>		
<b>Oct-18</b>		
<b>City</b>	<b>Publication</b>	<b>Run Dates</b>
LaGrande	LaGrande Observer	10/03/2018-10/10/2018
Ashland	Ashland Daily tidings	10/06/2018-10/13/2018
Medford	Medford Tribune	10/07/2018-10/14/2018
Roseburg	Roseburg News-Review	10/07/2018-10/14/2018
Klamath Falls	Klamath Falls Herald and News	10/07/2018-10/14/2018
Grants Pass	Grants Pass Daily Courier	10/07/2018-10/14/2018

Bench\_DR\_001 Attachment C is a digital advertisement/announcement.

Bench\_DR\_001 Attachment D contains copies of all news releases beginning in July 2017 through present.

Bench\_DR\_001 Attachment E is a communication that was sent to customers and community representatives. Bench\_DR\_001, Attachment F - CONFIDENTIAL contains a list of Oregon Avista customers and contact information who received a phone call from an Avista representative to specifically discuss the announcement of the merger.

Bench\_DR\_001 Attachment G - contains the list of Oregon community leaders that were contacted by an Avista representative to notify and specifically discuss the Hydro One and Avista Utilities merger. Attachment G also provides discussion that documents the various communication opportunities we used to notify and discuss the merger with Avista Oregon Customers and communities.

Bench\_DR\_001 Attachment H is an email communication sent to our community leaders on August 13, 2018 to provide an update on the Hydro One and Avista Utilities merger. These community leaders also received a fact sheet about the proposed merger of Avista and Hydro One, see Bench\_DR\_001, Attachment I.

Bench\_DR\_001 Attachment J and K are email communications sent to all customers and retirees on March 27, 2018 and October 26, 2018, respectively, to provide an update on the Hydro One and Avista Utilities merger.

Bench\_DR\_001 Attachment L is the communication that went out to all Avista Retirees on July 18, 2017.

Lastly, Mayo Schmidt of Hydro One, and Scott Morris, Shaun Jillions, and Neil Colwell of Avista met with Governor Kate Brown on August 15, 2017.

# Planning for the next 128 years.

**Avista has proudly served you for more than 128 years** and is taking steps to plan for the future. As part of our plans, we are pleased to announce that we are joining forces with Hydro One, one of the best-run electric transmission and distribution utilities in North America. We are confident this partnership, when completed in the second half of 2018, will be a positive step for our customers, our employees, and the many communities we serve.

Hydro One shares the long-held values of our culture, and when this partnership is finalized, we will work hard for you each and every day in virtually the same way we do today. We'll continue to operate under the same name, in the same headquarters in Spokane, with the same management and all the employees you've come to trust for your energy needs.

In partnership with Hydro One, we will have increased opportunities to implement technological innovation and important economic development projects, and to increase our support to the local communities we serve...well into the future.

We fully believe this transaction is advantageous for you and for us:

- Our customers will continue to receive **clean, safe, high quality, and reliable service at reasonable rates. There will be no increase in rates as a result of this transaction.**
- Our communities will continue to benefit from Avista's **commitment to philanthropy and economic development.** In fact, Hydro One has committed to doing more—nearly doubling our current levels of community contributions. Furthermore, we are dedicated to upholding our longstanding commitments to environmental stewardship, safety, and reliability.
- Our employees will see a continuation of the company and their jobs as they are today.

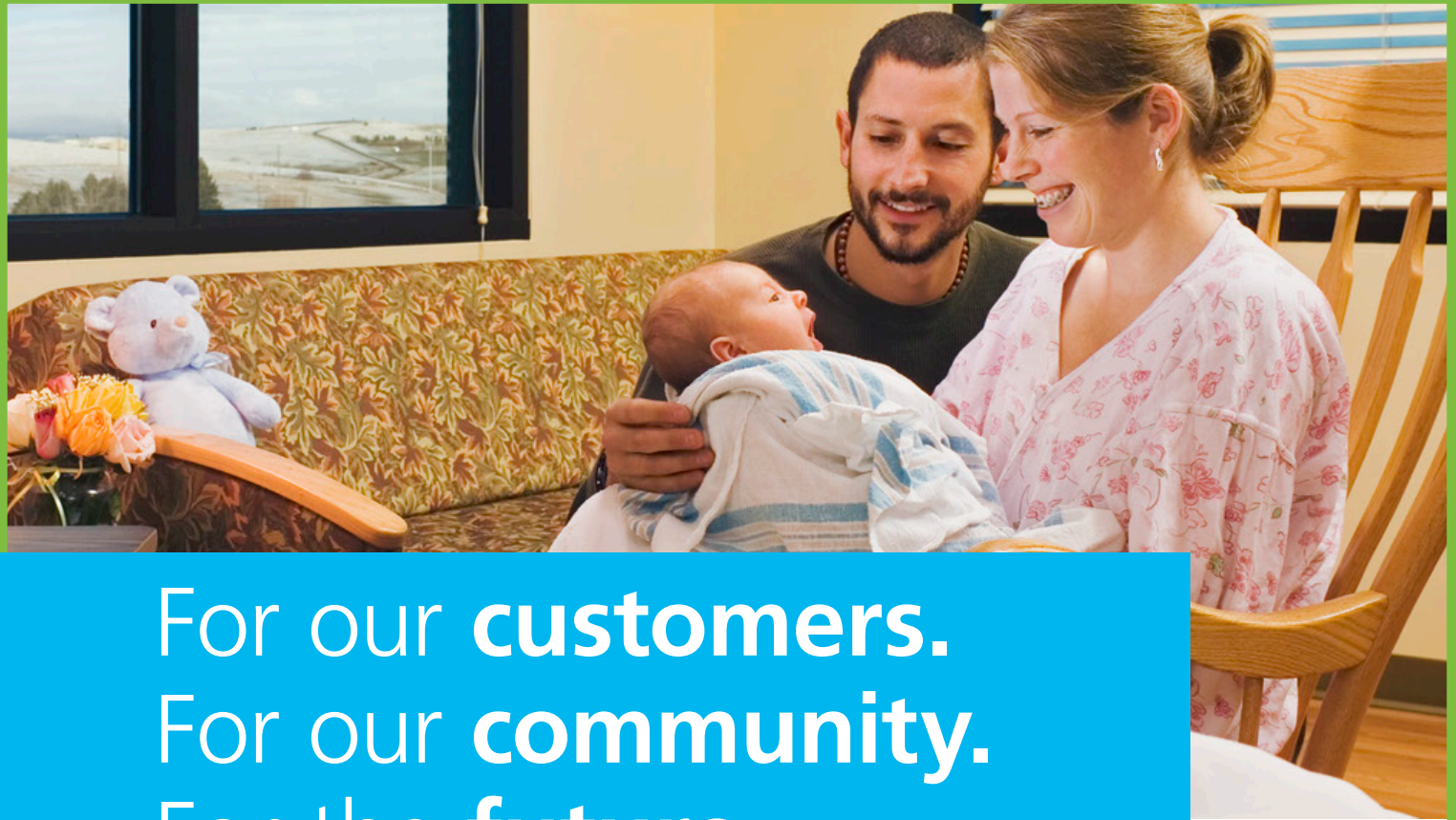
In the meantime, we want to thank you for your continued support as we enter this important new chapter in our long history. We are very excited for what lies ahead for our customers, our employees, and the communities we serve.

Sincerely,



**Scott Morris**

Chairman, President and Chief Executive Officer



# For our customers. For our community. For the future.

## The right partnership at the right time.

Avista has a long, proud history of serving our natural gas customers in southern and eastern Oregon. But we can't rest on that achievement. The energy industry is undergoing transformational change, and consolidation is changing the playing field for smaller utilities like ours.

Our proposed merger with Hydro One provides a unique opportunity. It not only preserves our nearly 130-year legacy, but also better prepares us for the future.

We'll continue to run our business and serve our customers as we always have: operating as a standalone company, from the same headquarters in Spokane, overseen by a board of directors with regional representation. Since we're a regulated utility, state utility commissions – not Hydro One – will set Avista's rates.

We'll also continue philanthropic efforts in our communities. In fact, Hydro One has committed to nearly doubling our current levels of contributions. Additional funding would also be provided for energy efficiency and low-income programs.

For more information, please visit  
[myavista.com/hydro-one](http://myavista.com/hydro-one).





# For our **community.** For our **customers.** For the **future.**

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For our  
**customers.**  
For our  
**communities.**  
For the  
**future.**

learn more



For our **customers.**  
For our **communities.**  
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learn more




For our **customers.** For our **communities.** For the **future.**

learn more



The right  
**partnership.**  
The right  
**reasons.**  
The right  
**time.**


[learn more](#)



The image shows a vertical rectangular graphic with a green background. The text is white and arranged in three lines. The first line is 'The right', the second is 'partnership.' with 'partnership' in bold, the third is 'The right', the fourth is 'reasons.' with 'reasons' in bold, the fifth is 'The right', and the sixth is 'time.' with 'time' in bold. At the bottom, there is a white button with 'learn more' in blue text, and below that is the AVISTA logo in white on a dark blue background.

The right **partnership.**  
The right **reasons.**  
The right **time.**

[learn more](#)



The image shows a vertical rectangular graphic with a green background. The text is white and arranged in three lines. The first line is 'The right partnership.' with 'partnership' in bold, the second is 'The right reasons.' with 'reasons' in bold, and the third is 'The right time.' with 'time' in bold. At the bottom, there is a white button with 'learn more' in blue text, and below that is the AVISTA logo in white on a dark blue background.

The right **partnership.** The right **reasons.** The right **time.**

[learn more](#)



The image shows a horizontal rectangular graphic with a green background. The text is white and arranged in a single line: 'The right partnership.' with 'partnership' in bold, 'The right reasons.' with 'reasons' in bold, and 'The right time.' with 'time' in bold. At the bottom right, there is a white button with 'learn more' in blue text, and below that is the AVISTA logo in white on a dark blue background.



## Press Release

### Hydro One to Acquire Avista to Create Growing North American Utility Leader with C\$31.2 Billion in Enterprise Value

***Hydro One and Avista combined create a top 20 North American utility focused on regulated transmission as well as electricity and natural gas local distribution***

#### Highlights:

- Establishes one of North America's largest regulated utilities with over C\$32.2 billion (US\$25.4 billion) in assets and a leader in electricity transmission and distribution as well as natural gas local distribution businesses
- Expands into complementary and diversified regulated assets, inclusive of natural gas local distribution
- The transaction will be accretive to earnings per share in the mid-single digits in the first full year of operation
- Provides Hydro One with a significant and stable increase to earnings and cash flow underpinned by fully regulated utility operations jurisdictions with constructive regulatory mechanisms
- A long-term intention of continuing Hydro One's dividend payout of 70-80 per cent of earnings
- Avista shareholders receive US\$53 in cash per common share, a 24% premium as of market close on July 18, 2017
- Both Hydro One and Avista to maintain healthy balance sheets as well as strong investment-grade credit ratings
- Hydro One's acquisition financing strategy involves the issuance of C\$1.4 billion of Hydro One common equity and US\$2.6 billion of Hydro One debt
- Hydro One has concurrently executed a bought deal of C\$1.4 billion of contingent convertible debentures represented by instalment receipts to satisfy the equity component of the acquisition financing strategy
- Hydro One and Avista customer rates will not be impacted by any of the costs associated with the transaction
- Efficiencies through enhanced scale, innovation, shared IT systems and increased purchasing power provides cost savings for customers and better customer service, complementing both organization's commitment to excellence
- Avista preserves corporate identity including its headquarters; customers, employees, communities and shareholders all benefit from new partnership
- No workforce reductions are anticipated as a result of this transaction for either Hydro One or Avista

**Toronto, Ontario and Spokane, Washington, July 19, 2017** -- Hydro One Limited ("Hydro One") (TSX: H) and Avista Corporation ("Avista") (NYSE: AVA) today jointly announced a definitive merger agreement ("Agreement") under which Hydro One will acquire Avista for C\$67 (US\$53) per share in a C\$6.7 billion (US\$5.3 billion) all-cash





transaction. Together, Hydro One and Avista will create a North American leader in regulated electricity and natural gas business with over C\$32.2 billion (US\$25.4 billion) in combined assets. The transaction brings together two industry-leading regulated utilities with over 230 years of collective operational experience as well as shared corporate cultures and values. The combined entity will safely and reliably serve more than two million retail and industrial customers and hold assets throughout North America including Ontario, Washington, Oregon, Idaho, Montana and Alaska.

