



1407 West North Temple
Salt Lake City, Utah 84140
(801) 220-2190

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D. DOUGLAS LARSON
Manager
Economic Regulation

June 25, 1990

Stephen C. Hewlett, Commission Secretary
PUBLIC SERVICE COMMISSION OF UTAH
160 East 300 South
P.O. Box 45802
Salt Lake City, Utah 84145-0802

Re: **MERGER REPORTING REQUIREMENTS**

Dear Mr. Hewlett:

In its Report and Order, Docket No. 87-035-27, the Public Service Commission of Utah approved the merger of Utah Power & Light Company and PacifiCorp. Within that order, the Commission required that the Company submit reports providing information regarding the merger.

In response to those reporting requirements, the Company provides the following finalized 1989 merger benefit information.

(1) **Estimated Consolidated Merger Benefits Identified**

In its merger application, the Company outlined specific areas in which merger benefits were projected. Provided as Attachment A is a schedule showing, by merger benefit area, the merger benefit commitment included in the filing and the final identified consolidated Company merger benefits identified as of December 31, 1989. Also shown on that schedule are benefits in areas which the Company did not specifically identify in its merger application.

As can be seen on Attachment A, the Company has identified on-going merger savings with an associated revenue requirement of approximately \$51 million. That level of first-year merger benefits is on target with the anticipated first-year merger benefits of \$48 million presented in the merger hearings.

The savings from the power supply area were approximately \$20 million, exceeding the first-year merger commitment by \$3 million. In the insurance area, the Company was able to achieve significant savings (\$10.8 million) in insurance premiums through the consolidation of two large insurance programs.

Manpower efficiencies, measured as the net reduction in staff positions, exceeded \$12 million in annualized savings. Merger benefits in economic development and computer systems also exceed the first-year merger commitment by \$1.1 million and \$.5 million, respectively.

Stephen C. Hewlett

June 25, 1990

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As can also be seen on Attachment A, the Company has not yet been able to quantify merger benefits in the following two merger benefit areas: (1) reduced construction, (2) legal expenses. In addition, in the group welfare area, the Company identified minimal merger benefits during 1989. The Company anticipates realizing economies of scale through the integration of the various benefit programs, beginning in 1990. However, 1989 had been set aside as a study period to analyze the full benefits picture and to develop strategies. The complexity of the two divisions' programs and the magnitude of the costs require a careful study during this period to achieve the benefits desired while maintaining an equitable benefits package.

Attachment 1 provides detail for each of the merger benefit areas identified in Attachment A.

(2) **Preferred Stock/Debt Series**

Provided as Attachment 2 is a description of the Company's preferred stock and debt series at March 31, 1990.

(3) **Bond Ratings**

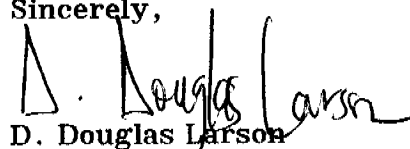
Provided as Attachment 3 are the Company's current bond ratings.

(4) **Major Production and Transmission Additions**

Provided as Attachment 4 is a listing of all major post-merger additions to generation and system transmission plant.

If you have any questions concerning the information provided, please contact me at your convenience.

Sincerely,


D. Douglas Larson

DDL/cw
6:22

cc: Orrin T. Colby Jr. - Utah Power & Light Company
Robert R. Dalley - PacifiCorp Electric Operations
Anne E. Eakin - Pacific Power & Light Company
Michael Ginsberg - Division of Public Utilities
Kent Walgren - Committee of Consumer Services

PacifiCorp Electric Operations
1989 Estimated Merger Benefits (1)
(In Revenue Requirements)
(\$000)

Attachment A

Benefit Category	First Year	--1989 Finalized--	
	Benefits As Per Merger Testimony	One-time Savings	On-going Savings
Reduced Construction	\$1,000	\$0	\$0
Economic Development	1,000	0	2,100
Group Welfare Plan Benefits	1,000	0	100
Computer Systems Benefits (2)	2,000	0	2,500
Legal Expense	1,000	0	0
Oper, Engineering, & Environmental (2)	3,000	0	200
Insurance (2)	9,000	0	10,800
Financial Services	1,000	0	1,100
Power Plant Maintenance (2)	2,000	0	1,200
Manpower Efficiencies	10,000	0	12,400
Power Supply	17,000	0	20,000
Utah Franchise Tax Savings	N/A	4,900	0
Pension Savings (2)	N/A	3,600	0
Other Savings (2)	N/A	0	800
Total	\$48,000	\$8,500	\$51,200

Caution: Many of the above benefits include actual savings as well as foregone cost increases. These amounts should not be used for projecting merger benefit revenue reductions from current revenue levels.

(1) This merger benefit summary reflects a general analysis of known major areas of combinations / savings. It is felt that there are several additional unknown or yet unquantifiable benefit areas in addition to those noted here.

(2) Includes both capital and operating merger benefits.

PacifiCorp Electric Operations
1989 Merger Benefits
Summary
(\$000)

Line No.	Description	Reduced Construction		Economic Development		Refer Page		Group Welfare		Computer Services		Legal Expense		Operations, Engineering & Environmental		Insurance		Refer Page	
		(2)	(2)	(3)	(3)	Page	Page	(4)	(4)	(5)	(5)	(6)	(6)	(7)	(7)	(8)	(8)		
OPERATING REVENUES																			
1	General Business Revenues	\$0	\$3,651	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
2	Interdepartmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3	Special Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4	Other Operating Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
5	TOTAL OPERATING REVENUES	0	3,651		0	0	0	0	0	0	0	0	0	0	0	0	0		
OPERATING REVENUE DEDUCTIONS																			
6	Operating and Maintenance Expense	0	997	5	0	0	0	0	0	0	0	0	0	0	0	0	0		
7	Production	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8	Other Power Supply	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10	Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11	Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12	Customer Service & Info.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13	Administrative & General	0	572	5	(75)	(75)	6	(2,455)	7	(2,455)	0	0	0	(190)	(190)	8	(6,909)	9	(10,519)
14	TOTAL O&M EXPENSES	0	1,569		(75)	(75)	6	(2,455)	7	(2,455)	0	0	0	(190)	(190)	8	(6,909)	9	(10,519)
15	Depreciation and Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16	Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17	State Income Tax	0	90	3	3	3	3	107	3	107	0	0	0	0	0	0	0		
18	Federal Tax:																		
19	Federal Tax	0	679	3	24	3	3	809	3	809	0	0	0	0	0	0	0		
20	Investment Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
21	Net Federal Tax	0	679		24			809		809	0	0	0	0	0	0	0		
22	Deferred Income Taxes	0	0	0	0	0	0	9	3	9	0	0	0	(2)	(2)	3	(13)	3	3,485
23	Inc Taxes Deferred Prior Years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
24	Investment Tax Credit Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
25	TOTAL OPER. REVENUE DEDUCTION	0	2,338		(48)	(48)	6	(1,567)	7	(1,567)	0	0	0	(119)	(119)	8	(6,629)	9	(10,519)
26	NET OPERATING INCOME	0	1,313		48	48	6	1,567	7	1,567	0	0	0	119	119	8	6,629	9	(10,519)
RATE BASE																			
27	Utility Plant in Service	0	0	0	0	0	0	(185)	7	(185)	0	0	0	(121)	(121)	8	(922)	9	(922)
28	Depreciation and Amort. Reserve	0	0	0	0	0	0	19	7	19	0	0	0	2	2	8	11	9	11
29	Plant Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
30	Nuclear Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
31	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
32	Materials and Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
33	Cash Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
34	Miscellaneous Deferred Debits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
35	Weatherization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
36	Acquisition Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
37	Deferred Income Taxes	0	0	0	0	0	0	(5)	7	(5)	0	0	0	1	1	8	7	9	7
38	TOTAL RATE BASE	\$0	\$0		\$0	\$0		(\$171)		(\$171)	\$0	\$0	\$0	(\$118)	(\$118)		(\$804)		(\$804)

Note: Many of the above savings include both actual and foregone costs.

