



ERMAN H. BANGERTER
GOVERNOR

Public Service Commission of Utah

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August 3, 1987

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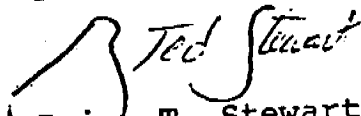
Frank Davis, President
Utah Power & Light Company
P.O. Box 899
SLC, UT 84110

Dear Mr. Davis:

We have begun our analysis of the public interest implications of a hypothetical potential merger of Utah Power with another entity. We have just learned of your active negotiations concerning merger and recognize that if these negotiations come to fruition, any merger proposal would have to be brought to us for state regulatory approval. We are undertaking preparatory work now because we do not want to be forced to exercise our authority subject to the pressure of the momentum of events or to claims of special urgency.

We appreciate your offer of cooperation and will be requesting all information we think necessary to gain a full understanding of the public interest implications of a Utah Power merger. Should we be called upon to approve such an arrangement, your timely cooperation in the provision of information will be mutually beneficial. It will be helpful to receive the results of studies as well as the criteria that will guide your decisions as soon as possible.

Sincerely,


Brian T. Stewart
Chairman

cc: DPU - Ralph Creer
CCS - Joseph Ingles