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UTAH PUBLIC  
SERVICE COMMISSION

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE	:	
APPLICATION OF UTAH POWER &	:	
LIGHT COMPANY, AND PC/UP&L	:	AMENDED PROPOSED LIST OF
MERGING CORP. (TO BE RENAMED	:	STIPULATED FACTS
PACIFICORP) FOR AN ORDER	:	
AUTHORIZING THE MERGER OF	:	
UTAH POWER & LIGHT COMPANY	:	
AND PACIFICORP INTO PC/UP&L	:	Case No. 87-035-27
MERGING CORP. AND AUTHORIZING	:	
THE ISSUANCE OF SECURITIES,	:	
ADOPTION OF TARIFFS, AND	:	
TRANSFER OF CERTIFICATES OF	:	
PUBLIC CONVENIENCE AND	:	
NECESSITY AND AUTHORITIES IN	:	
CONNECTION THEREWITH.	:	

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Pursuant to the orders of the Commission issued  
February 26, 1988, and March 31, 1988, the Utility Shareholder  
Association of Utah, by and through its undersigned attorneys,  
hereby files its amended proposed list of facts to which the  
parties and the intervenors in these proceedings may stipulate

as being uncontroverted and established for purposes of this matter. The facts are listed under outline headings that parallel in part the issues in this case as delineated in the September 15, 1987, memorandum to the Commission from its Staff.

The following listings are derived from present filings before the Commission, and are, of course, for the purpose of initiating discussions among the parties and regulatory officials that may culminate in a final stipulation which could obviate the need to elicit evidence on certain issues. The listings are, consequently, to be taken for present purposes as proposals for discussion and not necessarily as complete, final statements of established fact.

Furthermore, the Shareholders note that the mere appearance of an outline heading below, with facts listed underneath it, does not constitute any acknowledgement that an issue is within the jurisdiction of the Commission or is otherwise properly presented in this case.

Each fact proposed for stipulation is followed by an abbreviated citation to the record presently before the Commission. A key to these abbreviations is set forth in Attachment "A" hereto.

Given the volume of intervenor testimony that the Shareholders began to receive on April 11, 1988, and the fact

that testimony is still being received as of the date hereof, the Shareholders felt it necessary to submit the following, fully anticipating that corrections and additions will be made, and disputed facts and issues ascertained, in the course of the parties' exchanges of views and comments as the parties attempt to reach a stipulation in the near future.

PROPOSED STIPULATED FACTS

I.       ORGANIZATION

A.       Existing Corporate Structure.

1.       Utah Power & Light ("UP&L") is a Utah corporation qualified to transact business and operate as an electric public utility in Utah, Idaho and Wyoming. Application at 3.

2.       UP&L is subject to the jurisdiction of the Federal Energy Regulatory Commission. Application at 3.

3.       UP&L services 510,000 retail customers in Southeastern Idaho, Southwestern Wyoming, and major portions of Utah and its service territory extends over approximately 90,000 square miles. Application at 4.

4.       PacifiCorp is a Maine corporation qualified to transact business and operate as a public utility in California, Idaho, Oregon, Montana, Washington, and Wyoming. Application at 3.

5.       PacifiCorp is subject to the jurisdiction of the Federal Energy Regulatory Commission. Application at 3.

6.       PacifiCorp provides electric service to more than 670,000 retail customers in California, Idaho, Montana, Oregon, Washington, and Wyoming. Its electric service territories total approximately 63,000 square miles. Application at 4.

7. Energy National Inc. ("ENI") is the only wholly owned subsidiary of UP&L. Division I Response.

8. ENI does not sell any goods, or services to UP&L. Division I Response.

9. UP&L has obtained approval from the Utah Public Service Commission for a leasing subsidiary but that subsidiary has not commenced operation at this time. Division I Response.

10. PacifiCorp is a diversified electric utility. DFB at 2.

11. PacifiCorp owns approximately 90% of NERCO, Inc. and 87% of Pacific Telecom, Inc. DFB at 2.

12. NERCO is engaged in the mining of coal and precious metals and the exploration and development of minerals, precious metals and oil and gas in several regions of the United States and Canada. DFB at 2.

13. Telecom provides local and long-distance telephone and other communication services in Alaska and local service and access to the long-distance network in 7 other western states and Wisconsin. DFB at 3.

14. PacifiCorp is the owner of PacifiCorp Credit, Inc. which is primarily in the business of leasing capital and business equipment and lending against receivables and inventories. DFB at 3.

15. PacifiCorp owns PacifiCorp Finance which provides equity investments in leveraged lease transactions. DFB at 3.

16. All four of PacifiCorp's major businesses have separate management and boards of directors which are ultimately accountable to the chairman, chief executive officer and president of PacifiCorp, the Corporate Policy Group and the PacifiCorp Board of Directors and shareholders. DFB at 3-4.

17. The PP&L Board of Directors consists of five members who are members of the PacifiCorp and four others. DFB at 16.

18. The PP&L Board has been delegated authority over annual construction budgets, purchase and disposition of utility property, personnel policies and compensation, research and development, and policies and practices concerning customers. The PacifiCorp Board retains direct responsibilities for matters that affect the corporation as a whole such as auditing and financing. DFB at 16.

B. Proposed Organizational Structure After the Merger.

19. UP&L and PacifiCorp have entered into an Agreement and Plan of Reorganization and Merger, attached as Exhibit "A" to the Application (hereinafter, "the Merger Agreement"), which sets out generally the Applicants' proposed structure for the Merged Company. Application at 2.

20. The Merged Company was incorporated in Oregon on August 11, 1987. The name of the company will be changed to PacifiCorp on the effective date of the merger. Application at 3.

21. On the date of the merger UP&L and the existing PacifiCorp will cease to exist. DFB at 14.

22. Upon the merger, UP&L's certificates of public convenience and necessity will be transferred to the Merged Company doing business as Utah Power & Light Company. Application at 2.

23. The Merged Company will assume all outstanding debt obligations of UP&L and PacifiCorp, and the Merged Company will adopt all tariff schedules and service contracts of UP&L on file with the Commission and in effect at the time of the merger for service within all territories served prior to the merger by UP&L. Application at 2.

24. The Merged Company will issue shares of common and preferred stock upon conversion of outstanding shares of common and preferred stock of UP&L and PacifiCorp. Application at 2.

25. UP&L's common shareholders will receive between .909 and .957 shares of the new PacifiCorp stock and will own

more than 40 percent of the shares of the new corporation. Except for shares owned by dissenters, outstanding UP&L preferred stock will be converted to preferred stock of the new corporation. DFB at 14.

26. The common stock of Utah Power will be converted into shares of the new corporation based on a formula derived from PacifiCorp's closing price during a ten-day computation period following final regulatory approval. DFB at 14.

27. The Merged Company will be the surviving entity of the merger. Application at 10.

28. The Merged Company will provide electric service to more than 1,180,000 retail customers throughout California, Idaho, Montana, Oregon, Utah, Washington, and Wyoming. Application at 10.

29. The Merged Company's electric service territory will aggregate approximately 153,000 square miles. Application at 10.

30. The Merged Company will continue to do business in all territories previously served by UP&L and will operate the business formerly conducted by UP&L as a division of the Merged Company under the assumed business name of Utah Power & Light Company. Application at 5-5.

31. The Merged Company will continue to do business in all territories previously served by PacifiCorp under the assumed business name of Pacific Power & Light Company. Application at 5-6.

32. PP&L and UP&L will be operated separately as divisions of PacifiCorp, but it is expected that the two power systems will be operated and planned on a single utility basis. RMB at 3.

33. The Applicants intend to consolidate certain traditional staff functions (e.g., legal, audit, data processing, inventories, insurance, shareholder relations, power plant maintenance, purchasing, and employee services). Division Responses VIII; FDR at 4.

34. The Applicants intend to prepare financial statements combining the separate statements of the entities together. Supp. OTC at 4-5.

35. It is intended that the president of each electric division will serve on the board of the other division. Division Responses VIII; FND at 8.

36. The directors and officers of UP&L at the effective date of the merger will become directors and officers of the Utah Power & Light Company division of the Merged Company. Application at 6.

37. The UP&L Board will be formed similar to the existing PP&L Board. DFB at 16; FND at 8.

38. The UP&L board will have authority over such matters as annual construction budgets, purchase and disposition of utility property, and salaries and benefits. OTC at 5.

