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'88 MAR -3 10:00A

Attorneys for Deseret Generation
& Transmission Co-operative

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) DESERET GENERATION & TRANS-
RENAMED PACIFICORP) FOR AN ORDER) MISSION CO-OPERATIVE'S
AUTHORIZING THE MERGER OF UTAH) RESPONSE TO APPLICANTS'
POWER & LIGHT COMPANY AND) INTERROGATORIES AND
PACIFICORP INTO PC/UP&L MERGING) REQUESTS FOR PRODUCTION OF
CORP. AND AUTHORIZING THE ISSUANCE) DOCUMENTS
OF SECURITIES, ADOPTION OF TARIFFS,)
AND TRANSFER OF CERTIFICATES OF) CASE NO. 87-035-27
PUBLIC CONVENIENCE AND NECESSITY)
AND AUTHORITIES IN CONNECTION)
THEREWITH.)

Deseret Generation & Transmission Co-operative (Deseret) hereby responds to Applicants' Interrogatories and Requests for Production of Documents as follows:

INTERROGATORY NO. 1: With respect to each expert with whom you have consulted or whom you have retained in connection with any of the issues in this proceeding, state the following:

- (a) The identity of such expert;
- (b) The date such expert was retained;
- (c) His address;
- (d) His area of purported expertise;
- (e) His educational background, formal training and experience in his area of purported expertise;
- (f) His present employment and his employment for each of the preceding ten years;

(g) A list of all other cases in which such expert has been consulted, retained or testified as an expert including:

- (i) State or jurisdiction;
- (ii) Court or administrative agency;
- (iii) Case or docket number;
- (iv) Brief description of case;
- (v) In whose behalf was expert retained;
- (vi) Date of appearance.

RESPONSE TO INTERROGATORY NO. 1: No experts have been consulted or retained in connection with this proceeding.

INTERROGATORY NO. 2: Identify all witnesses, expert or otherwise, you intend to call in this proceeding.

RESPONSE TO INTERROGATORY NO. 2: At present Deseret does not intend to call any witnesses in this proceeding.

INTERROGATORY NO. 3: With respect to each witness you have identified in your answer to Interrogatory No. 2, state:

- (a) The issues in this proceeding of which he has knowledge;
- (b) The manner in which he obtained such knowledge, i.e., eyewitness, participant, investigatory, employee, etc.;
- (c) Identify any written or recorded statements or reports received from him by you, or your counsel, agent or employee; and
- (d) State which issues in this proceeding the witness' testimony will address and briefly state his position on those issues.

RESPONSE TO INTERROGATORY NO. 3: Not applicable. See Response to Interrogatory No. 2.

INTERROGATORY NO. 4: For each witness identified in your answer to Interrogatory No. 3, please identify all documents considered or relied upon by the witness including, but not limited to, all computer programs which have been used, or are currently being used, to analyze the proposed merger.

RESPONSE TO INTERROGATORY NO. 4: Not applicable. See Response to Interrogatory No. 2.

INTERROGATORY NO. 5: For each expert identified in your answer to Interrogatory No. 1 that you will not call as a witness in this proceeding, please identify all documents prepared or relied upon by the expert in connection with any of the issues in this proceeding.

RESPONSE TO INTERROGATORY NO. 5: Not applicable. See Response to Interrogatory No. 1.

INTERROGATORY NO. 6: In your motion to intervene, you state that "[p]ast dealings between DG&T and Utah Power in matters of transmission and interconnection in Utah Power's system have been difficult and restrictive." Please describe each and every incident which you claim supports this statement, explain how such incident has been difficult and restrictive and identify all documents related to each incident.

RESPONSE TO INTERROGATORY NO. 6: This question was addressed in the Federal Energy Regulatory Commission (FERC) Merger proceeding in Deseret's Response to Staff's Data Request OEP-2 and in the prefiled testimony of Merrill J. Millett, copies of which were served upon Applicants.

