

'88 DEC -5 P423

December 1, 1988  
SERVICE OFFICES

The Honorable Ted Stewart  
Chairman, Utah Public Service Commission  
160 East 300 South  
Salt Lake City, UT 84101

Dear Chairman Stewart:

At the request of Judge Daniels several weeks ago, I initiated inquiries about the post-merger viability of the injunction entered by Judge Daniels on May 26, 1987, Docket M86-11, against Utah Power & Light Company in resolution of the grand jury proceedings. It was my understanding these letters would be called to the attention of the Commission by the Attorney General's office. In the event they were not, I indicated to the staff of the Commission that I would do so.

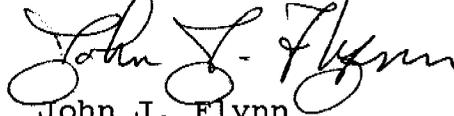
Although there were general statements in the record of the merger proceedings concerning the injunction and its future applicability to the Utah division in the event the merger does take place, those statements were not completely clear as to the scope of the parties' commitment beyond abiding by the bidding requirement in the injunction. I therefore asked representatives of Utah Power & Light and PacifiCorp. if we could find a way to clarify the matter without complicating the merger proceedings. The parties discussed the matter with the Utah Attorney General's office represented by Stanley H. Olsen, Assistant Attorney General, and Rodney Snow, Esq., special prosecutor for the grand jury. It was thought that statements by each party agreeing to abide by the injunction in all respects would be an appropriate way to resolve any ambiguities. The attorneys for each party sent the attached letters to the Attorney General's office agreeing to abide fully by the final judgment.

I am not certain of the effect of these letters and, hence, send them to you with the request that they be made a part of the final record on the merger proceedings and make clear that

The Honorable Ted Stewart  
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compliance with the injunction has been agreed to by the merging parties. I shall also contact Judge Daniels to determine if this is satisfactory with him or if we should take the further step of seeking an amendment to the final injunction to insure the injunction is fully applicable to the successors and assigns of Utah Power & Light Company.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John J. Flynn".

John J. Flynn  
Ombudsman

JJF:bm

cc: The Honorable Scott Daniels, Chief Judge

UTAH POWER & LIGHT COMPANY

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SIDNEY G. BAUCOM  
EXECUTIVE VICE PRESIDENT  
AND  
GENERAL COUNSEL

November 7, 1988

Rodney G. Snow, Esq.  
200 American Savings Plaza  
77 West 200 South  
Salt Lake City, UT 84101

Stanley H. Olsen, Esq.  
State Capitol Building #236  
Salt Lake City, UT 84114

Dear Rod and Stan:

A question has been raised as to whether the Utah Division, assuming merger into PacifiCorp occurs, will abide the "Final Judgment" of the Court dated May 26, 1987, in Docket M 86-11.

I take this opportunity to notify you that the testimony of both Utah and Pacific witnesses in the present merger proceedings before the Public Service Commission of Utah is that "Final Judgment" will be abided by the Utah Division in all respects.

On behalf of Utah Power & Light Company, we agree that the "Final Judgment" will continue to apply to the Utah Division of PacifiCorp and that the merger order of the Public Service Commission carries forward all obligations of the "Final Judgment" to the Utah Division of PacifiCorp following the merger.

If you wish to discuss this subject further, please call.

Kindest regards.

Sincerely,

  
SIDNEY G. BAUCOM

SGS:cc

LAW OFFICES  
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November 8, 1988

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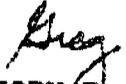
Stanley H. Olsen  
 Assistant Attorney General  
 235 State Capitol Building  
 Salt Lake City, Utah 84114

Dear Rod and Stan:

This will confirm that, if the merger between Utah Power and PacifiCorp is consummated, the Utah Power & Light Division of PC/UP&L Merging Corp. will abide by the Final Judgment of the Third District Court dated May 26, 1987, in Docket M 86-11.

Please let us know if you need any additional information regarding this matter.

Sincerely,



GREGORY B. MONSON

Attorneys for PC/UP&L  
Merging Corp.

GBM/rt