

RECEIVED

'88 MAR 24 P4:58

Andrew W. Buffmire, Esq.
William P. Schwartz, Esq.
HANSEN & ANDERSON
Valley Tower Building, Suite 600
50 West Broadway
Salt Lake City, Utah 84101
Telephone: (801) 532-7520

UTAH PUBLIC
SERVICE COMMISSION

Peter J.P. Brickfield, Esq.
Kenneth G. Hurwitz, Esq.
RITTS, BRICKFIELD & KAUFMAN
Watergate 600 Building, Suite 915
600 New Hampshire Avenue, N.W.
Washington, D.C. 20037
Telephone: (202) 342-0800

Attorneys for Nucor Steel

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)
renamed PACIFICORP) for an Order)
Authorizing the Merger of UTAH)
POWER & LIGHT COMPANY and)
PACIFICORP into PC/UP&L MERGING)
CORP. Authorizing the Issuance)
of Securities, Adoption of Tariffs)
and Transfer of Certificates of)
Public Convenience and Necessity)
and Authorities in Connection)
Therewith.)

Case No. 87-035-27

**RESPONSE OF NUCOR STEEL
TO PROPOSED LIST OF
STIPULATED FACTS**

Nucor Steel, a Division of Nucor Corporation ("Nucor") files this Response in accordance with the February 26, 1988 Order of the Public Service Commission of Utah ("Commission"). This Response addresses the Proposed List of Stipulated Facts filed by the Utility Shareholders Association of Utah ("USAU").

RESPONSE TO PROPOSED STIPULATED FACTS

The fifty pages of proposed stipulated facts set forth by USAU are primarily self-serving statements which, if true, would entirely prove USAU's case in favor of the merger. Many of the statements are not facts at all, but rather are statements about the hoped-for impact of the merger on the organization and operation of the merged company. Therefore, Nucor cannot agree with most of the items set forth by USAU.

The facts with which Nucor can agree are set forth below by number: 1 through 34, 42, 43, 48, 57, 68 through 71, 91 through 94, 97, 101, 107 (first three sentences only), 114, 118 (first two sentences only), 130, 131 through 160, 162, 166 through 168, 170, 179 through 181, 183 through 190, and 247(1) through 247(25).

Nucor disagrees with all other proposed statements as listed by USAU. Nucor is not willing to stipulate as to the truth of the witnesses' exhibits listed in 247(26) through 247(140), but prefers that the accuracy and truth of these exhibits be subject to the test of cross-examination.

PROPOSED FACTS IN DISPUTE

Nucor disagrees with USAU's list of proposed facts in dispute as being incomplete. At this stage of the proceedings, Nucor would add the following points of contention. Nucor expects to contest other proposed facts after direct and surrebuttal testimony is prepared and filed:

1. The merger is not in the public interest.
2. The merger will have a detrimental effect on the workability of the Energy Balancing Account ("EBA").
3. The merger should not be approved unless Nucor and other large industrial customers are granted transmission access rights.

4. The alleged benefits of the merger can be obtained more easily and efficiently through power sales contracts.

5. The form of the post-merged company as proposed by the Applicants will be inefficient since the present utilities will be operated as separate divisions.

6. Unless a full merger occurs and the two utilities are operated as one instead of two divisions, Utah ratepayers will be deprived of the benefits, if any, of the merger.

7. Regulation by the Utah Public Service Commission will be more difficult after the merger than before the merger.

8. The Utah Commission will face intractable problems in certifying and identifying the existence and allocation of the benefits of the merger to the Utah ratepayers.

9. Absent the merger, UP&L could have reserves sufficient to serve its peak loads well beyond 1990 by increasing the relative amount of interruptible load on its system and by increased use of cogeneration.

10. The merger could have a deleterious impact upon the avoided cost rates in UP&L service territory.

11. The merger will have a detrimental effect on competition in the wholesale power market and will allow the Applicants to control for their exclusive benefit a vital segment of the Western transmission network.

12. The Applicants have not conducted a study which analyzes the impact of the merger on the quality of service to interruptible customers.

13. The Applicants have made a specific commitment to preserve the pre-merger quality of service to interruptible customers.

