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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF PACIFICORP AND SCOTTISH POWER PLC FOR AN ORDER APPROVING THE ISSUANCE OF PACIFICORP COMMON STOCK	DOCKET NO. 98-2035-04

JOINT BRIEF OF THE DIVISION OF PUBLIC UTILITIES AND THE COMMITTEE OF CONSUMER SERVICES

The following is a joint post-hearing brief submitted by the Division of Public Utilities (DPU) and the Committee of Consumer Services (CCS) in support of the Stipulation they entered into with the applicants in this proceeding.

I.

INTRODUCTION

After six (6) days of hearings and numerous issues being raised by interveners, the DPU and the CCS continue to believe that their Stipulation provides net positive benefits to Utah's ratepayers and is in the public interest. The Stipulation was entered into after an extensive investigation by both the DPU and the CCS. This investigation included the review of voluminous data requests submitted both in Utah and other PacifiCorp jurisdictions, meetings with company officials, review of testimonies filed in other jurisdictions, a review of Stipulations entered into in other jurisdictions both by commission staff and consumer advocate groups and a review of proposed conditions suggested by other interveners in Utah.[1] The CCS also retained the services of highly qualified experts to review the proposed transaction.

This memorandum will focus primarily on issues not addressed in the Stipulation but raised by other parties. With the exception of only a few issues raised by industrial customers, the Stipulation has effectively mitigated the risks the DPU and the CCS saw arising out of this transaction. In addition, the Stipulation has captured a significant enough amount of merger benefits to satisfy the Utah net positive benefit test.

[1] Stipulations have been entered into with staffs and consumer advocate groups in Washington, Wyoming and Oregon. The merger has already been approved in California and at FERC.

Early on in this proceeding the DPU and CCS realized that this merger was quite different from the Utah Power / PacifiCorp merger that occurred in 1988. This merger has few quantifiable benefits that the applicants were willing to guarantee and a large amount of uncertainties and risk associated with the transaction. The PacifiCorp / Utah Power & Light merger combined two operating systems into one and allowed the measurement of expected benefits by modeling the operation of the two systems. This merger has not allowed that type of analysis. Although cost savings are anticipated by the applicants, a minimal amount of guaranteed cost savings was provided by the applicant in its initial filing.[2] Therefore, early on in the proceeding the DPU focused on developing a set of conditions that would mitigate the risk that it perceived arising out of this transaction. The list of conditions that was included in the DPU's initial testimony served as the foundation for the Stipulation entered into between the DPU, CCS and the applicants. The Stipulation is made up of the DPU's initial list of conditions enhanced by conditions proposed by other parties. An attempt was made to incorporate as many of the concerns raised by other parties that the DPU and CCS felt were appropriate. There were three primary reasons why conditions proposed by others were not incorporated. First, the condition addressed items that were not directly related to the merger. Second, the condition related to items that were outside of the Commission's traditional jurisdiction or the Commission's role. Third, the condition was felt to be an item that was not measurable and not

[2]The only initial measurable guaranteed cost savings proposed by the applicant was $10 million system-wide associated with corporate overhead.

enforceable.[3] Finally, some conditions were left out because a more appropriate alternative was proposed in the Stipulation.

II.

STANDARD FOR APPROVAL

Although the applicants have filed this proceeding under the issuance of securities provision of the Utah Code (54-4-31), the DPU and the CCS believe that the standard for approval established in earlier merger proceedings should apply to this proceeding. In summary, in evaluating the "public interest" the applicants have the burden to demonstrate that the proposed transaction provides "net positive benefits" to the public in the State of Utah. The applicants both pleaded and attempted to prove through their evidence that this standard is being met. The applicants, however, do not believe that a "net positive benefit" test is appropriate for this transaction. Instead, the DPU and CCS presume that the applicants propose a "no harm" test for approval of this transaction.

The net positive benefit test was used by the Commission in the PacifiCorp / Utah Power & Light merger in 1988.[4] In the Utah Power & Light / PacifiCorp merger, as in this merger, many proposed conditions were put forth by parties that may not directly relate to items within the PSC's jurisdiction. The PSC provided a framework for the presentation of evidence on those subjects. The Commission stated:

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[3]TR 22.

[4]87-035-27 Order dated November 20, 1987. The order cites an earlier merger between Utah Power & Light and CT National Corp. 43 PUR 4th 315 (Utah PSC 1981) where the net positive benefit test was originally established by the PSC.

