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 and Pacificorp into PC/UP&L Merging Corp. Authorizing the Issuance fo Securties, Adoption of Tariffs and Transfer of Certificates of Public Convenience and necessity and Authorities in Connection Therewith	Motion to Enter Order Compelling Discovery Case No. 87-035-27

Comes now the Committee of Consumer Services and moves this Commission, pursuant to Rules R750-1-2-8, R750-1-7-1, R750-1-7-2 of the Rules of Practice and Procedure of the Public Service Commission of Utah and Rule 37, Utah Rules of Civil Procedure, to enter its Order compelling the Applicants, Utah Power and Light Company and PC/UP&L Merging Corp., to provide responsive answers to those Data Requests/Interrogatories submitted by the Committee of Consumer Services to the Applicants dated the 20th day of November, 1987, and 3rd day of December, 1987. Attached to the Commission's copies of this Motion are copies of the Data Requests/Interrogatories and marked a Exhibits "A1" and "A2".

At the 3rd December, 1987, technical conference, representatives of the Applicants and the Committee of Consumer Services discussed the Data Requests/Interrogatories relative to the information sought and the responses that would be provided. A letter outlining that discussion and agreement thereon is tached to the Commission's copies of this Motion as Exhibit "B". At this time, the Applicant's have submitted a response to the Data Requests/Interrogatories dated 20 November, 1987. However, the answers submitted by the Applicants are deficient in many respects ranging from no response being provided to erroneous information being provided. Attached hereto as Exhibit "C" is an outline detailing the deficiencies that exist in the answers provided by the Applicants. The Applicants have provided no response whatsoever to the Data Requests/Interrogatories dated 3 December, 1987.

Wherefore, the Committee of Consumer Services moves this Commission to enter its order requiring the Applicants to remedy the deficiencies outlined and further staying these proceedings, and adjusting the hearing dates accordingly, until the Applicants have fully and substantively responded to the Data Requests/Interrogatories submitted.

Dated this 5th day of January, 1988.

Sandy Mooy, Attorney for the
Committee of Consumer Services

BEFORE UTAH PUBLIC SERVICE COMMISSION

In the matter of the Application Utah Power & Light Company and PC/UP&L Merger Corp. (to be renamed PacifiCorp) for an Order Authorizing the Merger of Utah Power & Light Company and PacifiCorp into PC/UP&L 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	Case No. 87-035-27 First Data Request by Committee of Consumer Services November 20, 1987

The following data request is hereby submitted in connection with the above captioned matter. Pursuant to Rules 33 and 34 of the Utah Rules of Civil Procedure and the Rules of Public Service Commission, the Committee of Consumer Services, by and through its counsel, Sandy Mooy, hereby requests that Utah Power & Light (UP&L) respond to the following written Interrogatories and Requests for Production of Documents with 30 days of service or sooner if practicable. In Addition to providing one copy to the Committee please provide another copy directly to SERA at:

1722 J Street, Suite 19 A
Sacramento, California 95817

RESOURCE PLANNING:

1. Provide actual experienced fuel costs and variable and fixed operation and maintenance costs for each generating unit on a \$/MWh and \$/MW basis, respectively for 1984 through the present.

2. Provide PP&L's and UP&L's latest fuel cost projections (in nominal and in 1987 \$) for each generating unit.

3. Provide projections of the variable and fixed O&M costs for each generating unit on a \$(1987)/MWh and \$(1987)/MW basis.

4. Provide monthly projections of marginal off-peak and on-peak fuel and operating costs for PP&L and UP&L separately and also merged from 1988 to 2008. Provide all work papers.

5. Provide copies of PP&L's and UP&L's resource plans adopted by management in each of 1986 and 1987 and provide all work papers.

6. Identify units individually, or collectively as a plant, which must continue operation based on operational considerations other than Provide two copies of the following data and send one copy minimum up and down times and ramp rates, instead of being operated for strict economic dispatch based on heat rates. Please identify the operational considerations and steam requirements on each unit (e.g., regulatory agency requirements, fuel purchase agreements, take-or-pay contracts, voltage regulation, VARs support, or cooling water system, limitations) and the period or season of the year during which the constraint operates. For any units for which constraint is projected to disappear in the future, please describe the reason or reasons for the disappearance.