39. The Merger Agreement provides that after the merger, two former members of the UP&L Board of Directors and one person residing in UP&L service territory will be elected to the Board of Directors of the Merged Company. Thereafter the Merged Companies are to seek further representation of persons in UP&L's service territory with the goal of having pro rata representation from UP&L's service territory. DFB at 15.

40. PP&L will continue to serve Oregon, Washington, Idaho, Wyoming, California and Montana. FND at 9.

41. It is intended by the Applicants that UP&L subsidiaries such as ENI will continue under the present method of consolidation for the near future with earnings of ENI "below-the-line". The relationship will be evaluated in the future to determine whether ENI would appropriately fit into the entire corporate entity under some other arrangement. OTC at 9.

42. The Applicants have no plans to transfer the management or ownership of UP&L's coal properties to NERCO, Inc. DFB at 19-20.

43. It is intended that the UP&L division of the Merged Company will maintain its headquarters in Salt Lake City, Utah. Application at 6; DFB at 15.

44. The Applicants intend that the UP&L division will be afforded the same benefits and treatment as PP&L in the family of PacifiCorp business units. FND at 8.

45. The Applicants intend that jurisdictional revenue requirements and operating results will be determined in the same manner in which such information has been developed for each of the operating divisions prior to the merger. OTC at 5.

46. The Merged Company will have a single capital structure and combined weighted costs of debt and preferred stock. Financing will be by the surviving corporation, PacifiCorp, Oregon. Supp. DFB at 4.

47. The Applicants intend that the net benefits from combining the systems will be identified and allocated among the two divisions, subject to the review and approval of appropriate regulatory agencies. UMPA Responses II No. 14.

## II. JURISDICTIONAL ISSUES.

48. The Applicants intend that after the merger UP&L will be operated as a separate business unit and records kept separately for its operations. Audit records will be maintained relative to the joint operational benefits associated with the consolidated system; the net benefits from combining the systems will be identified and allocated among customers for the UP&L and PP&L divisions. Supp. DFB at 4.

49. The Applicants intend that each division of the Merged Company will allocate costs to its respective jurisdictions in the same manner as before the merger. Any benefits resulting from the merger will be allocated between the divisions and correspondingly to all jurisdictions. Interrogatory Answers I at 12.

50. The practice of looking at the unique aspects of particular utility operations and determining authorized return is expected to continue as each regulatory commission exercises its authority to set a jurisdictional revenue requirement that

allows an opportunity to earn a return similar to investments of comparable risk and maintain the ability to attract capital investment. Supp. FDR at 5.

51. PacifiCorp is prepared to accede to a reasonable set of conditions governing such matters as treatment of expenses, allocations of cost, access to books and records, no uncompensated lending of creditworthiness, protection from risk, and the like, designed to assure this and other commissions that utility customers will not in any way subsidize the nonutility operations of PacifiCorp. Supp. DFB at 4-5.

### III. FINANCIAL ISSUES

#### A. Financial Matters in General.

52. In 1986 PacifiCorp earned approximately \$230,000,000 on revenues of approximately \$2,000,000,000. DFB at 2.

53. In 1986, about 52% of PacifiCorp's operating revenues were derived from PP&L. DFB at 3.

54. In 1986, PP&L's wholesale revenues were approximately \$128 million. DFB at 4.

55. The unrestricted level of retained earnings for UP&L as of June 30, 1987, is \$30.8 million available to pay dividends. (\$12 million following the dividend declaration on August 19, 1987). As of June 30, 1987, PacifiCorp had some \$308.2 million of unrestricted retained earnings. The Merged Company's total unrestricted retained earnings will therefore be some \$339.0 million (using June 30, 1987 balances). OTC at 15.

56. The Merged Company will have assets of approximately \$8.7 billion. DFB at 19.

57. Upon the effective date of the merger, the Merged Company will assume all outstanding debt obligations of UP&L and PacifiCorp and thereafter will continue or create liens in connection with such obligations. The Merged Company will be required to execute appropriate supplemental indentures, or

other agreements, to reflect these assumptions. Any existing liens on the property of UP&L or PacifiCorp will continue as liens on the properties of the Merged Company. The series of debt obligations to be assumed by the Merged Company are listed on Exhibit "E" to the Application. These debt obligations will be assumed for the purpose of acquiring the public utility properties of UP&L and PacifiCorp. Application at 12; OTC at 15; Interrogatory Answers I at 18.

58. Historically PacifiCorp has maintained dividend policies characterized by stability and investors' current income needs. Payout ratios have averaged nearly 70% of earnings. Supp. FDR at 2.

59. PacifiCorp has maintained a dividend payout ratio approximately equal to the weighted average for the diversified industries in which it is engaged. Increases in the common dividend were declared when earnings justified an increase. As its business became diversified, PacifiCorp's dividend payout ratio has declined slightly, reflecting the growth that is on electric utility earnings. Supp. FDR at 2-3.

60. Since 1980, UP&L's common dividend payout ratio has been as follows: 1980--83%; 1981--94%; 1982--96%; 1983--96%; 1984--131% (96% without Hunter 4 write-off); 1985--94%; 1986--150% (103% without coal settlement) and 12 months ended August 1987--151%. The dividend payout ratios were affected by various non-recurring charges to earnings that were not offset by rate increases such as the \$55 million, Hunter No. 4 plant cancellation in December of 1984, the \$8.3 million Utah Supreme Court reversal of the energy balancing accounting revenues in July 1986; the recent \$86 million write-off in December 1986; and the EBA settlement of \$17.7 million of June 1987. Supp. OTC at 8-10.

61. UP&L's dividend policy has been directed at successfully raising large amounts of new equity capital at the lowest possible cost. Dividend increases were at or above the industry average in the 1970's when UP&L was issuing extraordinary amounts of new equity. In the 1980's, as construction and financing requirements started to decrease, UP&L's dividend increases slowed to a halt in 1983. UP&L has only increased its dividend three times since 1980. Supp. OTC at 10.

62. After the merger, PacifiCorp expects to maintain at least its current \$2.52 annual dividend, and as a result, the payout ratio will be increased. The dividend payout ratio will reflect the blended payout ratios of the various operating segments. After the merger, approximately 70 to 80% of PacifiCorp's earnings will be from electric utility operations thus bringing the payout ratio close to the electric utility industry average. OTC at 16; Supp. FDR at 3.

B. Sources and Application of Funds.

63. External financing needs of both UP&L and PP&L are not substantial. The merger will further reduce external funding requirements because of anticipated reductions in construction requirements and interest rate reductions of operating expenses due to consolidation and combination of certain administrative functions. PacifiCorp's utility operations are expected to generate sufficient internal funds to fund nearly all ongoing construction requirements. Supp. FDR at 1-2; Supp. OTC at 7-8.

64. Near term external financing is expected to be primarily for the purpose of recapitalization or refinancing existing security issues, thus allowing PacifiCorp opportunities to maintain and improve its capital structure by exploiting capital market conditions to reduce total cost of capital and improve financial statistics. Supp. FDR at 2; Supp. OTC at 8.

65. The proposed merger will be accounted for as a pooling of interest. Thus, the merger will simply combine the assets of the two companies. In the near term, the source and use of the funds for the merged company will be the sum of the two separate companies. Supp. OTC at 7.

C. Effects of the Merger on Bond Ratings.

66. On a without-merger basis, in its June, 1987 release, Standard & Poor's indicated that reduced financing pressures on UP&L should allow maintenance of bondholder protection at levels consistent with the "A" rating. No long-term improvement in UP&L's rating was seen absent improved

performance, particularly in return on equity. Supp. OTC at 12; Interrogatory Answers I at 10.

67. Bond ratings are subjective, thus no "hard" information on future ratings is available. The prospect of a merger creates uncertainty for rating agencies until they determine whether the regulators will impose burdensome preconditions on the merger and until they determine whether the Merged Company is successful. The Merged Company expects that it will be a company that is at least as financially strong as the sum of its premerger parts and that bond ratings will reflect this strength. Thus, the merged company does not expect changes in either direction to be a significant factor concerning the economics of the merger. Supp. FDR at 3-4.

D. Effect of the Merger on Cost of Capital.

68. The merged company will have a single capital structure with one set of other financial measures. Supp. FDR at 4.

69. In the near term, the merger will not affect the cost of capital because the embedded cost of capital will not change. Supp. FDR at 4.

70. It is difficult to anticipate what will happen to the cost of capital after the merger. In all likelihood, the capital markets' response will parallel the behavior of financial indicators. Supp. OTC at 14.