> "With respect to considerations outside our normal regulatory jurisdiction and enforcement powers, for example the health of the coal mining industry, anti-trust effects, etc., which nevertheless bear on the public interest, applicants bear no affirmative burden to demonstrate benefits or even an absence of harm. In those areas other parties will carry the burden of demonstrating either some benefit or some substantial harm by reason of the merger."[5]

On May 10, 1999, the Commission issued an Order in this proceeding responding to the applicants' attempt to eliminate issues they believed were not appropriate for decision in this case. Although the Commission denied limiting issues through motions to strike, its Order provides direction it will use in determining if an issue should be addressed in this proceeding. In that Order the Commission required each party to demonstrate why each issue raised by them should be considered in this docket, indicating specifically how those issues could be affected by the proposed merger, setting forth what remedy the party seeks to achieve by its condition.[6]

In evaluating the additional conditions proposed by other parties in this proceeding that will be discussed later in this memorandum, the Commission should keep in mind its statement in the May 10th Order requiring each party to demonstrate why each issue should be considered in this docket indicating **specifically how each issue could be affected by the proposed merger**.

FERC, in its Order rejecting the proposed conditions by Utah's industrial customers, provided similar guidance to the Commission's May 10, 1999 Order. The FERC decision states:

> Under the Commission's standard of review, interveners have not demonstrated how the issues they raise would be created or exacerbated by the proposed transaction and, consequently, how the transaction could adversely effect competition. As a result, it

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[5]87-035-26 Order dated November 20, 1987 p.2.

[6]98-2035-04 interim Order dated May 10, 1999 p.2.

> would be inappropriate to set the transaction for hearing or condition the proposed transaction on various transactional related requirements designed largely to address PacifiCorp's alleged pre-existing ability to use transmission to adversely effect competition in electricity markets. Such issues are not relevant to this proceeding. Thus, we find that the proposed transaction will not have an adverse effect on competition.[7]

In evaluating the additional conditions proposed by other parties in this proceeding, the Commission should ask itself how that proposed condition addresses an issue that is affected by the proposed merger. In addition, the Commission should evaluate each additional condition in light of the overall public interest and its ability to reasonably enforce such conditions. The DPU and CCS believe that most, if not all, proposed additional conditions suggested by other parties fail under these tests. One additional test should be kept in mind by the Commission in evaluating additional conditions. The Commission need not capture in this Order all benefits they perceive coming from this transaction. The test for approval is "net positive benefits." The Order need not capture all possible future benefits that may arise out of the transaction in order to satisfy the "public interest" test. Some of the proposed conditions suggested by other parties are designed to capture benefits today that are not required to be captured in order to satisfy the net positive benefits standard. These benefits, if appropriate to ratepayers, will be subject to future proceedings and decisions of the Commission. A good example of such a possible future benefit is the tax issue raised by Utah's industrial consumers. The question the Commission should ask

[7]Docket EC99-50-000 Order Approving Disposition of Jurisdictional Facilities dated June 16, 1999 p. 8. Utah industrial customers requested that FERC condition approval of the transaction on PacifiCorp's participation in the formation of and joining a regional transmission organization (RTO). UAMPS intervened in FERC requesting that the merged company commit to investing a minimum dollar amount in the transmission system on an annual basis. In addition, UAMPS also requested that the company commit to joining an RTO within a fixed period of time. All of the requests by UAMPS and Utah's industrial customers were rejected by FERC.

is "are the capturing of those benefits today necessary in order to satisfy the net positive benefit test knowing that parties have not evaluated the merits of the tax issue in this proceeding?"

III.

THE $48 MILLION CREDIT PROVIDES MEASURABLE BENEFITS TO UTAH'S RETAIL CUSTOMERS

All three industrial witnesses (Goins, Brubaker and Anderson) appeared to be recommending an absolute rate cap through 2003. In addition, these witnesses appeared to be recommending the applicability of the rate credit during that period, presumably as defined in the Stipulation. Finally, a rate case using a 1999 test year would be permissible.[8]

First it should be pointed out that the rate cap originally proposed by the Division was not an absolute prohibition on rate increases. As defined by Mr. Alt, the rate cap would last three (3) years from the date the merger occurred. In addition, no defined rate cap was presented, but instead two alternatives were presented for discussion. These alternatives included using some type of index such as the Gross Domestic Product as a measurement of rate increases during the capped period, or utilizing a rate of return in other jurisdiction to limit the level of rate increases in Utah. Thus, even at the time the DPU filed its initial testimony. An absolute rate cap for a five (5) year period was not proposed.

