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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)
 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.)

WITHDRAWAL OF TESTIMONY
 OF ANTON TONC AND
 MOTION TO TAKE
 ADMINISTRATIVE NOTICE

Case No. 87-035-27

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April 27, 1988

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IN THE MATTER OF THE APPLICATION)	
OF UTAH POWER & LIGHT COMPANY,)	
AND PC/UP&L MERGING CORP. (TO BE)	WITHDRAWAL OF TESTIMONY
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POWER & LIGHT COMPANY AND)	ADMINISTRATIVE NOTICE
PACIFICORP INTO PC/UP&L MERGING)	
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PUBLIC CONVENIENCE AND NECESSITY)	Case No. 87-035-27
AND AUTHORITIES IN CONNECTION)	
THEREWITH.)	

The Utah Associated Municipal Power Systems and Washington City (hereinafter collectively "UAMPS") hereby withdraw the prefiled testimony of Anton Tonc filed in the captioned matter on April 11, 1988 for the following reasons:

1. On April 19, 1988, the Applicants filed their Initial Brief in the Federal Energy Regulatory Commission proceeding on the merger (Docket No. EC88-2-000).
2. Appendix B to the Initial Brief of Applicants contains the Applicants' proposed conditions on approval of the merger, including Applicants' proposed Wheeling Policy. A photocopy of Appendix B is attached as Exhibit No. UAMPS 1.0, and by this reference made a part hereof.
3. Section VIII of the Wheeling Policy incorporates the most important elements of the conditions proposed by UAMPS in Mr. Tonc's prefiled testimony.

4. If the record in the hearings before this Commission warrants, UAMPS will argue in its brief and/or closing arguments before the Commission in the captioned matter that the evidence supports a Commission order incorporating all or parts of Applicants' proposed conditions as set forth in the attached Exhibit A.

5. UAMPS is not withdrawing as a party to the captioned matter and will continue to participate in the captioned matter in order to protect its interests as they may arise.

UAMPS hereby moves that the Commission take administrative notice of Exhibit No. UAMPS 1.0 so that it becomes part of the record in the captioned case.

DATED this 27th day of April, 1988.

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the within and foregoing WITHDRAWAL OF TESTIMONY OF ANTON TONC AND MOTION TO TAKE ADMINISTRATIVE NOTICE to be hand delivered this 27th day of April, 1988 to the following:

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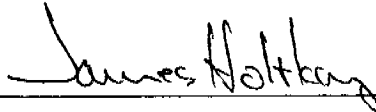
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APPLICANTS' PROPOSED CONDITIONS

Without conceding either the authority of the Commission to impose such conditions or the adequacy of the record to justify such conditions, the Applicants will not object to the following conditions:

1. The Merged Company shall adopt the Wheeling Policy set forth in Exhibit 1 hereto as of the date the merger becomes effective, and the Merged Company shall agree that (a) this Commission shall be authorized to resolve disputes arising under the Policy, but not to alter, modify or enlarge that Policy without the consent of the Merged Company, and (b) no material change shall be made in the Policy without prior approval by this Commission.

2. As of the effective date of the merger, the UP&L Division wholesale Fuel Adjustment Clause (FAC) shall be frozen at 13 mills, subject to refund, until approved allocation procedures are applied to the FAC. Within one year of the effective date of the merger, the Company shall file with the Commission any necessary modifications to the FAC.

3. Firm wholesale rates for the UP&L Division shall be reduced 2%, effective 60 days after the effective date of the merger, and shall remain in effect until approved allocation procedures are applied to the wholesale FAC.

4. An allocated cost of service study equivalent to Statement BK (18 C.F.R. § 35.13(h)(36)) shall be filed for the wholesale rates of the UP&L Division within nine months of the effective date of the merger. Such an allocated cost of service study shall be filed annually thereafter upon the request of the Commission. If such a study demonstrates a rate decrease is justified, such a decrease will be filed.