E. Tax Considerations.

71. During 1986, UP&L paid \$116,775,000 in tax to various levels of government. This is broken down as follows: Federal government--\$72,440,000; school districts--\$19,338,000; and state and local governments--\$24,998,000. These taxes have provided significant benefits in the public interest to the various constituent groups involved. OTC at 18.

72. No significant tax considerations are envisioned from the merger. The Merger is expected to be treated as a consolidation and will be accounted for as a pooling of interest for accounting and financial reporting purposes.

Thus, the assets of PacifiCorp and UP&L will be carried forward to the combined at the recorded amounts. Supp. FDR at 6; OTC at 19.

73. In accordance with the "consolidation" or pooling of interest accounting method, there will be no acquisition adjustment on the PacifiCorp balance sheet. The assets and liabilities of PacifiCorp and UP&L will be carried forward to the combined corporation of the recorded amounts. OTC at 20.

74. The merger should have no effect on tax expense included in the utility rates because income taxes will be determined for rate-making purposes for each jurisdiction of each division on a stand-alone basis with the rate-making results of operations used to determine taxable income. Supp. FDR at 6; Response to Committee Request No. 86.

75. For cost of service purposes, the business units of PacifiCorp compute their respective tax liabilities on a stand-alone basis although PacifiCorp files a consolidated tax return. Because the electric divisions will be maintained as separate identities, the manner of calculating tax expenses is not expected to vary from the past. OTC at 16.

76. Federal and state income tax returns will be prepared and filed at the corporate level (PacifiCorp). PacifiCorp's divisions will prepare and forward to PacifiCorp information required for the corporate tax returns. OTC at 17.

77. Concerning tax consequences to the shareholders, it is expected that the merger will constitute a tax-free reorganization under the IRS Code. No gain or loss will be recognized by UP&L by the transfer its assets to the merging corporation. No gain or loss will be recognized by the holders of UP&L common stock on their receipt of merging corporation common stock in exchange for the UP&L common stock. Alternative Minimum Tax (AMT) may be minimized or voided for non-regulated subsidiaries of PacifiCorp as a result of filing a consolidated tax return. OTC at 17-18.

F. Financial Policies; UP&L's Access to Capital.

78. It is intended that the UP&L division of PacifiCorp will have a separate board, be afforded the same

benefits and treatment as other business units, and will take key roles in defining PacifiCorp's strategy through representation in a corporate policy group and the Merged Company board. Overall financial strategy will be determined by the PacifiCorp board, subject to regulatory approvals. Supp. FDR at 8.

79. UP&L's construction budget is currently approved by the UP&L Board of Directors. After the merger, the construction budget will be established by the UP&L board with final oversight by PacifiCorp board. Supp. FDR at 7-8.

80. The Merged Company should be able to generate internally most of the capital needed for utility operations and thus UP&L's operations should not be significantly dependent on external financing for capital improvements. The Commission will still have the ability, after the merger, to respond to any inadequate level of capital spending in the context of the ratemaking process. Supp. FDR at 6-7.

81. After the merger, long-term capital needed to meet construction needs and other capital requirements of the UP&L division will be raised by PacifiCorp. Supp. OTC at 15.

82. SEC forms 10-K, 10-Q and other SEC required filings will be prepared and filed for PacifiCorp at the corporate (PacifiCorp) level. It is anticipated that consolidation of financial statements will occur at the corporate level (PacifiCorp), although separate financial statements for UP&L and PP&L will continue to be maintained. OTC at 20-21.

#### IV. CURRENT AND PROSPECTIVE LOADS AND LOAD SHAPES

##### A. Jurisdictional Loads and Forecasts.

##### 1. Current and Historical Peak Load Levels and Total Energy Sales.

83. The historic peak load levels for PP&L are as follows: 1983, 4,380 MW; 1984, 4,245 MW; 1985, 4,253 MW; 1986, 3,841 MW. The historic total energy sales for PP&L were as follows: 1983, 24,403,998 MWh; 1984, 24,430,215 MWh; 1985,

27,117,787 MWh; 1986, 24,808,745 MWh. RMB Ex. 3.23, Tab 22, at 1 and RMB Ex. 3.2.

84. The historic peak load levels for UP&L were as follows: 1983, 2,206 MW; 1984, 2,326 MW; 1985, 2,303 MW; 1986, 2,394 MW. The historic total energy sales for UP&L were as follows: 1983, 17,271,601 MWh; 1984, 18,532,279 MWh; 1985, 19,246,242 MWh; 1986, 17,682,414 MWh. RMB Exhibit 3.23, Tab 22, at 1; RMB Ex. 3.2; and BNH Ex. 6.1.

85. PP&L's peak load occurs in the winter months of November through February; for 1986, the peak occurred on December 9. RMB Ex. 3.22, 7-11; RMB at 10; and BNH at 5-6.

86. UP&L's peak load occurs in the summer months; for 1986, the peak occurred on July 14. RMB Ex. 3.22, n.13; RMB at 10; and BNH at 5-6.

87. During the years 1983-1986, UP&L experienced an increase of 188 MW in firm peak load or 8.5% while PP&L experienced a decrease of 539 MW in peak load, or a minus 12.3%. UP&L's energy sales increased 2.4%, or 0.8% averaged annually, while PP&L had a 1.7% growth. BNH at 5 and BNH Ex. 6.1.

88. The estimated combined system historic jurisdictional energy sales would have been as follows: 1983, 32,142,038 MWh; 1984, 33,497,830 MWh; 1985, 34,497,197 MWh; 1986, 34,300,354 MWh. The estimated combined system historic total energy sales would have been as follows: 1983, 41,675,599 MWh; 1984, 43,012,494 MWh; 1985, 46,364,029 MWh; 1986, 42,491,151 MWh. RMB Exhibit No. 3.2; BNH at 6; BNH Ex. 6.2.

89. The recent historic combined coincident peak loads would have been as follows: 1983, 6,499 MW; 1984, 6,398 MW; 1985, 6,371 MW; 1986, 5,926 MW. RMB EX. 3.23, Tab 22, at 2; BNH at 6; BNH Ex. 6.2.

2. Current and Recent Historic Customer Class Mix of UP&L and PP&L.

90. In 1986, the number of customers for PP&L totalled 709,759, 80% of which were residential, 18% of which

were commercial, 1% of which were irrigation, and 1% of which were industrial. In 1986, the number of customers for UP&L totalled 511,269, 89% of which were residential, 9% of which were commercial, and 2% of which were industrial. The number of customers in 1986 for the combined system would have been 1,221,028, 84% of which would have been residential, 14% of which would have been commercial, 1% of which would have been irrigation, and 1% of which would have been industrial. RMB Ex. No. 3.3 and BNH Ex. 6.7.

91. In 1986, the customer sales for PP&L totalled 19,849,119 MWh of which 33% were residential, 25% were commercial, 2% were irrigation, and 40% were industrial. In 1986, the customer sales for UP&L totalled 14,451,235 MWh of which 25% were residential, 26% were commercial, 3% were irrigation, and 46% were industrial. For the combined system, the customer sales in 1986 would have totalled 34,300,354 MWh, of which 29% would have been residential, 25% would have been commercial, 3% would have been irrigation, and 43% would have been industrial. RMB Ex. No. 3.3 and BNH Ex. 6.7.

92. The class peak loads for UP&L in 1986 were as follows: residential, 892 MW; commercial, 1,138 MW; industrial, 782 MW. RMB Ex. No. 3.3 and BNH Ex. 6.3.

93. The coincident peaks for UP&L were as follows: residential, 19%; commercial, 48%; industrial, 33%. RMB Ex. No. 3.3 and BNH Ex. 6.3.

94. In 1986, the customer class mix would have been 84% residential, 14% commercial, 1% irrigation, and 1% industrial. The energy sales would have been 29% residential, 25% commercial, 3% irrigation, and 43% industrial. BNH Ex. 6.7.

### 3. Methods and Models Used to Project Jurisdictional Energy Sales and Peak Loads (Variables, Load Control/Load Management Considerations).

95. PP&L's residential consumption is expected to expand at an annual rate of 0.8% between 1985 and 2005 as determined by the number of customers and useage per customer. PP&L has forecast growth in the commercial sector to average 1.5% per year until the year 2005. PP&L has forecast growth in

the industrial sector to be 2.6% overall. PP&L has forecast growth in the irrigation sector to decline at a rate of 0.1% per year. PP&L has forecast the growth and demand for street and highway lighting as 0.7% per year. RMB Ex. 3.23, Tab 1, at 25, 32, and 47; RMB Ex. 3.23 at 34-35.

