

DOCKETED

- 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 Re-)
named PacifiCorp) for an Order)
Authorizing the Merger of Utah)
Power & Light Company and Pacifi-)
Corp into PC/UP&L Merging Corp.)
Authorizing the Issuance of Secur-)
ities, Adoption of Tariffs and)
Transfer of Certificates of Public)
Convenience and Necessity and)
Authorities in Connection There-)
with.)

DOCKET NO. 87-035-27

ORDER APPROVING
TRANSFER PRICING POLICY

ISSUED: January 15, 1992

BY THE COMMISSION:

In its Order approving the merger of Utah Power & Light Company with PacifiCorp, the Commission enumerated certain conditions among which was a requirement that "The Merged Company shall adopt a transfer pricing policy regarding the pricing of goods and services and the transfer of assets and submit an application for the Commission's review and approval of such pricing policy."

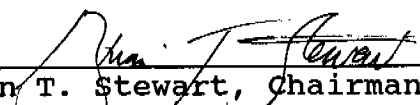
The Company has indicated that its transfer pricing policy has been reflected in the annual affiliated interest reports which have been submitted to the Commission for the years 1988, 1989, and 1990. However, the Company has now submitted a formal transfer pricing policy in response to a request from the Division of Public Utilities that it do so.

The Division has reviewed the Company's formal policy and recommends that the Commission approve it with the caveat that the

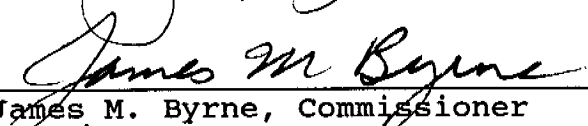
Commission should make it clear that approval of the transfer pricing policy does not constitute preapproval of any specific transaction. Further, the Division recommends that the Commission require documentary justification whenever "qualitative factors" are used to support an affiliate transaction which the Company indicates is in compliance with its pricing policy.

The Commission does by this Order approve the transfer pricing policy filed by the Company in satisfaction of the requirement in the merger Order and as a general statement of intent and a guideline for affiliate transactions involving the Company. The Commission does not by this Order preapprove any specific transaction and may require whatever documentary or other justification seems appropriate for a given transaction.

DATED at Salt Lake City, Utah, this 15th day of January, 1992.



Brian T. Stewart, Chairman

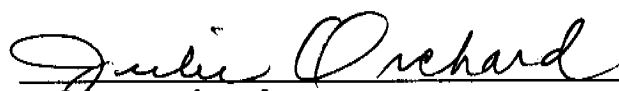


James M. Byrne, Commissioner



Stephen C. Hewlett, Commissioner
Pro Tempore

ATTEST:



Julie Orchard
Commission Secretary

DOCKETED

AFFIDAVIT OF MAILING

In the Matter of the Application)
of UTAH POWER & LIGHT COMPANY, PC/)
UP&L MERGING CORP. (to be renamed)
PacifiCorp) for an Order Authoriz-)
ing the Merger of Utah Power &)
Light Company and PacifiCorp into)
PC/UP&L Merging Corp. and Authoriz-)
ing the Issuance of Securities,)
Adoption of Tariffs, and Transfer)
of Certificates of Public Conven-)
ience and Necessity and Authorities)
in Connection Therewith.)

DOCKET NO. 87-035-27

ORDER APPROVING
TRANSFER PRICING POLICY

County of Salt Lake)
State of Utah) ss.

Brenda Warner, being duly sworn, deposes and says that she is a secretary regularly employed in the office of the Public Service Commission of Utah, whose office is located at 160 East 300 South, Fourth Floor, Heber M. Wells State Office Building, Salt Lake City, Utah.

That there is a United States Post Office at Salt Lake City, and at the place of residence or place of business of the persons whose names are set forth below; and between Salt Lake City and residence or places of business, there is a regular communication by mail.

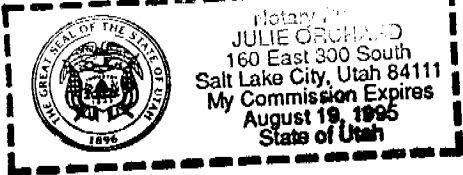
That on the 15th day of January, 1992, affiant served a true copy of the hereto attached ORDER APPROVING TRANSFER PRICING POLICY on the said persons by mailing such copy on said date in a post office in Salt Lake City, Utah, properly enclosed in a sealed envelope with postage prepaid thereon, legibly addressed to the following persons, at the addresses shown:

* Edward Hunter
Thomas W. Forsgren
UP&L
One Utah Center
201 South Main, Ste 800
SLC, UT 84140-0008

* Fredric D. Reed
Senior Vice President
Pacific Power & Light
902 SW Sixth Avenue
Portland, OR 97204


Also attached mailing list

Subscribed and sworn to before me
this 15th day of January, 1992.



My Commission Expires
August 19, 1996


Secretary


Notary Public
Residing at Salt Lake City, Utah

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