PacificCorp Electric Operations
1989 Merger Benefits
Summary
(\$000)

Attachment 1
Page 2 of 16

Line No.	Description	Financial Services (9)		Power Plant Maintenance (10)		Manpower Efficiencies (11)		Refer Page		Income Tax Deduction - Utah Franch. Taxes (1)		Refer Page		Pension (1) Savings (14)		Refer Page		Other Savings (15)		Refer Page		Total 1989 Merger Benefits (16)		
		Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page	Amount	Refer Page
OPERATING REVENUES (1)																								
1	General Business Revenues	\$0	\$0	0	0	0	\$0	0	0	0	\$0	0	0	0	0	0	0	0	\$0	0	0	0	3,651	
2	Interdepartmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Special Sales	0	0	0	0	0	5,976	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,976	
4	Other Operating Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	TOTAL OPERATING REVENUES	0	0	0	0	0	5,976		0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,627	
OPERATING REVENUE DEDUCTIONS																								
6	Operating and Maintenance Expense																							
7	Production	0	0	0	0	0	11,843	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,230	
8	Other Power Supply	0	(1,000)	11	0	0	(23,227)	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(24,227)	
9	Transmission	0	0	0	0	0	(2,359)	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,359)	
10	Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Customer Service & Info.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Administrative & General	(1,041)	0	10	(12,227)	12	0	0	0	0	(3,410)	15	(794)	16	(26,529)								(26,529)	
14	TOTAL O&M EXPENSES	(1,041)	(1,000)		(12,227)		(13,743)		0	0	(3,410)		(794)		(43,886)								(43,886)	
15	Depreciation and Amortization	0	(35)	11	0	0	0	0	0	0	(27)	15	(3)	16	(127)								(127)	
16	Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	State Income Tax	45	50	4	529	4	854	4	0	0	163	4	35	4	2,335								2,335	
18	Federal Tax:																							
19	Federal Tax	340	376	4	3,991	4	6,437	4	(3,054)	4	1,152	4	264	4	14,550								14,550	
20	Investment Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Net Federal Tax	340	376		3,991		6,437		(3,054)		1,152		264		14,550								14,550	
22	Deferred Income Taxes	0	(21)	4	0	0	0	0	0	0	(16)	4	(2)	4	(45)								(45)	
23	Inc Taxes Deferred Prior Years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Investment Tax Credit Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	TOTAL OPER. REVENUE DEDUCTION	(656)	(630)		(7,707)		(6,452)		(3,054)		(2,148)		(500)		(27,172)								(27,172)	
26	NET OPERATING INCOME	656	630		7,707		12,428		3,054		2,148		500		96,799								96,799	
RATE BASE																								
27	Utility Plant in Service	0	(1,289)	11	0	0	0	0	0	0	(990)	15	(119)	16	(3,526)								(3,526)	
28	Depreciation and Amort. Reserve	0	18	11	0	0	0	0	0	0	14	15	2	16	66								66	
29	Plant Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Nuclear Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Materials and Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Cash Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Miscellaneous Deferred Debits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Weatherization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Acquisition Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	Deferred Income Taxes	0	11	11	0	0	0	0	0	0	8	15	1	16	23								23	
38	TOTAL RATE BASE	\$0	(\$1,260)		\$0		\$0		\$0		(\$956)		(\$116)		(\$3,437)								(\$3,437)	

Note: Many of the above savings include both actual and foregone costs.

(1) Merger savings attributed to the Utah Franchise Taxes and the Pension Savings are a one-time benefit available only in 1989.

PacifiCorp Electric Operations
1989 Merger Benefits
Income Tax Calculation
(\$000)

Line No.	Description	Reduced Construction		Economic Development		Group Welfare		Computer Services		Legal Expense		Operations, Engineering & Environmental		Refer Insurance	
		Page	Refer Page	Page	Refer Page	Page	Refer Page	Page	Refer Page	Page	Refer Page	Page	Refer Page	Page	Refer Page
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)							
1	Operating Revenues	0	3,651	1	0	0	0	0	0	0	0	0	0	0	
Deductions:															
2	Operating & Maintenance Expense	0	1,569	1	(75)	(2,455)	1	0	(190)	1	(10,519)	1			
3	Depr & Amtz Expense	0	0	0	0	(37)	1	0	(3)	1	(22)	1			
4	Taxes Other than Income Taxes	0	0	0	0	0	0	0	0	0	0	0			
5	Interest Expense	0	0	0	0	(8)	7	0	(6)	8	(40)	9			
6	Total Deductions	0	1,569	(75)	(2,500)	0	(199)	0	(1,581)						
7	Net Income Before Income Tax Adj	0	2,082	75	2,500	199	10,581								
Tax Adjustments - State & Federal															
8	Book Depreciation	0	0	0	37	7	3	8	22	9					
9	Tax Depreciation	0	0	0	(13)	7	(9)	8	(58)	9					
10	Total Tax Adj - State & Federal	0	0	0	24	(6)	(36)								
11	Taxable Income - State Inc Tax	0	2,082	75	2,476	205	10,617								
12	State Income Tax @ 4.33%	0	90	3	107	9	460								
13	Taxable Income - Federal Inc Tax	0	1,992	72	2,369	196	10,157								
14	Federal Income Tax @ 34%	0	677	24	806	67	3,453								
15	Investment Tax Credit	0	0	0	0	0	0								
16	Superfund Tax @ .12%	0	2	0	3	0	12								
17	Total Current Federal Taxes	0	679	24	809	67	3,465								
18	Deferred Income Taxes (1)	0	0	0	9	(2)	(13)								

(1) Deferred Tax Calculation:
Tax Depr (Line 9)
Less: Book Depr (Line 8)

Mult by: Eff Tax Rate @36.66%

PacifiCorp Electric Operations
1989 Merger Benefits
Income Tax Calculation
(\$000)

Line No.	Description (1)	Financial Services (9)		Power Plant Maintenance (10)		Refer Page		Manpower Efficiencies (11)		Refer Page		Power Supply (12)		Refer Page		Utah Franch. Taxes (13)		Refer Page		Pension (1) Savings (14)		Refer Page		Other Savings (15)		Refer Page		Total Est. 1989 Merger Benefits (15)		
		Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page	Refer	Page
1	Operating Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,627	
Deductions:																														
2	Operating & Maintenance Expense	(1,041)	2	(1,000)	2	(12,227)	2	(13,743)	2	0	0	(3,410)	2	(794)	2	(43,885)														(43,885)
3	Depr & Amtz Expense	0		(85)	2	0		0		0		(27)	2	(3)	2	(127)														(127)
4	Taxes Other than Income Taxes	0		0		0		0		0		0		0		0													0	0
5	Interest Expense	0		(62)	11	0		0		0		(48)	15	(6)	16	(170)														(170)
6	Total Deductions	(1,041)		(1,097)		(12,227)		(13,743)		0		(3,485)		(803)		(44,182)													(44,182)	
7	Net Income Before Income Tax Adj	1,041		1,097		12,227		19,719		0		3,485		803		53,809													53,809	
Tax Adjustments - State & Federal																														
8	Book Depreciation	0		35	11	0		0		0		27	15	3	16	127														127
9	Tax Depreciation	0		(81)	11	0		0		0		(70)	15	(8)	16	(249)													(249)	
10	Total Tax Adj - State & Federal	0		(56)		0		0		0		(43)		(5)		(122)													(122)	
11	Taxable Income - State Inc Tax	1,041		1,153		12,227		19,719		0		3,528		808		53,931													53,931	
12	State Income Tax @ 4.33%	45		50		529		854		0		153		35		2,335													2,335	
13	Taxable Income - Federal Inc Tax	996		1,103		11,698		18,865		(8,951)	12	3,375		773		42,645													42,645	
14	Federal Income Tax @ 34%	339		375		3,977		6,414		(3,043)		1,148		263		14,500													14,500	
15	Investment Tax Credit	0		0		0		0		0		0		0		0													0	
16	Superfund Tax @ .12%	1		1		14		23		(11)		4		1		50													50	
17	Total Current Federal Taxes	340		376		3,991		6,437		(3,054)		1,152		264		14,550													14,550	
18	Deferred Income Taxes (1)	0		(21)		0		0		0		(16)		(2)		(45)													(45)	

(1) Deferred Tax Calculation:
Tax Depr (Line 9)
Less: Book Depr (Line 8)

Mult by: Eff Tax Rate @36.86%

PacifiCorp Electric Operations
 1989 Merger Benefits
 Economic Development
 (\$000)

Line No.	Description (1)	Total MWHs (2)	Total Revenues (3)	
	Company			
1	A	18,036	\$957	5.3¢
2	B	29,285	834	2.85¢
3	C	4,415	263	5.9¢
4	D	4,417	337	7.6¢
5	E	3,883	173	4.45¢
6	F	1,516	89	
7	G	1,610	118	
8	H	2,202	157	
9	I	850	72	
10	J	2,332	162	6.2
11	K	422	26	6.2
12	L	313	18	5.75
13	M	2,777	219	7.9¢
14	N	549	43	
15	O	59	7	11.8¢
16	P	270	22	
17	Q	131	10	7.8¢
18	R	361	28	
19	S	141	11	
20	T	77	6	
21	U	59	5	
22	V	47	3	1.28¢
23	W	1,200	91	7.5¢
24	Total 1989	74,952	\$3,651	4.8¢ / kWh
25	Annual Incremental Cost of (1) Providing Service		997	
26	Total Margin After Incremental Cost of Providing Service		2,654	
27	Annual Additional Operating Exp (2)		572	
28	Total Margin After Operating Expenses		\$2,082	2.77¢

(1) Reflects Incr Fuel Cost @ 13.30 Mills/KWH
 (2) Represents estimate of total annual operating expenses required to enhance UP&L's economic development efforts.