96. In addition to a long-run forecast, PP&L has also developed two alternative forecasts to place reasonable upper and lower bounds around the base forecast. These are optimistic and pessimistic projections respectively. The optimistic projection would indicate growth at 2.4% annually. The pessimistic projection would project 1.2% growth per year. RMB Ex. 3.23, Tab 1, at 51-53.

#### B. Off-System Sales.

97. Energy sales to the California markets have represented approximately 77% of PP&L's total wholesale energy sales over the past four years. Energy sales to the California power markets represent approximately 30% of UP&L's total wholesale energy sales over the last four years. RMB at 17.

98. UP&L's sales to the desert southwest utilities represent approximately 34% of its total wholesale energy sales. Energy sales to the desert southwest utilities represent only about 1% of PP&L's sales. RMB at 17.

100. The off-system sales for PP&L were as follows:  
1983: 795,049 MWh firm, 3,927,118 MWh nonfirm; 1984: 1,624,162 MWh firm, 2,486,876 MWh nonfirm; 1985: 491,539 MWh firm, 5,714,924 MWh nonfirm; 1986: 2,748,203 MWh firm, 1,346,122 MWh nonfirm. RMB Ex. No. 3-4.

101. The off-systems sales for UP&L were as follows:  
1983: 1,316,078 MWh firm, 2,575,610 MWh nonfirm; 1984: 1,375,051 MWh firm, 3,057,053 MWh nonfirm; 1985: 1,209,716 MWh firm, 3,411,478 MWh nonfirm; 1986: 717,723 MWh firm, 2,330,960 MWh nonfirm. RMB Ex. No. 3-4.

102. PP&L incorporates its projection of off-system surplus sales into its production cost model--this model simulates the interactions of PP&L, BPA and other northwest utilities, giving consideration to pooling and coordination agreements, Intertie constraints, resource operational

limitations and pricing, and hydrologic uncertainty. PP&L's cost model calculates the extent of the regional surplus available for export, in accordance with BPA's Intertie access policy, compares this to the amount of capacity available through the Intertie, and then prorates PP&L's resources available for export as against those of the other utilities in the region to determine how much energy PP&L can sell through the Intertie. The statistics for this model are derived from 50 years worth of stream flow data. Supp. RMB at 10-11.

103. UP&L projects nonfirm sales by first determining the amount of surplus energy available from UP&L's units once its projected loads have been served. From this amount, the energy that is not expected to be price competitive is subtracted. Taking into account factors such as the impact of new resources known to be scheduled on line, competition expected from low-cost hydro resources, water conditions in the northwest, availability of low-cost thermal units throughout the region, "take-or-pay" contracts, load growth, weather conditions, and coal production, UP&L is able to arrive at a final projection. Supp. RMB at 11-12.

104. Projection of firm off-system sales are currently based on existing long-term contracts. Supp. RMB at 8.

### C. Load Diversity.

#### 1. Specific Load Shape Diversity Opportunities Which Exist Between UP&L and PP&L.

105. UP&L has a summer peak while PP&L has a winter peak. In addition there is inter-seasonal diversity--where the two systems peak on different days within a month or on different hours in a given day. Supp., RMB at 12 and BNH at 13-14.

106. The estimated 1988-89 annual non-coincident peak for PP&L is 4,442 MW and for UP&L it is 2,426 MW. The diversity between the non-coincident annual peak and the non-coincident winter peak is 249 MW. The coincident peak for the combined companies is 6,542 MW. The difference between the coincident peak and the non-coincident annual peak (6,868 MW) is 326 MW. RMB Ex. 3.6 and BNH Ex. 6.6.

107. In 1986, the net diversity at the time of the combined peak was 393 MW. This net diversity is composed of 373 MW of seasonal diversity and 20 MW of hourly diversity (UP&L's loads tend to come earlier in the day because of the time zone difference). BNH at 17 and 19 and BNH Ex. 6.5.

108. The seasonal diversities in the peak month have been increasing in the past 4 years due to an increase in UP&L's summer load over its winter load in those years. The hourly diversities tend to vary widely from year to year, but there do not appear to be any significant yearly trends. BNH at 17.

109. The forecasted annual peak load diversity for UP&L and PP&L for 1988-89 is as follows: UP&L July peak--2,426 MW capacity; PP&L winter peak--4,442 MW; non-coincident peak--6,868 MW; coincident annual peak--6,542 MW; annual peak load diversity--326 MW capacity. In 2,006-07, the annual peak load diversities forecast is: UP&L July peak--3,535 MW; PP&L winter peak--5,796 MW; non-coincident peak--9,331 MW; coincident annual peak--8,931 MW; annual peak load diversity--400 MW. RMB Ex. 3.7.

## 2. Merged Company's Opportunities

110. The combined system would peak in winter; however, this coincident peak would be substantially lower than the sum of the two systems' noncoincident annual peak loads. This annual peak load diversity would be 436 MW, based on 1986 actual loads. RMB at 10; RMB EX. 3.1, Fig. 3.6.

111. As merged utilities, the combined system peak load is reduced by the net diversity which was 393 MW in 1986, and is projected to be in excess of 350 MW in all of the future projected years. BNH at 21.

112. The diversities in peak loads will lower the combined system's future capacity requirements by over 350 MW--based on projected peak load diversity combined with seasonal differences in resource availability. RMB at 10-11.

113. The diversities in peak loads will postpone peak capacity purchases or generation investments that would

otherwise have been needed as early as 1990 to meet peak loads. RMB at 11; RMB Ex. 3.1, Fig 3.7; 1 Supp. RMB at 12-13.

D. Impact of Industrial/Commercial Self-Generation "Bypass".

114. PP&L believes it can offer customers a superior alternative to self-generation and it endeavors to do so. DFB at 11.

115. To the extent the merger allows the Merged Company to lower its prices further, it will be in a better position to retain customers who may have considered self-generation. DFB at 11.

V. RESOURCES

A. Current Generation Resources.

1. Current Complement of Generation Resources.

116. UP&L has a generating capability of 3,162 MW derived from thermal plants located in Wyoming and Utah and hydroelectric plants located in Idaho, Utah and Wyoming. Under average water conditions, approximately 3% of UP&L's energy is produced by hydroelectric plants and 86% is produced by coal-fired steam plants. The balance is obtained from geothermal resources, a gas turbine and purchases from other utilities and qualifying facilities. Application at 4.

117. Utah Power & Light's 1988 capacity resource mix consists of: System Hydro (118 MW), Carbon (171 MW), Naughton (710 MW), Huntington (815 MW), Hunter (1,001 MW) and other resources (131 MW), for a total capacity of 2,946 MW. The Carbon, Naughton, Huntington, and Hunter resources are coal-fired thermal resources. RMB Ex. 3.1, Fig. 3.2.

118. UP&L's thermal power plant ownership is as follows. Carbon: 171 MW; Naughton: 710 MW; Huntington: 815 MW; Hunter: 1,001 MW. RMB EX. 3.22, n.9.

119. UP&L's current coal sources are sufficient to meet any anticipated energy requirements up to the year 2000. RMB Ex. 3.22, n.9.

120. PP&L's 1988 total system resource capability is approximately 5,859 MW, of which 3,073 MW or 52% is from coal-fired resources located in Wyoming (2,325 MW), Washington (608 MW), and Montana (140 MW). RMB at 5; RMB Ex. 3.1.

121. PP&L's present capacity resource mix consists of: BPA Peaking (1,027 MW), Purchased Hydro (583 MW), System Hydro (868 MW), Colstrip (140 MW), Wyodak (248 MW), Centralia (608 MW), Dave Johnston (750 MW), Jim Bridger (1,327 MW), and other resources (308 MW), for a total capacity of 5,859 MW. The Colstrip, Wyodak, Centralia, Dave Johnston, and Jim Bridger resources are coal-fired thermal resources. RMB Ex. 3.1, at 1.

122. PP&L owns or has partial interests in generating plants with a rate of capacity of 4,043 MW, primarily comprised of thermal plants located in Wyoming, Montana, and Washington, and hydroelectric plants located in California, Montana, Oregon, and Washington. Under average water conditions, approximately 66% of PP&L's energy requirements are supplied by thermal plants and 16% by hydroelectric plants. The balance of approximately 18% is obtained under long-term purchase contracts (principally from hydroelectric facilities), interchange contracts, and other purchase arrangements. Appl. at 4-5.

123. The energy which BPA delivers to PP&L is exchanged for energy which PP&L returns using its coal-fired generating units; from an operational prospective, BPA capacity is similar to a pumped storage hydro facility. RMB at 6.