Obviously, a rate cap for a five (5) year period, even allowing for a 1999 rate case, would provide protection for retail customers from cost increases caused by the merger. It would also obviously eliminate the ability of the company to recover cost increases during the five (5) year

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[8]TR 1021, 1197 and 1257.

period unrelated to the merger. What the Commission will need to answer for itself is whether the protections provided in the Stipulation insure that customers are adequately protected from the risk associated with the transaction. The DPU and the CCS believe that with the rate credit and the other protections provided in the Stipulation, customers are adequately protected from the risks associated with the transaction so that an absolute rate cap for a five (5) year period is not required.

Although obviously desirable from a customer's standpoint, an absolute rate cap for a five (5) year period would more than likely do nothing more than assure all concerned that the transaction would not occur. The merger-credit included in both the Utah and Oregon Stipulations is designed to capture benefits associated with the merger up-front rather than waiting until those benefits are achieved in future rate cases. The merger-credit would allow rate cases to proceed under a normal regulatory environment understanding that the benefits associated with the merger were being provided in the merger-credit. Other conditions in the Stipulation would provide customers protections from increased costs associated with the transaction from flowing through in their rates.[9]

In conclusion, the DPU and CCS recommend that the Commission approve the merger credit as filed in the Stipulation. As desirable as it may appear, a rate cap goes beyond what is

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[9]Some of the provisions in the Stipulation that provide those protections are: paragraph 3 eliminating merger transaction cost from rates, paragraph 19 requiring the use of a hypothetical capital structure, paragraph 25 stating that increased cost of capital will not be allowed in rates, paragraph 26 prohibiting the inclusion of the premium Scottish Power is paying in rate making, paragraph 28 requiring funding of networked expenditures required to implement service quality standard from redirected internal funding, paragraph 41 requiring a specific showing of prudence prior to the inclusion of any renewable resources in rate base, and paragraph 44 stating that rates in Utah will not increase as a result of the merger.

necessary to protect Utah retail ratepayers from risk associated with the merger. The merger credit provides Utah retail customers up-front payments for anticipated merger benefits. Other provisions in the Stipulation protect customers from downside risk.

IV.

THE SERVICE QUALITY GUARANTEES PROPOSED BY SCOTTISH POWER PROVIDE REAL BENEFITS TO UTAH CUSTOMERS

Although it does not appear anyone seriously disputes the value of the service quality guarantees in the Stipulation, a couple of points appear warranted. First, although some parties have disputed the magnitude of the benefits associated with improved service reliability, nobody can seriously dispute that those benefits are not significant. It does not appear important to precisely define the value of an outage for a particular customer, but instead, it is important to recognize that improved reliability is important to all customers.

Second, some may argue that these service reliability guarantees could have been achieved by PacifiCorp on their own. Obviously that is true. However, what is important to recognize is that these service quality standards are being entered into voluntarily. Mr. Maloney provides us the importance of the voluntary aspect of the service quality standards:

> For about two years I audited the company's network and their service standards, their feedback, customer complaints and such against that – with regard to the output. My effort was intended to result in standards and a monitoring report, and after two years I wasn't making a lot of headway . . . and about the last month, two months, as we proposed conditions in this, we've looked at the package and negotiated the Stipulation, we've achieved more in that last six weeks or so than we did in the prior three years, so I'm quite hopeful based upon that record, if it continues in the future, that we can achieve a lot more in terms of reducing cost and improving service quality.

> The other point with regard to those commitments being voluntary is that if we don't go forward with the merger . . . In my view, even if there were strong external pressures to encourage the company to put the targets in place, we'd probably work two or three years before we'd get anything close to what we've got on the table right now, and if we did get to that point where we agreed about service standards, the probability is that we would get excuses instead of results because it would be coerced, and the result of coercing a management team is not usually very productive . . . .[10]

In conclusion, the service quality standards put forth in the Stipulation should not be taken lightly by the Commission. They will produce measurable benefits to Utah customers. These benefits will be achieved far more rapidly with the merger.

V.

