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UTAH PUBLIC
SERVICE COMMISSION

Attorneys for Intervenors Coastal
States Energy Company, Beaver Creek
Coal Company, Cyprus Coal Company
and Andalex Resources, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

Coastal States Energy Company, Beaver Creek Coal
Company, Cyprus Coal Company and Andalex Resources, Inc. (the
"Utah Independent Coal Companies") hereby give Notice pursuant to
Rule R750-1-6-1 of the Rules of Practice and Procedure of their
request to intervene in this proceeding. As set forth below,
each of said companies has a direct and substantial interest in
the proceeding and will be directly and substantially affected by
its outcome.

1. The Independent Coal Companies are substantial industrial customers of Utah Power & Light. Their combined purchases of electric power during 1987 are expected to exceed \$4,000,000.

2. Each of the Utah Independent Coal Companies owns and operates one or more coal mines in the State of Utah. Said companies produced and sold approximately 5.6 million tons of Utah coal in 1986, sixty-two and one-half percent (62.5%) of which was used for the generation of electric energy.

3. Utah Power & Light Company ("UP&L") owns and operates coal-fired electric generating plants in Utah and Wyoming. Approximately ninety-two percent (92%) of its electric energy capacity is from coal-fired plants. UP&L also owns and operates coal mines situated in the State of Utah, including the Deer Creek, Des-Bee-Dove, Wilberg and Cottonwood mines.

4. PacifiCorp owns or owns interests in coal-fired generating plants in Wyoming, Montana and Washington. Approximately seventy-nine percent (79%) of its electric energy is produced by coal-fired plants. PacifiCorp also owns, operates and/or has a substantial interest in coal mines situated in, among other states, Wyoming and Washington.

5. The proposed merger, if accomplished, would result in a company which is both the single largest supplier of coal and the single largest consumer of coal, not only in Utah, but in the western United States. This would have a direct, substantial, and adverse effect on the demand for Utah coal, on

the Utah Independent Coal Producers, and on the Utah coal industry generally.

6. Issues relating to utility-owned or "captive" coal operations have been and continue to be of great concern to the Commission. Actual and potential abuses, excessive costs, and other problems resulting from such arrangements have been addressed by the Commission in both the Simonelli matter, Case No. 84-035-12, and the Least-Cost-Methods matter, Case No. 86-035-20. Such issues are a proper and important part of the Commission's analysis of the proposed merger. The participation of the Utah Independent Coal Companies will thus assist the Commission and will not broaden the issues in the proceeding.

7. The proposed merger is anti-competitive and would substantially lessen the market for coal in the western United States.

8. The interests of the Utah Independent Coal Companies are unique and will not be adequately represented during this proceeding by other parties.

9. In accordance with the Commission's Prehearing Conference Order of October 6, 1987, the Utah Independent Coal Companies will file a written statement further detailing their position and identifying the issues as to which they propose to participate in the proceeding.

RESPECTFULLY SUBMITTED this 13th day of October, 1987.

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By 

Gregory P. Williams

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Company, Beaver Creek Coal
Company, Cyprus Coal
Company, and Andalex
Resources, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the persons shown on Exhibit A by mailing a copy thereof, properly addressed and postage prepaid.

DATED at Salt Lake City, Utah, this 13th day of October, 1987.

Kevin S. Pettyman

EXHIBIT A

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