5. Rates for firm transmission services provided by UP&L just prior to the effective date of the Merger of UP&L and PacifiCorp shall not be increased over levels established in FERC Docket ER84-571 for a period of ten years after the Merger, insofar as such increase may be caused by rolling in all or a portion of the costs of transmission facilities located in the pre-merger Pacific system. However, nothing herein shall prevent the Merged Company from adopting a rolled-in method of cost allocation at any time, or increasing firm wheeling rates after the merger, to the extent that the increase reflects increased costs of service that would be indicated using the cost allocation methods approved in Docket No. ER84-571.

6. Within the first year following the Merger, the Merged Company shall file with the FERC a cost-of-service study for the UP&L Division that shows, inter alia, the costs of providing service, including a transmission loss factor, under its contracts for firm wheeling service. If the cost-of-service study shows a decrease from the cost-of-service study supporting the then-effective wheeling rates for such contracts, the Merged Company shall file for a rate decrease to reflect such lower costs. The same procedures shall be followed with respect to any later cost-of-service studies the Merged Company files with the FERC within five years of the effective date of the Merger.

7. In any cost-of-service study applicable to wheeling service by the UP&L Division that is filed with the FERC within five years of the effective date of the merger, the Merged Company shall apply the method of allocating revenue credits to wheeling service utilized by UP&L in Docket No. ER84-571.

WHEELING POLICY

Following is the wheeling policy (Policy) of PacifiCorp (Company). The Policy shall be put in effect on the effective date of the merger of Utah Power & Light Company (Utah Power) and Pacificorp and shall remain in effect for at least five years. Any amendments of the Policy proposed by the Company will be submitted to the Federal Energy Regulatory Commission (FERC) for review and approval.

I. DEFINITIONS

As used herein, the following terms shall have the following meanings:

1. "Embedded Costs" means the actual fixed and variable costs associated with transmission facilities calculated in accordance with established FERC regulations.
2. "Firm Wheeling" means a contractual obligation to stand ready to transmit power and energy up to a specified amount for a specified term, subject to such interruptions as are agreed to between the contracting parties to maintain system reliability.
3. "Integrated Service Area" means a geographic area of the Company's system within which it is generally unconstrained in its ability to respond to requests to transmit power in the quantities that can be reasonably expected. A listing of the Company's Integrated Service Areas is attached hereto.
4. "Net Power Costs" means the Company's purchased power, wheeling and use-of-facilities expenses, and variable generation costs, less sale-for-resale revenues, determined on an operating year basis.
5. "Non-firm Wheeling" means transmission service that is interruptible at the sole discretion of the Company, or interruptible for any reason other than system reliability as agreed to between the contracting parties.

6. "Opportunity Costs" means the loss of economic benefits measured by any increase in the Company's Net Power Costs caused by providing Firm Wheeling service, not including lost benefits associated with the loss of the sale of firm power by the Company that is displaced by the power being transferred pursuant to this Policy.

7. "Point of Delivery" means the point at which power wheeled by the Company is received by another Utility.

8. "Point of Replacement" means the point at which the Company takes delivery of power to be wheeled for another Utility.

9. "Source" means the Mona Substation or any facility that generates electricity located within an Integrated Service Area.

10. "Transmission Dependent Utilities" means Deseret Generation and Transmission Co-operative, Utah Associated Municipal Power Systems, Inc. and its present members, and the present members of the Utah Municipal Power Association.

11. "Utility" means any public or private entity that is lawfully engaged in the business of selling electricity at wholesale or retail.

II. EXISTING CONTRACTS

All transmission contracts to which Utah Power or Pacific Power & Light Company were parties as of the effective date of this Policy shall be honored by the Company for their remaining term.

III. FIRM WHEELING WITHIN AN INTEGRATED SERVICE AREA

When both the Source and Point of Delivery are within one of its Integrated Service Areas, the Company will provide Firm Wheeling service for a requesting Utility as a matter of course unless the amount of power to be wheeled exceeds the engineering limitations of the Company's system.