“This marks a proud moment for Canadian champions as we grow our business into a North American leader,” said Mayo Schmidt, President and CEO, Hydro One Limited. “This transaction demonstrates the power and value of the transition into an investor-owned utility, by allowing for healthy expansion into new lines of regulated utility business and new jurisdictions, such as the U.S. Pacific Northwest which is experiencing customer and economic growth.”

“With a focus on operational excellence and building our earnings streams, we are positioned for long-term, sustainable growth,” said Schmidt. “We are further accomplishing this goal by bringing together two companies with shared cultures and industry expertise to create a North American regulated utility leader. This combination means greater scale, diversity and financial flexibility.”

Hydro One has a uniquely strong track record consolidating electricity utilities. Since the IPO, Hydro One has also delivered on cost savings and efficiencies for shareholders and customers. Through the company’s energy conservation programs, Hydro One has helped customers and municipalities save 700 GWh year-to-date.

“Since our initial public offering, we have significantly enhanced our current operations while exploring opportunities that extend and diversify our regulated assets,” said Schmidt. “We constantly seek to deliver exceptional value to shareholders, customers, and the communities we serve through stable, increasing regulated returns, exceptional service, and community engagement.”

This strategic combination demonstrates the value of consolidation by bringing together two highly complementary platforms to create one of North America’s largest regulated utilities, meaningfully enhancing both shareholder and customer value. In addition, over time, non-headcount efficiencies will be realized through collaboration and sharing of best practices on IT, innovation and supply chain purchasing, all of which will further enhance cost savings. No workforce reductions are anticipated as a result of this transaction for either Avista or Hydro One.

Avista Corporation Chairman, President and CEO Scott Morris said, “For Avista, the decision to team up with Hydro One at a time of strength and growth represents a win for our customers, employees, shareholders and the communities we serve. Through this agreement, we have a unique opportunity to secure a partnership that allows us to continue to define and control, to a significant degree, future operations and opportunities in a consolidating industry landscape for the benefit of our customers. In Hydro One, we believe we’ve found a partner that allows us to preserve our identity and our proud legacy, while also preparing us for the future. We look forward to joining forces with Hydro One and its dynamic team.”



Following completion of the transaction, Avista will maintain its existing corporate headquarters in Spokane and will continue to operate as a standalone utility in Washington, Oregon, Idaho, Montana and Alaska. Its management team and employees will remain in place and it will operate with its own Board of Directors representing the interests of the Pacific Northwest and the communities it serves. The combined company's headquarters will be based in Toronto.

Avista employees and retirees will see a continuation of the company essentially as it is today. Customers of both companies will continue to be provided with safe, reliable and high quality energy. Hydro One and Avista customer rates will not be impacted by any of the costs associated with the transaction. The communities Avista serves will continue to benefit from the important philanthropy and economic development that Avista provides.

"In fact," Morris said, "Hydro One is committed to doing even more – nearly doubling Avista's current levels of community support."

"This is the coming together of two highly respected and reputable companies steeped in history and shared commitment to the communities they serve. Both teams also share a common vision and a dedication to serving customers safely and reliably every day," said Schmidt.

"The strength of the combined company enables the accelerated deployment of innovation programs and infrastructure upgrades for the benefit of customers while continuing to deliver on shareholder expectations for consistent, healthy, financial performance. Together, we will deliver even more possibilities for the shareholders, customers, employees, and communities we have the privilege of serving," said Schmidt.

The transaction was unanimously approved by the Boards of Directors of both companies and is expected to close in the second half of 2018, subject to Avista common shareholder approval and certain 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, and the satisfaction of customary closing conditions.

#### **Advisors**

Moelis & Company LLC is acting as exclusive financial advisor to Hydro One. BofA Merrill Lynch is acting as exclusive financial advisor to Avista. Bracewell LLP is acting as legal advisor to Hydro One. Kirkland & Ellis is acting as legal advisor to Avista.

#### **Investment Community Teleconference and Webcast to Discuss Transaction**

Hydro One and Avista management teams will host a teleconference with the investment community on July 19, 2017 at 4:45 p.m. Eastern Daylight Time, a webcast of which will be available at [www.HydroOne.com/Investors](http://www.HydroOne.com/Investors). Members of the financial community wishing to ask questions during the call should dial 1-855-716-2690 prior to the scheduled start time and request access to Hydro One acquisition of Avista teleconference, conference ID 57965580 (international callers may dial 1-440-996-5689). Media and other interested parties are welcome to



participate on a listen-only basis. A webcast of the teleconference will be available at the same link following the call.

### **Press Conference**

Hydro One and Avista will host a joint media availability on July 19, 2017 at 5:30pm Eastern Time at 483 Bay St, Toronto, ON. Members of the media not able to attend should dial (855) 716-2690 (toll-free) or (440) 996-5689 (international) 10 minutes prior to the scheduled start time and request access to the Hydro One acquisition of Avista teleconference, conference ID 58264301. Helpful keypad commands include \*0 for operator assistance and \*6 to self-mute/unmute. Please note that video footage of the availability will be available following the news conference for interested media.

***Note: Please see attached backgrounder for additional details on the terms of the transaction and the combined companies.***

### **For further information:**

#### **Hydro One**

Media:  
Natalie Poole-Moffatt, Corporate Communications  
[media.relations@hydroone.com](mailto:media.relations@hydroone.com), 416-345-6868

Investors:  
Bruce Mann, Investor Relations  
[bruce.mann@hydroone.com](mailto:bruce.mann@hydroone.com), 416-345-5722

#### **Avista**

Media:  
Dana Anderson, External Communications  
[dana.anderson@avistacorp.com](mailto:dana.anderson@avistacorp.com), 509-495-4174

Investors:  
Jason Lang, Investor Relations  
[jason.lang@avistacorp.com](mailto:jason.lang@avistacorp.com), 509-495-2930

### **About Hydro One Limited**

We are Ontario's largest electricity transmission and distribution provider with more than 1.3 million valued customers, C\$25 billion in assets and annual revenues of over C\$6.5 billion. Our team of 5,500 skilled and dedicated employees proudly and safely serves suburban, rural and remote communities across Ontario through



our 30,000 circuit km high-voltage transmission and 123,000 circuit km 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 four utility companies in Canada to achieve the Sustainable Energy Company designation from the Canadian Electrical 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). For more information about everything Hydro One, please visit [www.HydroOne.com](http://www.HydroOne.com).

### **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 379,000 customers and natural gas to 342,000 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).

### **Forward-Looking Information**

This communication contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws of the U.S. and Canada, respectively. Statements that are not historical facts, including statements about beliefs, expectations, estimates, projections, goals, forecasts, assumptions, risks and uncertainties, are forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "intends," "plans," "anticipates," "pro forma," "predicts," "seeks," "could," "would," "will," "can," "continue" or "potential" and the negative of these terms or other comparable or similar terminology or expressions. The forward-looking statements and forward-looking information in this communication include, without limitation, statements relating to Hydro One's proposed merger transaction with Avista and expectations regarding timing and benefits thereof, earnings per share accretion, increases in regulated assets and earnings, financing intentions, strength of credit metrics, scale and diversification, capital expenditures, rate base growth, industry and geographic trends and forecasts, financing plans, stakeholder commitments, stockholder and regulatory approvals, and the completion of the proposed merger transaction. These statements reflect Hydro One and Avista's management's current beliefs and are based on information currently available to the management teams. Forward-looking statements and forward-looking information involve significant risk, uncertainties and assumptions. Certain factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements and forward-looking information. Hydro One and Avista caution readers that a number of factors could cause actual results, performance or achievement to differ materially from the results discussed or implied in the forward-looking statements and forward-looking information. Important factors that could cause actual results, performance and results to differ materially from those indicated by any such forward-looking statements and forward-looking information include risks and uncertainties relating to the following: (i) the risk that Avista may be unable to obtain shareholder approval for the proposed merger transaction or that Hydro One or Avista may be unable to obtain governmental and regulatory approvals required for the proposed merger transaction, or may be unable to obtain those approvals



on favorable terms; (ii) the risk that the required shareholder, governmental or regulatory approvals may delay the proposed merger transaction; (iii) the risk that a condition to the closing of the proposed merger transaction may not be satisfied or the merger agreement may be terminated prior to closing; (iv) the timing to consummate the proposed transaction; (v) disruption from the proposed merger transaction making it more difficult to maintain relationships with customers, employees, regulators or suppliers; (vi) risks associated with the loss and ongoing replacement of key personnel; (vii) the diversion of management time and attention on the transaction; (viii) general worldwide economic conditions and related uncertainties; (ix) the effect and timing of changes in laws or in governmental regulations (including environmental and tax laws and regulations); (x) the risk that financing necessary to fund the proposed merger transaction may not be obtained or may be more difficult and costly to obtain than anticipated; (xi) the impact of acquisition-related expenses; (xii) the ability to maintain an investment grade credit rating; (xiii) the ability to maintain dividend payout ratios; and (xiv) other factors discussed or referred to in the “Risk Factors” section of Hydro One’s most recent annual management’s discussion and analysis of financial results filed with securities regulators in Canada and available under Hydro One’s profile at [www.sedar.com](http://www.sedar.com). The foregoing list is not exhaustive and other unknown or unpredictable factors could also have a material adverse effect on the performance or results of Hydro One or Avista. Additional risks and uncertainties will be discussed in the proxy statement and other materials that Avista will file with the SEC in connection with the proposed merger transaction, or in material Hydro One will file with securities regulatory authorities in Canada. There can be no assurance that the proposed merger transaction will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the proposed merger transaction will be realized. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements or forward-looking information, and actual outcomes and results may differ materially from what is expressed, implied or forecasted in these forward-looking statements and forward-looking information. For additional information with respect to certain of the risks or factors, reference should be made to Hydro One’s continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com) and Avista’s filings with the SEC available at [www.sec.gov](http://www.sec.gov). Except as required by law, each of Hydro One and Avista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



## Backgrounder

### Strong Value Proposition

- **Strong fundamentals:** Hydro One maintains a healthy balance sheet as well as a strong investment-grade credit rating. This provides an attractive dividend yield and earnings accretion, as well as significant and stable increases in earnings and cash flow underpinned by fully regulated utility operations with constructive regulatory mechanisms. The acquisition provides additional support to Hydro One's growing dividend, and its 70-80 per cent targeted dividend payout ratio will remain unchanged upon completion of the transaction.
- **Expansion to new markets:** The transaction enables expansion into new jurisdictions for Hydro One outside of Ontario, including Washington, Oregon, Montana, Idaho and Alaska, which are experiencing customer growth. Operations in regulatory jurisdictions with constructive regulatory mechanisms and higher allowed returns on equity and more favourable capital structures than provided by Hydro One's current regulatory jurisdiction will complement existing business operations. Benefits include a stable commercial structure, including a growing revenue base and stable, strong, forward-looking returns on equity in a regulated business.
- **Focused on diversification and innovation:** The combined company will have a growing low-risk natural gas LDC network, and exposure to renewable energy, including biomass and wind. There is a deep-rooted innovation culture with a strong record of technology incubation and successful investments.
- **Strategic growth platforms:** This extends Hydro One's core transmission and distribution business and introduces a diverse asset mix of power generation coupled with new commercial capabilities in low-risk gas distribution. Efficiencies through enhanced scale, innovation, shared IT systems and increased purchasing power provides cost savings and better customer service complementing both organizations' commitment to excellence.
- **Community investment and shared values:** Hydro One and Avista have a shared culture and values, as well as a strong dedication to their respective communities, which will enable a seamless integration. Both companies take their responsibility to be good corporate citizens and community partners very seriously, and this transaction will preserve and increase the philanthropy and economic development in the communities they serve.
- **Similar business models:** Both companies have a similar approach to operations. The companies share a strong commitment to safety, respect for the environment, and the importance of engaging stakeholders in operations.