ADDITIONAL CONDITIONS REQUESTED BY INDUSTRIAL CUSTOMERS IN THEIR FILING OF AUGUST 2, 1999 COMMENTING ON THE PROPOSED STIPULATION

A. TAXES

The DPU and the CCS do not disagree with the industrial customers that the tax savings associated with the transaction (described in the confidential exhibits) should be available to flow through to ratepayers if appropriate. The distinction appears to be that the industrial customers wish to have the Commission decide how those tax savings should be treated in the Order approving the transaction rather than in a future rate proceeding where the issue would be directly before the Commission. The condition proposed by the applicants[11] appears to provide

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[10] TR 1458-59.

[11] Cross Exhibit 2.

sufficient protection to customers to allow the issue to be raised in a future proceeding. That condition states:

> The parties to this docket preserve their right to raise the issue of the treatment of upstream tax savings and cost in future rate cases. All parties preserve their positions and have not waived their rights on this issue. Scottish Power commits to retain records regarding upstream tax savings and costs relating to the merger and make these records available to the DPU, CCS and other parties in accordance with Stipulation Exhibit 1 and the discovery rules of the Commission.

Cross Exhibit 2.

It is the DPU and CCS' view that this condition adequately preserves the upstream tax savings associated with the merger (as described in the confidential exhibits) and that the Commission need not decide the issue on its merits in this proceeding. These benefits do not need to be captured at this time in order to satisfy the net positive benefit standard.[12]

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[12]The issue of these tax savings has not been adequately addressed in this proceeding. If the Commission wishes to include it as an issue today we request an additional hearing to address the issue on its merits. To show the complexity of upstream tax the Commission should review its Order in 88-049-07 dated October 18, 1989 p. 39-40. In that Order the PSC rejected going off of stand alone taxes and rejected including the losses of affiliates in the calculation of regulated taxes. This issue is not necessarily similar to that decision. The only point being made is that the issue may be complex enough that it should be addressed in a future rate case and not here.

B. CASH

The industrial customers wish to preclude the upstream movement of cash until service quality in the State of Utah has been found to be adequate. This cash that the industrial customers are referring to resulted from the sale of PacifiCorp's telephone operations. It was originally intended to be available to the company for the purchase of the Energy Group in the UK. This transaction failed and the cash remains on PacifiCorp's books. Therefore, absent the merger, PacifiCorp could have used this cash in any way it saw fit. Its obligations to provide adequate service and to make improvements exist whether the cash is present on PacifiCorp's books or not.

A number of items came up in the hearing which may resolve this issue. First, the umbrella loan agreement, which Scottish Power has agreed to abide by, limits loans from PacifiCorp to an affiliate to $200 million. The cash is significantly greater than $200 million. Second, the Public Utility Holding Company Act prohibits upstream loans. In other words, the operating utility cannot loan money to the parent. Finally, PacifiCorp cannot dividend out the cash without prior approval from the Commission. With these restrictions, the industrial customers' concern about cash leaving the utility should be alleviated.

C. ACCESS TO EMPLOYEES AND RECORDS

In this condition the industrial customers wish to have the same access to employees and records as representatives of the Division or Committee have in proceedings in which the

industrials are involved. The DPU and CCS take no particular position on this condition.[13] However, we believe their concern was mainly satisfied by the commitment that records will be available in either Salt Lake City or Portland, and there will be no need to travel to Scotland.

D. UTAH PRESENCE

In a letter sent to DCED, Scottish Power committed to have in Utah an individual who would report directly to PacifiCorp's CEO. Presumably, this commitment satisfies the industrial customers concern.

E. EXISTING EVIDENCE

The industrial customers ask that the confidential information currently on file in the attorneys offices be maintained and delivered to the Commission in a confidential format to be preserved under seal by the Commission for use by the parties in subsequent proceedings. The DPU and CCS take no position on whether confidential information needs to be delivered to the PSC in order to be preserved. We would presume that the company would commit to preserving documentation provided in discovery in this proceeding. Such a commitment has already been made for the tax savings issue. The DPU and CCS would have no objections to a condition in the merger order requiring the company to maintain copies of the material provided in discovery in this proceeding for use in future proceedings.

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[13]This is based on the assumption that the industrials' proposal only deals with access in connection with proceedings in which they are involved. Of course, the DPU and CCS have additional rights to access company employees and information at other times. The company also has obligations to provide information to the DPU and CCS that it is not obligated to provide to the industrials.