7. For minimum native generation/load shedding requirement purposes, describe the boundaries of the PP&L and UP&L control areas (if different than as presented in PP&L Ex. 3.19) and identify the existing and planned units which qualify as native generation in each control area.

8. What percent of load is controlled within each control area by underfrequency load shedding relays.

9. Identify the minimum native (internal) generation requirement for the PP&L control area and UP&L control area. Explain the reason for the native generation requirement and methodology used to determine the requirement.

10. Provide key studies and/or work papers performed on minimum load or minimum native generation requirements, maximum export and/or import constraints and under-frequency load shedding ability including impacts on voltage regulation, reliability and losses.

11. Provide current and projected WSCC, PP&L and UP&L (separately and merged) spinning reserve criteria and current projections of future criteria by year.

12. Do PP&L and UP&L consider the cost of providing spinning reserve and cost for line losses for economy energy purchases when considering whether to purchase or sell economy energy? Please provide documentation of operational procedures used to decide when economy energy should be purchased and what economic factors are considered in the decision.

13. Provide the most recent studies for PP&L and UP&L used to establish system reliability criterion and to determine minimum reserve capacity. Include a discussion of all assumptions and data used and provide all work papers.

14. Provide the studies referenced on page 13 of Mr. R.M. Boucher's second supplemental testimony which indicate a reduction in allocated spinning reserve requirements.

15. Provide all studies and work papers on the PNCA reserve allocation referenced on page 13 of Mr. R.M. Boucher's second supplemental testimony.

16. Provide all analysis and work papers used to derive the 40 MW of increased hydro capacity (due to reduced load following requirements) reflected on page 14 of Mr. R.M. Boucher's second supplemental testimony.

17. Provide all analysis and work papers to support the statement on page 13 of Mr. Boucher's prepared testimony that merging of the systems will postpone the need for new energy resources for the combined system from 1993-1994 time frame to 1998-1999 (1997-1998 is stated on page 15 of the second supplemental testimony).

18. Determine and list annually from 1988 to 2008 the projected energy and capacity needs with and without wholesale sales to new markets. Describe and quantify how wholesale sales will affect the Resource Plan projections. Provide all analysis and work papers.

19. Under what conditions do UP&L and PP&L separately provide spinning reserve to backup economy purchases or purchase economy with associated spinning backup?

20. For both the UP&L and PP&L, provide the amount of economy energy purchased from each utility supplier from 1981 to the present, and projected for future years. Identify the amounts and cost purchased with spinning reserves and the amount and cost purchased without spinning reserves on a monthly basis aggregated by all the periods and disaggreated into on-peak and off-peak. Define on and off-peak time periods used. Provide actual or projected costs of procuring economy with spinning reserves listing the cost of purchasing spinning reserves separately.

21. Explain why in Ex. 3.10 and 3.12 of Boucher's Second Supplemental Testimony that the UP&L hydro system is apparently asserted to have had the same monthly minimum reliable capacity levels in both 1961 and 1928-29. If such was not the case, restate separately the totals found on pages 2 and 3 of Ex. 3.12 in consistent time of capacity for 1928 and 29 and for 1961.

22. Table 1 of each of Ex. 3.10, 3.11 and 3.12 appear to use actual year hydro generation. Is that correct? If so, restate each table using mean (i.e., average) monthly hydro generation for both PP&L and UP&L.

23. With respect to Ex. 3.13, pages 1 and 2, simultaneous desegregate the annual data for 1984 to 1986 by utility, by month and by peak and off-peak period. In an analogously disaggregated table, provide costs per MWh.

24. With respect to the firm purchases listed on pages 1 and 2 in Ex. 3.13, provide a disaggregation by utility supplier, by month presenting the total megawatts of purchased capacity and the average price of that capacity.

TRANSMISSION ENGINEERING:

25. Does UP&L have an interconnection point with other entities on the Siguard-Glen Canyon line? Provide the amount of power that can be transferred from Utah to Arizona and Arizona to Utah for various levels of Glen Canyon generation and local loads. Provide work papers.

26. Does UP&L have interconnection or exchange points with other Utah utilities? If so, provide an explanation.

27. Do UP&L and PP&L have other interconnection or interchange points other than Naughton? Are Borah or Kinport interconnection points for PP&L and UP&L? Provide an explanation.