The merged Company has realized additional load in its Utah Division service territory due to economic development activities in the Utah Division. The Company has identified, as a merger benefit, economic development projects occurring in the Utah Division after the date of the merger agreement. This analysis reflects the revenues, net of incremental costs, of only the completed projects which are currently providing revenues to the Company. Additionally, this analysis includes the indirect impacts of the completed economic development projects such as the related commercial and residential revenues.

PacificCorp Electric Operations
1989 Merger Benefits
Group Welfare
(\$000)

<u>Line No.</u>	<u>Description</u> (1)	<u>Total Electric Operations</u> (2)
1	Trustee Fees--Retirement Trust	<u><u>(75)</u></u>

NOTE: The Company anticipates realizing economies of scale through the integration of the various benefit programs. However, 1989 has been set aside as a study period to analyze the full benefits picture and to develop strategies. The complexity of the two division's programs and the magnitude of the costs require careful study during this period to achieve the benefits desired while maintaining an equitable benefits package.

PacifiCorp Electric Operations
1989 Merger Benefits
Computer Services
(\$000)

Line No.	Description (1)	Total (2)
<u>Reduction in Current Computer Expense</u>		
1	Software Rental/Licence Cost	(650)
2	Equipment Maintenance	(600)
3	Lease Costs	(990)
4	Communication Costs	(100)
5	Sale of Equipment	(200)
6	Other (net)	(100)
7	Total Expense	<u>(2,640)</u>
8	less Computer Expense Capitalized (1)	(185)
9	O&M Reduction	<u>(2,455)</u>
 <u>Reduction in Computer Costs Charged to Capital</u>		
10	Computer Expense Capitalized (1)	<u>(185)</u>
11	Plant-in-Service	(185)
12	Amortization Expense (2)	(37)
13	Amortization Rate 20.00%	
14	Interest Expense @ 4.93%	(8)
15	Tax Depreciation (3) @ 7.22%	(13)
 <u>Rate Base</u>		
16	Plant-in-Service	(185)
17	Depreciation Reserve	37
18	Deferred Inc Taxes	(9)
19	Net Plant	<u>(157)</u>
20	Average Net Plant	(171)

(1) Historically Pacific Division capitalized 14% of computer operating costs while the Utah Division did not capitalize any. Therefore, 7% is used as the average capitalization rate.

(2) Capitalized computer costs are amortized at a rate of 20% per year.

(3) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

The above savings are primarily a result of the consolidation of the Pacific and Utah computing centers into one center with the resulting software and hardware economies.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Operations, Engineering, & Environmental
 (\$000)

Line No.	Description (1)	Total (2)
<u>Reduction in O&M</u>		
1	Reduced Outside Consultant Work	(119)
2	Other Savings	(71)
3	Total O&M Savings	(190)
<u>Reduction in Capital</u>		
4	Foregone Equipment Purchases	(121)
5	Plant-in-Service	(121)
6	Depreciation Expense (1)	(3)
7	Depreciation Rate 2.70%	
8	Interest Expense @ 4.93%	(6)
9	Tax Depreciation (2) @ 7.22%	(9)
<u>Rate Base</u>		
10	Plant-in-Service	(121)
11	Depreciation Reserve	3
12	Deferred Inc Taxes	2
13	Net Plant	(116)
14	Average Net Plant	(119)

(1) Depreciation Rate

	Depreciation 1988	Gross Plant @ 12/88
Total	194,175	7,189,692
Depreciation Rate	2.70%	

(2) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes, therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
1989 Merger Benefits
Insurance
(\$000)

Line No.	Description (1)	Total Electric Operations (2)
<u>Reduction in Current Insurance Expense</u>		
1	Coal Mine Insurance	(3,610)
Accounts 924 & 925:		
2	D & O Liability	(671)
3	Excess Liability	(2,495)
4	Risk Property	(2,335)
5	Joint Ventures	(1,029)
6	Other (including workers' comp.)	(379)
7	Accounts 924 & 925	(6,909)
 <u>Reduction in Insurance Charged to Construction</u>		
8	Plant-in-service	(822)
9	Depreciation Expense (1)	(22)
10	Depreciation Rate 2.70%	
11	Interest Expense @ 4.93%	(40)
12	Tax Depreciation (2) @ 7.22%	(58)
 <u>Rate Base</u>		
13	Plant-in-Service	(822)
14	Depreciation Reserve	22
15	Deferred Inc Taxes	13
16	Net Plant	(787)
17	Average Net Plant	(805)
 (1) Depreciation Rate		
	Depreciation	Gross Plant
	<u>1988</u>	<u>@ 12/88</u>
	Pacific Division 100,790	3,716,092
	Utah Division 93,385	3,473,600
	Total 194,175	7,189,692
	Depreciation Rate 2.70%	

(2) Assumes tax basis 98% of book basis. Assumes normalization of plant addition for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
1989 Merger Benefits
Financial Services
(\$000)

<u>Line</u> <u>No.</u>	<u>Description</u> <u>(1)</u>	<u>Total</u> <u>(2)</u>
	Annual Report:	
1	Preparation	(379)
2	Advertising	5
3	Total Annual Report	<u>(374)</u>
4	Quarterly Reports (sent with Dividend Payment)	(87)
5	Transfer Agent Fees	(103)
6	Proxy Statements	62
7	Stock Exchange Listing Fee	(45)
8	Rating Agency Fees	(86)
9	Credit Line Fees	(128)
10	Form 10-k	(33)
11	EEI - Reduction in Dues	(122)
12	Audit Fees	(80)
13	Miscellaneous	(45)
15	Total Financial Services	<u><u>(1,041)</u></u>

PacifiCorp Electric Operations
 1989 Merger Benefits
 Power Plant Maintenance
 (\$000)

Line No.	Description (1)	Total (2)
<u>Reduction in O&M</u>		
1	Total O&M Savings	(1,000)
<u>Reduction in Capital</u>		
2	Plant-in-Service	(1,289)
3	Depreciation Expense (1)	(35)
4	Depreciation Rate	2.70%
5	Interest Expense @	4.93%
6	Tax Depreciation (2) @	7.22%
<u>Rate Base</u>		
7	Plant-in-Service	(1,289)
8	Depreciation Reserve	35
9	Deferred Inc Taxes	21
10	Net Plant	(1,233)
11	Average Net Plant	(1,261)

(1) Depreciation Rate

	Depreciation 1988	Gross Plant @ 12/88
Total	194,175	7,189,692
Depreciation Rate	2.70%	

(2) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

The merger has allowed the company to combine technological and personnel expertise to implement company-wide application of material standards, freight routing, quality assurance, and engineering procedures as well as physical resources to bring about Power Supply operation and maintenance savings. Savings have resulted through a reduced need for contracting outside consultants and services. Other savings have come about through the exchange of equipment between the Utah and Pacific Division plants. In addition, the utilization of combined technical experience within the company has resulted in construction savings which otherwise would not have occurred.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Manpower Efficiencies
 (\$000)

Line No.	Description (1)	Pacific (2)	Utah (3)	Total (4)
Actual Terminated Employees (1)				
1	1988	(106)	(55)	(161)
2	1989 (2)	(69)	(61)	(130)
3	Total	<u>(175)</u>	<u>(116)</u>	<u>(291)</u>
Actual New Hire Employees (1)				
4	1988	16	3	19
5	1989 (2)	19	4	23
6	Total	<u>35</u>	<u>7</u>	<u>42</u>
Net Employee (Decrease) Increase (1)				
7	1988	(90)	(52)	(142)
8	1989 (2)	(50)	(57)	(107)
9	Total	<u>(140)</u>	<u>(109)</u>	<u>(249)</u>
10	Wages and Salaries (3)	(\$6,395)	(\$5,832)	(\$12,227)

(1) Includes only Full-time Staff Employees

(2) 1989 reflects actual results through 12/28/89.

(3) Wages and Salaries have been annualized and include a 42% adder for employee benefits.

PacifiCorp Electric Operations
1989 Merger Benefits
Power Supply
(\$000)

Line No.	Description (1)	Pacific Stand-alone (2)	Utah Stand-alone (3)	Total Stand-alone (4)	Merged (5)	Merger Benefit (col 5-col 4) (6)
1	Sale for Resale	116,190	56,154	172,344	178,320	5,976
2	Fuel Expense	189,033	175,459	364,492	376,335	11,843
3	Wheeling & Use of Facilities Expense	29,986	0	29,986	27,627	(2,359)
4	Purchased Power & Net Interchange	134,569	35,317	169,886	146,659	(23,227)
5	Total Net Power Costs	237,398	154,622	392,020	372,301	(19,719)

Several power supply merger benefits have been achieved in 1989:

1) Long-Term Firm Wholesale Power Sales

The net benefits (revenues less costs) of sales agreements with Puget Sound Power & Light and with Sierra Pacific are estimated to be about \$8.7 million in 1989.

