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Attorneys for Utah Industrial Energy Consumers

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of)	
PACIFICORP and SCOTTISH)	DOCKET NO. 98-2035-04
POWER PLC for an Order Approving)	
the Issuance of PACIFICORP)	ISSUE STATEMENT OF
Common Stock)	THE UTAH INDUSTRIAL ENERGY
)	CONSUMERS

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Pursuant to the invitation of the Public Service Commission of Utah (“Commission”) the Utah Industrial Energy Consumers (“UIEC) submit the following statement identifying the issues to be considered in this case. We had the opportunity to review an early draft statement of the issues prepared by the Division of Public Utilities. We believe that the issues raised by the Division of Public Utilities are appropriate and should be addressed in this proceeding. In addition, we raise the following issues:

1. **Transaction costs/rate impact.**

- a. How will the ratepayers of PacifiCorp in Utah be protected from the transaction costs of the acquisition by Scottish Power of PacifiCorp?
- b. How will ratepayers of PacifiCorp in the State of Utah be assured that the potential for "... prices ...lower than they would be ...” are in fact realized in Utah?
- c. What incentives or penalties should the Commission order as a condition of the merger to assure ratepayers are shielded from the transaction costs and that the prices are reduced as promised?

2. **Quality**

- a. What effect will the acquisition have on the ability of PacifiCorp to maintain the quality of service to retail and wholesale customers in Utah?
- b. What effect will the acquisition have on the availability of and access to funds, both internal and external, necessary to maintain and enhance the electrical infrastructure providing service in Utah?
- c. What benchmarks can be established to measure the quality of service for the entity after the acquisition?
- d. What benchmarks should be established separately for transmission services?

- e. What benchmarks should be established separately for distribution services?
- f. What benchmarks should be established separately for the commodity (electricity) business?
- g. What benchmarks should be established separately for the metering and billing portion of the business?
- h. What incentives or penalties should the Commission order to assure that the quality of transmission services, distribution service, commodity service and metering and billing are maintained at the benchmark level or, in fact, improved as a result of the transaction?
- i. What incentives or penalties should the Commission order to assure adequate funds, both internal and external, are available to maintain and enhance the electrical structure in Utah?

3. **Effect on Competition**

- a. How will the acquisition affect competition (i) between cities and PacifiCorp for retail customers; (ii) between PacifiCorp and other alternative sellers for retail customers, and (iii) between PacifiCorp and potential alternative sellers for retail customers?
- b. What incentives or penalties should the Commission order to assure that the acquisition promotes competition and prevents adverse effects on existing competition?

DATED this ____ day of February, 1999.

PARSONS BEHLE &
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CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of February, 1999, I caused to be mailed, first class, postage prepaid, a true and correct copy of the foregoing UIEC ISSUES STATEMENT to:

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