### A Leading North American Power Utility

The acquisition of Avista by Hydro One will create a leader in the North American power transmission and distribution utility sector with exposure to a mix of regulated power generation. Both companies are principally regulated utilities with complementary assets together with uniquely common cultures and values, including commitments to safety, customer service, innovation and investment in communities served.



The combined company will have over C\$32.2 billion of assets while transmitting and distributing electricity and gas power safely and reliably to more than end two million customers across portions of Ontario, Washington, Oregon, Idaho and Alaska -- a service territory with a geography larger than the country of France. Following closing of the Acquisition, Hydro One will have approximately C\$32.2 billion in assets and a consolidated regulatory rate base of C\$22.6 billion, strengthening its position as one of the top 20 North American regulated utilities. The combination will further reinforce Hydro One as one of the top 20 investor owned regulated utilities in North America.

The Acquisition creates geographic, economic and regulatory diversity while enhancing Hydro One's asset base with the addition of complementary regulated natural gas distribution.

The enhanced scale resulting from the Acquisition will enable Hydro One to accelerate transformation of the combined power systems through more efficient investments in grid modernization, distributed generation, electrification of transportation and adoption of emerging technologies. The combination of two pure play regulated power transmission and distribution utilities with exposure to a mix of regulated generation also enables sharing of leading practices to drive enhancements to productivity and efficiency, while sharing R&D costs, leveraging innovation investments and the joint deployment of emerging technologies, all of which are expected to benefit ratepayers and shareholders.

## Leadership, Governance and Market Listings

Upon closing of the transaction, which is expected to occur in the second half of 2018, Avista's successful management team will remain in place and it will operate with its own Board of Directors.

Avista will have a Board of nine directors consisting of five members designated by Hydro One, including Mayo Schmidt, and four members designated by Avista, including Scott Morris, the CEO of Avista. Scott Morris will be the Chair of the Board of Avista post-merger.

On closing, Avista's common stock will be delisted from the New York Stock Exchange (NYSE) while Hydro One's common shares will continue to be listed on the Toronto Stock Exchange (TSX). The combined company will be operated from Ontario.

## Financing and Additional Transaction Details

Hydro One financing plan is designed to maintain a strong investment grade balance sheet following completion of the Acquisition, and its pure play regulated utility profile will remain intact with approximately 99 per cent in regulated earnings.

Hydro One will finance the transaction through a combination of medium and long-term borrowings amounting to approximately C\$3.4 billion together with C\$1.4 billion contingent of convertible debentures represented by instalment receipts, which will form the permanent equity component of the financing plan upon conversion at closing of the transaction.



## Terms of the Transaction

Under the terms of the all-cash transaction, which has been unanimously approved by the Board of Directors of both companies, Avista shareholders will receive US\$53 per common share, representing a 24 per cent premium to Avista's share price on July 18, 2017. Closing of the acquisition is expected by second half of 2018 subject to required approvals as discussed below.

The transaction will be accretive to earnings per share in the mid-single digits in the first full year of operation. Further, the Acquisition provides additional support to Hydro One's growing dividend, and its 70-80 per cent targeted dividend payout ratio will remain unchanged upon completion of the transaction.

The Acquisition enhances Hydro One position as a leading North American pure-play regulated power utility principally involved in electricity transmission and distribution with a legacy of having successfully consolidated approximately 90 separate electricity utilities with sensitivity and respect for the customers and communities it serves and strong partnerships with the numerous employees which have joined its team.

The closing of the Acquisition, which is expected to occur by the second half of 2018, is subject to Avista common shareholder approval and certain regulatory and government approvals, 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, and the satisfaction of customary closing conditions.

## Additional information About the Acquisition and Where to Find it

This communication may be deemed to be solicitation material in respect of the proposed merger transaction. [Avista Corporation ("Avista")] intends to file with the U.S. Securities and Exchange Commission (the "SEC") and mail to its shareholders a proxy statement in connection with the proposed merger transaction and this communication is not a substitute for the proxy statement or any other document that Avista may send to its shareholders in connection with the proposed merger transaction. THE INVESTORS AND SECURITY HOLDERS OF AVISTA ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION about Avista, Hydro One and the proposed merger transaction. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, a copy of Avista's proxy statement (when it becomes available) may be obtained free of charge upon request by contacting Avista Corporation, 1411 East Mission Avenue, PO Box 3727, Spokane WA. 99220-3727. Avista's filings with the SEC are also available on Avista's website at: [www.myAvista.com](http://www.myAvista.com). Investors and security holders may also read and copy any reports, statements and other information filed by Avista with the SEC, at the SEC public





reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website for further information on its public reference room.

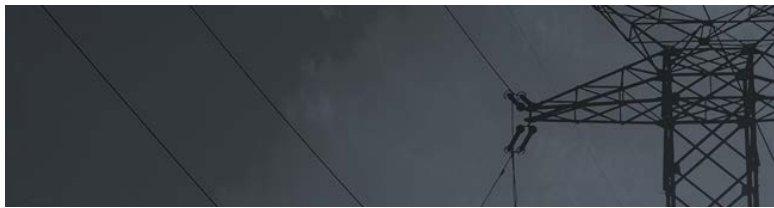
## Participants in the Solicitation of Proxies

This communication is not a solicitation of proxies in connection with the proposed merger transaction. However, Avista, Hydro One and certain of their respective directors, executive officers and other persons may be deemed under SEC rules to be participants in the solicitation of Avista shareholder proxies in respect of the proposed merger transaction. Information about Hydro One directors and executive officers is available in Hydro One's management information circular, filed with Canadian securities regulators on March 23, 2017, in connection with its 2017 annual meeting of shareholders and is available on its website at [www.HydroOne.com](http://www.HydroOne.com) and also under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). Information regarding Avista's directors and executive officers is available in Avista's proxy statement filed with the SEC on March 31, 2017 in connection with its 2017 annual meeting of shareholders, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 22, 2017, each of which may be obtained from the sources indicated in Additional Information and Where to Find It. Other information regarding persons who may be deemed participants in the proxy solicitation and a description of their direct and indirect interests (which may be different than those of Avista's investors and security holders), by security holdings or otherwise, will be contained in the proxy statement and other relevant materials filed or to be filed with the SEC when they become available.

## Timing and Approvals

The closing of the Acquisition, which is expected to occur in the second half of 2018, is subject to Avista common shareholder approval and certain 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, and the satisfaction of customary closing conditions.

Hydro One intends to work diligently with Avista to productively engage with state and federal regulators and file and process the required regulatory applications in order to close the proposed merger transaction as promptly as possible. Hydro One and Avista both have histories of successfully executing regulated utility acquisitions and working constructively through the associated regulatory processes to achieve fair, balanced and timely approvals.



## Press Release

### Hydro One and Avista File Applications for Regulatory Approval of Merger

#### ***Applications Filed with Utility Commissions in Five States and Federal Energy Regulatory Commission***

**Toronto, Ontario and Spokane, Washington, September 14, 2017** -- Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today filed Applications requesting regulatory approval of the proposed merger of the two companies that was announced on July 19, 2017. The applications have been filed with state utility commissions in Washington, Idaho, Oregon, Montana, and Alaska, as well as with the Federal Energy Regulatory Commission (FERC), requesting approval of the transaction on or before Aug. 14, 2018.

“The filing of the Applications for an order approving the proposed merger is an important milestone in the proposed transaction to bring together Hydro One and Avista,” said Mayo Schmidt, President and CEO, Hydro One Limited. “Together, we are growing, diversifying and strengthening our business. This is allowing us to gain further efficiencies through enhanced scale and increased purchasing power that will provide a strong foundation for the future with material benefits to all of our stakeholders most importantly the customers and communities we serve.”

Scott Morris, Avista Chairman, President and CEO, noted, “As we file our Applications, we are very pleased that Hydro One and Avista together have agreed to a series of important commitments designed to provide benefits to our customers and the communities we serve, well into the future. Following the closing of the transaction, our customers will continue to receive the same great service from Avista, because the merger is not designed to target the elimination of jobs or other cost-cutting that may affect customer service. Avista will maintain its headquarters in Spokane and office locations across our service territory, as well as local decision-making authority over day-to-day operations. The merger will provide some immediate cost savings that will be passed on to our customers, as well as the opportunity for longer-term benefits from efficiencies gained through the sharing of best practices, technology and innovation. Our communities will see increased charitable contributions, and a continuation of the strong support Avista provides in economic development and innovation.”

To complete the transaction, approvals must be obtained from the agencies named above, as well as the Federal Communications Commission (FCC). 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 customary closing conditions. The filings with these agencies will be made in the coming months. The merger must also be voted upon by Avista shareholders and receive a majority vote in favor. Avista filed the preliminary proxy with the Securities and Exchange Commission Sept. 14, 2017. The transaction is expected to close in the second half of 2018.



**For further information:**

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**Avista**

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**About Hydro One Limited**

Hydro One is Ontario's largest electricity transmission and distribution provider with more than 1.3 million valued customers, C\$25 billion in assets and annual revenues of over C\$6.5 billion. Our team of 5,500 skilled and dedicated employees proudly and safely serves suburban, rural and remote communities across Ontario through our 30,000 circuit km high-voltage transmission and 123,000 circuit km 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 four utility companies in Canada to achieve the Sustainable Energy Company designation from the Canadian Electrical 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). For more information about everything Hydro One, please visit [www.HydroOne.com](http://www.HydroOne.com).

**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 379,000 customers and natural gas to 342,000 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).