The rate for Firm Wheeling service provided pursuant to this Paragraph III will be designed to recover an allocated portion of either system embedded cost or an allocated portion of the embedded cost of the facilities used to provide the requested service.

To the extent additions to the Company's transmission facilities are necessary to provide Firm Wheeling within an Integrated Service Area, and are technically feasible, the Company will construct such additions if sufficient lead time is provided and a contract term is agreed upon that is adequate to economically support the facilities required.

IV. FIRM WHEELING SERVICE INTO, OUT OF, OR THROUGH AN INTEGRATED SERVICE AREA

When either or both the Point of Replacement or the Point of Delivery are not internal to a single Integrated Service Area, the Company will determine, on a case-by-case basis, whether it is prepared to provide Firm Wheeling service for a requesting Utility. This determination will be based upon a reasonable evaluation of the following factors only:

1. The duration of the requested service;
2. Whether new facilities would have to be constructed in order to provide the requested service over the Company's facilities;
3. Whether other Utilities desire the same transmission services;
4. Whether the provisions of transmission contracts with other Utilities permit the requested service;

5. Whether the intentions of the Utility requesting service are lawful (for example would there be a violation of laws related to a certificated area);
6. The degree of firmness of the requested service;
7. The service priority of the requested service;
8. The system impacts of the requested service;
9. To the extent the requested service involves the control area of another Utility, whether that other Utility will cooperate in providing the service;
10. Whether the Utility requesting the service is a scheduling Utility;
11. Whether the Utility requesting the service has other reasonable opportunities available to it through other transmission paths; and
12. Current laws and regulations as they apply to the Company and its competitors.

The rates for Firm Wheeling service provided pursuant to this Paragraph IV shall be designed to recover an allocated portion of embedded system costs, together with Opportunity Costs incurred as a result of providing the service. At the option of the Utility requesting the service, exercised at the time of entering into a contract, Opportunity Costs will be based upon either projected or experienced operating conditions and wholesale marketing opportunities. If the Utility requesting wheeling service agrees in principle to the appropriateness of including an Opportunity Cost component in the Firm Wheeling rate, but the Company and the Utility requesting service are unable to reach agreement as to the appropriate level or methodology of such a component, the Company shall provide the requested service and unilaterally file a proposed rate including an Opportunity Cost component with the FERC, subject to refund.

V. USE OF FACILITIES CHARGES

To the extent that providing Firm Wheeling services requires the installation of facilities that are not generally useful to the Company in providing transmission services, the Company may require the payment of a use of facilities charge or contribution in aid of construction to recover costs associated with the installation of such facilities.

VI. ANCILLARY SERVICES

To the extent a request for Firm Wheeling service requires the provision of generating reserves by the Company, or load following services, which the Company is able to provide, or if transmission losses are not otherwise provided, the Company will attempt to negotiate an appropriate charge for such ancillary services with the requesting Utility. If the parties are unable to agree on an appropriate charge, the services will be provided and the Company will unilaterally file a proposed charge with the FERC, subject to refund.

VII. REQUESTS

Requests for Firm Wheeling should be made in writing to the Company. The Company will respond to written requests for wheeling services in writing in a reasonable period of time. In cases where the Company is not prepared to provide the requested service, an explanation of the factors underlying the Company's decision will be provided.

VIII. PARTICIPATION BY OTHER UTILITIES IN
TRANSMISSION CONSTRUCTION

1. With respect to the construction of transmission facilities of voltage levels of 345 kV or higher and subject to applicable state regulatory approval, the Company will afford other Utilities the opportunity to participate in the project, provided that: (a) the potential participants have a legitimate interest or service-related purpose in such participation, (b) the joint participation will not unreasonably delay the project or render it impractical for the Company as a matter of economics or engineering, (c) the potential participants are prepared to equitably share in the costs and benefits of the project, considering the cost of the project, the value of the Company's existing investment in related facilities and the benefits to be derived by each party, and (d) the Utility requesting the opportunity to participate has not unreasonably denied the Company's participation in comparable projects.