124. PP&L's hydroelectric facilities are constrained by several factors, including equipment failures, preventative maintenance requirements, precipitation, storage capability, irrigation, recreation, fishery requirements, and the variability of stream flows. RMB at 9.

125. PP&L's thermal power plant ownership is as follows. Dave Johnston: 750 MW; Jim Bridger: 1,327 MW; Centralia: 608 MW; Wyodak: 248 MW; and Colstrip: 140 MW. RMB EX. 3.1, Fig. 3.4.

126. 70% of PP&L's generation comes from coal-fired plants and approximately 30% comes from hydro-electric facilities. PP&L has terminated involvement in nuclear plants

except for a 2.5% interest in the Trojan facility. Supp. DFB at 5.

2. Each Company's Current Reserve Capacity and Desired Reserve Margins; Dealing With Excess Reserves.

127. Consistent with the Pacific Northwest Coordination Agreement's reserve requirements, PP&L currently plans for peak reserves, during its winter season, of 950 MW, or approximately 19.7 percent of firm system capacity requirements, and 908 MW during the rest of the year. 2 Supp. RMB at 2.

128. UP&L's reserve obligation, consistent with the Intercompany Pool Agreement, is approximately 20 percent of firm system capacity requirements. Accordingly, the operating year reserve requirement for UP&L is 532 MW, with a 484 MW summer peak reserves. 2 Supp. RMB at 3.

129. UP&L will have reserves close to desired levels for the 1988 and 1989 summer peak seasons, but will not have the desired level of summer reserves by as early as 1990. Gadsby and Hale will continue to be furloughed as firm seasonal purchases from the northwest will be more economical than starting up either in the near term. 2 Supp. RMB at 3.

130. PP&L will have less than the desired winter reserves as early as the 1989-1990 winter season, but will have more than adequate summer reserves. 2 Supp. RMB at 3-4.

131. PP&L presently meets its load following requirements through large base-load coal-fired generating units and, to a lesser extent, hydroelectric generating resources and resources purchased and scheduled from other northwest utilities. However, PP&L's coal-fired resources are not designed nor equipped to respond to large or rapid load changes encountered during actual system operation. Consequently, PP&L's controllable mid-Columbia hydro resources provide the primary system load following services. RMB at 16.

132. UP&L's large coal-fired generating units are designed and equipped with automatic generating control devices

and, thus, can provide system load following services. RMB at 16.

3. Current Reserve Capacity for a Combined Company; Dealing With Excess Reserves.

133. The Merged Company would have adequate reserves until the 1991-92 winter season. Seasonal load diversity, then, will extend the period over which the Merged Company's resources would be adequate two years past the adequacy of either of the applicants alone. 2 Supp. RMB at 5.

B. Expected Future Generation Resources.

1. UP&L's and PP&L's Expected Capacity Expansions and Reliance on Off-System Resources Without Merger.

134. In the absence of the merger, UP&L expects to make off-system purchases to meet future summer peak loads; this would first occur in the summer season of 1990. By 1998 transmission constraints on off-system purchases would require that new generation be installed; UP&L would plan to construct a 62 MW combustion turbine with additional capacity coming from 150 MW coal units. These same coal units would satisfy the need for new energy resources beginning in 2000-1. These purchases and investments are subject to purchases from qualifying facilities under PURPA. 2 Supp. RMB at 9.

135. In the absence of the merger, PP&L's projected energy resource requirements would outpace its existing energy resources by 1993 or 1994. RMB at 13.

136. PP&L's winter peak loads and energy needs require purchases of capacity beginning in 1990. That capacity may be purchased from BPA. Beginning in 1991, however, PP&L's contracts with BPA expire; PP&L, then, will need to replace its current capacity purchases from BPA. While PP&L is exploring a new contract with BPA, it is also exploring purchases from alternative sources. These sources may include: turbine improvements to existing thermal units, withdrawals of energy from firm sale to Southern California Edison Company, the exercise of options on co-generation of several of PP&L's

industrial customers, optional conservation programs, purchases from BPA, and purchases of winter capacity from California utilities and the installation of combustion turbines. 2 Supp. RMB at 10 and RMB EXhibit 3.22, n. 159.

2. Specific Changes in Future Capacity Expansions and Off-System Resource Use That the Merged Company Could Exploit for Cost Reductions.

137. The merger will postpone the energy needs of the combined system until 1997 or 1998. RMB at 13 and Application at 11.

138. The Merged Company's avoided costs should be lower than the current avoided costs for either of the separate systems because of the ability of the Merged Company to postpone the required capacity of energy resource additions and because of the increased availability of lower-cost resource options. RMB at 13.

139. The reduction in net requirements for the Merged Company results from the peak load diversity between the systems and a reduction in reserve requirements. Specifically, the merger can reduce allocated reserves in the range of 200-500 MW. 2 Supp. RMB at 13.

140. As a result of the merger, PP&L will avoid purchase of new winter capacity and UP&L will avoid purchase of new summer capacity beginning in 1989-90; capacity purchases may be reduced by more than 300 MW; and UP&L's required investments for new generating capacity will also be avoided by expanded transmission interconnections. The merger would also postpone a need for new energy resources from 1993-94 until 1997-8. At the same time, UP&L's investments in coal units can be reduced or avoided to the extent that firm energy purchases from BPA or other sources are more cost effective. 2 Supp. RMB at 15.

141. UP&L's capacity resource needs will be reduced through greater reserve sharing through expanded interconnections. RMB at 11.

VI. IMPACT OF CHANGING RELATIVE ENERGY PRICES.

A. Countering Effect of Low Growth.

142. PP&L is seeking higher growth through sales and marketing, economic development, new energy services, and mergers and acquisitions. DFB at 7-8.

143. PP&L's economic development activities include: researching 20 economic areas and identifying industries with the best potential for development in each area; interesting companies in PP&L's service territory and then assisting customers with such things as permits, zoning, and financial backing through non-utility sources. PP&L is also providing "energy services" by providing tailor-made energy systems. DFB at 9-10.

144. PP&L has helped attract or return more than 2,500 jobs in its service territory and has adopted a goal of creating 10,000 new basic industry jobs by 1992 to generate 1.4 million megawatt-hours of additional sales and \$52 million of added revenue. DFB at 9-10; DFB Ex. 2-4, Tab 1, Item No. 1.

A. Benefits to this State.

1. UP&L Customers.

145. The merger will not result in any immediate change in tariff provisions, special service contracts or rates, rules or regulations for service to the customers of UP&L or Pacific Power. Prior to the effective date of the merger, the Merged Company intends to file with the Commission its adoption of UP&L's then effective tariff schedules and service contracts as its own for service to customers theretofore served by UP&L. Application at 13.

146. Attached to UP&L's responses to information Request No. 10 and 11 of UMPA, dated November 24, 1987, are true and accurate copies of UP&L's current retail schedule for each jurisdiction, including all schedules and/or riders referenced by said retail schedules. In addition, attached also are UP&L's rate schedules filed with FERC.

147. The merger between PacifiCorp and UP&L will result in a 5-10% decrease in rates to UP&L customers over the next four years. FND at 3; FDR at 2; DFB at 21.

148. Within sixty days of the effective date of the merger, the Merged Company intends to file revised tariffs in Utah, Wyoming and Idaho proposing an overall reduction of 2%. No later than the end of 1988 (after there is some experience as a merged company) a detailed plan will be submitted describing implementation of the total targeted price reduction. FDR at 2.

## 2. UP&L Employees.

149. The merger will not adversely affect union relations because UP&L has union contracts which will be honored by the Merged Company. RND at 12.

150. UP&L and PP&L employees should be better off after the merger to the extent they will have additional career opportunities and they will be employed by a financially stronger, more competitive company, and will have the chance to increase their knowledge of different utility system planning and operating procedures. RMB at 23; 3 Supp. FDR at 5.

## B. Other Benefits.

151. The merger will permit the applicants to remain competitive in wholesale power markets. RMB Ex. 3.22, n. 45.

152. The Merged Company has agreed that after the merger, UP&L will continue to receive bids from suppliers in accord with its policies and procedures consistent with the judgment of permanent injunction as and against UP&L entered in the matter of the Special Salt Lake County Grand Jury 1986 term as that judgment may be modified. OTC at 22-23.

153. A merger will have no effect on the coal refund in UP&L jurisdictions. OTC at 23.

## VIII. DOCUMENTS

154. The following exhibits, attachments and other documents are authentic, admissible as evidence, and true and accurate:

(1) Agreement and Plan of Reorganization and Merger between PacifiCorp Maine, Utah Power, and Merging Corp., dated August 12, 1987 is attached as Exhibit "A" to the Application.

