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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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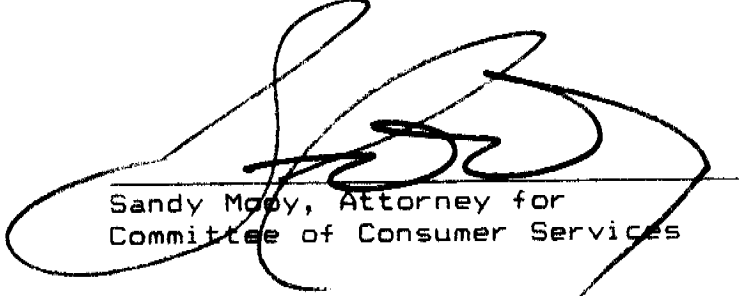
In the Matter of the Application of
 Utah Power & Light Company and
 PC/UP&L Merging Corp. (to be renamed
 PacifiCorp) for an Order Authorizing
 the Merger of Utah Power & Light
 Company and Pacificorp into PC/UP&L
 Merging Corp. and Authorizing the
 Issuance of Securities, Adoption of
 Tariffs, and Transfer of
 Certificates of Public Convenience
 and Necessity and Authorities in
 Connection Therewith.

UTAH PUBLIC NO. 87-035-27
 SERVICE COMMISSION
 POSITION STATEMENT OF THE
 COMMITTEE OF CONSUMER SERVICES

The Committee of Consumer Services, pursuant to the Commission's Prehearing Conference Order, hereby indicates that its participation in this proceeding will be on those matters/issues which will arise due to the proposed merger that affect the residential and small business customers of Utah Power and Light Company's service area in the State of Utah.

Due to the limited information which is presently available to the Committee of Consumer Services, it is presently unable to indicate its position on such matter/issues.

Dated this 15th day of October, 1987.



Sandy Moby, Attorney for
 Committee of Consumer Services

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UTAH PUBLIC SERVICE COMMISSION
BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)	
OF UTAH POWER & LIGHT COMPANY,)	
PACIFICORP dba PACIFIC POWER &)	STATEMENT OF POSITION
LIGHT COMPANY, AND PC/UP&L)	OF UTAH ASSOCIATED
MERGING CORP. (TO BE RENAMED)	MUNICIPAL POWER SYSTEMS
PACIFICORP) FOR AN ORDER)	AND WASHINGTON CITY
AUTHORIZING THE MERGER OF UTAH)	
POWER & LIGHT COMPANY AND)	
PACIFICORP INTO PC/UP&L MERGING)	
CORP. AND AUTHORIZING THE)	
ISSUANCE OF SECURITIES, ADOPTION)	
OF TARIFFS, AND TRANSFER OF)	Case No. 87-035-27
CERTIFICATES OF PUBLIC)	
CONVENIENCE AND NECESSITY AND)	
AUTHORITIES IN CONNECTION)	
THEREWITH.)	

Pursuant to the Prehearing Conference Order issued October 6, 1987 in the captioned matter, the Utah Associated Municipal Power Systems ("UAMPS") and Washington City ("Washington") hereby submit this statement of position in connection with the Notice of Intervention filed by UAMPS and Washington on October 13, 1987. UAMPS and Washington have set forth below the major issues of concern to them in the matter and their position on those issues.

MAJOR ISSUES

1. Issue: Should the merger affect pending wheeling requests by third parties?

Position on Issue: This issue has been raised by Utah Power & Light Company ("UP&L") in a response to a firm wheeling request by Washington for UP&L to wheel Idaho Power Company resources to Washington. Attached as Exhibit "A" is a photocopy of a letter from F. N. Davis of UP&L dated August 21 to Mayor Robert Slack of Washington citing the merger as a reason for denial of the request by Washington.

The position of UAMPS and Washington on this issue is that the merger should not operate to preclude wheeling for third parties.

2. Issue: Should third parties be able to participate in the benefits of additional transmission construction by UP&L and/or the merged entity?

Position on Issue: The application and prefiled testimony of UP&L indicate that there will be a significant increase in transmission investment once the merger is consummated. The new transmission investment will result in a significant increase in the capacity of existing portions of the UP&L transmission system interconnecting Utah with other utilities. The Commission has already addressed some concerns regarding access to UP&L transmission in its March 3, 1987 Report and Order Authorizing Interim Solution to Southwest Utah Transmission Capacity Requirements in Case No. 85-2011-01, et al. In that case, the Commission invited

proposals for the sale by UP&L of partial ownership of segments of its transmission system in southwest Utah.