INTERROGATORY NO. 7: In your motion to intervene, you state that "[t]he merger proposed in this proceeding would result in an integrated transmission system that will allow access by the surviving company to inexpensive capacity and energy sources and to lucrative markets for the sale of such capacity and energy." Please identify with particularity the inexpensive capacity and energy sources and lucrative markets referred to in this statement, the expected costs of purchase or price of sale of capacity and energy for each source or market and identify any documents relied upon in support of this statement.

RESPONSE TO INTERROGATORY NO. 7: The inexpensive capacity and energy resources referred to are the Northwest Hydroelectric resources available from Idaho Power Company,

Bonneville Power Administration, Washington Water & Power and others. The markets referred to are those available to Utah Power & Light through its Four Corners Interconnection with the southwestern area of the United States. Copies of all documents Deseret relied upon to support this answer were previously served upon Applicants either in this case or in the FERC Merger proceeding. The issues raised by this question were also addressed in the FERC Merger proceeding in the Response of Deseret Generation & Transmission to First Discovery Request of Utah Power & Light and Pacificorp to Deseret, copies of which were served upon Applicants.

INTERROGATORY NO. 8: Please identify any potential sales of capacity and energy which you believe you could make absent the merger, but which you believe you will not be able to make as a result of the merger and identify any documents which support your answer.

RESPONSE TO INTERROGATORY NO. 8: Because of UPL's past restrictive wheeling policy, no specific potential sales of capacity and energy have been identified or are identifiable. The documents relied upon for this answer were produced and served upon Applicants in the FERC Merger proceeding by Deseret in its Data Response of Deseret Generation & Transmission Co-operative to Staff Request OEP-2.

INTERROGATORY NO. 9: In your motion to intervene, you state that the "integrated transmission systems [resulting from the merger] will become the only viable transmission path whereby other utilities can access such markets in competition with the surviving company." State the factual basis for this statement, including, without limitation, an identification of those markets, by geographic location and product, and what other transmission paths have been considered and the terms and conditions of use of those systems, and identify any documents which support your answer.

RESPONSE TO INTERROGATORY NO. 9: Deseret's response and position regarding this interrogatory is more accurately set forth in the FERC Merger proceeding where was served on Applicants the Response of Deseret to First Discovery Request of UPL and Pacificorp in which Deseret's Response No. 1 explained how UPL and PPL owned and controlled transmission facilities, coupled with interties and wheeling agreements, "provide unique and essential paths between the relatively inexpensive generating resources (in the Western United States) and major demand markets in the Southwestern United States."

INTERROGATORY NO. 10: Please describe in detail the impact of the merger proposed in these proceedings upon your operations, including, without limitation, its impact upon your ability to access electrical power markets and identify any documents which support your answer.


RESPONSE TO INTERROGATORY NO. 10: As explained elsewhere, UPL's past restrictive wheeling policy has negatively affected Deseret's operations, including access to electrical power markets. However, the proposed merger is expected to increase the amount of deliveries into the UPL area from the northwest, thus decreasing any available transmission capacity for Deseret purchases. UPL's resale of energy delivered into the UPL area will reduce the available transmission capacity for Deseret sales to utilities in the southwest. Deseret is also concerned that, unless the FERC orders to the contrary, a post merger UPL/PPL entity may adopt a similar or more restrictive wheeling policy than UPL has followed. Copies of all documents Deseret relied upon to support this answer were previously served upon Applicants either in this case or in the FERC Merger proceeding.

REQUEST FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1: Produce all documents identified in answers to the foregoing interrogatories.

RESPONSE TO REQUEST NO. 1: Copies of all documents identified in answers to the foregoing interrogatories were previously served upon Applicants either in this case or in the FERC Merger proceeding.

DATED this 1st day of March, 1988.



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PACIFICORP INTO PC/UP&L MERGING)
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OF SECURITIES, ADOPTION OF TARIFFS,))
AND TRANSFER OF CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY)
AND AUTHORITIES IN CONNECTION)
THEREWITH.)

I hereby certify that I delivered a true and correct copy of the foregoing DESERET GENERATION & TRANSMISSION CO-OPERATIVE'S RESPONSE TO APPLICANTS' INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS by placing the same in the U.S. Mail, postage prepaid, to the following, this ___ day of March, 1988.

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