(2) The names, titles and addresses of the principal officers of UP&L, PacifiCorp, and the Merged Company are attached as Exhibit "B" to the Application.

(3) A map of the territories served by UP&L is attached to the Application as Exhibit "C" to the Application.

(4) A map of the territories served by Pacific Power is attached to the Application as Exhibit "D" to the Application.

(5) Debt to be Assumed by PacifiCorp Oregon as of July 31, 1987 is attached as Exhibit "E" to the Application.

(6) Lists of all Franchises Owned, Controlled or Operated by Utah Power and Pacific Power as Exhibit "F" to the Application.

(7) Pacific Power's FERC Form 1 Annual Report as Exhibit "G" to the Application.

(8) Securities Proposed to be Issued upon Conversion of Utah Power and PacifiCorp Maine common and preferred stock are attached as Exhibit "H" to the Application.

(9) Copies of the articles of incorporation (with amendments to date) for UP&L, PacifiCorp, and the Merged Company are attached as Exhibit "I" to the Application.

(10) Copies of the by-laws (with amendments to date) for UP&L, PacifiCorp, and the Merged Company are attached as Exhibit "J" to the Application.

(11) Resolutions of Directors Authorizing the Merger are attached as Exhibit "K" to the Application.

(12) A brief description of the mortgages, trust deeds, and indentures securing the obligations of UP&L and PacifiCorp is attached as Exhibit "L" to the Application.

(13) Form 10K for UP&L and PacifiCorp is attached as Exhibit "M" to the Application.

(14) Balance sheets (as of June 30, 1987) and pro forma, in conformity with the forms set forth in the annual reports for UP&L and PacifiCorp, are attached as Exhibit "N" to the Application.

(15) Comparative income statements (for the twelve months ended June 30, 1987) and pro forma, in conformity with the forms set forth in the annual reports for UP&L and PacifiCorp, are attached as Exhibit "O" to the Application.

(16) A statement of returned earnings (for the period covered by the income statements for the twelve months ended June 30, 1987) is attached as Exhibit "P" to the Application.

(17) A statement (as of July 31, 1987) is attached as Exhibit "Q" to the Application, showing for each class in series of capital stock: brief description, the amount authorized (face value and number of shares), the amount outstanding (exclusive of any amount held in the treasury), amount held as reacquired securities, amount pledged, amount owed by affiliated interests and amount held in any fund.

(18) A statement (as of July 31, 1987) is attached as Exhibit "R" to the Application, showing for each class in series of long-term debt notes: brief description (amount, interest rate and maturity), amount authorized, amount outstanding (exclusive of any amount held in the treasury), amount held as reacquired securities, amount pledged, amount held by affiliated interests, and amount in sinking and other funds.

(19) A statement by primary account of the cost of the facilities and applicable depreciation reserves

involved in the merger is attached as Exhibit "S" to the Application.

(20) A copy of the proposed journal entries to be used to record the merger upon the books is attached as Exhibit "T" to the Application.

(21) Registration Statement which will be filed with the SEC is attached as Exhibit "U" to the Application.

(22) A statement of the amount of interest paid during the year ended December 31, 1986, and the rates thereof, is attached as Exhibit "V" to the Application.

(23) The rates and amounts of dividends paid upon each class of stock during each of the five calendar years preceding the Application is attached as Exhibit "W" to the Application.

(24) Form 10-Q's for UP&L and PacifiCorp are attached as Exhibit "X" to the Application.

(25) Form 8-K's for UP&L and PacifiCorp are attached as Exhibit "Y" to the Application.

(26) Exhibit 1.1 to the Substituted Testimony of Frank E. Davis is a list of footnotes to that testimony.

(27) Exhibit 1.2, Tab 1 to the Substituted Testimony of Frank E. Davis is a comparison of UP&L Book Value to Market Price of Common Stock.

(28) Exhibit 1.2, Tab 2 to the Substituted Testimony of Frank E. Davis is a Memorandum from Messrs. Griffiths and Davies to Dalley.

(29) Exhibit 1.2, Tab 3 to the Substituted Testimony of Frank E. Davis is Highlights of 1987 UP&L Budget.

(30) Exhibit 1.2, Tab 4 to the Substituted Testimony of Frank E. Davis is a chart of Merged Company Board of Directors.

(31) Exhibit 2.1 to the Substituted Testimony of David F. Bolender is a series of corporate organization charts.

(32) Exhibit 2.2 to the Substituted Testimony of David F. Bolender is a map of PacifiCorp operations.

(33) Exhibit 2.3 to the Substituted Testimony of David F. Bolender is a list of footnotes to his testimony.

(34) Exhibit 2.4, Tab 1 to the Substituted Testimony of David F. Bolender is a series of documents entitled Economic Development.

(35) Exhibit 2.4, Tab 2 to the Substituted Testimony of David F. Bolender is a series of documents entitled Decentralization.

(36) Exhibit 2.4, Tab 3 to the Substituted Testimony of David F. Bolender is a series of documents entitled Competition.

(37) Exhibit 2.4, Tab 4 to the Substituted Testimony of David F. Bolender is a series of documents entitled Strategic Plan.

(38) Exhibit 2.4, Tab 6 to the Substituted Testimony of David F. Bolender is a series of documents entitled Board of Directors Minutes.

(39) Exhibit 2.4, Tab 7 to the Substituted Testimony of David F. Bolender is a series of documents entitled Miscellaneous.

(40) Exhibit 2.4, Tab 8 to the Substituted Testimony of David F. Bolender is a series of documents entitled Miscellaneous.

(41) Exhibit 2.4, Tab 9 to the Substituted Testimony of David F. Bolender is a series of documents entitled Operating Benefits.

(42) Exhibit 3.1 to the Substituted Testimony of Rodney M. Boucher is a series of Charts of Pacific Power's Resource Mix.

(43) Exhibit 3.2 to the Substituted Testimony of Rodney M. Boucher is a chart of system jurisdictional peak load and energy sales information.

(44) Exhibit 3.3 to the Substituted Testimony of Rodney M. Boucher is a chart of the breakdown of power by type of customer.

(45) Exhibit 3.4 to the Substituted Testimony of Rodney M. Boucher is a breakdown of off-system sales for the years 1983 through 1986.

(46) Exhibit 3.5 to the Substituted Testimony of Rodney M. Boucher is a chart of existing sales for UP&L.

(47) Exhibit 3.6 to the Substituted Testimony of Rodney M. Boucher is the estimated 1988-1989 annual peak load diversity.

(48) Exhibit 3.7 to the Substituted Testimony of Rodney M. Boucher is the forecast of annual peak load diversity for UP&L and PP&L.

(49) Exhibit 3.8 to the Substituted Testimony of Rodney M. Boucher is a series of lists of UP&L and PP&L's generating resources.

(50) Exhibit 3.9 to the Substituted Testimony of Rodney M. Boucher is chart of peak reserves.

(51) Exhibit 3.10 to the Substituted Testimony of Rodney M. Boucher is a series of charts for UP&L and PP&L loads and resources summaries.

(52) Exhibit 3.11 to the Substituted Testimony of Rodney M. Boucher is a series of charts regarding PP&L's loads and resource summaries.

(53) Exhibit 3.12 to the Substituted Testimony of Rodney M. Boucher is a series of charts outlining combined UP&L and PP&L loads and resource summaries.

(54) Exhibit 3.13 to the Substituted Testimony of Rodney M. Boucher is a series of charts outlining PP&L and UP&L off-system purchased power.

(55) Exhibit 3.14 to the Substituted Testimony of Rodney M. Boucher is a series of charts outlining capacity resource additions.

(56) Exhibit 3.15 to the Substituted Testimony of Rodney M. Boucher is a series of charts outlining energy resource additions.

(57) Exhibit 3.16 to the Substituted Testimony of Rodney M. Boucher is a summary of alternative resources (1994) for PP&L.

(58) Exhibit 3.17 to the Substituted Testimony of Rodney M. Boucher is a series of charts entitled Merged System Capacity Resource Additions.

(59) Exhibit 3.18 to the Substituted Testimony of Rodney M. Boucher is a series of charts entitled Merged System Energy Resource Additions.

(60) Exhibit 3.19 to the Substituted Testimony of Rodney M. Boucher is a series of charts entitled Interchange Points for Area Controlled Termination.

(61) Exhibit 3.20.a to the Substituted Testimony of Rodney M. Boucher is a map showing transmission lines from the Dave Johnson Plant to the Jim Bridger Plant.

