



State of Utah

DEPARTMENT OF COMMERCE

Michael O. Leavitt
Governor

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Executive Director

Lowell E. Alt Jr.
Division Director

DIVISION OF PUBLIC UTILITIES

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MEMORANDUM

February 20, 2002

TO: Mr. D. Douglas Larson
Vice President, Regulation
PacifiCorp
201 South Main Street, Suite 2300
Salt Lake City, Utah 84140

FROM: UTAH DIVISION OF PUBLIC UTILITIES
Lowell E. Alt, Director
Judith Johnson, Manager - Energy Section
Mark V. Flandro, Utility Analyst

RE: SCOTTISH POWER/PACIFICORP MERGER DOCKET NO. 98-2035-04,
DIVISION OF PUBLIC UTILITIES REQUEST FOR STATUS OF
COMPLIANCE WITH MERGER CONDITIONS AGREED TO AND
ORDERED BY THE UTAH PUBLIC SERVICE COMMISSION'S ORDER
OF NOVEMBER 23, 1999

Dear Doug:

It has been over two years since the approval in Utah of the corporate merger between Scottish Power and PacifiCorp. The Division has spent some time attempting to determine whether specific Merger Conditions have been met that PacifiCorp and Scottish Power agreed to as part of the merger. As we have reviewed each of the merger conditions, we find that we have some compliance status information on some of the specific conditions and we find that we need more information on others. This letter is written to request that PacifiCorp provide the Division the current status of compliance with each of the merger conditions and stipulations Ordered in the Utah Public Service Commission's November 23, 1999 Order in Docket No. 99-2035-04. The Division is very interested in this information and will make a report to the Commission after evaluating PacifiCorp's status response.

To assist PacifiCorp in complying with this request, the attached file lists all of the Ordered specific merger conditions and second party stipulations/letter agreements individually, each followed by a "*Compliance Status*" section where the compliance status for each condition

or stipulation can be provided. On many of the conditions/stipulations/letter agreements, we have indicated our current understanding of the status and we ask you to verify our understanding statements and correct or add to the information as necessary. On other conditions/stipulations, we do not know or cannot confirm the compliance status and thus are relying on PacifiCorp to provide the accurate status information statement.

Condition 1, an extensive condition running about 19 pages in our attachment, stems from Mr. Alan Richardson's Supplemental Testimony Exhibit AVR-1 some of which is somewhat repeated in subsequently numbered Conditions, so rather than answering the same condition twice, compliance status statements can be or are cross referenced from one condition to the other as appropriate. (Please note that the information on Condition 1 is lengthy and that Conditions 2, 3, etc really do follow-on starting on about page 19).

We realize that there is a great amount of work on other Dockets underway, but we request that PacifiCorp take the time to provide this merger condition compliance data to Utah regulators in a timely manner. We would hope to have your data response by the end of March 2002 so the Division can provide its report to the Commission by the end of April 2002.

Please direct any questions regarding this request to Mark Flandro, 801-530-6788 or Judith Johnson, 801-530-6649.

Attachment: DPU Review of Merger Conditions Compliance, February 2002 View

C: Ted Boyer, Executive Director
Utah Public Service Commission
Michael Ginsberg, Utah AG Office
Roger Ball, CCS
Dan Gimble, CCS
Wes Huntsman, DPU Customer Service

Mission Statement

"To promote the public interest in utility regulation and work to assure that all utility customers have access to safe, reliable service at reasonable prices."