



Norman H. Bangerter  
Governor

PUBLIC SERVICE COMMISSION OF UTAH

Heber M. Wells Building  
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Salt Lake City, Utah 84145  
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File  
87-035-27  
Commissioners  
Brian T. (Ted) Stewart  
Chairman  
Brent H. Cameron  
James M. Byrne  
Douglas C. W. Kirk  
Executive Staff Director  
Stephen C. Hewlett  
Commission Secretary

January 12, 1989

Orrin T. Colby, Jr.  
Vice President and Controller  
Utah Power & Light Company  
1407 West North Temple  
Salt Lake City, UT 84140

Dear Orrin:


Now that the merger of Utah Power & Light Company and PacifiCorp has taken place, there are a number of items which will require our attention. The first of these will be the analysis of interdivisional allocation. In your letter of June 6, 1988 you requested that we name an individual to represent Utah in this process.


As you know, during the hearing process the Commission, the Division of Public Utilities, and the Committee of Consumer Services expressed interest in participating in the determination of allocation methods. It is our intention that this be an open process and that any interested parties be given the opportunity to participate. We therefore will expect the participation of a representative from the Division and the Committee, as well as a representative of the Commission. We have asked Douglas C.W. Kirk, our Staff Director, to represent the Commission. The Division and the Committee will designate their representative.

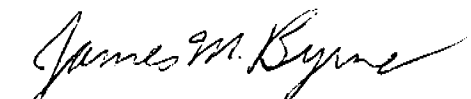
It is our understanding that since the merger hearings, PacifiCorp has been looking at methods other than the Merged Company vs. Stand-Alone Companies method, which was briefly explained in testimony. We would appreciate receiving your latest thinking on this as soon as possible, as well as the list of the other state and FERC participants.

We recognize that the determination of interdivisional allocations is of paramount interest to both the Company and its ratepayers and will devote our best efforts to a just and reasonable resolution of this issue.

Sincerely,

  
Brian T. Stewart  
Chairman

  
Brent H. Cameron  
Commissioner

  
James M. Byrne  
Commissioner