2) South Idaho Exchange Between PacifiCorp and Bonneville Power Administration

This agreement began on March 1, 1989 and provides for PacifiCorp to serve Bonneville's net Goshen area load. In return Bonneville will deliver an equivalent amount of power to the PacifiCorp's Western System at specified points of delivery. PacifiCorp will also store excess generation from Bonneville's generation capability located within the Utah Power Control area. The benefits from the exchange are expected to be about \$2.1 million in 1989. In addition, the Agreement will have the effect of increasing the Company's East to West transfer capability by about 200 MW during the winter months.

3) Non-firm Wholesale Sales

The load diversity between divisions has allowed the merged Company to increase wholesale sales by selling energy that is not required to meet retail loads.

4) Joint Unit Commitment and Dispatch

All system resources are being scheduled and dispatched on a single utility basis subject to existing transmission constraints. Maintenance schedules have been coordinated to provide for more efficient use of the existing resources.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Utah Franchise Tax
 (\$000)

Line No.	Description (1)	Total (2)
1	1989 Estimated Utah Franchise Tax	(8,951)
2	Federal Income Tax Rate Superfund Tax	<div style="display: flex; justify-content: space-between;"> <div style="text-align: right;"> 34.00% <u>0.12%</u> </div> <div style="text-align: right;"> <u>34.12%</u> </div> </div>
3	Tax Savings	<u><u>(3,054)</u></u>

NOTE: Prior to the merger, Utah franchise taxes (a business license tax) were deductible only in the year of related business activity, not in the year of accrual. After the merger, the company is able to deduct its current accrual of Utah franchise taxes. Therefore, in 1989, the company had a deduction for Utah franchise taxes of both the 1988 payment and the 1989 accrual. This will result in a one-time tax savings of the above amount.

PacifiCorp Electric Operations
1989 Merger Benefits
Other Savings
(\$000)

Line No.	Description (1)	Total (2)
<u>Reduction in O&M</u>		
1	Pricing & Regulatory Affairs	(25)
	Demand Side Resources	(210)
	New Products Services	(386)
	Market Assessment Services	(169)
	Subtotal	(790)
2	Commercial Operations	(4)
3	O&M Reduction	(794)
<u>Other Savings Charged to Capital</u>		
4	Other Savings Capitalized	(119)
5	Plant-in-Service	(119)
6	Depreciation Expense (1)	(3)
7	Depreciation Rate 2.70%	
8	Interest Expense @ 4.93%	(6)
9	Tax Depreciation (2) @ 7.22%	(8)
<u>Rate Base</u>		
10	Plant-in-Service	(119)
11	Depreciation Reserve	3
12	Deferred Inc Taxes	2
13	Net Plant	(114)
14	Average Net Plant	(117)

(1) Depreciation Rate

	Depreciation 1988	Gross Plant @ 12/88
Total	194,175	7,189,692
Depreciation Rate	2.70%	

(2) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

Merger savings have been identified in the Marketing and Pricing Department through consolidation of programs already in existence at one Division with those being developed at the other Division. This and other efficiencies have resulted in reduced costs for development, research, consulting, and legal fees.

Commercial Operations were able to realize merger benefits by combining the testing of rubber goods for both Divisions in one location rather than maintaining two separate facilities.

PACIFICORP ELECTRIC OPERATIONS

Semiannual Report of Merger Benefits
12 Months Ended December 31, 1989

Description of Debt and Preferred Stock

Attached are descriptions of the Company's long-term debt and preferred stock as of March 31, 1990.

PACIFICORP ELECTRIC OPERATIONS
STATEMENT OF CAPITALIZATION
MONTH ENDED MARCH 1990

	OUTSTANDING SHARES	AMOUNT
COMMON EQUITY		
Common Stock		
Authorized 300,000,000 shares	247,172,110	\$2,305,835,850
Reacquired Capital Stock		(138,017)
Additional Paid in Capital		(30,347,669)
Retained Earnings		845,361,075
TOTAL COMMON EQUITY	247,172,110	\$3,120,711,239

PREFERRED STOCK

5 X (\$100 PAR VALUE)	126,533	\$12,653,300
4.52X SERIES (\$100 PAR VALUE)	2,065	206,500
7.00X SERIES (\$100 PAR VALUE)	18,060	1,806,000
6.00X SERIES (\$100 PAR VALUE)	5,932	593,200
5.00X SERIES (\$100 PAR VALUE)	42,000	4,200,000
5.40X SERIES (\$100 PAR VALUE)	65,960	6,596,000
4.72X SERIES (\$100 PAR VALUE)	69,890	6,989,000
4.56X SERIES (\$100 PAR VALUE)	84,592	8,459,200
8.92X SERIES (\$100 PAR VALUE)	69,375	6,937,500
9.08X SERIES (\$100 PAR VALUE)	164,893	16,489,300
7.96X SERIES (\$100 PAR VALUE)	135,176	13,517,600
\$2.13 SERIES (NO PAR - \$25 STATED VALUE)	666,210	16,655,250
\$1.28 SERIES (NO PAR - \$25 STATED VALUE)	381,220	9,530,500
\$1.18 SERIES (NO PAR - \$25 STATED VALUE)	420,116	10,502,900
\$1.16 SERIES (NO PAR - \$25 STATED VALUE)	193,102	4,827,550
\$1.76 SERIES (NO PAR - \$25 STATED VALUE)	393,868	9,846,700
\$1.98 SERIES (NO PAR - \$25 STATED VALUE)	501,998	12,549,950
\$7.12 SERIES (NO PAR - \$100 STATED VALUE)	500,000	50,000,000
DART SERIES A (VARIABLE RATE)	500	50,000,000
DART SERIES B (VARIABLE RATE)	500	50,000,000
TOTAL PREFERRED STOCK	3,841,990	\$292,360,450

LONG-TERM DEBT

First Mortgage Bonds

4 7/8 X SERIES DUE SEPTEMBER 1990	15,565,000
5 1/8 X SERIES DUE SEPTEMBER 1990	14,271,000
4 3/4 X SERIES DUE APRIL 1992	19,818,000
4 1/2 X SERIES DUE JUNE 1992	21,350,000
4 1/2 X SERIES DUE DECEMBER 1992	23,905,000
4 1/2 X SERIES DUE APRIL 1993	14,600,000
4 5/8 X SERIES DUE AUGUST 1993	19,666,000
4 5/8 X SERIES DUE AUGUST 1994	15,000,000
4 5/8 X SERIES DUE OCTOBER 1994	20,496,000
5 X SERIES DUE OCTOBER 1995	16,113,000
8 5/8 X SERIES DUE MARCH 1996	80,000,000
8 1/2 X SERIES DUE JULY 1996	75,000,000
9 3/8 X SERIES DUE JULY 1997	50,000,000
7 X SERIES DUE MARCH 1998	20,000,000
8 X SERIES DUE MAY 1999	23,400,000
8 3/4 X SERIES DUE NOVEMBER 1999	20,000,000
9 1/4 X SERIES DUE APRIL 2000	30,000,000
9 5/8 X SERIES DUE JULY 2000	24,310,000
7 7/8 X SERIES DUE FEBRUARY 2001	37,698,000
8 X SERIES DUE OCTOBER 2001	32,940,000
7 1/2 X SERIES DUE MAY 2002	25,000,000
7 3/4 X SERIES DUE OCTOBER 2002	28,334,000
ADJ X SERIES DUE NOVEMBER 2002	13,234,000
8 3/8 X SERIES DUE JANUARY 2004	52,695,000
10 1/4 X SERIES DUE NOVEMBER 2005	37,149,000