(62) Exhibit 3.20.b to the Substituted Testimony of Rodney M. Boucher is a map showing transmission lines between the Jim Bridger Plant and the Naughton Plant.

(63) Exhibit 3.21 to the Substituted Testimony of Rodney M. Boucher is a five year forecast construction expenditure summary.

(64) Exhibit 3.22 to the Substituted Testimony of Rodney M. Boucher is the footnotes to Mr. Boucher's testimony.

(65) Exhibit 3.23 to the Substituted Testimony of Rodney M. Boucher is an Index of Tabs.

(66) Exhibit 3.23, TAB 1, Pacific Power & Light, 1985 System Load Forecast, Volumes 1 through 4, April 1986.

(67) Exhibit 3.23, TAB 2, Pacific Northwest Coordination Agreement, Sep. 64, with Addendums no. 1 and 2, and Settlement Agreement.

(68) Exhibit 3.23, TAB 3, The Intercompany Pool Agreement, 1 Sep. 73, and Revisions.

(69) Exhibit 3.23, TAB 4:

- a. Letter, IPC, 5 Aug. 87, Subject: 1987-88 ICP Forced Outage Reserve Allocations.
- b. Letter, IPC, 10 Nov. 87, Subject: Revised 1987-88 ICP Forced Outage Reserve Allocations.

(70) Exhibit 3.23, TAB 5, PNCA Forced Outages Reserve Allocations Letter, dated 30 Jul. 87.

(71) Exhibit 3.23, TAB 6, Pacific's BPA Peaking Power Contract.

(72) Exhibit 3.23, TAB 7:

- a. PP&L's Monthly Load and Resource Balance.
- b. UP&L's Monthly Load and Resource Balance.
- c. Merged System's Monthly Load and Resource Balance.

(73) Exhibit 3.23, TAB 8, List of PP&L's and UP&L's Purchased Power Contracts.

(74) Exhibit 3.23, TAB 9, Study of BPA peaking capability, Executive Summary.

(75) Exhibit 3.23, TAB 10, BPA Wholesale Rate Schedule.

(76) Exhibit 3.23, TAB 11, Long Term Power Sales Agreement Between PP&L and Southern California Edison Company.

(77) Exhibit 3.23, TAB 12, PP&L's power sales contract with BPA.

(78) Exhibit 3.23, TAB 13, Hydro runoff information (59 years) - 1985 highlighted.

(79) Exhibit 3.23, TAB 14, Financial analysis.

(80) Exhibit 3.23, TAB 15, PP&L Avoided Cost filing with the Oregon PUC, 29 May 87.

(81) Exhibit 3.23, TAB 16, System One Line.

(82) Exhibit 3.23, TAB 17, Five year Transmission Construction Forecast.

(83) Exhibit 3.23, TAB 18, WSCC Study of WAPA Phase Shifters.

(84) Exhibit 3.23, TAB 19, Chart, Title: Comparison of Competing Fuel Prices (\$/BBL), dated Jul. 87.

(85) Exhibit 3.23, TAB 20, BPA Draft Environmental Impact Statement, Volume 2, Subject: Proposed Long Term Intertie Access Policy.

(86) Exhibit 3.23, TAB 21, FERC Notice of Inquiry, Docket No. RM85-17-000.

(87) Exhibit 3.23, TAB 22, Utah Power & Light's Memorandum, dated 10 Feb. 87.

(88) Exhibit 3.23, TAB 23, Same as Tab 19.

(89) Exhibit 3.23, TAB 24, Power Resource Statistics Department Report No. 009.

(90) Exhibit 3.23, TAB 25, Utah Division of Public Utilities, Information Request DPU 1-6.d.(10).

(91) Exhibit 3.23, TAB 26, Utah Division of Public Utilities, Information Request DPU 3-28.

(92) Exhibit 3.23, TAB 27, Utah Division of Public Utilities, Information Request DPU 3-29.

(93) Exhibit 3.23, TAB 28, BPA Contract No. 14-03-29136, Exhibit D.

(94) Exhibit 3.23, TAB 29, Streamflow, Columbia River, Banks Lake, Klamth River Depletions.

(95) Exhibit 3.23, TAB 30, Coordinated System Firm Resources, Existing July 1, 1985.

(96) Exhibit 3.23, TAB 31, Pacific Northwest Power Planning and Conservation Act.

(97) Exhibit 3.23, TAB 32, Jim Bridger High Tension Trouble and Interruption Report.

(98) Exhibit 3.23, TAB 33, Report: Least-Cost Utility Planning, Edison Electric Institute, Oct. 85.

(99) Exhibit 3.23, TAB 34, Letter from Washington Utilities and Transportation Commission, dated 19 Feb. 87, Subject: Least-Cost Planning.

(100) Exhibit 3.23, TAB 35, PP&L, UP&L and Merged System 1987 Loads and Resources Forecast.

(101) Exhibit 3.23, TAB 36, Letter, UP&L, dated 23 Sep. 87, Subject: UP&L Company Transfer Capability.

(102) Exhibit 3.23, TAB 37, PNUCC Northwest Regional Forecast, Table II-1.

(103) Exhibit 3.23, TAB 38, Western Systems Coordinating Council, Planned Facilities Through 1994 and Possible Transmission Beyond this Period, dated 1 Jan. 87.

(104) Exhibit 4.1 to the Substituted Testimony of O.T. Colby is the Exhibits to the Application.

(105) Exhibit 4.2 to the Substituted Testimony of O.T. Colby is a Chart of PacifiCorp's Organization.

(106) Exhibit 4.3 to the Substituted Testimony of O.T. Colby is the Rating Agency Reports on the Proposed Merger.

(107) Exhibit 4.4 to the Substituted Testimony of O.T. Colby is Comparative Information Between PP&L and UP&L for Year Ended 12/31/86.

(108) Exhibit 4.5 to the Substituted Testimony of O.T. Colby is a Pro Forma of UP&L and PacifiCorp.

(109) Exhibit 4.6 to the Substituted Testimony of O.T. Colby is the Footnotes to his Substituted Testimony.

(110) Exhibit 4.7, TAB 1, to the Substituted Testimony of O.T. Colby is Statement of Retained Earnings.

(111) Exhibit 4.7, TAB 2, to the Substituted Testimony of O. T. Colby is the Restricted Retained Earnings Sheet.

(112) Exhibit 4.7, TAB 3, to the Substituted Testimony of O. T. Colby is Possible Intercompany Cost Allocations.

(114) Exhibit 4.7, TAB 4, to the Substituted Testimony of O. T. Colby is a Chart of the Separate Board of Directors of the Merged Company.

(115) Exhibit 4.7, TAB 5, to the Substituted Testimony of O. T. Colby is a series of Charts regarding the Pro Forma Costs of Long-Term Bonds and preferred stock of PacifiCorp.

(116) Exhibit 4.7, TAB 6, to the Substituted Testimony of O. T. Colby is UP&L's Capitalization Ratios from 1984 through 1986.

(117) Exhibit 4.7, TAB 7, to the Substituted Testimony of O. T. Colby is a Salomon Brothers, Inc. Research Report on Electric Utility Dividends.

(118) Exhibit 5.1 to the Substituted Testimony of Frederic D. Reed is the Dividend Payout Ratio for PacifiCorp for Years 1980 through 1986.

(119) Exhibit 5.2 to the Substituted Testimony of Frederic D. Reed is the PP&L and UP&L Consolidated Operating Benefits.

(120) Exhibit 5.3 to the Substituted Testimony of Frederic D. Reed is the Footnotes to his Testimony.

(121) Exhibit 6.1 to the Substituted Testimony of B. N. Hutchinson is the Historical Peak Loads and Energy Sales of PP&L and UP&L.

(122) Exhibit 6.2 to the Substituted Testimony of B. N. Hutchinson is the Historical Coincidental Peak Load and Energy Sales for Combined Companies.

(123) Exhibit 6.3 to the Substituted Testimony of B. N. Hutchinson is the Class Mix of Separate and Combined Companies.

(124) Exhibit 6.4 to the Substituted Testimony of B. N. Hutchinson is the Forecasting Methodologies.

(125) Exhibit 6.5 to the Substituted Testimony of B. N. Hutchinson is a Chart of UP&L and PP&L Individual and Combined Loads.

(126) Exhibit 6.6 to the Substituted Testimony of B. N. Hutchinson is the Forecast of Annual Peak Load Diversity for UP&L and PP&L.