### **Forward-Looking Information**

This communication contains “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws of the U.S. and Canada, respectively. Statements that are not historical facts, including statements about beliefs, expectations, estimates, projections, goals, forecasts, assumptions, risks and uncertainties, are forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “intends,” “plans,” “anticipates,” “pro forma,” “predicts,” “seeks,” “could,” “would,” “will,” “can,” “continue” or “potential” and the negative of these terms or other comparable or similar terminology or expressions. The forward-looking statements and forward-looking information in this communication include, without limitation, statements relating to Hydro One’s proposed merger transaction with Avista and expectations regarding timing and benefits thereof, earnings per share accretion, increases in regulated assets and earnings, financing intentions, strength of credit metrics, scale and diversification, capital expenditures, rate base growth, industry and geographic trends and forecasts, financing plans, stakeholder commitments, stockholder and regulatory approvals, and the completion of the proposed merger transaction. These statements reflect Hydro One and Avista’s management’s current beliefs and are based on information currently available to the management teams. Forward-looking statements and forward-looking information involve significant risk, uncertainties and assumptions. Certain factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements and forward-looking information. Hydro One and Avista caution readers that a number of factors could cause actual results, performance or achievement to differ materially from the results discussed or implied in the forward-looking statements and forward-looking information. Important factors that could cause actual results, performance and results to differ materially from those indicated by any such forward-looking statements and forward-looking information include risks and uncertainties relating to the following: (i) the risk that Avista may be unable to obtain shareholder approval for the proposed merger transaction or that Hydro One or Avista may be unable to obtain governmental and regulatory approvals required for the proposed merger transaction, or may be unable to obtain those approvals on favorable terms; (ii) the risk that the required shareholder, governmental or regulatory approvals may delay the proposed merger transaction; (iii) the risk that a condition to the closing of the proposed merger transaction may not be satisfied or the merger agreement may be terminated prior to closing; (iv) the timing to consummate the proposed transaction; (v) disruption from the proposed merger transaction making it more difficult to maintain relationships with customers, employees, regulators or suppliers; (vi) risks associated with the loss and ongoing replacement of key personnel; (vii) the diversion of management time and attention on the transaction; (viii) general worldwide economic conditions and related uncertainties; (ix) the effect and timing of changes in laws or in governmental regulations (including environmental and tax laws and regulations); (x) the risk that financing necessary to fund the proposed merger transaction may not be obtained or may be more difficult and costly to obtain than anticipated; (xi) the impact of acquisition-related expenses; (xii) the ability to maintain an investment grade credit rating; (xiii) the ability to maintain dividend payout ratios; and (xiv) other factors discussed or referred to in the “Risk Factors” section of Hydro One’s most recent annual management’s discussion and analysis of financial results filed with securities regulators in Canada and available under Hydro One’s profile at [www.sedar.com](http://www.sedar.com). The foregoing list is not exhaustive and other unknown or unpredictable factors



could also have a material adverse effect on the performance or results of Hydro One or Avista. Additional risks and uncertainties will be discussed in the proxy statement and other materials that Avista will file with the SEC in connection with the proposed merger transaction, or in material Hydro One will file with securities regulatory authorities in Canada. There can be no assurance that the proposed merger transaction will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the proposed merger transaction will be realized. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements or forward-looking information, and actual outcomes and results may differ materially from what is expressed, implied or forecasted in these forward-looking statements and forward-looking information. For additional information with respect to certain of the risks or factors, reference should be made to Hydro One's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com) and Avista's filings with the SEC available at [www.sec.gov](http://www.sec.gov). Except as required by law, each of Hydro One and Avista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Avista 24/7 Media Access (509) 495-4174

**Avista Shareholders Approve Acquisition by Hydro One**

*Transaction expected to close in second half of 2018, subject to regulatory approvals*

**SPOKANE, Wash. Nov. 21, 2017, 1:05 p.m. PST:** Avista Corporation (“Avista”) (**NYSE: AVA**) announced today the preliminary results of a special meeting of shareholders to approve the proposed acquisition of the company by Hydro One Limited (“Hydro One”) (TSX: H).

Avista shareholders approved the acquisition, with approximately 79 percent of the outstanding shares of common stock entitled to vote on the proposal voting 98 percent in favor of the merger agreement.

“We are pleased that our shareholders have demonstrated their strong support of this transaction and the value and benefits it will provide for all of our stakeholders,” Avista Chairman, President and Chief Executive Officer Scott L. Morris said. “The partnership represents a positive step forward for Avista customers, employees, shareholders and the communities we serve, and we look forward to continued progress toward closing the transaction in the second half of 2018.”

Final results of the votes will be filed with the Securities and Exchange Commission.

As Hydro One and Avista [announced in news release about the definitive merger agreement](#) on July 19, 2017, the strategic combination brings together two industry-leading regulated utilities with over 230 years of collective operational experience, as well as shared corporate cultures and values platforms, meaningfully enhancing both shareholder and customer value. The combined entity will safely and reliably serve more than two million residential, commercial and industrial customers and hold assets throughout North America including Ontario, Washington, Oregon, Idaho, Montana and Alaska.

Upon closing, shareholders will receive \$53 per common share, other than Dissenting Shareholder Shares (as defined in the definitive merger agreement) and shares of Avista Corp. common stock that are owned by Hydro One or any of its subsidiaries. Upon closing, Avista will become a wholly-owned indirect subsidiary of Hydro One. Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Idaho, Oregon, Montana, and Alaska as well as with the Federal Energy Regulatory Commission (FERC).

**About Avista Corp.**

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is the operating division that provides electric service to 379,000 customers and natural gas to 343,000 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.avistacorp.com](http://www.avistacorp.com).

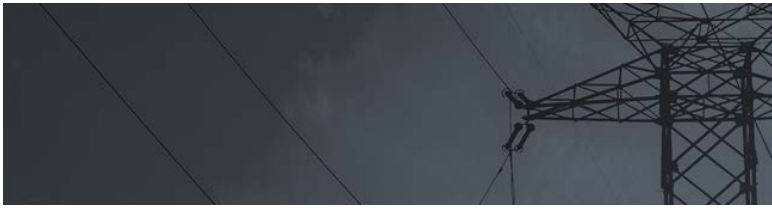
This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of 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, 2016 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2017.

#### **About Hydro One Limited**

We are Ontario's largest electricity transmission and distribution provider with more than 1.3 million valued customers, \$25 billion in assets and annual revenues of over \$6.5 billion. Our team of 5,500 skilled and dedicated employees proudly and safely serves suburban, rural and remote communities across Ontario through our 30,000 circuit km high-voltage transmission and 123,000 circuit km 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). For more information about everything Hydro One, please visit [www.hydroone.com](http://www.hydroone.com).

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To unsubscribe from Avista's news release distribution, send a reply message to [lena.funston@avistacorp.com](mailto:lena.funston@avistacorp.com)



## Press Release

Hydro One and Avista receive first of several regulatory approvals for proposed merger

***Following Federal Energy Regulatory Commission approval, both companies look forward to continued progress toward closing the transaction in the second half of 2018***

**Toronto, Ontario and Spokane, Washington, January 17, 2018** -- Yesterday, Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) received approval from the Federal Energy Regulatory Commission (FERC) on the merger application filed on September 14, 2017.

“This marks another important milestone in bringing together Hydro One and Avista,” said Mayo Schmidt, President and CEO, Hydro One. “As we continue on the journey to obtain the other necessary regulatory approvals, we are confident that bringing together our two companies will deliver long-term value.”

In its order issued yesterday, FERC noted Hydro One’s commitment to insulate Avista’s transmission customers from costs associated with the transaction.

“We’re pleased with FERC’s decision. Together, Hydro One and Avista would like to reaffirm our commitments to our customers, employees and communities that will provide benefits well into the future,” said Scott Morris, Chairman and CEO, Avista. “Along with the endorsement of the Avista shareholders, this decision signifies an important step in the process to complete the transaction.”

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. The filings with these agencies will be made in the coming months.

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**Forward-Looking Statements and Information**

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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**

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## Press Release

### Hydro One and Avista Reach Settlement in Principle in Washington Merger Case

#### ***Settlement Agreement to be filed with the Washington Utilities and Transportation Commission***

TORONTO and SPOKANE, WA, March 16, 2018 – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) have reached a significant milestone in the regulatory approval process of the proposed merger. Notification of a settlement in principle with various parties has been filed with the Washington Utilities and Transportation Commission (“WUTC”). The parties intend to file a settlement agreement with the WUTC on or before March 27, 2018. The settlement in principle is subject to the review and approval of the WUTC. Hydro One and Avista continue to anticipate closing the transaction in the second half of 2018.

"This agreement in principle marks an important step towards bringing together two historic companies positioned to deliver long-term value for customers, employees, communities and shareholders," said Mayo Schmidt, President and CEO, Hydro One. "As we move forward to obtain the necessary regulatory approvals, we continue to actively engage the parties involved to the benefit of all groups."

"This is a significant achievement and the result of the collaboration and diligent efforts of all the parties over the last several months," Avista Chairman and Chief Executive Officer Scott L. Morris said. "We look forward to filing the settlement agreement later in March and affirming the commitments we've made to all of our stakeholders."

The settlement in principle includes provisions related to financial protections for the utility and its customers, low income customers, conservation and the environment.

The settlement in principle also incorporates the use of a portion of Avista's deferred federal income taxes for the purpose of accelerating the depreciation schedule for Colstrip Units 3 and 4 to reflect a remaining useful life of those units through Dec. 31, 2027. This settlement in principle does not reflect any agreement with respect to the ultimate closure of Units 3 and 4.

All of these items and other terms of the agreement will be disclosed in detail when the settlement agreement is finalized and filed for approval by the WUTC, which is expected to be on or before March 27, 2018.

In addition to Hydro One and Avista, the parties to the merger proceeding include the Staff of the WUTC, the Public Counsel Unit of the Washington Office of Attorney General, the Northwest Industrial Gas Users, the Industrial Customers of Northwest Utilities, The Energy Project, Northwest Energy Coalition, Renewable Northwest, Natural Resources Defense Council, Sierra Club and the Washington and Northern Idaho District Council of Laborers.

The transaction received approval from the Federal Energy Regulatory Commission ("FERC") on Jan. 16, 2018 and from Avista shareholders on Nov. 21, 2017.

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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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.



## Press Release

### Hydro One and Avista file a Settlement Agreement in Washington Merger Case

**TORONTO and SPOKANE, WA, March 27, 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 have filed an all-parties, all-issues settlement agreement in the merger proceeding before the Washington Utilities and Transportation Commission (the “Commission”). This represents a full settlement which all parties, including Commission Staff, have agreed is in the public interest and should be accepted by the Commission.

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

“We believe this settlement agreement represents a positive outcome that is broadly supported by the parties and meets the net benefit standard for approval in Washington,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “The settlement agreement reinforces the commitments we’ve made to our stakeholders to keep our headquarters in Spokane, maintain local decision-making, increase our charitable contributions and continue to support economic development, innovation and community involvement. The partnership with Hydro One will not result in the elimination of jobs or other cost-cutting that may affect customer service. We’re confident this settlement agreement enhances our ability to provide exceptional service and support to our customers and communities well into the future.”

The settlement includes financial and non-financial commitments. No costs associated with the transaction will be recovered from Avista or Hydro One customers. The September 2017 applications for state regulatory approval of the merger included a rate credit of approximately US\$32 million over a 10-year period across Washington, Oregon and Idaho. This amounted to an allocation of an approximately US\$20 million rate credit in Washington. The settlement, if approved, would result in the allocation to Washington of a rate credit of approximately US\$31 million over a 5-year period. In the settlement, Hydro One and Avista have also agreed to a number of other financial commitments, such as funding for low income participation in new renewables and the replacement of manufactured homes. As a result of the settlement, financial commitments in Washington total approximately US\$44 million. While negotiations with parties in the other states are still underway and will be resolved on a state-by-state basis, if the financial commitments in the Washington settlement were to be proportionally allocated to the other states, the total amount of financial commitments would be approximately US\$74 million which includes a commitment to an additional US\$1 million rate credit in Alaska.

These settlement negotiations are a typical part of the regulatory process. The final settlement confirms our commitment to customers, long-term environmental protections and community investment. Please refer to [www.utc.wa.gov](http://www.utc.wa.gov) for the joint applications and settlement agreement (which includes the complete list of commitments).

The settlement agreement is subject to Commission approval. The Commission Staff’s recommendation that the Commission approve the settlement agreement is not binding on the Commission itself.