F. STRANDED COST

The industrial customers ask the Commission to require a condition of the merger that PacifiCorp and Scottish Power renounce any future claim to stranded costs. This renunciation arises because of the premium paid by Scottish Power for PacifiCorp's stock. There appear, however, to be two issues raised by stranded cost. One has been resolved, the second has not. The first issue relates to whether the premium can be collected in a stranded cost calculation and thus end up in rates indirectly through stranded costs. Paragraph 26 of the Stipulation states that any premium paid by Scottish Power for PacifiCorp's stock will be disregarded for rate making purposes. This has been interpreted by Scottish Power to include an attempt to calculate the premium in a stranded cost calculation.

Because of the premium paid, the industrial customers wish to have the Commission provide a condition requiring Scottish Power and PacifiCorp to renounce any future claim for stranded cost. The DPU and the CCS have taken the position that issues surrounding restructuring should not be resolved in this proceeding. In other words, the argument that the premium reduces or eliminates the stranded cost of PacifiCorp, should be left for another day. This is not to say that the DPU and CCS disagree with the merits of the industrial customers' argument. However, the DPU and CCS do not believe that this merger case is the proper forum to resolve the complexities attendant to the stranded cost issue. If the argument of the industrial customers has value, it will exist in the future as well as today.

G. REGIONAL TRANSMISSION ORGANIZATION (RTO)

In this condition the industrial customers are attempting to have the Commission resolve whether and to what extent the company should join an RTO. The DPU and CCS believe that this restructuring issue should be left for another forum. A proceeding currently exists before FERC looking into RTO's. There does not appear to be any direct relationship between the merger and the creation of an RTO. Therefore, it appears that this issue fails to meet the Commission's test of showing a direct relationship between the merger and the proposed condition. FERC, the entity with jurisdiction over such matters, has rejected the industrials' arguments for required RTO participation as a condition of the merger.

H. SPECIAL CONTRACTS

Most, if not all, of the special contracts expire prior to the end of the merger credit period. Claiming uncertainty about renewal of those contracts on Scottish Power's part, the industrial customers have requested that the Commission automatically allow extensions of those contracts through the end of the rate credit period.[14] There are two different approaches to the industrial customers' proposal. If an agreement cannot be reached extending the contract, then the customer can ask the Commission to mediate the agreement, or failing agreement in mediation to appoint an arbitrator to establish appropriate rates, terms and conditions for the contract extension. In other words, the Commission could order an extension of the contract absent PacifiCorp's agreement. The second approach allows the customer to terminate a special

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[14]They have outlined their proposal on page 8-9 of their August 2, 1999 submission of comments on the proposed Stipulation. These comments were signed by all three industrial interveners. Mag Corp filed separate comments.

contract extension upon twelve (12) months notice if access becomes available during that period. In addition, if it is determined that a contract cannot be extended on rates, terms and conditions substantially similar to those in existence, then PacifiCorp will not oppose efforts by that special contract customer to obtain service from alternative sources available under existing law. The main reason the industrial customers wish to condition the merger on an extension of their special contracts appears to rest on two different areas. First, they express uncertainty about the approach Scottish Power will take with special contracts. Second, they argue that they should receive the same rate protections being granted to other customers through the merger credit.

The issue of special treatment for special contract customers came up in the PacifiCorp / Utah Power & Light merger in 1988. In that case the industrial customers claimed that they would be harmed because the merged company planned to increase off – systems sales. The argument was that if these sales are made, the excess capacity which would otherwise be available to serve these interruptible customers, and upon which their rates are based, would be diminished, arguably subjecting them to greater likelihood of economic interruptions.[15] The decision of the Commission in that docket is instructive in this case. In that case the Commission held:

> The interruptible customers have asked that the merger be conditioned on the provision of a higher priority for their customers over off system firm sales. The Commission will not alter the contracts for interruptible customers, as a condition of the merger by providing a higher priority than was originally negotiated, signed by the parties, and approved by the Commission. We will provide the opportunity for this issue to be

[15]Docket 87-035-27 p.79. See cross exhibit 18.

