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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the)	
Application of UTAH POWER &)	<u>Case No. 87-035-27</u>
LIGHT COMPANY and PC/UP&L)	
MERGING CORP. (to be renamed)	
PACIFICORP) for an Order)	
Authorizing the Merger of)	PETITION FOR RECONSIDERATION
UTAH POWER & LIGHT COMPANY)	OF INTERVENTION BY NUCOR
and PACIFICORP into PC/UP&L)	CORPORATION
MERGING CORP. Authorizing the)	
Issuance of Securities,)	
Adoption of Tariffs and)	
Transfer of Certificates of)	
Public Convenience and)	
Necessity and Authorities in)	
Connection Therewith.)	

Pursuant to Utah Code Ann. § 63-46b-9, R. 750-100-4, of the Rules of Practice Governing Formal Hearings before the Public Service Commission (the "Commission") and the Commission's order on intervention (the "Prior Order on Intervention") issued October 30, 1987, Nucor Corporation ("Nucor") hereby moves for reconsideration of the Commission's Prior Order on Intervention, insofar as it

limited Nucor's right to intervene in the above-referenced matter, and that Nucor be granted full rights to intervene in this proceeding.

In support of this Motion, Nucor states as follows:

Nucor incorporates by reference its Application to Intervene dated October 19, 1987.¹ As stated in Nucor's earlier filing, Nucor operates a steel mill at Plymouth, Utah, and is one of the largest users of electrical power on the Utah Power & Light Company ("UP&L") system within the State of Utah. Current circumstances make it clear that Nucor has a separate, direct and substantial interest in this proceeding which will be unprotected absent Nucor's direct participation. Since Nucor's original Application for Intervention and the subsequent ruling on that application by the Commission, circumstances have changed inasmuch as: (1) Nucor is continuing to renegotiate its electrical power contract with UP&L while Basic Manufacturing and Technologies of Utah, Inc. dba Geneva Steel ("Geneva Steel") has concluded certain negotiations with UP&L which has resulted in a contract which the Commission has approved; (2) AMAX was granted intervenor status in response to its Motion for Reconsideration; (3) Geneva Steel was voted intervenor status; and (4) the scope of the Federal Energy Regulatory Commission ("FERC") proceeding concerning this merger has become focused in a manner that may prejudice Nucor unless it is guaranteed full intervenor status in this proceeding.

Nucor is currently renegotiating its electrical power contract with UP&L and the prospective merger between UP&L and PacifiCorp will have a direct and substantial impact on the terms and conditions bargained for and

¹ Nucor also incorporates, herein by reference, AMAX's argument set forth in its Petition for Review and Request for Expedited Consideration dated November 19, 1987, regarding the timeliness of a filing on October 19, 1987.

agreed upon in that electrical service contract. In particular, it is likely that Nucor will enter into a contract with UP&L which will provide interruptible service and, in turn, the dispatch procedures which would result from the operation of the merged entity will likely directly impact the quality and priority of that service. Nucor believes that other industrial customers currently intervened are afforded a higher service priority than is or will be offered to Nucor for its interruptible service and Nucor will be prejudiced unless allowed to intervene in this proceeding.

AMAX receives all of its power on an interruptible schedule and receives fewer than normal interruptions due to its high load factor (See Commission Order Granting Intervention issued December 21, 1987, and the Petition for Review and Request for Expedited Consideration filed by AMAX dated November 19, 1987.) Nucor believes and fears that it is the position of UP&L that the quality of service available to AMAX will not be available to Nucor. In addition, Nucor believes and fears that it is the position of UP&L that a substantially greater percentage of interruptible service (in terms of interruptible KW) is not available to Nucor.