In addition to Hydro One, Avista and Commission Staff, the parties to the merger proceeding include the Public Counsel Unit of the Washington Office of Attorney General, The Energy Project, NW Energy Coalition, Renewable Northwest, Natural Resources Defense Council, Sierra Club, the Washington and Northern Idaho District Council of Laborers, the Northwest Industrial Gas Users and the Industrial Customers of Northwest Utilities.

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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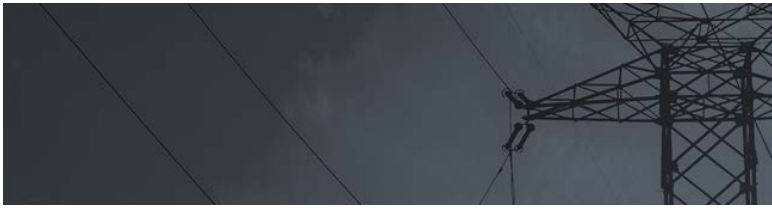
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Avista Corporation is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 382,000 customers 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).

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# Press Release

## Hydro One and Avista receive regulatory approval of acquisition, concluding merger proceeding in Alaska

**TORONTO and SPOKANE, WA, June 4, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today announced that the companies have received approval from the Regulatory Commission of Alaska (“RCA”) of their proposed merger subject to the following conditions: (1) Alaska Electric Light & Power Company’s (“AEL&P”) capital structure is maintained at its previously ordered debt and equity levels, (2) there will be no rate recovery of transaction costs or premium associated with the acquisition, (3) assignment of costs related to services between Avista and AEL&P will be subject to review and approval by the RCA, (4) AEL&P continues to be operated independently with the same experienced management team as existed prior to the acquisition, and (5) the parties adhere to all commitments filed with the RCA on April 3, 2018.

With this order, the merger has received all required approvals in Alaska.

“We are very pleased to receive this approval from the Regulatory Commission of Alaska to bring together two historic companies,” said Mayo Schmidt, President and CEO, Hydro One. “I would like to thank the City and Borough of Juneau and the Regulatory Commission of Alaska for the thoughtful decision. We look forward to partnering with Avista and Alaska Electric Light & Power as they continue to serve your community.”

“We are pleased with the RCA’s decision and recognize this as a major milestone and positive outcome in the process to formalize the partnership between Avista and Hydro One,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “The RCA’s decision affirms the commitments we’ve made to the residents of Juneau, who can expect their utility to continue to operate as it does today. This approval brings us one step closer to realizing the benefits of the transaction for our customers, communities, employees and shareholders. We look forward to continuing to work with the utility commissions in our other jurisdictions and expect the transaction to close in the second half of 2018.”

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, 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 Idaho Public Utilities Commission on April 13, 2018. An all-parties, all-issues settlement agreement was filed with the Public Utility Commission of Oregon on May 25, 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.

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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.

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# Press Release

## Hydro One and Avista receive antitrust clearance for proposed merger

**TORONTO and SPOKANE, WA, April 6, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) announced today that the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, for the merger of the two companies expired on Thursday, April 5, 2018 at 11:59 p.m.

This expiration of the waiting period means that the parties have received antitrust clearance for their proposed merger and satisfies one of the closing conditions of the transaction.

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

Approval must be obtained from the Federal Communications Commission. Also required is clearance by the Committee on Foreign Investment in the United States, as well as the satisfaction of other customary closing conditions.

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.

- 30 -

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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.



## Press Release

### Hydro One and Avista file a Settlement Agreement in Idaho Merger Case

**TORONTO and SPOKANE, WA, April 13, 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 have filed an all-parties settlement agreement in the merger proceeding before the Idaho Public Utilities Commission (the “Commission”). This represents a full settlement which all parties have agreed is consistent with the public interest.

“I would like to thank all the parties in Idaho that worked together to reach this significant milestone,” said Mayo Schmidt, President and CEO, Hydro One. “The settlement agreements we have obtained in Washington, Idaho and Alaska speak to the long-term benefits of the merger of Hydro One and Avista for customers, communities, employees and shareholders. We are optimistic that we will satisfy all reasonable concerns in all jurisdictions.”

“We believe this settlement agreement represents a positive outcome that is broadly supported by the parties and meets the standards for approval in Idaho,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “The settlement agreement reinforces the commitments we’ve made to our stakeholders in each of the states we serve to maintain our local presence and decision-making, increase our charitable contributions and continue to support economic development, innovation and community involvement. We’re confident our partnership with Hydro One enhances our ability to provide exceptional service and support to our customers and communities well into the future.”

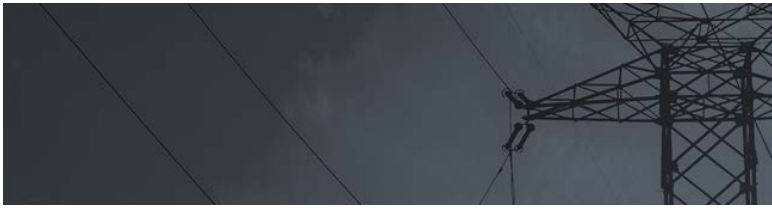
The settlement agreement includes financial and non-financial commitments that align in value with the settlement agreement reached in Washington. The settlement agreement in Idaho confirms our commitment to customers, community investment and long-term environmental protections. Under the settlement agreement, customers in Idaho would receive immediate financial benefits in the form of rate credits that would become effective at the close of the transaction. No costs associated with the transaction will be recovered from Avista or Hydro One customers.

Please refer to [www.puc.idaho.gov](http://www.puc.idaho.gov) for the joint applications and settlement agreement (which includes the complete list of commitments).

The settlement agreement is subject to Commission approval.

In addition to Hydro One and Avista, the parties to the merger proceeding in Idaho include Commission Staff, Idaho Forest Group, Clearwater Paper Corporation, Community Action Partnership Association of Idaho, Idaho Conservation League and the Washington and Northern Idaho District Council of Laborers.

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



Approval must be obtained from the Federal Communications Commission. Also required is clearance by the Committee on Foreign Investment in the United States as well as the satisfaction of other customary closing conditions.

Hydro One and Avista received antitrust clearance on April 6, 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. Hydro One and Avista continue to anticipate closing the transaction in the second half of 2018.

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# Press Release

## Hydro One and Avista receive Federal Communications Commission approval for proposed merger

**TORONTO and SPOKANE, WA, May 7, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) announced that on May 4, 2018, the companies received the Federal Communications Commission’s (“FCC”) consent to close their merger.

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

Hydro One and Avista received 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. Also required is clearance by the Committee on Foreign Investment in the United States as well as 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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## Press Release

### Hydro One and Avista Reach Settlement in Principle in Oregon Merger Case

#### ***Settlement Agreement to be filed with the Public Utility Commission of Oregon later this month***

TORONTO and SPOKANE, WA, May 8, 2018 – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) have reached a significant milestone in the regulatory approval process of the proposed merger. A settlement in principle with all parties in the Oregon proceeding has been reached. The parties intend to file the full settlement agreement with the Public Utility Commission of Oregon (“OPUC”) later this month. The settlement agreement is subject to the 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 is a significant achievement and the result of the collaboration and diligent efforts of all the parties in Oregon over the last several months,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “We’re pleased that the parties support this as a settlement that benefits all stakeholders, and we look forward to filing the settlement agreement later in May.”

The settlement in principle includes provisions related to financial protections for the utility and its customers, financial benefits through a rate credit for all Oregon customers and funding for low income customer conservation.

All of these items and other terms of the settlement agreement will be disclosed in detail when the settlement agreement is finalized and filed for approval by the OPUC.

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.

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. Also



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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**



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# Press Release

## Committee on Foreign Investment in the United States completes its review of the proposed merger of Hydro One and Avista

**TORONTO and SPOKANE, WA, May 18, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) announced today that the Committee on Foreign Investment in the United States (“CFIUS”) has completed its review of the proposed merger, and has concluded that there are no unresolved national security concerns with respect to the transaction.

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. A settlement in principle with all parties in the Oregon proceeding has been reached and the parties intend to file a full settlement with the Public Utility Commission of Oregon later this month.

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. 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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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.



## Press Release

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

**TORONTO and SPOKANE, WA, May 25, 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 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](http://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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# Press Release

## Hydro One and Avista receive regulatory approval of acquisition, concluding merger proceeding in Alaska

**TORONTO and SPOKANE, WA, June 4, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today announced that the companies have received approval from the Regulatory Commission of Alaska (“RCA”) of their proposed merger subject to the following conditions: (1) Alaska Electric Light & Power Company’s (“AEL&P”) capital structure is maintained at its previously ordered debt and equity levels, (2) there will be no rate recovery of transaction costs or premium associated with the acquisition, (3) assignment of costs related to services between Avista and AEL&P will be subject to review and approval by the RCA, (4) AEL&P continues to be operated independently with the same experienced management team as existed prior to the acquisition, and (5) the parties adhere to all commitments filed with the RCA on April 3, 2018.

With this order, the merger has received all required approvals in Alaska.

“We are very pleased to receive this approval from the Regulatory Commission of Alaska to bring together two historic companies,” said Mayo Schmidt, President and CEO, Hydro One. “I would like to thank the City and Borough of Juneau and the Regulatory Commission of Alaska for the thoughtful decision. We look forward to partnering with Avista and Alaska Electric Light & Power as they continue to serve your community.”

“We are pleased with the RCA’s decision and recognize this as a major milestone and positive outcome in the process to formalize the partnership between Avista and Hydro One,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “The RCA’s decision affirms the commitments we’ve made to the residents of Juneau, who can expect their utility to continue to operate as it does today. This approval brings us one step closer to realizing the benefits of the transaction for our customers, communities, employees and shareholders. We look forward to continuing to work with the utility commissions in our other jurisdictions and expect the transaction to close in the second half of 2018.”

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, 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 Idaho Public Utilities Commission on April 13, 2018. An all-parties, all-issues settlement agreement was filed with the Public Utility Commission of Oregon on May 25, 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.

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# Press Release

## Montana Public Service Commission votes to approve the Hydro One and Avista merger

**TORONTO and SPOKANE, WA, June 12, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today announced that the Montana Public Service Commission (“the Commission”) has voted to approve the proposed merger, with conditions.

“Hydro One is very pleased that the Montana Public Service Commission has voted favourably on our merger application with Avista,” said Mayo Schmidt, President and CEO, Hydro One. “We would like to thank the Commissioners and all the parties that worked together to come to today’s positive decision.”

“The Commission’s approval of our merger with Hydro One is positive for all of our stakeholders,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “We appreciate the Commission’s thoughtful review and consideration of our application. We looked forward to continued partnership with those we serve in Montana and further progress to close the transaction later this year.”

In reaching its decision, the Commission adopted the commitments as originally filed in this docket but reserved, on its own motion, the right to incorporate heightened commitments relevant to Montana established in other jurisdictions. The Commission did not accept, for rate making purposes in Montana, an accelerated 2027 depreciation schedule for Colstrip, as otherwise agreed to by the parties in Washington. The Commission also approved the addition of a condition requiring Avista to submit copies of its integrated resource plans to the Commission.

The final order reflecting the Commission’s vote is expected to be issued in the next couple of weeks. Once the order is issued, the merger will have received all required approvals in Montana.

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Idaho and Oregon. 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 Idaho Public Utilities Commission on April 13, 2018. An all-parties, all-issues settlement agreement was filed with the Public Utility Commission of Oregon on May 25, 2018.