28. Provide a detailed diagram illustrating the maximum power transfer capability and transmission service commitment of the existing transmission system including transmission lines owned by others. Identify any import constraints to serve UP&L load due to operational considerations other than thermal limits. Provide all studies and work papers regarding import constraints.

29. For the 230 KV Naughton-Jim Bridger, 345 KV Ben Lomand-Borah, two 230 KV Ben Lomand-Naughton, 230 KV Naughton-Treasureton-Brady, 345 KV Four Corners, 230 KV Glen Canyon, 345 KV New Castle, 345 KV Mona-IPP, 230 KV Pavant and 345 KV Mona-Bonanza transmission lines, provide charts (and all work papers used in preparing the charts) showing for each year from 1984 (recorded) through 2020, both with and without the merger, by line owner (and user if different from owner) by on-peak and off-peak periods if different:

    a. The total installed MW of transmission lines.

    b. The firm transfer capability of the lines (for both directions, if different).

    c. The nonfirm transfer capability of the lines.

    d. Short-term and long-term thermal limits and the elements which constrain the transfer capability of the above line points.

    e. The MW and GWhs of actual (if available) or estimated (if actual is not available) contracts for firm power; nonfirm energy; capacity/capacity exchanges, capacity/energy exchanges; other transmission commitments (please describe).

39. Provide a status update on the WAPA phase shifters to be installed on the Four Corners to Colorado line. Estimate their impact on loop flow on the Bridger to Naughton line and other UP&L lines if installed. The analysis should separately consider peak and off-peak loopflow, in a clockwise and counterclockwise direction on a monthly basis. Does UP&L have any plans to install phase shifters on any of its lines? Provide all work papers and studies including power flow and stability studies.

40. Provide a discussion of PP&L's and UP&L's operating and planning practices regarding net scheduling (i.e., counter-scheduling) on transmission lines.

41. Provide a discussion of PP&L's and UP&L's planning and operating policies regarding inadvertent loop flow and its impact on line ratings.

42. Using WSCC's, PP&L's and/or UP&L's log sheets for the Bridger to Naughton line, Malin, Pinto, Midpoint and Jim Bridger substations, summarize for each monthly on-peak and off-peak time period, the total number of hours counterclockwise and clockwise loop flow occurred and the magnitudes of the loopflow from January 1981 through the most recent month available. Define on-peak and off-peak hours.

43. Provide a table identifying which transmission lines are being contemplated for use in increased future wholesale sales to new markets and from 1988 through 2008 for each line, list:

    a. The maximum transfer rating.

    b. Transmission service commitments without the merger (identify each commitment separately and include commitments for serving local loads, existing contracts and accommodating loopflow).

    c. Each future wholesale sale and its buyer.

    d. Capacity available for economy energy and other economic transactions.

    e. Identify and describe all agreements which will allow UP&L and PP&L to use the transmission entitlements of others to serve new markets.

44. Provide all key studies and/or work papers performed on the topic of out-of-area and neighboring utilities resource balances and decremental/incremental prices.

45. For each utility at UP&L's interconnection points, list the amount of resources each utility will have to serve UP&L's emergency needs at time of peak load from 1988 to 2008).

46. List the power pools in which UP&L and/or PP&L are members and provide copies of all agreements governing such membership. Provide all reports and documentation and describe in detail the activities and benefits of each power pool including joint unit commitment, emergency support, economy energy scheduling, and spinning reserves coordination.

47. Provide a listing of all existing and executed contracts, agreements, memoranda or understanding and letters of understanding between either UP&L or PP&L and any third party utility that address nonfirm energy transactions, capacity/energy exchanges, and capacity and/or power sales or exchanges.

48. Provide a listing of all UP&L and PP&L FERC approved, or pending FERC approval contracts, agreements, tariffs or other written matter.

49. Provide an analysis and all studies and work papers performed on the consideration given to the impact of out-of-area sales on the need to build new plants or transmission facilities to serve the UP&L and PP&L loads.

50. Explain if any benefits from "increased operating efficiencies from a combined system" as referenced on page 18 of Exhibit No. 4.3 are currently occurring between PP&L, UP&L and other utilities and whether the benefits can occur without a merger. Provide a detailed explanation.

51. Can the alleged power transmission opportunities for sale of firm power to the Southwest and to California, and benefits from displaced power production by UP&L plants occur without the merger? If not, explain in detail why not.