14. Retail wheeling is in the public interest.
15. The staffing reductions predicted by the Applicants as a merger benefit are overstated and could be achieved without a merger.
16. The Applicants have not identified with specificity any efficiency gains from the merger. Any potential efficiency gains from the merger can only be identified by conducting a detailed management audit-type study.
17. The elimination of competition between PP&L and UP&L as a result of the merger will decrease economic efficiency and will eliminate options for industrial customers.

CONDITIONS

Nucor submits this response in accordance with the Commission's February 26, 1988, order and fully reserves the right there granted to supplement this response.

DATED this 24th day of March, 1988.

RITTS, BRICKFIELD & KAUFMAN

By

Peter J.P. Brickfield (AMB)
Peter J.P. Brickfield
Kenneth G. Hurwitz

HANSEN & ANDERSON

By

Andrew W. Buffmire
Andrew W. Buffmire
William P. Schwartz

Attorneys for Nucor Steel

MAILING CERTIFICATE

On this 24th day of March, 1988, I hereby certify that I caused to be mailed, via United States first class mail, postage prepaid, a true and accurate copy of the foregoing RESPONSE OF NUCOR STEEL TO PROPOSED LIST OF STIPULATED FACTS, to the parties listed below:

Raymond W. Gee, Esq.
KIRTON, McCONKIE & BUSHNELL
330 South 300 East
Salt Lake City, Utah 84111

Donald B. Holbrook, Esq.
Calvin L. Rampton, Esq.
Ronald J. Ockey, Esq.
L.R. Curtis, Esq.
JONES, WALDO, HOLBROOK & McDONOUGH
1500 First Interstate Building
170 South Main Street
Salt Lake City, Utah 84101

F. Robert Reeder, Esq.
Val R. Antczak, Esq.
PARSONS, BEHLE & LATIMER
185 South State Street, Suite 700
Post Office Box 11898
Salt Lake City, Utah 84147-0898

Ms. Myrna J. Walters
Idaho Public Utilities Commission
Statehouse Mail
Boise, Idaho 83720

Paul T. Morris, Esq.
West Valley City Attorney
Mr. I. Robert Wall
UTAH PUBLIC POWER CO-OP
2470 South Redwood Road
West Valley City, Utah 84119

James A. Holtkamp, Esq.
VAN COTT BAGLEY CORNWALL & McCARTHY
50 South Main Street, Suite 1600
Post Office Box 45340
Salt Lake City, Utah 84145

Michael Ginsberg, Esq.
Assistant Attorney General
State Capitol Building
Salt Lake City, Utah 84114

Ms. Sandy Mooy
Assistant Attorney General
State Capitol Building
Salt Lake City, Utah 84114

A. Wally Sandack, Esq.
SANDACK & SANDACK
370 East 500 South
Salt Lake City, Utah 84111

Ms. Alice Ritter Burns
Cedar City Attorney
110 North Main Street
Post Office Box 249
Cedar City, Utah 84720

Michael S. Gilmore, Esq.
Ms. Lori Mann
Deputy Attorneys General
Idaho Public Utilities Commission
Statehouse Mail
Boise, Idaho 83720

Chris L. Engstrom, Esq.
Washington City Attorney
SNOW, NUFFER, ENGSTROM & DRAKE
90 East 200 North
St. George, Utah 84770

Stephen R. Randle, Esq.
UNGRICHT, RANDLE & DEAMER
520 Boston Building
9 Exchange Place
Salt Lake City, Utah 84111

Richard W. Giaque, Esq.
Gregory P. Williams, Esq.
Gary F. Bendinger, Esq.
GIAUQUE, WILLIAMS, WILCOX & BENDINGER
500 Kearns Building
136 South Main Street
Salt Lake City, Utah 84101

Lynn W. Mitton, Esq.
F. Elgin Ward, Esq.
DESERET GENERATION & TRANSMISSION
8722 South 300 West
Sandy, Utah 84070

Ronald R. Allen, Esq.
John P. Williams, Esq.
DUNCAN, ALLEN & MITCHELL
1575 Eye Street, N.W.
Washington, D.C. 20005