Continued next page

PACIFICORP ELECTRIC OPERATIONS
STATEMENT OF CAPITALIZATION
MONTH ENDED MARCH 1990

Long-Term Debt (cont.)							
10	X	SERIES DUE	JANUARY	2006		\$70,546,000	
9	X	SERIES DUE	FEBRUARY	2006		35,000,000	
8 3/4	X	SERIES DUE	APRIL	2006		32,000,000	
8 3/8	X	SERIES DUE	SEPTEMBER	2006		40,000,000	
8 5/8	X	SERIES DUE	DECEMBER	2006		45,075,000	
8 1/2	X	SERIES DUE	MARCH	2007		55,000,000	
8 1/4	X	SERIES DUE	SEPTEMBER	2007		50,000,000	
8 7/8	X	SERIES DUE	NOVEMBER	2007		93,345,000	
9 1/8	X	SERIES DUE	MAY	2008		50,000,000	
10 1/8	X	SERIES DUE	APRIL	2009		26,450,000	
10 1/4	X	SERIES DUE	APRIL	2009		38,086,000	
10 1/4	X	SERIES DUE	SEPTEMBER	2009		44,720,000	
9 3/8	X	SERIES DUE	OCTOBER	2016		170,000,000	
8 3/4	X	SERIES DUE	DECEMBER	2016		92,000,000	
9 7/8	X	SERIES DUE	MAY	2017		95,000,000	
6 1/8	X	SERIES DUE	FEBRUARY	2004	(Pollution Control)	40,300,000	
7 3/4	X	SERIES DUE	JULY	2006	(Pollution Control)	22,485,000	
6 3/8	X	SERIES DUE	NOVEMBER	2006	(Pollution Control)	50,000,000	
6 3/8	X	SERIES DUE	JANUARY	2007	(Pollution Control)	8,190,000	
5.90	X	SERIES DUE	APRIL	2008	(Pollution Control)	42,000,000	
11 1/8	X	SERIES DUE	APRIL	2011	(Pollution Control)	90,000,000	
10.70	X	SERIES DUE	SEPTEMBER	2014	(Pollution Control)	16,750,000	
8 1/4	X	SERIES DUE	JUNE	2017	(Pollution Control)	46,500,000	
8 5/8	X	SERIES DUE	JUNE	2017	(Pollution Control)	24,700,000	
8 7/8	X	SERIES DUE	JUNE	1994	(Medium Term Note)	10,000,000	
8.43	X	SERIES DUE	SEPTEMBER	1996	(Medium Term Note)	5,000,000	
9 1/2	X	SERIES DUE	MAY	1999	(Medium Term Note)	60,000,000	
9.48	X	SERIES DUE	MAY	1999	(Medium Term Note)	15,000,000	
9 1/2	X	SERIES DUE	JUNE	1999	(Medium Term Note)	15,000,000	
9 1/2	X	SERIES DUE	JUNE	1999	(Medium Term Note)	15,000,000	
9.4	X	SERIES DUE	JUNE	1999	(Medium Term Note)	15,000,000	
8.55	X	SERIES DUE	AUGUST	1999	(Medium Term Note)	2,000,000	
8.59	X	SERIES DUE	SEPTEMBER	1999	(Medium Term Note)	10,000,000	
Sub-Total - First Mortgage Bonds						<u>\$2,155,891,000</u>	
Pollution Control Revenue Bonds							
6	X	SERIES DUE	SEPTEMBER	1999	1973 SWEETWATER COUNTY	\$21,260,000	
8 3/8	X	SERIES DUE	APRIL	2005	1975A SWEETWATER COUNTY	9,335,000	
8 1/2	X	SERIES DUE	DECEMBER	2005	1975B SWEETWATER COUNTY	6,305,000	
FLOAT		SERIES DUE	DECEMBER	2013	1983B SWEETWATER COUNTY	70,000,000	
FLOAT		SERIES DUE	JANUARY	2014	1988B SWEETWATER CO/CONVERSE	28,500,000	
FLOAT		SERIES DUE	DECEMBER	2014	1984 SWEETWATER COUNTY	15,000,000	
FLOAT		SERIES DUE	DECEMBER	2016	1986 CITY OF FORSYTH	8,500,000	
FLOAT		SERIES DUE	JANUARY	2017	1988A SWEETWATER COUNTY	50,000,000	
FLOAT		SERIES DUE	JANUARY	2018	1988 CITY OF FORSYTH	45,000,000	
FLOAT		SERIES DUE	JANUARY	2018	1988 CITY OF GILLETTE	41,200,000	
Sub-Total - Pollution Control Revenue Bonds						<u>\$295,100,000</u>	
TOTAL BONDS						<u>\$2,450,991,000</u>	
OTHER LONG-TERM DEBT							
7 1/2	X	Japanese Private Placement Due December 1991				\$70,000,000	
		Variable Rate Term Loan Due November 1994				55,000,000	
TOTAL OTHER LONG-TERM DEBT						<u>\$125,000,000</u>	
Less Balance held by Trustee						5,299,021	
Plus Unamortized Premium						168,504	
Less Unamortized Discount						13,175,773	
TOTAL LONG-TERM DEBT (NET)						<u>2,557,684,710</u>	
TOTAL CAPITALIZATION						<u>\$5,970,756,399</u>	

PACIFICORP ELECTRIC OPERATIONS

Semiannual Report of Merger Benefits
12 Months Ended December 31, 1989

Bond Ratings

As of March 31, 1990, the Company's senior debt was rated "A-" by Standard & Poor's and "A3" by Moody's Investors Service.

PACIFICORP ELECTRIC OPERATIONS

Semiannual Report of Merger Benefits
12 Months Ended December 31, 1989

Major Post-merger Plant Additions

During 1989, the following generation and transmission projects with a total cost over \$5 million were closed to plant:

<u>Description</u>	<u>Total Cost</u>
Spence-Baroil 230 KV Line	\$10,883,914



1407 West North Temple
Salt Lake City, Utah 84140
(8

RECEIVED

'90 JAN 12 AM 11:42

D. DOUGLAS LARSON
Manager
Economic Regulation

4/26
Steve

January 9, 1990

*Perhaps a file could be
made for merger reports
and kept near the merger
case. (JB suggest this)*

Step
PUE
160
P.O
Salt

ary
H

*Agree.
Doug
Please come
see me about
this. Thanks
JMB*

REQUIREMENTS

Dear Mr. Hewlett:

In its Report and Order, Docket No. 87-035
Commission of Utah approved the merger of Utah Pow
PacifiCorp. Within that order, the Commission req
submit reports providing information regarding the m

In response to those reporting requirements, the
following estimated 1989 merger benefits identified as of September 30, 1989.

(1) Estimated Consolidated Merger Benefits Identified

In its merger appl
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is a schedule sho
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As can be seen on
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merger benefit area
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realizing any mer
anticipates realizing
the various benefit
has been set aside
picture and to develop strategies. The complexity of the two
divisions' programs and the magnitude of the costs require careful

*JMB -
This has been on my desk
for some time. Certainly I agree
with your comments but someone
the concern has in general been
addressed via filing requirement
discussions/promises for the April
30 semi annual and the rate case.
As to "benefits", Logan and I
addressed the concept in our memo
on the Consumer Method.*

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Company
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ever, 1989

the full benefits

Stephen C. Hewlett
January 9, 1990
Page 2

study during this period to achieve the benefits desired while maintaining an equitable benefits package.

It should be noted that, even without consideration of the areas yet to be quantified, the Company has identified estimated on-going merger savings with an associated revenue requirement of approximately \$50 million. This is on target with the testimony presented in the merger hearings.

(2) Preferred Stock/Debt Series

Provided as Attachment 2 is a description of the Company's preferred stock and debt series at September 30, 1989.

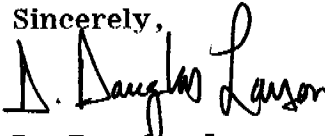
(3) Bond Ratings

Provided as Attachment 3 are the Company's pre-merger and current bond ratings.

(4) Major Production and Transmission Additions

Provided as Attachment 4 is a description of, as well as the costs associated with, all major post-merger additions to generation and system transmission plant.

If you have any questions concerning the information provided, please contact me at your convenience.

Sincerely,

D. Douglas Larson

DDL/cw
12:26
Attachments

cc: Orrin T. Colby Jr., Utah Power & Light Company
Robert R. Dalley, Utah Power & Light Company
Anne E. Eakin, Pacific Power & Light Company
Michael Ginsberg, Division of Public Utilities
Kent Walgren, Committee of Consumer Services

PacificCorp Electric Operations
1989 Merger Benefits
Summary
(\$000)

Attachment 1
Page 1 of 14

Line No.	Description	(2)	Refer Page	Economic Development	Refer Page	Group Welfare	Refer Page	Computer Services	Refer Page	Legal Expense	Refer Page	Operations, Engineering & Environmental	Refer Page	Insurance	Refer Page
		(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
OPERATING REVENUES															
1	General Business Revenues	\$0	\$1,307	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Interdepartmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Special Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Other Operating Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	TOTAL OPERATING REVENUES	0	1,307	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING REVENUE DEDUCTIONS															
6	Operating and Maintenance Expense	0	425	8	0	0	6	0	0	0	0	0	0	(4,642)	8
7	Production	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Other Power Supply	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Customer Service & Info.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Administrative & General	0	572	5	0	0	0	(1,860)	0	0	0	(190)	7	(8,544)	8
14	TOTAL O&M EXPENSES	0	997	0	0	0	0	(1,860)	0	0	0	(190)	0	(13,186)	0
15	Depreciation and Amortization	0	0	0	0	0	6	(28)	0	0	0	(6)	7	(23)	8
16	Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	State Income Tax	0	13	3	0	0	3	81	0	0	0	9	3	575	3
18	Federal Tax:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Federal Tax	0	101	3	0	0	3	612	0	0	0	71	3	4,338	3
20	Investment Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Net Federal Tax	0	101	0	0	0	0	612	0	0	0	71	0	4,338	0
22	Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	(4)	5	(14)	5
23	Inc Taxes Deferred Prior Years	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Investment Tax Credit Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	TOTAL OPERATING REVENUE DEDUCTIONS	0	1,111	0	0	0	0	(1,188)	0	0	0	(120)	0	(8,310)	0
26	NET OPERATING INCOME	0	196	0	0	0	0	1,188	0	0	0	120	0	8,310	0
RATE BASE															
27	Utility Plant in Service	0	0	0	0	0	6	(140)	0	0	0	(225)	7	(868)	8
28	Depreciation and Amort. Reserve	0	0	0	0	0	6	14	0	0	0	3	7	12	8
29	Plant Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Nuclear Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Materials and Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Cash Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Miscellaneous Deferred Debits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Weatherization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Acquisition Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	Deferred Income Taxes	0	0	0	0	0	6	(4)	0	0	0	2	7	7	8
38	TOTAL RATE BASE	0	0	0	0	0	0	(5130)	0	0	0	(5220)	0	(5849)	0

