

F. ROBERT REEDER (2710)
VICKI M. BALDWIN (8532)
PARSONS BEHLE & LATIMER
Attorneys for UIEC, an Intervention Group
One Utah Center
201 South Main Street, Suite 1800
Post Office Box 45898
Salt Lake City, UT 84145-0898
Telephone: (801) 532-1234
Facsimile: (801) 536-6111

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of MIDAMERICA ENERGY HOLDING COMPANY and PACIFICORP dba UTAH POWER & LIGHT COMPANY for an order authorizing proposed transaction	DOCKET NO. 05-035-54 MERGER CONDITIONS PROPOSED BY THE UTAH INDUSTRIAL ENERGY CONSUMERS
---	---

Pursuant to the agreement between the parties to the above-captioned docket, the group of electrical power customers referred to in this docket for convenience only as the Utah Industrial Energy Consumers (“UIEC”) proposes that the following Commitments be imposed as merger conditions in this proceeding.

A. Activities Only To Be Undertaken with Utah Public Service Commission Approval

The following activities should only be allowed to be undertaken after receiving the approval of the Utah Public Service Commission (“Commission”):

1. Tax Sharing: PacifiCorp and its affiliates should file with the Commission any and all tax sharing agreements and such tax sharing agreements should be subject to Commission approval. These agreements should also be open and available to the public upon request.

2. Corporate Services Agreements: As a result of the withdrawal of the Servco proposal, PacifiCorp and its affiliates should execute new corporate services agreements, which should be filed with the Commission for approval. Any and all corporate service agreements should also be open and available to the public upon request.

3. Dividends: If dividends are to be paid by PacifiCorp, the Commission should approve the appropriateness of this activity.

4. Transfers: No transfers of PacifiCorp assets, officers, or personnel to any affiliate will occur without prior approval of the Commission.

5. Pensions: The allocation of pension assets between PacifiCorp and ScottishPower should be approved by the Commission.

B. Covenants To Be Undertaken by MECH/PacifiCorp

1. The intermediate holding company holding the PacifiCorp shares will not issue any debt, nor assume any debt, nor guarantee an obligation of any person/entity/affiliate.

2. The books and records of the intermediate holding company will be open and available to the Commission and parties to proceedings involving PacifiCorp.

3. The intermediate holding company will be equity funded.

4. The proceeds of any financings by PacifiCorp will be used only for the corporate purposes of PacifiCorp and will not be distributed via dividends or other distributions.

5. The internal approval process of projects will remain as outlined in the application unless approval for modification is obtained from the Commission.

6. There will be maintained in Utah a corporate executive presence with decision making authority for matters that affect Utah ratepayers.

7. Expense limits will be set for expenses between PacifiCorp and affiliates such that PacifiCorp will pay the lower of market or cost when an affiliate provides it services and the affiliate will be charged the higher of market or costs when PacifiCorp provides services to affiliates.

8. PacifiCorp will not issue any debt, nor assume any debt, nor guarantee the debt of any affiliate, person, or entity except in the ordinary course of the retail electric supply business.

C. Enforcement

There must be a method for enforcement of the adopted commitments and the already promised commitments that will ensure compliance. A fine is inadequate because a business decision may be made that the cost of the fine is merely a cost of doing business. Also, fines do not provide relief to the ratepayers. The enforcement must provide a solution to the non-compliance, not create additional investigatory proceedings. One method of enforcement could be that a regulatory agency assume performance of the activity.

DATED this _____ day of September, 2005.

F. ROBERT REEDER
VICKI M. BALDWIN
Attorneys for UIEC, an Intervention Group

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of September, 2005, I caused to be e-mailed and/or mailed, first class, postage prepaid, a true and correct copy of the foregoing **MERGER CONDITIONS PROPOSED BY THE UTAH INDUSTRIAL ENERGY CONSUMERS**, to:

Edward Hunter /Jennifer Horan
STOEL RIVES LLP
Attorneys for PacifiCorp
201 South Main Street Suite 1100
Salt Lake City, Utah 84111
jhmartin@stoel.com
eahunter@stoel.com

Michael Ginsberg
ASSISTANT ATTORNEY GENERAL
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
mginsberg@utah.gov

PacifiCorp Data Request Response Center
825 NE Multnomah, Suite 800
Portland, OR 97232
Datarequest@pacificorp.com

Barry.bell@pacificorp.com

Reid Warnick
ASSISTANT ATTORNEY GENERAL
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
rwarnick@utah.gov

Andrea L. Kelly
Managing Director – Strategy
PacifiCorp
825 NE Multnomah, Suite 956
Portland, Oregon 97232
Andrea.kelly@pacificorp.com

Douglas L. Anderson
Senior Vice President & General Counsel
MidAmerican Energy Holdings Company
302 S. 36th Street, Suite 400
Omaha, Nebraska 68131
danderson@midamerican.com

Mark C. Moench
Senior Vice President – Law
MidAmerican Energy Holdings Company
201 South Main, Suite 2300
Salt Lake City, Utah 84111
mcmoench@midamerican.com

Dennis Miller
Division of Public Utilities
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
dennismiller@utah.gov

William Powell
Division of Public Utilities
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
WPowell@utah.gov

Cheryl Murray
Committee of Consumer Services
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111
cmurray@utah.gov

Gail E. Moschini
Assistant to Vicki M. Baldwin