Hydro One and Avista received approval with conditions from the Regulatory Commission of Alaska on June 4, 2018, concluding the merger proceeding in Alaska. 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.



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# Press Release

## Hydro One and Avista receive final order approving the merger from the Montana Public Service Commission

**TORONTO and SPOKANE, WA, July 10, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) announced today that the Montana Public Service Commission (“the Commission”) has issued its final order approving the proposed merger. The Commission voted to approve the proposed merger, with conditions on June 12, 2018. With this order, the merger has received all approvals in Montana.

“We are very pleased to have received regulatory approval from the Montana Public Service Commission,” said Mayo Schmidt, President and CEO, Hydro One. “With regulatory approvals complete in Alaska and now Montana, we are well on our way to combining our two companies. With regulatory approvals still required in Oregon, Idaho and Washington, we anticipate completing the transaction later this year.”

“We thank the Commission for its review and approval of our merger with Hydro One, which is a significant milestone in this process,” Avista Chairman and Chief Executive Officer Scott L. Morris said. “This Commission’s decision affirms the commitments we’ve made and brings us one step closer to realizing the benefits of the transaction for our customers, communities, employees and shareholders.”

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Idaho and Oregon. 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 Oregon Public Utility Commission on May 25, 2018. A multiple party settlement agreement was filed with the Idaho Public Utilities Commission on April 13, 2018, with a hearing set for July 23, 2018.

Hydro One and Avista received approval with conditions from the Regulatory Commission of Alaska on June 4, 2018, concluding the merger proceeding in Alaska. 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.

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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 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 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 & 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).

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# Press Release

## Washington Utilities and Transportation Commission issues extension for Avista and Hydro One merger decision

**TORONTO and SPOKANE, WA, July 20, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) today received notice from the Washington Utilities and Transportation Commission (the “Commission”) that it has extended the deadline for a decision on the proposed merger between Hydro One and Avista by four months to December 14, 2018.

Please see the Commission’s announcement [here](#).

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### For further information:

#### Hydro One

##### Media:

Jay Armitage  
Director, Corporate Communications  
[media.relations@hydroone.com](mailto:media.relations@hydroone.com), 416-345-6868

##### Investors:

Omar Javed  
Vice President, Investor Relations  
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#### Avista

##### Media:

Casey Fielder, Communications Manager  
[casey.fielder@avistacorp.com](mailto:casey.fielder@avistacorp.com), 509-495-4916

##### Investors:

Lauren Pendergraft, Investor Relations Manager  
[lauren.pendergraft@avistacorp.com](mailto:lauren.pendergraft@avistacorp.com), 509-495-2998

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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).

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This press release 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 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 & 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).

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# Press Release

## Hydro One and Avista extend their merger End Date

**TORONTO and SPOKANE, WA, September 19, 2018** – Hydro One Limited (“Hydro One”) (TSX: H) and Avista Corporation (“Avista”) (NYSE: AVA) announced today that Hydro One has received a notice from Avista to extend the transaction End Date to March 29, 2019, as provided for in the merger agreement.

Under the merger agreement, the transaction End Date was originally September 30, 2018. Either party has the right to unilaterally extend that date by up to six months. Hydro One and Avista continue to expect to close the transaction in the fourth quarter of 2018.

- 30 -

### For further information:

#### Hydro One

##### Media:

Jay Armitage  
Director, Corporate Communications  
[media.relations@hydroone.com](mailto:media.relations@hydroone.com), 416-345-6868

##### Investors:

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#### Avista

##### Media:

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[casey.fielder@avistacorp.com](mailto:casey.fielder@avistacorp.com), 509-495-4916

##### Investors:

Lauren Pendergraft, Investor Relations Manager  
[lauren.pendergraft@avistacorp.com](mailto:lauren.pendergraft@avistacorp.com), 509-495-2998

### About Hydro One:

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Telecom Inc. Hydro One Limited's common shares are listed on the Toronto Stock Exchange (TSX: H). For more information about everything Hydro One, please visit [www.HydroOne.com](http://www.HydroOne.com).

### **Forward-Looking Statements and Information**

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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 383,000 customers and natural gas to 349,000 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 & 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 June 30, 2018.

To Our Valued Customers and Community Partners:

Today, we took an important step to position Avista for the future.

In partnership with Hydro One, Ontario, Canada's, largest electricity transmission and distribution provider, we jointly announced a unique transaction under which we will become a subsidiary of Hydro One in a manner that preserves our identity and legacy and allows us to continue charting our own course in a rapidly consolidating industry landscape. See more details at [www.myavista.com](http://www.myavista.com).

While this changes our ownership structure, it doesn't change the things that matter most about Avista. We take very seriously our responsibility to be a good corporate citizen and community partner, and we are confident that this transaction is good news for our customers and the communities we serve.

We worked hard to put in place a special set of agreements with Hydro One that add up to one thing: How we work, make decisions, and engage with our customers and communities will not change as a result of this transaction. We will deliver the same levels of high quality service for customers, continue to focus on our core strategies, and there will be no workforce reductions as a result of the transaction.

We will continue to operate under the Avista name, from the same headquarters in Spokane, with the same management team and existing employees, overseen by a Board of Directors with significant Pacific Northwest representation. Scott Morris, our current board chair, president and CEO, will serve as chairman of the board.

Our decision to team up with Hydro One at a time of strength and growth for our company is a unique opportunity to secure a partnership that preserves our identity and our strong legacy while allowing us to continue to define and control, to a significant degree, our future operations in an industry that requires increasing scale to compete most effectively.

We were deeply committed to joining with a partner that both understood and would be committed to helping us lock in the things that have long been important to us. It was critical for us to create a 'win' for each of our important stakeholders. I believe we have achieved this goal as:

- Avista's customers will continue to be provided with high quality and reliable energy services at a reasonable cost. Further, Avista and Hydro One share longstanding commitments to environmental stewardship and safety.
- The communities Avista serves will continue to benefit from the important philanthropic and economic development support we provide. In fact, Hydro One has committed to doing even more – nearly doubling our current levels of community contributions and providing a \$2 million annual contribution to the Avista Foundation.
- Avista employees will see a continuation of the company essentially as it is today.

- And the transaction delivers solid value to our shareholders, who will receive an attractive price of \$53 for each of their shares.

In Hydro One, we have a strong partner that shares a similar culture, values, and deep commitments to all its stakeholders. Like Avista, Hydro One is also building for the future. Since it went public in 2015, Hydro One has transformed itself into the great company it is today, with a dynamic leadership team headed by President and CEO, Mayo Schmidt.

Based in Toronto, Hydro One is Ontario's largest electricity transmission and distribution provider with more than 1.3 million customers, C\$25 billion in assets and annual revenues of over C\$6.5 billion. Hydro One has a team of 5,500 employees serving suburban, rural and remote communities across Ontario. Like Avista, Hydro One is committed to the communities it serves, and has been rated as the top utility in Canada for its corporate citizenship, sustainability, and diversity initiatives.

Hydro One is five times the size of Avista in terms of market capitalization, expanding the financial capacity of the combined company to make additional investments to benefit customers. With Hydro One as our partner, we will continue to uphold our longstanding commitment to environmental responsibility, innovation, safety and reliability. Hydro One will provide Avista with additional scale, helping us build a stronger foundation for our future and augmenting the resources available to us to continue to invest in our energy infrastructure and technology.

Further, this combination will provide increased opportunities for innovation and efficiencies by extending the use of technology, best practices and business processes over a broader customer base and a broader set of infrastructure.

Bottom line, this is the right partnership at the right time. Hydro One was attracted to Avista in large part due to our long-standing commitment to provide exceptional value to all our stakeholders. They are looking forward to collaborating with us and helping us achieve our next level of success. In turn, we will be able to contribute to the success of a larger organization. We have a rich legacy of a 128-year-old company to honor and uphold. We believe that partnering with Hydro One is in the best interests of our customers, communities, employees and shareholders.

Until the time we close, which we expect sometime in the second half of 2018, Avista and Hydro One will continue to operate as two independent companies.

Thank you,

Avista

**OPUC Bench Request for Hydro One/Avista  
Community Events/Contacts**

**Oregon Activities**

Steve Vincent – Oregon Regional Business Manager  
Community Outreach Activities

Phone Calls for the specific purpose of notifying official of Hydro One/Avista Utilities merger:

Brian Sjothun	City Manager	City of Medford	Spoke to directly	July 19, 2017
Lance Colley	City Manager	City of Roseburg	Detailed voice mail message	Jul July 19, 2017y 19, 2017
Nathan Cherpeski	City Manager	City of Klamath Falls	Detailed voice mail message	July 19, 2017
John Karns	City Administrator	City of Ashland	Spoke to directly	July 19, 2017
Robert Strobe	City Manager	City of La Grande	Detailed voice mail message	July 19, 2017
Bette Keehly	Mayor	City of Oakland	Detailed voice mail message	July 19, 2017
Rick Dyer	Commissioner	Jackson County	Detailed voice mail message	July 19, 2017
Chris Boice	Commissioner	Douglas County	Detailed voice mail message	July 19, 2017
Derrick DeGroot	Commissioner	Klamath County	Spoke to directly	July 19, 2017
Dan DeYoung	Commissioner	Josephine County	Spoke to directly	July 19, 2017
Steve McClure	Commissioner	Union County	Detailed voice mail message	July 19, 2017
Delmer Hansen	Mayor	City of Island City	Detailed voice mail message	July 19, 2017

At Avista we didn't engage in creating a formal speaking circuit within the Oregon service territories. The following represent community groups where Steve Vincent an active member or board member and was invited to comment on the Hydro One/Avista Utilities merger.

Community Groups. Used July 2017 Avista Communications Tool Kit for Leaders for message points and Q&A.

- Grants Pass Chamber Government Relations Committee. Request from committee chair for Steve Vincent to formally discuss at April 2, 2018 meeting. No printed information or materials distributed.
- Klamath County Economic Development Association Board of Directors. Not an agenda item. Brief and informal mention of merger during round table of board member self-introductions on November 13, 2017. No printed information or materials distributed
- Medford Rogue Rotary Club – announcement during member recognition. August 2, 2018.

- Southern Oregon Regional Economic Development Inc Board of Directors. Not an agenda item. Brief and informal mention of merger during round table of board member self-introductions on August 8, 2017. No printed information or materials distributed.
- Umpqua Economic Development Partnership Board of Directors. Not an agenda item. Brief and informal mention of merger during round table of board member self-introductions on October 25, 2017. No printed information or materials distributed.
  
- Community Leader Broadcast e-mails from Oregon RBM:
- September 18, 2018. Broadcast e-mail. (Need to confirm date with Lisa or Sandra)
  
- Customer Broadcast E-mails:
- March 17, 2018. An update from Avista (myavista)
  
- Other Contact:
- February 28, 2018. Returned phone call to Robert Strobe, City of Manager of La Grande in response to his phone call regarding the Laborers International Union of North America.
- March 12, 2018. Sent an e-mail to Lance Colley, City of Manager of Roseburg in response to his phone call regarding the Laborers International Union of North America.

9.6.17 Avista Foundation receives \$1M pledge to support employee engagement.

**Avista Foundation receives \$1 million pledge to support employee engagement**

*The Scott and Liz Morris Employee Engagement Fund will be established at the Avista Foundation. The Morrises also pledge an additional \$2 million in community support and will form a private foundation to direct future charitable contributions.*

The Scott and Liz Morris Employee Engagement Fund is being established through a \$1 million pledge by the couple to the Avista Foundation to recognize and encourage Avista employee contributions to communities in which they live and work. The pledge will be fulfilled upon the successful completion of Avista's merger with Hydro One.