> addressed in future proceedings, including any proceeding resulting from the cost-of-service filing in this case. We note, as a general observation, that in this era of increased competition and low energy prices, the industrial customers have other options for power supply such as co- and self- generation which they have been able to use to some advantage in negotiating power contracts with the company. It is therefore unlikely that these customers will be left "holding the bag" after the merger is consummated. In addition, the Commission has another proceeding in which a task force has been looking at the general issue of incentive rates. Whether or not the merger is consummated, the Commission intends to press forward with this proceeding and the interruptible industrial customers will be given full opportunity to present their case as to the value of incentive rates to Utah and Utah customers. The Commission further acknowledges that the responsibility to determine just, reasonable, fair and equitable rates for and among the industrial and all customers. One customer should not get preferential treatment over others.[16]

The similarity between this case and the past merger case are striking. A task force exists today looking at the appropriate criteria for extensions of these contracts beyond their current period. It is anticipated that a report from that task force will be submitted to the Commission by the end of the year.

The DPU and CCS do not oppose extensions of these contracts if they are in the public interest. In other words, the DPU and CCS do oppose the automatic extension of these contracts unless they are submitted for approval to the Commission and pass muster showing that they continue to be in the public interest under the standards and criteria adopted by the Commission at that time. Conditions may have changed since these contracts were initially signed.[17]

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[16] 87-035-27 p.81-82. See cross exhibit 18.

[17] The contracts all differ. When the contract was originally signed differs between the various contracts. The right of interruption differs. Some are firm. Some have price escalators, some do not. They cannot be treated as a uniform group.

Therefore, any extension of these contracts should be approved by the Commission in light of current conditions and the criteria established by the Commission to assess the reasonableness of contract prices, terms and conditions.

In paragraph (c) on page 9 of the industrial customers comments, they ask that the Commission allow any party to terminate a special contract extension if reasonable access to competitively priced power becomes available because of a **change** in federal or state laws. As with other restructuring issues, the DPU and CCS do not believe it should be resolved in this proceeding. If federal and state laws change, those laws may deal with the termination rights of existing contracts. Absent such a change in the law, the Commission in this proceeding should not impose a contractual condition on contract extensions that may or may not comport with federal or state statutes that are passed at some point in the future.

The industrial customers also ask in paragraph (d) that if a special contract cannot be extended on the same terms and conditions as an existing contract, then PacifiCorp will not oppose efforts by that special contract customer to obtain service from alternative sources available under existing laws. It seems unreasonable for the Commission to require PacifiCorp to waive any legal rights it may have. This is particularly true because it may not be in the public interest to extend the contract on the same terms and conditions that existed when the contract was originally entered into. Conditions may have changed so that the existing terms and conditions may no longer be warranted. Finally, it does not seem that PacifiCorp has the authority absent Commission approval to allow some other utility to serve a customer in their certificated service area. These issues appear to relate more to restructuring the industry and not

to the merger. PacifiCorp appears to have an obligation to provide service to these customers who are located in their service area. That service should be provided at just and reasonable, not discriminatory rates. Failure to reach an agreement with these customers on extension may require bringing issues to the Commission which will need to be resolved. However, forcing mediation and arbitration as a means of resolving these yet-to-be determined issues is not warranted.

In final rebuttal testimony, Scottish Power did respond specifically to the concerns of the industrial customers. These commitments should at least somewhat satisfy the concerns of the industrial customers. They include:

A. All existing contracts will be honored;

B. PacifiCorp will allow Scottish Power representatives to join the PacifiCorp negotiating teams before completion of the merger;

C. All contracts will be negotiated in good faith;

D. All negotiations will commence as early as practicable and be completed promptly understanding the need for customers to pursue alternatives;

E. In negotiating these contracts, Scottish Power will recognize the contribution these customers make to the economic well-being of Utah;

F. The contracts will be negotiated in accordance with Commission rules in effect at the time.[18]

CONCLUSION

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[18]TR 1487-88.

The DPU and CCS recommend that the merger be approved with the conditions outlined in the Stipulation. We have no objection to the Stipulations with the Office of Energy and Resource Planning/Land and Water Fund and the Salt Lake CAP. We also do not object to the letter agreement between Scottish Power and the Department of Community and Economic Development. We understand that no request for approval is sought on the Deseret Stipulation.

DATED this 3rd day of September, 1999.

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CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing Joint Brief of the Division of Public Utilities and Committee of Consumer Services to be served upon the following persons by mailing a true and correct copy of the same, postage prepaid, to the following on the 3rd day of September, 1999:

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