52. Regarding the recent UP&L and NPC contract for firm power and a transmission line, provide copies of all agreements, work papers and analyses other than what has already been provided in the Utah PSC Case No 87-035-26 and describe what resources will be used to serve the contract requirements.

GENERAL:

53. Does the Applicant agree with the estimated benefits presented by Drexel Burnham and Lambert on page 6 of Exhibit 4.3 witness O. T. Colby Jr..

54. Provide all analyses, studies and work papers used to justify Table 1 of the Rating Agency Report on page 6 of Exhibit No. 4.3 and the research brief statements on pages 19 and 23 of Exhibit No. 4.3.

55. Does Table 1 on page 6 of Exhibit No. 4.3 quantify accurately all the benefits due to the proposed merger? If not, explain why not and provide all studies and work papers. Determine and list all quantifiable benefits to UP&L ratepayers and provide all studies and work papers.

56. Provide an explanation for the apparent discrepancy between estimates of the difference between the independent seasonal peaks during 1986. Specifically, Duff and Phelps pg. 26 claim an 80 MW difference whereas the Second Supplemental Testimony of Mr. Boucher pg. 10 and Figure 3.6 claims the difference is 436 MW.

57. Provide more detailed information regarding the types of firm wholesale packages which you believe could be successfully marketed outside of the UP&L and PP&L systems. Provide the work papers and studies upon which the estimates of the potential market for firm wholesale sales are based. Reconcile them to the estimates projected on Table 1, Ex. 4.3.

58. Describe the reasons why each of the wholesale firm power or capacity packages proposed could not be created through specific agreements between UP&L and PP&L in lieu of the merger.

59. Describe any regulatory barriers or disincentives that currently prevent or inhibit wholesale power or capacity sales arrangements.

60. In the absence of any regulatory changes, would the merged company be able to make more profit on certain types of wholesale sales than on others? For example, would current regulatory practice permit greater profit on short term than on long term firm sales?

61. Describe the existing regulatory incentives that encourage greater profits to be taken in certain activities. Would changes be helpful in creating a more positive climate for incentives so that wholesale firm sales could be more easily packaged in a way that responds to market force economics.

62. Describe how the merged company would create a situation where both shareholders and existing ratepayers would be indifferent to the kind of firm wholesale sales packages being proposed.

COMPUTER MODELING AND DOCUMENTATION:

63. List and describe all PROMOD and other production costing model runs performed in support of the merger analysis by UP&L. Indicate which calculations or scenarios are used as the bases for determining the asserted benefits associated with the merger (i.e., which runs represent the base case).

64. List and describe all production costing runs performed in support of the merger analysis by PP&L. Indicate which calculations or scenarios are used as the bases for determining the asserted benefits associated with the merger (i.e., which runs represent the base case).

65. For all production cost runs performed by UP&L and PP&L provide the complete CARD IMAGE data and the annual and monthly plant and unit level output results for each year simulated. This information should be supplied on 1600 BPI 1/2" tape. Please label block size and record length.

66. Provide all documentation and user's manual(s) for the version of EMA's PROMOD and other UP&L production cost models being used in the merger analysis.

67. Provide all documentation and user's manual(s) for each PP&L production costing model used in the merger analysis.

68. Provide hourly load data in EEI or similar format on MS-DOS floppy (360K) or if necessary, on 1600 BPI, unlabeled tape, for years 1984, 1985, and 1986 and the annual projections of future hourly loads to 2008. Describe the methodology used for the development of future year loads and any adjustments made to the historical hourly loads.

69. Provide input/output heat rate curves and equations relating plant loading to fuel use for each generating unit from which PP&L and UP&L can schedule power. Plant loading should reflect net output.

70. Describe the mechanisms (regulatory and administrative) that PacifiCorp and UP&L envision being used to ensure that profits, expenses and losses will be tracked and distributed among the PacifiCorp ratepayers and stockholders from the various company operations.

71. For each coal plant, identify the coal supplier and summarize contract requirements including quantities, minimum take-or-pay provisions and coal quality. If there are other factors effecting quantities and minimum take-or-pay (i.e., rail transport contracts) provide the details of these factors.

72. Provide (from 1986 to the present) available monthly summaries or reports on the amount generated from each plant (or group of plants) or purchased from various entities (or regions) and including total costs. On a monthly basis, as the data is available, provide the data on the latest month.