The Morrises also pledged an additional \$2 million in support of community initiatives. They will create a private foundation to direct those dollars to community organizations that are important to them and have made a meaningful difference in their lives. The \$2 million pledge will also be fulfilled upon the successful completion of Avista's merger with Hydro One.

Scott Morris, a 36-year Avista employee, serves as the company's board chairman, president and CEO. He and Liz have been involved in nearly every aspect of community life, which has included career stops for Scott in Lewiston, Idaho, and Medford, Oregon, as well as Spokane.

In announcing the pledge for the endowed Avista Foundation fund, the Morrises said, "This is a way for us to thank Avista employees and support them for all they do for our communities. Throughout the company's 128-year history, Avista employees have been engaged in all aspects of community life. They have always been there, from coaching and supporting youth sports to serving in local government, volunteering with non-profits and at schools, to rallying around a community need."

In 2016, employees volunteered nearly 48,000 hours to their communities, Scott Morris noted.

"Liz and I are humbled to be able to support and encourage employees as they continue the legacy of working together to make our communities better for all of us," Morris added.

The Scott and Liz Morris Employee Engagement Fund will be the first individual endowment received by the Avista Foundation, which was established in 2002 with the objective of making a difference in our communities in a positive and sustainable way. Since its founding, the Avista Foundation has made grants totaling more than \$5 million.

Scott Morris was instrumental in the formation of the Avista Foundation 15 years ago. He was also the impetus behind a \$6.5 million infusion into the Foundation in 2014, which was a portion of the proceeds from a California energy markets settlement agreement. Further, as part of the Avista-Hydro One merger, Morris negotiated an agreement under which Hydro One will contribute \$7 million to the Avista Foundation when the transaction closes, and Hydro One will make a \$2 million annual contribution to the Avista Foundation thereafter. The Avista-Hydro One merger is expected to close in the second half of 2018.

"The \$1 million personal contribution to our Foundation is an incredible investment by Scott and Liz in

our employees and in the communities they serve across the five states in our service area,” said Patrick Lynch, president of the Avista Foundation. “Their \$3 million total investment is a visible and lasting extension of the generosity that Scott and Liz have long demonstrated and will serve as a fitting legacy to their commitment to the well-being of our communities.”

**The Avista Foundation focuses its giving in the areas of:**

- education – K-12 education particularly in the fields of science, math and technology; and higher education including scholarships
- vulnerable and limited income populations – providing assistance to those on limited incomes and support for initiatives to reduce poverty
- economic and cultural vitality – supporting projects that help communities and citizens to grow and prosper.

Information on the Avista Foundation is available at [avistafoundation.com](http://avistafoundation.com). The Avista Foundation is a separate, non-profit organization established by Avista Corp. The foundation does not receive funding from Avista Utilities or AEL&P customers through rates.

**8.14.18 Fact Sheet**

To Our Valued Community Partners,

You may have heard recent news about our proposed merger with Hydro One. Some of the information you’ve heard may have you asking questions about the status of the merger and where Avista stands on our proposed partnership with Hydro One. Whatever the case, we want to make sure you have the most current information as well as the facts about how Avista and Hydro One are moving forward.

First, we remain committed to the proposed merger and the benefits it will bring to our customers, communities, employees and shareholders.

Second, we have made significant progress in the Hydro One transaction and we are continuing to work through the approval processes. Hydro One and Avista believe that we will be able to work with the commissions, their staff members and other parties to receive the required approvals, and we anticipate the transaction closing during the fourth quarter of 2018.

As a result of the leadership changes at Hydro One, the Washington and Oregon utility commissions have requested additional regulatory process, which allowed them to extend their deadlines for a decision in the merger proceeding to mid-December 2018. The Idaho commission postponed their technical hearing in the proceeding, pending further information regarding the status of Hydro One’s leadership.

For more information, please see this [fact sheet](#). If you have questions, please contact me directly. Thank you and please share this information with others in your network.



## Updates from Avista



**Todd Kiesbuy** Regional Business Manager (509) 495-2297

**August 2018**



**Mike Tatko** Regional Business Manager (208) 798-1425



**Patty Shea** Regional Business Manager (208) 769-1320



**Paul Kimmell** Regional Business Manager (509) 336-6236



**Steve Trabun** Regional Business Manager (509) 495-2829



**Steve Vincent** Oregon Regional Business Manager (541) 858-4773



**Ana Matthews** Consumer Affairs Manager (509) 495-7979

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**Avista Utilities**  
1411 E. Mission Ave. Spokane, WA  
99220

[Unsubscribe](#)

## **Facts about the proposed merger of Avista with Hydro One**

On July 19, 2017, it was announced that Avista would engage in a unique partnership and join with Hydro One, Ontario's largest electricity transmission and distribution provider.

### **A partnership for the future**

The utility industry is undergoing transformational change, and consolidation is changing the playing field for smaller utilities like ours. The decision to team up with Hydro One at a time of strength and growth for our company is a unique opportunity to secure a partnership that preserves our identity and strong legacy while allowing us to continue to define and control, to a significant degree, our future operations in an industry that requires increasing scale to compete most effectively.

### **A strong partner in Hydro One**

Hydro One is a strong partner that shares a similar culture, values and deep commitment to its stakeholders. Hydro One is five times the size of Avista in terms of market capitalization, expanding the financial capacity of the combined company to make additional investments to benefit customers.

Like Avista, Hydro One is committed to the communities it serves and has been rated as the top utility in Canada for its corporate citizenship, sustainability and diversity initiatives.

### **What customers and communities can expect**

While this would change Avista's ownership structure, our customers, communities and employees can expect business as usual. What does this look like?

- High quality, reliable energy at a reasonable cost
- Continued operation as a standalone company led by a Board of Directors with significant Pacific Northwest representation
- Ongoing community involvement and economic development
- Increased charitable giving, nearly doubling our current levels of community contributions and an additional \$2 million annual contribution to the Avista Foundation, following a one-time contribution of \$7 million
- Headquarters in Spokane and maintained presence in the communities across our service area. The same faces in the same places.
- Rate credits provided to customers once the merger is approved by the utility commissions

### **Ongoing regulatory oversight**

Avista will continue to be regulated by utility commissions in each state and will continue to operate under those commissions' rules. The utility commissions, not Hydro One, will continue to set Avista's rates, and they will ensure that the money Avista customers pay for their energy is related to Avista's costs to provide service. Governments in Canada do not have jurisdiction over Avista or our customers. No Canadian law will be applied to Avista or its operations. Avista will continue to abide by U.S. laws and regulations, and will continue be regulated by its current Federal agencies, including FERC and NERC.

For more on the merger and status of the approval process, visit [www.myavista.com/hydroone](http://www.myavista.com/hydroone).

March 27, 2018

To Our Valued Customers:

Today, Avista announced another significant milestone in the approval process of our proposed merger with Hydro One. A settlement agreement has been filed with the Washington Utilities and Transportation Commission that preserves and enhances Avista's commitments to our customers, communities and employees. Reaching this agreement brings us one step closer to the completion of the merger, and we remain on schedule to close in the second half of this year.

We felt this was a great opportunity to update all of our customers on the progress we have made so far.

Last July, we announced that we were merging with Hydro One and would become a subsidiary of that company. As we wrote to you at the time, this unique partnership preserves our identity and legacy and enables us to continue charting our own course in a rapidly consolidating industry.

True to our long-held values, our goal going forward will be what it has always been – to provide the best service to our customers at reasonable prices. Upon completion of the merger, and as a subsidiary of Hydro One, Avista will continue to operate essentially as it does today, conducting business and serving our customers and communities as we do now. Our headquarters will remain in Spokane, and no workforce reductions are anticipated as a result of this transaction.

As we have worked with Hydro One through the merger process over the last several months, we are even more excited about the opportunity this partnership holds for our future. We are confident that this partnership will expand our opportunities to be innovative and gain operating efficiencies by extending the use of technology, best practices, and business processes over a broader customer base and broader set of infrastructure.

Since July, we have made steady progress towards completing this merger. In November, our shareholders voted in favor of the acquisition. Around that same time, we filed for regulatory approval in all five of our jurisdictions (Alaska, Montana, Idaho, Oregon and Washington), and these are still pending. Shortly thereafter, we received approval from the Federal Energy Regulatory Commission (FERC). Today's settlement with the Washington Utilities and Transportation Commission is an important next step, as we get closer to completing this historic transaction.

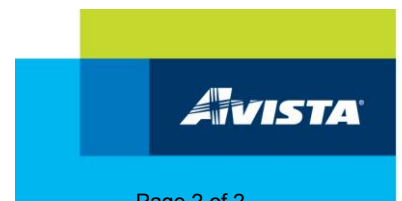
Throughout this process, we have continued to keep close the things that matter most about Avista. We continue to take very seriously our responsibility to be a good corporate citizen and community partner, and we continue to be confident that this transaction is good news for our customers and the communities we serve.

We have a rich legacy of a 129-year-old company to honor and uphold, and we believe that partnering with Hydro One is in the best interests of all of our important stakeholders.

For more information about the settlement agreement, our partnership with Hydro One, the process for approval of the merger and details on past milestones and communications, please visit [www.myavista.com/hydroone](http://www.myavista.com/hydroone).

Thank you,

Avista



October 26, 2018

To Our Valued Customers:

We know you hear from us on a variety of issues. This is because we'd like you to be informed about topics that might matter to you, and that involve Avista. We value the trust you place in us to provide you with reliable, affordable energy, and we take this role seriously. We also view ourselves as more than this. We're here to enhance the strength of our communities.

As we continue to move through the regulatory process toward approval of our proposed merger with Hydro One, we wanted to provide you an update on the status, why we've engaged in this partnership and what it means for customers.

The utility industry is undergoing transformational change and has been consolidating over the last decade. This has changed the landscape for smaller utilities like ours. The decision to team up with Hydro One at a time of strength is a unique opportunity to preserve our identity and legacy while allowing us to continue to define and control, to a significant degree, our future operations.

Over the last nearly year and a half, we've worked diligently to formalize our partnership with Hydro One in a way that aligns with our values and honors the customers and communities we serve. The merger commitments agreed to by Avista and Hydro One throughout the regulatory process ensure this is a partnership that benefits all of our stakeholders.

While this merger would change Avista's ownership structure, our customers and communities can expect business as usual. What does this look like for you?

- High quality, reliable energy at a reasonable cost
- Continued operation as a stand-alone company led by a Board of Directors with significant Pacific Northwest representation
- Ongoing community involvement and economic development
- Increased charitable giving, nearly doubling our current levels of community contributions and an additional \$2 million annual contribution to the Avista Foundation, following a one-time contribution of \$7 million
- Headquarters in Spokane and maintained presence in the communities across our service area
- Rate credits provided to customers once the merger is approved by the state utility commissions
- Rates set by state utility commissions, not Hydro One, which will include only the costs for Avista to serve its customers

Since we last updated you, we've continued to work through the regulatory approval process. The merger has received regulatory approval from utility commissions in Alaska and Montana, and all necessary federal approvals have been received. You may have seen news about changes in leadership at Hydro One and extended regulatory timelines in Washington, Idaho

and Oregon. We remain committed to this merger and the benefits it will bring for all of our stakeholders.

Hydro One is a strong partner who continues to honor the things that matter most about Avista. We believe this partnership is the right thing for our customers, our communities and our future.

For more information about our partnership with Hydro One, the merger approval process and details on milestones and communications, please visit [www.myavista.com/hydroone](http://www.myavista.com/hydroone).