2. With respect to Transmission Dependent Utilities, the Company will agree to joint participation in upgrades, improvements or additions to backbone transmission (138 kV or higher), interconnections and substation facilities that are internal to an Integrated Service Area, so that such Utilities may, subject to applicable state regulatory approval, reasonably participate in the project, provided that: (a) the potential participants have a legitimate interest or service-related purpose in such participation, (b) the joint participation will not unreasonably delay the project or render it impractical for the Company as a matter of economics or engineering and (c) the potential participants are prepared to equitably share in the costs and benefits of the project considering the cost of the project, the value of the Company's existing investment in related facilities and the benefits to be derived by each party.

3. With respect to Transmission Dependent Utilities, the Company shall not unreasonably withhold its consent to requests for upgrades, improvements or additions to interconnections, transmission and substation facilities located within an Integrated Service Area, and subject to applicable state regulatory approval, provided that: (a) the requesting Utility pays for the upgrades, improvements or additions, (b) the upgrades, improvements or additions are required to serve the retail or wholesale customers of the Transmission Dependent Utility, (c) are consistent with the Company's engineering and construction standards, and (d) the parties are able to agree upon a fair allocation among them of the additional resulting transfer capability considering the cost of the project and the value of the Company's existing investment in related facilities.

IX. REDRESS

Any Utility believing that the Company has violated this Policy, or unreasonably administered this Policy, may file a complaint with the FERC. The Company will submit to the jurisdiction of the FERC to consider any such complaint and provide for an appropriate remedy, but not to alter, modify or enlarge the Policy without the Company's consent. Parties may mutually agree to submit any dispute arising under this Policy to some other impartial arbiter whose decision will be subject, where required, to review by the FERC as an uncontested offer of settlement. This Paragraph IX shall not apply to Paragraph VIII to the extent that a state agency has jurisdiction over complaints arising from the Company's alleged failure to adhere to the provisions of Paragraph VIII.

X. NON-FIRM WHEELING

To the extent it has physical capability to do so, the Company will provide

Non-firm Wheeling to signatories of the Western Systems Power Pool Agreement or the Intercompany Pool Agreement in accordance with the terms of those agreements. In addition, the Company stands ready to negotiate separate contracts with Utilities for Non-firm Wheeling which provide for an equitable sharing of benefits between the Company and other Utilities participating in the transactions.

XI. WHEELING FOR QUALIFYING FACILITIES

The Company will provide transmission service for Qualifying Facilities to Utilities in accordance with the provisions of 18 CFR § 292.303.

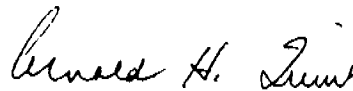
INTEGRATED SERVICE AREAS

1. The existing UP&L service area in the State of Utah;
2. The existing UP&L service area in the State of Idaho;
3. The existing UP&L service area in the State of Wyoming;
4. The existing PP&L service area in Southern Oregon and Northern California;
5. The existing PP&L Coos Bay, Oregon service area;
6. The existing PP&L Lincoln City, Oregon service area;
7. The existing PP&L Willamette Valley, Oregon service area;
8. The existing PP&L Central Oregon service area;
9. The existing PP&L Hood River, Oregon service area;
10. The existing PP&L Portland, Oregon service area;
11. The existing PP&L Clatsop, Oregon service area;
12. The existing PP&L Enterprise, Oregon service area;
13. The existing PP&L Pendleton, Oregon service area;
14. The existing PP&L Walla Walla, Washington service area;
15. The existing PP&L Yakima, Washington service area;
16. The existing PP&L Sandpoint, Idaho service area;
17. The existing PP&L Libby, Montana service area;
18. The existing PP&L Kalispell, Montana service area;
19. The existing PP&L service area in the State of Wyoming;

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 19th day of April, 1988.



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