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UTAH PUBLIC
SERVICE COMMISSION

City of Alturas

Incorporated September 16, 1901

Modoc County

200 North St.

Alturas, CA 96101

June 8, 1988

Utah Public Service Commission
Heber M. Wells Building
160 E. 300 South Street, Box 5802
Salt Lake City, UT 84110

Dear Commission Members:

Approximately one and one-half years ago the City of Alturas, a city of 3,000 people located in the State of California, filed a condemnation action against Pacific Power & Light, pursuant to which the City is attempting to take over Pacific's distribution facilities which serve the greater Alturas area. The City intends to have the facilities operated by Surprise Valley Electrification Corporation, an REA cooperative which surrounds Pacific's facilities and currently has approximately 4000 member/consumers.

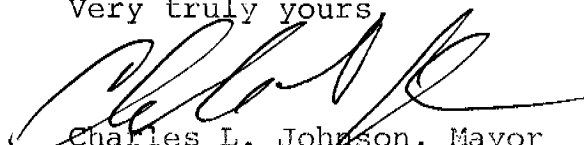
Pacific has recently formally announced, through a pleading filed in the Federal District Court in Sacramento, the Court in which the condemnation action is pending, its intention to bring a Sherman Act antitrust action against the City. The purported basis for said action is that the combining of Pacific's facilities which are the subject of the condemnation action with those of Surprise Valley (which would together serve approximately 6000 members) constitutes "an attempt to monopolize and a conspiracy to monopolize the sale of electric power in Modoc County."

Surely, if a merger of two systems with combined consumers of approximately 6000 in number is an "attempt to monopolize" and "conspiracy to monopolize", then the proposed merger of Pacific Power & Light with Utah Power & Light, resulting in a company that serves 1,000,000 consumers in seven states, must certainly likewise be in violation of the Sherman Act.

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For the foregoing reason, please consider this letter a formal opposition by the City of Alturas to the proposed merger of Pacific Power & Light with Utah Power & Light.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Charles L. Johnson', written in black ink.

Charles L. Johnson, Mayor
City of Alturas

CLJ:ab