PacificCorp Electric Operations
1989 Merger Benefits
Summary
(\$000)

Line No.	Description	Financial Services		Power Plant Maintenance		Manpower Efficiencies		Power Supply		Income Tax (1)		Pension (1)		Total Est. 1989 Merger Benefits	
		Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page
		(9)		(10)		(11)		(12)		(13)		(14)		(15)	
OPERATING REVENUES															
1	General Business Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1,307
2	Interdepartmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Special Sales	0	0	0	0	0	0	5,976	12	0	0	0	0	0	5,976
4	Other Operating Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	TOTAL OPERATING REVENUES	0	0	0	0	0	0	5,976	0	0	0	0	0	0	7,283
OPERATING REVENUE DEDUCTIONS															
Operating and Maintenance Expense															
6	Production	0	0	0	0	0	0	11,843	12	0	0	0	0	0	7,626
7	Other Power Supply	0	(94)	0	(94)	0	0	(23,227)	12	0	0	0	0	(23,321)	
8	Transmission	0	0	0	0	0	0	(2,359)	12	0	0	0	0	(2,359)	
9	Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Customer Service & Info.	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Administrative & General	(1,080)	9	0	0	(11,505)	11	0	0	0	0	(3,410)	14	(26,017)	
13	TOTAL O&M EXPENSES	(1,080)	(94)	0	(94)	(11,505)	0	(13,743)	0	0	0	(3,410)	0	(44,071)	
14	Depreciation and Amortization	0	(30)	0	(30)	0	0	0	0	0	0	(27)	14	(114)	
15	Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	State Income Tax	47	4	10	4	498	4	854	4	0	0	153	4	2,240	
17	Federal Tax :														
18	Federal Tax	352	4	74	4	3,755	4	6,437	4	(3,054)	4	1,152	4	13,838	
19	Federal Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Investment Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	Net Federal Tax	352	74	74	4	3,755	4	6,437	4	(3,054)	4	1,152	4	13,838	
22	Deferred Income Taxes	0	(18)	0	(18)	0	0	0	0	0	0	(16)	4	(45)	
23	Inc Taxes Deferred Prior Years	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	Investment Tax Credit Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	
25	TOTAL OPERATING REVENUE DEDUCTIONS	(681)	(58)	(58)	(58)	(7,252)	0	(6,452)	0	(3,054)	0	(2,148)	0	(28,152)	
26	NET OPERATING INCOME	681	58	58	58	7,252	0	12,428	0	3,054	0	2,148	0	35,435	
RATE BASE															
27	Utility Plant in Service	0	(1,122)	10	(1,122)	0	0	0	0	0	0	(990)	14	(3,345)	
28	Depreciation and Amort. Reserve	0	15	10	15	0	0	0	0	0	0	14	14	58	
29	Plant Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0	0	
30	Nuclear Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0	
31	Customer Advances for Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	
32	Materials and Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	
33	Cash Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	Miscellaneous Deferred Debits	0	0	0	0	0	0	0	0	0	0	0	0	0	
35	Weatherization	0	0	0	0	0	0	0	0	0	0	0	0	0	
36	Acquisition Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	
37	Deferred Income Taxes	0	9	10	9	0	0	0	0	0	0	8	14	22	
38	TOTAL RATE BASE	\$0	(51,098)	0	(51,098)	\$0	\$0	\$0	\$0	\$0	\$0	(968)	0	(83,265)	

(1) Merger savings attributed to the Utah Franchise Taxes and the Pension Savings are a one-time benefit available only in 1989.

PacificCorp Electric Operations
1989 Merger Benefits
Income Tax Calculation
(\$000)

Line No.	Description	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
		Refer Page	Refer Page	Reduced Construction	Economic Development	Refer Page	Group Welfare	Refer Page	Computer Services	Refer Page	Legal Expense	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page
1	Operating Revenues	0	1,307	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Deductions:																	
2	Operating & Maintenance Expense	0	997	1	0	(1,860)	1	(190)	1	(13,186)	1	1	(23)	1	1	1	1
3	Depr & Amtz Expense	0	0	0	0	(28)	1	(6)	1	(23)	1	1	0	1	1	1	1
4	Taxes Other than Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Interest Expense	0	0	0	0	(6)	6	(11)	7	(42)	7	7	(11)	7	7	7	8
6	Total Deductions	0	997	0	0	(1,894)	0	(207)	0	(13,251)	0	0	(207)	0	0	0	0
7	Net Income Before Income Tax Adj	0	310	0	0	1,894	0	207	0	13,251	0	0	207	0	0	0	0
Tax Adjustments - State & Federal																	
8	Book Depreciation	0	0	0	0	28	6	(16)	7	(61)	7	7	(16)	7	7	7	8
9	Tax Depreciation	0	0	0	0	(10)	6	(10)	6	(61)	7	7	(16)	7	7	7	8
10	Total Tax Adj - State & Federal	0	0	0	0	18	0	(10)	0	(38)	0	0	(10)	0	0	0	0
11	Taxable Income - State Inc Tax	0	310	0	0	1,876	0	217	0	13,289	0	0	217	0	0	0	0
12	State Income Tax @ 4.53%	0	13	0	0	81	0	9	0	575	0	0	9	0	0	0	0
13	Taxable Income - Federal Inc Tax	0	297	0	0	1,795	0	208	0	12,714	0	0	208	0	0	0	0
14	Federal Income Tax @ 34%	0	101	0	0	610	0	71	0	4,323	0	0	71	0	0	0	0
15	Investment Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Superfund Tax @ .12%	0	0	0	0	2	0	0	0	15	0	0	0	0	0	0	0
17	Total Current Federal Taxes	0	101	0	0	612	0	71	0	4,338	0	0	71	0	0	0	0
18	Deferred Income Taxes (1)	0	0	0	0	7	0	(14)	0	(14)	0	0	(14)	0	0	0	0

(1) Deferred Tax Calculation:
Tax Depr (Line 9)
Less: Book Depr (Line 8)

Mult by: Eff Tax Rate @56.86%

PacificCorp Electric Operations
1989 Merger Benefits
Income Tax Calculation
(5000)

Attachment 1
Page 4 of 14

Line No.	Description	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Financial Services	Power Plant Maintenance	Manpower Efficiencies	Power Supply	Income Tax Deduction - Utah Franchise Taxes	Pension Savings	Total Est. 1989 Merger Benefits
		Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page	Refer Page
1	Operating Revenues	0	0	0	5,976	0	0	7,283
Deductions:								
2	Operating & Maintenance Expense	(1,080)	(94)	(11,505)	(13,743)	0	(3,410)	(44,071)
3	Depr & Amtz Expense	0	(30)	0	0	0	(27)	(114)
4	Taxes Other than Income Taxes	0	0	0	0	0	0	0
5	Interest Expense	0	(54)	0	0	0	(48)	(161)
6	Total Deductions	(1,080)	(178)	(11,505)	(13,743)	0	(3,485)	(44,346)
7	Net Income Before Income Tax Adj	1,080	178	11,505	19,719	0	3,485	51,629
Tax Adjustments - State & Federal								
8	Book Depreciation	0	30	0	0	0	27	114
9	Tax Depreciation	0	(78)	0	0	0	(70)	(236)
10	Total Tax Adj - State & Federal	0	(48)	0	0	0	(43)	(122)
11	Taxable Income - State Inc Tax	1,080	227	11,505	19,719	0	3,528	51,751
12	State Income Tax @ 4.33%	47	10	498	854	0	153	2,240
13	Taxable Income - Federal Inc Tax	1,033	217	11,007	18,865	(8,951)	3,375	40,560
14	Federal Income Tax @ 34%	351	74	3,742	6,414	(3,063)	1,148	13,791
15	Investment Tax Credit	0	0	0	0	0	0	0
16	Superfund Tax @ .12%	1	0	13	23	(11)	4	47
17	Total Current Federal Taxes	352	74	3,755	6,437	(3,054)	1,152	13,838
18	Deferred Income Taxes (1)	0	(18)	0	0	0	(16)	(45)

(1) Deferred Tax Calculation:
Tax Depr (Line 9)
Less: Book Depr (Line 8)
Mult by: Eff Tax Rate @36.86%

PacifiCorp Electric Operations
 1989 Merger Benefits
 Economic Development
 (\$000)

Line No.	Description	Total
	(1)	(2)
1	Total 1989 Sales (MMH)	32,968
2	Total 1989 Revenues	\$1,307
3	Annual Incremental Cost of (1) Providing Service	425
4	Total Margin After Incremental Cost of Providing Service	882
5	Annual Additional Operating Exp (2)	572
6	Total Margin After Operating Expenses	\$310

(1) Reflects Incr Fuel Cost @ 12.88 Mills/KWH

(2) Represents estimate of total annual operating expenses required to enhance UP&L's economic development efforts.