UAMPS and Washington suggest that the Commission include as a condition of approval of the merger a similar mechanism to provide the opportunity for other utilities in the State of Utah to participate in the benefits of new transmission construction, including increased capacity in the existing Utah transmission system resulting from new transmission construction.

3. Issue: Should access to UP&L transmission by third parties be facilitated in order to assure that competitive pressures will keep the costs of wholesale purchases at a reasonable level?

Position on Issue: The merger will result in an extremely large integrated utility system. Without assurance of transmission access by third parties, including other private utilities, the ability of UAMPS' members and Washington to compete for lowest cost reliable resources to supply their resident ratepayers may be considerably diminished by the merger, if not eliminated entirely. The Commission should take steps to ensure that the merger does not result in diminished ability of Utah municipal power systems to compete for wholesale power supplies.

4. Issue: Should the wheeling policy filed with the Commission by UP&L be changed?

Position on Issue: The merger will dramatically increase the number of interconnections by UP&L with other utility systems. Therefore, it would be appropriate to change the wheeling policy to include an obligation by UP&L to wheel if power can be brought to some or all of the interconnection points with the UP&L transmission system.

5. Issue: Will the merger affect existing wholesale, transmission, and accounting agreements, and current operational and scheduling procedures between UP&L and UAMPS, its members, and Washington?

Position on Issue: The Commission should ensure that the merger will not adversely affect the ongoing contractual and operational arrangements between UP&L and the municipal systems in Utah.

6. Issue: Will the change in management structure occasioned by the merger affect ongoing and future negotiations between UP&L and third parties such as UAMPS, its members, and Washington?

Position on Issue: The Commission should ensure that the authority to negotiate and make decisions on behalf of UP&L is clearly delineated after the merger. UAMPS, its members, and Washington are engaged in a continuing series of discussions on a wide variety of issues affecting their systems. The merged corporation should be encouraged by the

Commission to allow Utah management to make the significant decisions needed to address these issues.

7. Issue: How will the merger affect the relationship of UP&L and/or PacifiCorp with entities and organizations of which UP&L and/or PacifiCorp is a member?

Position on Issue: The merger may significantly alter the interests of UP&L and PacifiCorp in a number of organizations and groups of which UAMPS, its members, and/or Washington are also participants. Examples of such organizations are the Intermountain Power Agency and working committees relating to the planning and construction of major regional transmission lines such as the Craig to Bonanza line, the 345 kV southwest Utah line, the Inland Intertie, and the IPP to McCullough 500 kV AC line. Given the dramatic shift in the ability of UP&L and PP&L to take advantage of various markets for wholesale power, their positions in these various projects may dramatically change. This will have a significant impact upon other utilities, including UAMPS, its members, and Washington.

DATED this 15th day of October, 1987.

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the within and foregoing Statement of Position of Utah Associated Municipal Power Systems and Washington City to be delivered this 15th day of October, 1987 to the following:

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F. N. DAVIS
 President and
 Chief Executive Officer

August 21, 1987

Mayor Robert Slack
 City of Washington
 85 East 100 North
 P. O. Box A
 Washington, Utah 84780

Dear Mayor Slack:

We have had an opportunity to review your letter dated July 6, 1987, requesting that UP&L wheel power and energy from Idaho Power Company to Washington City and have considered the request in light of the Company's recent merger proposal with PacifiCorp. One of the substantial benefits of the merger to the companies and their customers will be the joint scheduling or dispatching of resources utilizing the UP&L-PP&L transmission facilities. Additionally our northern interconnections have been, on occasion, fully utilized in the past. Phase shifters will be installed in Western Colorado next year by the Western Area Power Administration increasing the flow on our northern interconnections and we anticipate at times the UP&L-PP&L northern interconnections will be fully loaded as a consequence of the joint operation of the two systems. Accordingly, UP&L is not in a position at this time, without detriment to itself and its customers, to provide the firm wheeling services requested. The Company will, however, as we have previously indicated, provide firm wheeling service to Washington City in accordance with our filed wheeling policy at FERC approved rates.

I've asked Mr. Bohling to expedite processing of any request for wheeling consistent with the Company's wheeling policy so as not to delay Washington's target date to begin the municipal operation of its electrical system.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. N. Davis", written over a horizontal line.

F. N. DAVIS

FND:hlr

cc: V. R. Topham
 J. A. Bohling
 T. W. Forsgren