73. Provide the inputs, outputs, calculations and methodology employed to determine the various hydro exceedence levels (including critical and expected hydro years). List which levels were selected for the various production cost modeling efforts and justify the selection.

74. Provide the inputs, outputs, calculations and methodology employed to determine projections of economy energy purchases and sales (including price and hydro exceedence levels). Justify the selection of the hydro data in the projection of economy energy purchases and sales used for the various production cost modeling efforts.

Respectfully submitted this 20th day of November, 1987.

Sandy Mooy
Assistant Attorney General for
Committee of Consumer Services

CERTIFICATION OF MAILING

I hereby certify that on this 20th day of November, 1987, I mailed or hand delivered a true and correct copy of the foregoing First Data Request of the Committee of Consumer Services to:

Dale A. Kimball, Esq.
Gary A. Dodge, Esq.
Kimball, Parr, Crockett & Waddoups
185 South State, Ste 1300
P.O. Box 11019
SLC, UT 84147

F. Robert Reeder. Esq.
Val R. Antczak, Esq.
Parsons, Behle & Latimer
185 South State, Suite 700
P.O. Box 11898
SLC, UT 84147-0898

Robert S. Campbell, Jr.
Gregory B. Monson
Watkiss & Campbell
310 South Main, Suite 1200
SLC, UT 84101

Calvin L. Rampton, Esq.
Jones, Waldo, Holbrook & McDonough
1500 First Interstate Plaza
SLC, UT 84101

Raymond W. Gee, Esq.
Kirton, McConkie & Bushnell
330 South 3rd East
SLC, UT 84111

F. Elgin Ward
Lynn W. Mitton
Desert Generation & Transmission
8722 South 300 West
Sandy, UT 84070

John Morris
LeBoeuf, Lamb, Leiby & MacRae
136 South Main, Suite 1000
SLC, UT 84101

Sidney G. Baucom
Thomas Forsgren
Edward A. Hunter
Utah Power & Light
1407 West North Temple
P. O. Box 899
SLC, UT 84110

George M. Galloway
Stoel Rives Boley Jones & Grey
Suite 2300
900 S.W. Fifth Avenue
Portland, Oregon 97204

Micheal Ginsberg
Office of Attorney General
236 State Capitol
SLC, UT 84114

James A. Holkamp
Van Cott, Bagley, Cornwall & McCarthy
P.O. Box 45340
SLC, UT 84145

A. Wally Sandack
370 East Fifth South
SLC, UT 84111

Idaho Public Utilities Commission
Micheal S. Gilmore
Deputy Attorney General
Statehouse Mail
Boise, Idaho 83720

Stephen R. Randle
Ungricht, Randle & Dremer
520 Boston Bldg.
SLC. Ut. 84111

Roger Cutler
Salt Lake City Attorney
324 South State
SLC, Ut. 84111

Alice Ritter Burns
Cedar City Corporation
P. O. Box 249
Cedar City, Ut. 84720

Richard W. Giaugue
Gregory P. Williams
Gary F. Bendinger
Giaugue, Williams, Wilcox & Bendinger
500 Kearns Bldg.
SLC, Ut. 84101

Paul T. Morris
I. Robert Wall
West Valley City
2470 South Redwood Rd.
West Valley City, Ut. 84119

Elsa Hurtado

BEFORE UTAH PUBLIC SERVICE COMMISSION

In the matter of the Application Utah Power & Light Company and PC/UP&L Merger Corp. (to be renamed PacifiCorp) for an Order Authorizing the Merger of Utah Power & Light Company and PacifiCorp into PC/UP&L 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	Case No. 87-035-27 Second Data Request by Committee of Consumer Services December 3, 1987

The following data request is hereby submitted in connection with the above captioned matter. Pursuant to Rules 33 and 34 of the Utah Rules of Civil Procedure and the Rules of Public Service Commission, the Committee of Consumer Services, by and through its counsel, Sandy Mooy, hereby requests that Utah Power & Light (UP&L) respond to the following written Interrogatories and Requests for Production of Documents within 14 days of service or sooner if practicable. In Addition to providing one copy to the Committee please provide another copy directly to ESRG and SERA at:

Attention Mr. Rick Hornby ESRG 120 Milk Street Boston, Massachusetts 02109	Attention Mr. Craig Conley SERA 1722 J Street, Suite 19A Sacramento, California 95817

Please provide the following:

UP&L

75. For FERC and each state in which UP&L has jurisdictional sales (i.e. Utah, Idaho and Wyoming) please describe:

    a. The manner in which total company fuel costs, purchased power costs and revenues from sales for resale are allocated to the jurisdictional sales in that state.

    b. The mechanism by which the net amount of those costs (i.e. fuel costs plus purchased power costs less revenues from sales for resale) are recovered from jurisdictional customers in that state (e.g. base rates, Energy Balancing Account charge, Fuel Adjustment Clause charge).

    c. Any financial incentive in that state designed for the purpose of sharing fuel costs and/or purchased power costs and/or revenues from sales for resale between shareholders and ratepayers.

d. Any distinctions made in that state between the regulatory treatment of revenues from firm off-system sales versus non-firm off-system sales.

e. The time period (e.g. historical, future) used as a test period in base rate cases in that state.

f. The regulatory oversight system and procedures used by the Commission in that state to determine the reasonableness of fuel costs and purchased power costs.

g. The conditions under which the Commission in that state can initiate a general rate hearing on its own motion.

76. Please describe how Energy Balancing Account (EBA) calculations will be affected by the merger. Please include in this description a worksheet demonstrating a hypothetical numerical example of a monthly EBA calculation after the merger.

PacifiCorp

77. For each state in which PacifiCorp has jurisdictional sales (i.e. Oregon, Washington, California, Montana, Wyoming and Idaho) please describe:

a. The manner in which total company fuel costs, purchased power costs and revenues from sales for resale are allocated to the jurisdictional sales in that state.

b. The mechanism by which the net amount of those costs (i.e. fuel costs plus purchased power costs less revenues from sales for resale) are recovered from jurisdictional customers in that state (e.g. base rates, Energy Balancing Account charge, Fuel Adjustment Clause charge).

c. Any financial incentive in that state designed for the purpose of sharing fuel costs and/or purchased power costs and/or revenues from sales for resale between shareholders and ratepayers.

d. Any distinctions made in that state between the regulatory treatment of revenues from firm off-system sales versus non-firm off-system sales.

e. The time period (e.g. historical, future) used as a test period in base rate cases in that state.

f. The regulatory oversight system and procedures used by the Commission in that state to determine the reasonableness of fuel costs and purchased power costs.

g. The conditions under which the Commission in that state can initiate a general rate hearing on its own motion.

78. Mr. Frederic D. Reed, on page 7 and 8 of his pre-filed testimony, seems to imply that after the merger PacifiCorp Oregon would seek to have the EBA modified or eliminated.

Please provide the following information in this regard:

a. The timeframe over which PacifiCorp intends to seek having the EBA modified or eliminated.

b. The type of base rate treatment it would be seeking for fuel costs, purchased power costs and revenues from sales for resale should the EBA be eliminated.

c. The types of modifications to the EBA it would be seeking.

d. The implications for PacifiCorp Oregon, in terms of its electrical generation and sales in Utah, if the EBA is not ultimately modified or eliminated.

FINANCIAL ISSUES

79. Please provide the bond and preferred stock ratings given UP&L and PacifiCorp/PP&L during the period 1985 to date by Moody's and Standard & Poor's; together with any statements made by the rating agencies about any changes in ratings subsequent to the reports contained in Exhibit 4.3 to Mr. Colby's initial Prefiled Testimony in this matter.

80. Furnish copies of any investment bankers' or other financial analysts' reports in the possession of UP&L or PacifiCorp/PP&L on either company during the period 1985 to date, or on the financial effects of the proposed merger.

81. Provide a breakdown of PacifiCorp's assets, new investments, revenues and net income for the period 1985 to date by subsidiary and business, such as:

(a) regulated electric utility,
(b) regulated water utility utility,
(c) regulated steam utility,
(d) regulated telecommunications utility,
(e) any other regulated utility services,
(f) non-regulated coal business,
(g) any other non-regulated business.

82. (a) Please state, for each regulated subsidiary/business, what kind of regulatory regime it is subject to - standard utility regulation (rate of return), price limits, etc.

(b) With specific reference to NERCO, please state to what extent and in what manner its operations and sales are regulated.