NOTE: This analysis reflects only completed projects which are currently providing revenues to the Company. Additionally, this analysis includes any indirect impacts of the completed economic development projects such as the related commercial and residential revenues.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Computer Services
 (\$000)

Line No.	Description	Total
-----		-----
(1)		(2)
Reduction in Current Computer Expense -----		
1	Total Expense	(2,000)
2	less Computer Expense Capitalized (1)	(140)

3	O&M Reduction	(1,860)
Reduction in Computer Costs Charged to Capital -----		
4	Computer Expense Capitalized (1)	(140)

5	Plant-in-Service	(140)
6	Amortization Expense (2)	(28)
7	Amortization Rate 20.00%	
8	Interest Expense @ 4.93%	(6)
9	Tax Depreciation (3) @ 7.22%	(10)
Rate Base -----		
10	Plant-in-Service	(140)
11	Depreciation Reserve	28
12	Deferred Inc Taxes	(7)

13	Net Plant	(119)
14	Average Net Plant	(130)

(1) Pacific Division capitalizes 14% of computer operating costs while the Utah Division does not capitalize any. Therefore, 7% is used as the average capitalization rate.

(2) Capitalized computer costs are amortized at a rate of 20% per year.

(3) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Operations, Engineering, & Environmental
 Estimated As of June 30, 1989
 (\$000)

Line No.	Description	Total
	(1)	(2)
	<u>Reduction in O&M</u>	
1	Total O&M Savings	(190)
	<u>Reduction in Capital</u>	
2	Plant-in-Service	(225)
3	Depreciation Expense (1)	(6)
4	Depreciation Rate 2.70%	
5	Interest Expense @ 4.93%	(11)
6	Tax Depreciation (2) @ 7.22%	(16)
	<u>Rate Base</u>	
7	Plant-in-Service	(225)
8	Depreciation Reserve	6
9	Deferred Inc Taxes	4
10	Net Plant	(215)
11	Average Net Plant	(220)

(1) Depreciation Rate

	Depreciation 1988	Gross Plant @ 12/88
Total Depreciation Rate	194,175 2.70%	7,189,692

(2) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes, therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Insurance
 (\$000)

Line No.	Description	Total Electric Operations
----- (1)		----- (2)
	Reduction in Current Insurance Expense	

1	Coal Mine Insurance	(4,642)
	Accounts 924 & 925:	
2	D & O Liability	(940)
3	Excess Liability	(3,857)
4	Risk Property	(2,500)
5	Joint Ventures	(874)
6	Other (including workers' comp.)	(373)

7	Accounts 924 & 925	(8,544)
	Reduction in Insurance Charged to Construction	

8	Plant-in-service	(868)
9	Depreciation Expense (1)	(23)
10	Depreciation Rate 2.70%	
11	Interest Expense @ 4.93%	(42)
12	Tax Depreciation (2) @ 7.22%	(61)
	Rate Base	

13	Plant-in-Service	(868)
14	Depreciation Reserve	23
15	Deferred Inc Taxes	14

16	Net Plant	(831)
17	Average Net Plant	(850)
(1) Depreciation Rate		
	Depreciation	Gross Plant
	1988	@ 12/88
	-----	-----
	Pacific Division	3,716,092
	Utah Division	3,473,600
	-----	-----
	Total	7,189,692
	Depreciation Rate 2.70%	

(2) Assumes tax basis 98% of book basis. Assumes normalization of plant addition for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Financial Services
 (\$000)

Line No.	Description	Total
	----- (1)	----- (2)
	Annual Report:	
1	Preparation	(269)
2	Advertising	(176)

3	Total Annual Report	(445)
4	Transfer Agent Fees	(30)
5	Stock Exchange Listing Fee	(8)
6	Rating Agency Fees	(60)
7	Regional Meetings	(97)
8	Proxy Statements	(115)
9	Quarterly Reports (sent with Dividend Payment)	(45)
10	Credit Line Fees	(135)
11	EEI - Reduction in Dues	(130)
12	Publications & Miscellaneous	(15)

13	Total Financial Services	(1,080)
		=====

PacifiCorp Electric Operations
 1989 Merger Benefits
 Power Plant Maintenance
 Estimated As of June 30, 1989
 (\$000)

Line No.	Description	Total
	(1)	(2)
<u>Reduction in O&M</u>		
1	Total O&M Savings	(94)
<u>Reduction in Capital</u>		
2	Plant-in-Service	(1,122)
3	Depreciation Expense (1)	(30)
4	Depreciation Rate 2.70%	
5	Interest Expense @ 4.93%	(54)
6	Tax Depreciation (2) @ 7.22%	(79)
<u>Rate Base</u>		
7	Plant-in-Service	(1,122)
8	Depreciation Reserve	30
9	Deferred Inc Taxes	18
10	Net Plant	(1,074)
11	Average Net Plant	(1,098)

(1) Depreciation Rate	Depreciation 1988	Gross Plant @ 12/88
	-----	-----
Total Depreciation Rate	194,175	7,189,692
	2.70%	

(2) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Manpower Efficiencies
 (\$000)

Line No.	Description	Pacific	Utah	Total
	(1)	(2)	(3)	(4)
Actual Terminated Employees (1)				
1	1988	(106)	(55)	(161)
2	1989 (2)	(57)	(55)	(112)
3	Total	(163)	(110)	(273)
Actual New Hire Employees (1)				
4	1988	16	3	19
5	1989 (2)	17	2	19
6	Total	33	5	38
Net Employee (Decrease) Increase (1)				
7	1988	(90)	(52)	(142)
8	1989 (2)	(40)	(53)	(93)
9	Total	(130)	(105)	(235)
10	Wages and Salaries (3)	(\$6,395)	(\$5,110)	(\$11,505)

- (1) Includes only Full-time Staff Employees
 (2) 1989 reflects actual results through 9/30/89.
 (3) Wages and Salaries have been annualized and include a 42% adder for employee benefits.

PacifiCorp Electric Operations
1988 Merger Benefits
Power Supply
(\$000)

Line No.	Description	(1)	Pacific Stand-alone (2)	Utah Stand-alone (3)	Total Stand-alone (4)	Merged (5)	Merger Benefit (col 5-col 4) (6)
1	Sale for Resale		116,190	56,154	172,344	178,320	5,976
2	Fuel Expense		189,032	175,459	364,492	376,355	11,862
3	Wheeling & Use of Facilities Expense		29,986	0	29,986	27,627	(2,359)
4	Purchased Power & Net Interchange		134,569	35,217	169,886	146,659	(23,227)
5	Total Net Power Costs		237,596	154,622	392,218	372,301	(19,917)

(1) Merged study reflects 1) the long term power sale to Puget Power, 2) the recent power purchase from Washington Water Power Company, and 3) the South Idaho Exchange.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Utah Franchise Tax
 (\$000)

Line No.	Description	Total
	(1)	(2)
1	1989 Estimated Utah Franchise Tax	8,951
2	Federal Income Tax Rate Superfund Tax	34.00% 0.12%
3	Tax Savings	3,054 =====

NOTE: Prior to the merger, Utah franchise taxes (a business license tax) were deductible only in the year of related business activity, not in the year of accrual. After the merger, the company will be able to deduct its current accrual of Utah franchise taxes. Therefore, in 1989, the company will have a deduction for Utah franchise taxes of both the 1988 payment and the 1989 accrual. This will result in a one-time tax savings of the above amount.

PacifiCorp Electric Operations
 1989 Merger Benefits
 Pension Savings
 (\$000)

Line No.	Description	Total
	(1)	(2)
	Reduction in O&M	
1	Total Pension Savings (1)	(4,400)
2	Less Pension Savings Capitalized (2)	(990)
3	O&M Reduction	(3,410)
	Pension Savings Charged to Capital	
4	Pension Savings Capitalized	(990)
5	Plant-in-Service	(990)
6	Depreciation Expense (3)	(27)
7	Depreciation Rate 2.70%	
8	Interest Expense @ 4.93%	(48)
9	Tax Depreciation (4) @ 7.22%	(70)
	Rate Base	
10	Plant-in-Service	(990)
11	Depreciation Reserve	27
12	Deferred Inc Taxes	16
13	Net Plant	(947)
14	Average Net Plant	(969)

(1) Pension merger benefit is a one-time 1989 savings.