It has also come to the attention of Nucor that Geneva Steel, the only other producer of steel in the State of Utah, filed for intervention on or about January 14, 1988, and upon information and believe the Commission voted to grant it intervenor status. As is the case with Geneva Steel, electrical costs have a profound impact on Nucor Steel's costs of production and Nucor Steel is forced by circumstances to investigate new technologies and equipment that are highly influenced by the cost of electricity. Furthermore, electrical costs also require Nucor Steel to reevaluate continually the possible use of its own generation

facilities. Indeed, while every steel producer in the modern world is a significant user of electricity, because of Nucor's method of production (the melting down of scrap steel versus the production of new steel), Nucor believes that the impact of the cost and quality of electric power is more significant to Nucor than to Geneva Steel.

Since Nucor filed its Application to Intervene dated October 19, 1987, FERC has issued an order which narrowly delineates the issues to be considered before it in evaluating whether the merger is compatible with the public interest and which also establishes an expedited hearing schedule. Nucor is an intervenor at the relevant FERC proceeding. Specifically, FERC has outlined three exclusive issue areas to be considered, namely, the impact of the merger on rates, its effect on the competitive situation and whether the merger would impair the effectiveness of regulation. The commission of the FERC has ordered that the Administrative Law Judge in the FERC proceedings issue his initial decision by June 1, 1988, which has resulted in the more than twenty parties being placed under a demanding series of procedural deadlines prior to that time.

Given these circumstances, Nucor believes and fears that it will not have a sufficient opportunity to develop a full record before FERC as to its unique concerns about the merger on the quality of retail service to be furnished by UP&L. The rigid time and substantive constraints of the FERC proceeding indicate that the impact of the merger will likely be considered in the context of FERC's jurisdictional responsibility over the transmission of electricity and the establishment of wholesale rates. Concerns about the quality of retail service in Utah and other states will likely be perceived as more appropriately falling within the jurisdictional domain of the state commissions. Accordingly, Nucor's

participation in the Utah proceeding is essential to protect its interests as a retail customer of UP&L and to afford it due process in light of the granting of the late-filed petitions to intervene of AMAX and Geneva.

As to the delay in filing its petition for intervention and rehearing, Nucor respectfully advises the Commission that its attentions had been addressed to its effort to renegotiate its contract with UP&L and, like Geneva Steel, the significance of this proceeding on its cost and quality of service has now become a paramount concern. That AMAX and Geneva, collectively interruptible customers of UP&L with different interests than Nucor, and Geneva, individually a direct competitor of Nucor for raw material, have been granted intervenor status after Nucor was denied such status warrants favorable reconsideration of Nucor's request.

Based on the foregoing, and the unique situation in which Nucor finds itself, Nucor respectfully requests that the Commission allow it to participate in this proceeding. No other party can adequately represent the unique interests of Nucor before the Commission in this matter. Furthermore, no other party will suffer any prejudice as a result of Nucor's late intervention in that Nucor is willing and able to comply with the time schedule established in this matter. Nucor will be able to formulate and state its position within the established schedule.

CONCLUSION

Nucor Steel submits that circumstances have changed since the earlier filing of its Application to Intervene and the subsequent Order on Intervention issued by the Commission, that the interests of justice and the orderly and prompt conduct of this proceeding will not be materially impaired by allowing the

intervention and that Nucor has a separate, direct and substantial interest in this proceeding which will be unprotected absent intervention.

WHEREFORE, Nucor respectfully requests the Commission reconsider its Order of October 30, 1987, and grant the petition of Nucor.

RESPECTFULLY SUBMITTED this 8th day of February, 1988.

HANSEN & ANDERSON

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MAILING CERTIFICATE

On this 8th day of February, 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 forgoing PETITION FOR RECONSIDERATION OF INTERVENTION BY NUCOR CORPORATION, to the parties listed below:

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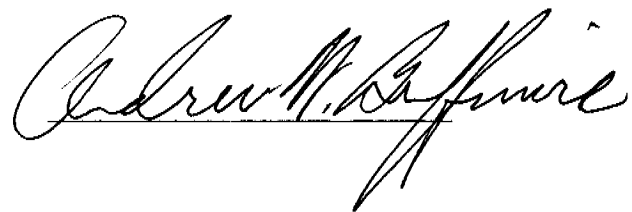
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