Thank you,

Avista

## Final version 7.18.17

July 19, 2017

Dear Avista retirees,

Today, we took an important step to position Avista for the future. It's a significant change for our company and it is taking place at the right time.

In partnership with Hydro One, Ontario's largest electricity transmission and distribution provider, we jointly announced a unique transaction under which we will become a subsidiary of Hydro One in a manner that preserves our identity and legacy and allows us to continue charting our own course in a rapidly changing industry.

I am aware of the deep connection our employees and retirees have with this company. Our pride and dedication in who we are and what we do is what makes this such a great place to work. Rest assured that this transaction will not change the special characteristics of our culture and the identity we've built over the last 128-years. With this transition, I'll remain Chairman of the Board and CEO of Avista.

We will continue to operate under the same name, from the same headquarters in Spokane with the same employees, same benefits, same offices and same leadership team. We'll continue to be overseen by a Board of Directors with a majority of its members having significant ties to the Pacific Northwest. And most importantly, we will continue to provide our customers with exceptional energy services at a fair price.

You might be wondering, "why now?"

Avista's decision to team up with Hydro One at a time of strength and growth for our company is a unique opportunity to secure a partnership that allows us to continue to define and control, to a significant degree, our future operations and opportunities.

A great deal of thinking and asking tough questions guided this decision. It was critical for us to create a win for each of our important stakeholders. I believe we have achieved this goal as:

- Avista employees and retirees will see a continuation of the company essentially as it is today.
- Avista's customers will continue to enjoy energy services that are safe, reliable and environmentally responsible at fair and reasonable rates.
- Avista shareholders will receive solid value including an attractive premium in an all-cash transaction.
- The communities Avista serves will continue to benefit from the important philanthropy and economic development we provide. In fact, Hydro One has committed to doing even more—nearly doubling our current levels of community contributions.



In Hydro One, we have identified a strong partner, with a dynamic leadership team, who shares a similar culture, values and a deep commitment to the people they do business with. Like Avista, Hydro One is also building for the future.

Since it went public in 2015, Hydro One has transformed itself into the great company it is today. Their President and CEO, Mayo Schmidt, is a down-to-earth leader who is very dedicated to quality service, innovation and a healthy workplace culture.

With Hydro One as our partner, we will continue to uphold our longstanding commitment to environmental responsibility, innovation, safety and reliability. Hydro One will provide Avista additional scale, providing us with a stronger foundation for our future and augmenting the resources available to us to continue to invest in our energy infrastructure. This combination will provide increased opportunities for innovation and efficiencies by extending the use of technology, best practices, and business processes over a broader customer base and broader set of infrastructure.

Bottom line, this is the right partnership at the right time. Hydro One is looking forward to collaborating with us and helping us achieve our next level of success. In turn, we will be able to contribute to the success of a larger organization.

Until the time we close, which we expect in the second half of 2018, Avista and Hydro One will continue to operate as two independent companies. Between now and closing, we will remain focused on our day-to-day responsibilities of delivering safe, reliable, and affordable service to our customers and the communities we serve.

I appreciate your patience and understanding, recognizing that there will be questions and it will take time to process this news. In the meantime attached is a list of Questions and Answers which may assist you in this time of transition.

I am very excited about the potential this transaction has for the future of our company. With open minds and an adventurous mindset not unlike our original founders, we'll adapt to this change in a way that shows the world why we are a special place to work and how we can apply our talents to make a difference.

Thank you,

Scott Morris  
Chairman, President and CEO

## **Q & A – Avista Retirees**

[What will happen with my Avista provided post-retirement benefits?](#)

*There will be no change to your retiree benefits as a result of the sale.*

Will my Pension benefit change as a result of the sale? Will I continue to receive the Pension benefit that I am currently receiving?

*The sale will not affect the amount nor form of Pension benefit that you are currently receiving from Avista.*

Will my Pension check continue to be direct deposited by Avista?

*There will be no change in the direct deposit process as a result of the sale.*

Will Hydro One honor the commitment to fund the Defined Benefit Pension Plan? What will happen if they do not fund the Pension Plan?

*Avista will continue to sponsor and fulfill our fiduciary duties for the Pension Plan. As such we are committed to adequately funding the Plan and ensuring sufficient assets are available to pay all Plan benefits. We will continue to provide plan participants an Annual Funding Notice which provides the funded status of the Plan and includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation.*

Will my retiree medical benefit change as a result of the sale? Will my premium change? Will my coverage change?

*There will be no change to the retiree medical benefit as a result of the sale. The retiree medical plan will continue to be offered as a benefit sponsored by Avista. As such the premiums will be determined as they have in the past with any changes communicated during open enrollment. Your coverage will not change as a result of the sale.*

What will happen to my assets in the Avista sponsored 401(k) Plan?

*Avista will continue to sponsor the 401(k) Plan. Should you have assets in the Avista 401(k) Plan, they will continue to be invested according to your election.*

What will happen to the Avista Company Stock within the 401(k) Plan?

*Since Hydro One will be purchasing all shares of Avista stock, and Avista will no longer be a publicly traded company, the proceeds from the sale of Avista Company Stock shares will be reinvested into your 401(k) account. The Avista Company Stock fund will no longer be an investment option within the Plan.*

Will my 401(k) distribution election be affected by the sale?

*Your 401(k) distribution election will not be affected by the sale.*

Will my retiree life insurance benefit change be affected by the sale? Will Hydro One honor the Avista sponsored retiree life insurance benefit?

*If you are eligible for the benefit, there will be no change to your retiree life insurance benefit as a result of the sale.*

What is the transition date/timeline? How will Avista communicate with me during the process?

*We expect the transaction to close sometime in late 2018. Between now and then we will provide updates via letter or newsletter as additional information becomes available.*

### **Additional Information and Where to Find It**

This communication may be deemed to be solicitation material in respect of the proposed merger transaction. Avista Corporation (“Avista”) intends to file with the U.S. Securities and Exchange Commission (the “SEC”) and mail to its shareholders a proxy statement in connection with the proposed merger transaction and this communication is not a substitute for the proxy statement or any other document that Avista may send to its shareholders in connection with the proposed merger transaction. **THE INVESTORS AND SECURITY HOLDERS OF AVISTA ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION** about Avista, Hydro One Limited (“Hydro One”) and the proposed merger transaction. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov). In addition, a copy of Avista’s proxy statement (when it becomes available) may be obtained free of charge upon request by contacting Avista Corporation, Marian Durkin, Corporate Secretary, 1411 East Mission Avenue, Spokane, Washington 99202. Avista’s filings with the SEC are also available on Avista’s website at: <http://investor.avistacorp.com>. Investors and security holders may also read and copy any reports, statements and other information filed by Avista with the SEC, at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or visit the SEC’s website for further information on its public reference room.

### **Participants in the Solicitation of Proxies**

This communication is not a solicitation of proxies in connection with the proposed merger transaction. However, Avista, Hydro One and certain of their respective directors, executive officers and other persons may be deemed under SEC rules to be participants in the solicitation of Avista shareholder proxies in respect of the proposed merger transaction. Information about Hydro One directors and executive officers is available in Hydro One’s management information circular, filed with Canadian securities regulators on March 27, 2017, in connection with its 2017 annual meeting of shareholders and is available on its website at [www.HydroOne.com](http://www.HydroOne.com) and also under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). Information regarding Avista’s directors and executive officers is available in Avista’s proxy statement filed with the SEC on March 31, 2017 in connection with its 2017 annual meeting of shareholders, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 22, 2017, each of which may be obtained from the sources above under “Additional Information and Where to Find It”. Other information regarding persons who may be deemed participants in the proxy solicitation and a description of their direct and indirect interests (which may be different than those of Avista’s investors and security holders), by security holdings or otherwise, will be contained in the proxy statement and other relevant materials filed or to be filed with the SEC when they become available.

### **Forward-Looking Information**

This [news release] [presentation] contains “forward looking statements” and “forward looking information” within the meaning of applicable securities laws of the U.S. and Canada, respectively. Statements that are not historical facts, including statements about beliefs, expectations, estimates, projections, goals, forecasts, assumptions, risks and uncertainties, are forward-looking statements and forward looking information. Forward - looking statements and forward looking information are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “intends,” “plans,” “anticipates,” “pro forma,” “predicts,” “seeks,”

“could,” “would,” “will,” “can,” “continue” or “potential” and the negative of these terms or other comparable or similar terminology or expressions. The forward looking statements and forward looking information in this **[news release] [presentation]** include, without limitation, statements relating to Hydro One’s proposed merger transaction with Apollo and expectations regarding timing and benefits thereof, earnings per share accretion, increases in regulated assets and earnings, strength of credit metrics, scale and diversification, capital expenditures, rate base growth, industry and geographic trends and forecasts, financing plans, stakeholder commitments, stockholder and regulatory approvals, and the completion of the proposed merger transaction. These statements reflect Hydro One and Apollo’s management’s current beliefs and are based on information currently available to the management teams. Forward looking statements and forward looking information involve significant risk, uncertainties and assumptions. Certain factors or assumptions have been applied in drawing the conclusions contained in the forward looking statements and forward looking information. Hydro One and Apollo caution readers that a number of factors could cause actual results, performance or achievement to differ materially from the results discussed or implied in the forward looking statements and forward looking information. Important factors that could cause actual results, performance and results to differ materially from those indicated by any such forward looking statements and forward looking information include risks and uncertainties relating to the following: (i) the risk that Apollo may be unable to obtain shareholder approval for the proposed merger transaction or that Hydro One or Apollo may be unable to obtain governmental and regulatory approvals required for the proposed merger transaction, or may be unable to obtain those approvals on favorable terms; (ii) the risk that the required shareholder, governmental or regulatory approvals may delay the proposed merger transaction; (iii) the risk that a condition to the closing of the proposed merger transaction may not be satisfied or the merger agreement may be terminated prior to closing; (iv) the timing to consummate the proposed transaction; (v) disruption from the proposed merger transaction making it more difficult to maintain relationships with customers, employees, regulators or suppliers; (vi) risks associated with the loss and ongoing replacement of key personnel; (vii) the diversion of management time and attention on the transaction; (viii) general worldwide economic conditions and related uncertainties; (ix) the effect and timing of changes in laws or in governmental regulations (including environmental and tax laws and regulations); (x) the risk that financing necessary to fund the proposed merger transaction may not be obtained or may be more difficult and costly to obtain than anticipated; (xi) the impact of acquisition-related expenses; (xii) the ability to maintain an investment grade credit rating; (xiii) the ability to maintain dividend payout ratios; and (xiv) other factors discussed or referred to in the “Risk Factors” section of Hydro One’s most recent annual management’s discussion and analysis of financial results filed with securities regulators in Canada and available under Hydro One’s profile at [www.sedar.com](http://www.sedar.com). The foregoing list is not exhaustive and other unknown or unpredictable factors could also have a material adverse effect on the performance or results of Hydro One or Apollo. Additional risks and uncertainties will be discussed in the proxy statement and other materials that Apollo will file with the SEC in connection with the proposed merger transaction, or in material Hydro One will file with securities regulatory authorities in Canada. There can be no assurance that the proposed merger transaction will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the proposed merger transaction will be realized. These factors should be considered carefully and undue reliance should not be placed on the forward looking statements or forward looking information, and actual outcomes and results may differ materially from what is expressed, implied or forecasted in these forward looking statements and forward looking information. For additional information with respect to certain of the risks or factors, reference should be made to Hydro One’s continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com) and Apollo’s filings with the SEC available at [www.sec.gov](http://www.sec.gov). Except as required by law, each of Hydro One and Apollo disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.