

Based on Applicants' undertakings in the Stipulation, and in reliance upon those undertakings, Deseret and the Members have agreed to recommend that the Commission approve the Application.

As noted in the Stipulation, Deseret and the Member Cooperatives continue to discuss with PacifiCorp various issues relating to the reliability, efficiency, and cost of assuring adequate electric service to rural areas of the state. In a few parts of the state isolated segments of PacifiCorp's service area are virtually surrounded by Cooperatives' service territory. Where that is the case there exists legitimate opportunity to reduce overall cost and boost reliability of service through sensible reallocation of responsibility to those local Cooperatives that are more intensely invested in serving local communities and the sparsely populated surrounding areas. In other places, needed maintenance and improvements must be made to existing PacifiCorp facilities on which both Deseret and PacifiCorp customers currently depend. As appropriate, Deseret and the Cooperatives will request the assistance and oversight of the Commission with respect to any issues of this nature which cannot be fairly addressed by the parties through good faith negotiation.

CONCLUSION

Deseret and the Cooperatives do not necessarily concur with all of the expressed opinions or the testimony of the witnesses proffered by the Applicants, nor with certain of the opinions expressed by Division witnesses in support of the merger. The position Deseret has taken in support of the merger is based in reliance upon the

good faith adherence by the Applicants to the undertakings set forth in the Stipulation.

Pursuant to the terms of the Stipulation, the Cooperatives will continue to work diligently to ensure that no potential adverse consequences of the merger attend or fall upon those Utah residents which they serve.

DATED this 3rd day of September, 1999.

David F. Crabtree,
Counsel for Deseret and its Members

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this ____ day of September 1999, to the following:

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