(2) Pension Costs Capitalized:

Pacific	20.0%
Utah	25.0%
Average	22.5%

(3) Depreciation Rate

	Depreciation 1988	Gross Plant @ 12/88
Total	194,175	7,189,692
Depreciation Rate	2.70%	

(4) Assumes tax basis is 98% of book basis. Assumes normalization of plant additions for ratemaking purposes; therefore, second year tax depreciation rate used in first year.

2. Description of Debt and Preferred Stock:

Attached are descriptions of the Long-term debt and preferred stock of PacifiCorp as of:

the post-merger date of September 30, 1989.

PACIFICORP ELECTRIC OPERATIONS
STATEMENT OF CAPITALIZATION
MONTH ENDED SEPTEMBER 1989

	OUTSTANDING SHARES	AMOUNT
COMMON EQUITY		
Common Stock (\$ 3.25 par value)		
Authorized 300,000,000 shares	123,164,597	\$400,284,940
Common Stock Liability for Conversion	(61,327)	(2,130,000)
Reacquired Capital Stock		5,440,105
Additional Paid in Capital		1,838,321,188
Retained Earnings		747,448,241
TOTAL COMMON EQUITY	123,103,270	\$2,989,362,474

PREFERRED STOCK

5.00% (\$100 PAR VALUE)	126,533	\$12,653,300
4.52% SERIES (\$100 PAR VALUE)	2,065	206,500
7.00% SERIES (\$100 PAR VALUE)	18,060	1,806,000
6.00% SERIES (\$100 PAR VALUE)	5,932	593,200
5.00% SERIES (\$100 PAR VALUE)	42,000	4,200,000
5.40% SERIES (\$100 PAR VALUE)	65,960	6,596,000
4.72% SERIES (\$100 PAR VALUE)	69,890	6,989,000
4.56% SERIES (\$100 PAR VALUE)	84,592	8,459,200
8.92% SERIES (\$100 PAR VALUE)	69,475	6,947,500
9.08% SERIES (\$100 PAR VALUE)	166,086	16,608,600
7.96% SERIES (\$100 PAR VALUE)	135,176	13,517,600
9.15% SERIES (\$100 PAR VALUE)	62,300	6,230,000
\$2.13 SERIES (NO PAR - \$25 STATED VALUE)	666,500	16,662,500
\$1.28 SERIES (NO PAR - \$25 STATED VALUE)	381,220	9,530,500
\$1.18 SERIES (NO PAR - \$25 STATED VALUE)	420,116	10,502,900
\$1.16 SERIES (NO PAR - \$25 STATED VALUE)	193,102	4,827,550
\$1.76 SERIES (NO PAR - \$25 STATED VALUE)	394,268	9,856,700
\$1.98 SERIES (NO PAR - \$25 STATED VALUE)	503,198	12,579,950
\$7.12 SERIES (NO PAR - \$100 STATED VALUE)	500,000	50,000,000
DART SERIES A (VARIABLE RATE)	500	50,000,000
DART SERIES B (VARIABLE RATE)	500	50,000,000
TOTAL PREFERRED STOCK	3,907,673	\$298,787,000

LONG-TERM DEBT

First Mortgage Bonds

10.45 X SERIES DUE 1990	\$500,000
4 7/8 X SERIES DUE 1990	15,000,000
5 1/8 X SERIES DUE 1990	14,271,000
4 1/2 X SERIES DUE 1992	24,405,000
4 1/2 X SERIES DUE 1992	22,000,000
4 3/4 X SERIES DUE 1992	26,696,000
4 1/2 X SERIES DUE 1993	15,000,000
4 5/8 X SERIES DUE 1993	19,666,000
4 5/8 X SERIES DUE 1994	15,000,000
4 5/8 X SERIES DUE 1994	21,946,000
5 X SERIES DUE 1995	22,042,000
8 5/8 X SERIES DUE 1996	80,000,000
8 1/2 X SERIES DUE 1996	75,000,000
9 3/8 X SERIES DUE 1997	50,000,000
7 X SERIES DUE 1998	20,000,000
8 X SERIES DUE 1999	23,400,000
8 3/4 X SERIES DUE 1999	20,000,000
9 1/4 X SERIES DUE 2000	30,000,000
9 5/8 X SERIES DUE 2000	24,310,000
7 7/8 X SERIES DUE 2001	37,698,000

Continued next page

PACIFICORP ELECTRIC OPERATIONS
STATEMENT OF CAPITALIZATION
MONTH ENDED SEPTEMBER 1989

Long-Term Debt (cont.)

8	X	SERIES DUE	2001	\$32,940,000
7 1/2	X	SERIES DUE	2002	25,000,000
7 3/4	X	SERIES DUE	2002	28,534,000
ADJ	X	SERIES DUE	2002	13,234,000
8 3/8	X	SERIES DUE	2004	52,695,000
10 1/4X		SERIES DUE	2005	37,200,000
10	X	SERIES DUE	2006	70,546,000
7 3/4	X	SERIES DUE	2006	22,485,000
8 3/4	X	SERIES DUE	2006	32,000,000
8 3/8	X	SERIES DUE	2006	40,000,000
8 5/8	X	SERIES DUE	2006	45,075,000
9	X	SERIES DUE	2006	35,000,000
6 3/8	X	SERIES DUE	2007	8,190,000
8 1/2	X	SERIES DUE	2007	55,000,000
8 1/4	X	SERIES DUE	2007	50,000,000
8 7/8	X	SERIES DUE	2007	93,345,000
9 1/8	X	SERIES DUE	2008	50,000,000
10 1/8X		SERIES DUE	2009	26,450,000
10 1/4X		SERIES DUE	2009	44,720,000
10 1/4X		SERIES DUE	2009	38,086,000
8 3/4	X	SERIES DUE	2016	92,000,000
9 3/8	X	SERIES DUE	2016	170,000,000
9 7/8	X	SERIES DUE	2017	95,000,000
6 1/8	X	SERIES DUE	2004 (Pollution Control)	40,650,000
6 3/8	X	SERIES DUE	2006 (Pollution Control)	50,000,000
5.90	X	SERIES DUE	2008 (Pollution Control)	42,000,000
11 1/8X		SERIES DUE	2011 (Pollution Control)	90,000,000
10.70	X	SERIES DUE	2014 (Pollution Control)	16,750,000
8 1/4	X	SERIES DUE	2017 (Pollution Control)	46,500,000
8 5/8	X	SERIES DUE	2017 (Pollution Control)	24,700,000
Sub-Total - First Mortgage Bonds				\$2,026,034,000
Pollution Control Revenue Bonds				
6	X	SERIES	1973 SWEETWATER COUNTY	\$21,260,000
8 3/8	X	SERIES	1975A SWEETWATER COUNTY	9,335,000
8 1/2	X	SERIES	1975B SWEETWATER COUNTY	6,305,000
FLOAT		SERIES	1980B SWEETWATER CO/CONVERSE	28,500,000
FLOAT		SERIES	1980A SWEETWATER COUNTY	50,000,000
FLOAT		SERIES	1984 SWEETWATER COUNTY	15,000,000
FLOAT		SERIES	1983B SWEETWATER COUNTY	70,000,000
FLOAT		SERIES	1988 CITY OF FORSYTHE	45,000,000
FLOAT		SERIES	1988 CITY OF GILLETTE	41,200,000
FLOAT		SERIES	1986 CITY OF FORSYTHE	8,500,000
Sub-Total - Pollution Control Revenue Bonds				\$295,100,000
TOTAL BONDS				\$2,321,134,000
OTHER LONG-TERM DEBT				
7 1/2	X	Japanese Private Placement Due 1991		\$70,000,000
		Variable Rate Term Loan Due 1994		55,000,000
		Medium Term Notes		147,000,000
TOTAL OTHER LONG-TERM DEBT				\$272,000,000
Less Balance held by Trustee				77,029,205
Plus Unamortized Premium				191,022
Less Unamortized Discount				14,851,278
TOTAL LONG-TERM DEBT (NET)				\$2,501,444,539
TOTAL CAPITALIZATION				\$5,789,594,013

3. Bond Ratings:

Listed below are ratings on the Company's senior debt securities by various rating agencies for:

Pre-Merger - December 31, 1988

	<u>Pacific Power & Light Company</u>	<u>Utah Power & Light Company</u>
Standard & Poor's	A-	A
Moody's	A3	A3
Fitch	A-	A+
Duff & Phelps	7	6

Post-Merger - September 30, 1989

	<u>PacifiCorp Electric Operations</u>
Standard & Poor's	A-
Moody's	A3
Fitch	A-
Duff & Phelps	6

Attachment 4

Pacificorp Electric Operations
Semiannual Report of Merger Benefits
Major Post-Merger Plant Additions

As of October, 1989 neither the Utah nor the Pacific division had placed in service any generation or transmission projects with a cost greater than \$5,000,000.