Roger Cutler, Esq.
Salt Lake City Attorney
324 South State Street
Salt Lake City, Utah 84111

George M. Galloway, Esq.
James Fell, Esq.
STOEL, RIVES, BOLEY, JONES & GREY
900 S.W. Fifth Avenue
Portland, Oregon 97204

Mr. Sidney G. Baucom
Mr. Thomas W. Forsgren
Mr. Edward A. Hunter Jr.
UTAH POWER & LIGHT COMPANY
1407 West North Temple Street
Post Office Box 899
Salt Lake City, Utah 84110

Charles F. McDevitt, Esq.
Suite 200, Park Place
277 North 6th Street
Boise, Idaho 83702

John R. Morris, Esq.
LeBOEUF, LAMB, LEIBY & MacRAE
1000 Kearns Building
136 South Main Street
Salt Lake City, Utah 84101

Dale A. Kimball, Esq.
Gary A. Dodge, Esq.
KIMBALL, PARR, CROCKETT & WADDOUPS
185 South State Street, Suite 1300
Post Office Box 11019
Salt Lake City, Utah 84147

David S. Christensen, Esq.
Assistant Attorney General
236 State Capitol Building
Salt Lake City, Utah 84114

Charles M. Darling IV, Esq.
J. Patrick Berry, Esq.
Ms. Sheryl S. Hendrickson
BAKER & BOTTS
555 West 13th Street, N.W.
Suite 500 East
Washington, D.C. 20004-1104

Mr. Fredric D. Reed
Senior Vice President
PACIFIC POWER & LIGHT COMPANY
902 S.W. Sixth Avenue
Portland, Oregon 97204

Robert S. Campbell, Esq.
Gregory S. Monson, Esq.
WATKISS & CAMPBELL
310 South Main Street, 12th Floor
Salt Lake City, Utah 84101

Peter J.P. Brickfield, Esq.
Kenneth G. Hurwitz, Esq.
RITTS, BRICKFIELD & KAUFMAN
Watergate Six Hundred Bldg., Suite 915
600 New Hampshire, N.W.
Washington, D.C. 20037

Wesley F. Merrill, Esq.
109 North Arthur Spaulding Building
Pocatello, Idaho 83204

Mr. L. Christian Hauck
COLORADO UTE ELECTRIC ASSOCIATION
Post Office Box 1149
Montrose, Colorado 81402

Ms. Salli Barash
WILLKIE, FARR & GALLAGHER
1 Citi Corp Center
153 East 53rd Street
New York, New York 10022

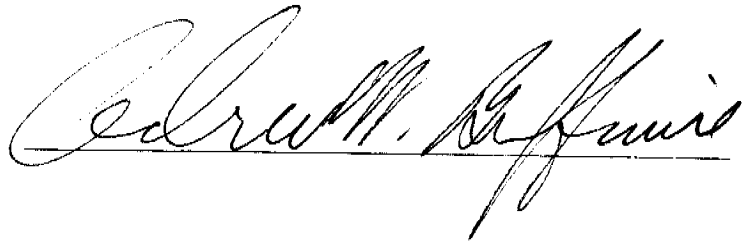
James S. Jardine, Esq.
RAY, QUINNEY & NEBEKER
400 Deseret Building
79 South Main Street
Post Office Box 45385
Salt Lake City, Utah 84145-0385

Mr. Robert J. Grow
Basic Manufacturing and Technologies
of Utah dba Geneva Steel
Post Office Box 2500
Provo, Utah 84603

Glen J. Ellis, Esq.
Dean B. Ellis, Esq.
60 East 100 South, Suite 102
Post Office Box 1097
Provo, Utah 84603

Mr. Edwin E. Blaney
Salt Lake County Council of Governments
420 West 100 South, Suite 102
Bountiful, Utah 84010

Ms. Kathryn T. Whalen
BENNETT, HARTMAN, TAUMAN & REYNOLDS
One S.W. Columbia, Suite 1450
Portland, Oregon 97258

A handwritten signature in cursive script, reading "Edmund M. Reffner", written over a horizontal line.

/AWB//NucorResp