(127) Exhibit 6.7 to the Substituted Testimony of B. N. Hutchinson is the Historical Customer Class Information for UP&L.

(128) Exhibit 6.8 to the Substituted Testimony of B. N. Hutchinson is Components of Historical Peak Loads and Energy Sales for UP&L.

(129) Exhibit 8.1 to the Substituted Testimony of Dennis P. Steinberg is a List of Estimated Power Supply Savings From Merger.

(130) Exhibit 8.2 to the Substituted Testimony of Dennis P. Steinberg is a Chart of Total Cost Associated With Capacity, Energy and Transmission Additions.

(131) Exhibit 8.3 to the Substituted Testimony of Dennis P. Steinberg is a Chart of the Estimated Net Power Cost Savings From Merger.

(132) Exhibit 8.5 to the Substituted Testimony of Dennis P. Steinberg is a Chart of the Merged Model PP&L and UP&L Net Power Costs Analysis.

(133) Exhibit 8.6 to the Substituted Testimony of Dennis P. Steinberg is the Footnotes to His Testimony.

(134) Attached to Response to Request No. 80 of the Second Committee Consumer Services Request are copies of reports since 1985 in the possession of UP&L or PacifiCorp on either company or on the financial effects of the merger as published by investment bankers or other financial analysis. Response to Request No. 80 of the Second Committee of Consumer Services Request, Response dated January 14, 1988.

(135) Attachment to Response to UMPA's Request No. 1: load forecast for the interruptible customer class.

(136) Attachment to Response to UMPA's Request No. 1-4: 20 year forecast of energy sales and coincident peak loads.

(137) Attachment 1-7 and 1.8 to Response to UMPA Requests No. 1-7 and 1.8: details of each generation plant.

(138) Attachment to Response to CCS Request No. 5: UP&L's resource plans.

(139) Attachment to Response to Kennecott Request No. 11: 10-year construction budget for UP&L and PP&L.

(140) A list of direct corporate subsidiaries for PacifiCorp is provided as attachment 9.8 to UP&L's

Response to Data Request No. 9 of the Division, dated  
October 9, 1987.

DATED this 13th day of April, 1988.

JONES, WALDO, HOLBROOK & McDONOUGH

By Calvin L. Rampton by WFB  
Calvin L. Rampton

By L. R. Curtis, Jr.  
L. R. Curtis, Jr.

By Gregg I. Alvord  
Gregg I. Alvord

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of April, 1988,  
I served copies of the foregoing Amended Proposed List of  
Stipulated Facts by causing the same to be hand-delivered to  
the following:

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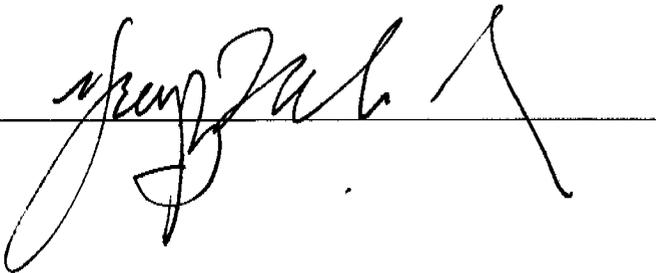
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GIA

A handwritten signature in black ink, appearing to read "Robert J. Grow", is written over a horizontal line. The signature is stylized and cursive.

ATTACHMENT "A"

1. Application Joint Application for Authorization for a Merger
2. Kennecott's Statement Statement of General Position (Kennecott, etc.) (10-15-87)
3. Coastal States' Statement Statement of Position of Intervenor Coastal States Energy Company, Beaver Creek Coal Company, Cypress Coal Company & Andalex Resources, Inc. (10-15-87)
4. UAMPS' Statement Statement of Position of UAMPS and Washington City (10-15-87)
5. CREDA's Statement CREDA's Statement of Positions & Issues, and Discussion of Groups & Intervention (10-15-87)
6. SLC's Statement Position Statement of Salt Lake City Corporation and Sandy City Corporation (10-15-87)
7. Committee's Statement Position Statement of Committee of Consumer Services (10-15-87)
8. DG&T Statement Position Statement of DG&T (10-15-87)
9. Amax Statement Position Statement of Amax Magnesium Corporation in Support of Its Petition to Intervene (10-16-87)
10. Interrogatory Answers I Answers to Interrogatories (1, 4, 6, 7, 8) (11-11-87)

- |     |                       |   |
|-----|-----------------------|---|
| 11. | Division Response I   | Responses to Data Requests<br>(Division's First Set)<br>(11-18-87) (UP&L)   |
| 12. | Division Response II  | Responses to Second Set of<br>Data Requests of Division of<br>Public Utilities (11-20-87)                         |
| 13. | Division Response III | Responses to Third Set of<br>Data Requests of Division<br>(11-25-87)  |
| 14. | Division Response IV  | Responses to Fourth Set of<br>Data Requests of Division<br>(11-30-87)   |
| 15. | UAMPS Responses I     | Answers to Requests (UAMPS<br>First Set; 1-134 & 15-29)<br>(12-15-87)   |
| 16. | UMPA Responses I      | Answer to Requests (UMPA<br>First--#14) (12-16-87)  |
| 17. | Division Response V   | Responses to Fifth Set of<br>Data Requests of Division<br>(69-74) (12-17-87)                                      |
| 18. | UMPA Responses II     | Answer to Request (UMPA's<br>Second--1, 3-7, 9, 12-22)<br>(12-23-87)  |
| 19. | Division Response VI  | Responses to Fifth Set of<br>Data Requests of Division<br>(53-68) (12-28-87)                                      |
| 20. | Kennecott Responses I | Answers to Requests of<br>Intervenor Kennecott, et al.<br>(12-28-87) (First Set #1-7,<br>11, 14-15, 18-19, 21-27) |
| 21. | OTC                   | Prefiled Testimony of<br>Orrin T. Colby (Substituted)   |
| 22. | FND                   | Prefiled Testimony of<br>Frank N. Davis (Substituted)   |

23. BNH Prefiled Testimony of  
Bruce N. Hutchinson  
(Substituted)
24. DFB Prefiled Testimony of  
David F. Bolender  
(Substituted)
25. RMB Prefiled Testimony of  
Rodney M. Boucher  
(Substituted)
26. FDR Prefiled Testimony of  
Fredric D. Reed (Substituted)
27. Supp. OTC Supplemental to Substituted  
Testimony of Orrin T. Colby
28. Supp. BNH Supplemental to Substituted  
Testimony of Bruce N.  
Hutchinson
29. Supp. DFB Supplemental to Substituted  
Testimony of David F. Bolender
30. Supp. FDR Supplemental to Substituted  
Testimony of Fredric D. Reed
31. Supp. DPS Supplemental to Substituted  
Testimony of Dennis P.  
Steinberg
32. Supp. RMB Supplemental to Substituted  
Testimony of Rodney M. Boucher
33. 2 Supp. RMB Substituted Second  
Supplemental Testimony of  
Rodney M. Boucher
34. 2 Supp. SRF Substituted Second  
Supplemental Testimony of  
Shelley R. Faigle
35. 2 Supp. BNH Substituted Second  
Supplemental Testimony of  
Bruce N. Hutchinson

36. 3 Supp. FDR  
Substituted Third  
Supplemental Testimony of  
Fredric D. Reed
37. 3 Supp. DPS  
Substituted Third  
Supplemental Testimony of  
Dennis P. Steinberg
38.  
Response to Interrogatory  
No. UIII-14, of the Division  
of Public Utilities First Set  
of Interrogatories
39.  
Response to Information  
Request by Kennecott  
corporation First Set of  
Interrogatories,  
Interrogatory No. 16
40.  
UP&L's Answers to Request  
No. 5 of the First Request  
for the Committee of Consumer  
Services, January 16, 1988
41.  
UP&L's Response to  
Information Request No. 10  
and 11 of Utah Municipal  
Power Agencies dated  
November 24, 1986, Response  
dated December 22, 1987
42.  
Responses to Data Requests of  
the Public Utilities dated  
October 9, 1987, Response  
No. 7, Response Date  
November 18, 1988
43.  
Responses to Data Requests of  
the Public Utilities dated  
October 9, 1987, Response  
No. 9, Response Date  
November 18, 1988

44. Responses to Data Requests of the Public Utilities dated October 9, 1987, Response No. 9, Response Date November 18, 1988
45. Response to Request No. 80 of the Second Committee of Consumer Services Request, Response dated January 14, 1988
46. UP&L's response to Technical Conference Request, Division of Public Utilities Request No. 5

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