(c) With specific reference to Pacific Telecom, please explain to what extent it is not subject to standard utility regulation.

83. Please provide any strategic business or financial plans developed by PP&L, including projections of proposed investments, assets, etc. by business segment, as requested in the previous question.

84. How has PacifiCorp's offer for UP&L stock been affected by the changes in stock prices in the aftermath of the October 19, 1987 stock market sell-off? Have new terms been reached, and if so please provide them.

85. Has the UP&L considered whether its acquisition by PacifiCorp may lead to an increased assessment for real estate tax or other tax purposes? If so, what is the Company's opinion on this subject. Please furnish copies of any memoranda, legal opinions or other documents prepared by or for UP&L or PP&L on this subject.

86. Have any projections been made of the income tax rates that would apply to UP&L after the merger, compared with the rates that would be in effect without the merger? Please explain whether any difference in income tax rate would affect the pre-tax cost of capital calculations in Utah.

87. Please provide details of the financial assumptions used in the financial/corporate model projections performed by or for PP&L or UP&L, reflecting the cost outlook for UP&L and PacifiCorp with and without the merger. Requested details are the principal financial assumptions underlying the runs, a listing of the financial inputs (capital structure, capital cost rates, etc.), and a listing of the financial outputs (weighted average rate of return, equity cost rate allowed and earned, key financial ratios).

88. With reference to the Company's responses to Staff Memo to PSC re: Merger Questions, dated September 15, 1987, please provide the detailed numerical derivation of the financial assumptions, calculations and outputs (as in the previous question)underlying the data provided to the Utah PSC, including worksheets, formulas and computer model analyses used.

89. Has PacifiCorp or PP&L at any time developed a breakdown of total PacifiCorp capitalization by operating division or type of business, showing that the overall capital structure is consistent with a capital structure for each operating division or type of business which is appropriate for that type of business, e.g. regulated utilities, coal industry, etc.? If so, please provide such a breakdown, with supporting documentation.

90. (a) Please furnish a copy of those sections of PP&L's latest rate case filing and supporting testimony, in Oregon, Wyoming and California, dealing with rate of return and capital structure.

(b) Please furnish similar documentation of those sections dealing with inter-jurisdictional allocations.

(c) Please furnish similar documentation of those sections of those sections dealing with fuel cost levels and the treatment of purchased power and off-system sales.

(d) Please furnish copies of the orders of the Oregon, Wyoming and California Commissions in the most recent general PP&L rate case in each state.

91. (a) Please provide full details of all of PP&L/PacifiCorp's liabilities (e.g. capitalized leases) other than long-term debt, and describe, with supporting documentation, how they have been treated by:

(b) Regulators in determining cost of capital and\or expenses for rate case purposes, and by:

(c) Rating agencies and other financial analysts in assessing the financial situation of PP&L/Pacificorp.

92. The Company claims that the merger "will defer the need for additional generation requirements" (initial Prefiled Testimony of Mr. Colby, p.11). Please provide any projections made by the Company of construction budgets for UP&L and PP&L with and without the merger, or other evidence supporting this statement. These budgets should identify separately the construction budgets of major generation and transmission projects.

93. The Company claims that "after some period of joint operation following approval of the merger, the financial indicators for the new company should be better than would have possible for either of the separate companies.." (initial Prefiled Testimony of Mr. Colby, p.12). Please furnish any financial model runs or other projections of the indicators for UP&L and PacifiCorp with and without the merger, or other quantitative evidence supporting this statement.

94. Mr. Colby referred to the dividend expectation for PacifiCorp (initial Prefiled Testimony, p.15); has UP&L or PacifiCorp made any projections of earnings, dividends and payout ratios for UP&L without the merger and PacifiCorp with the merger? What will be the dividend policy guidelines of UP&L without the merger and of PacifiCorp with the merger.

95. Please furnish copies of any statements of Generally Accepted Accounting Principles according to which the consolidation of UP&L and PacifiCorp Maine equity will be accounted for as a "pooling of interests".

96. (a) Please furnish any financial projections indicating whether the Alternative Minimum Tax payments are likely to be the same or different for UP&L with and without the merger.

(b) Please provide quantitative support, projections, etc., for the statement "AMT (Alternative Minimum Tax) may be minimized or avoided for non-regulated subsidiaries of PacifiCorp as a result of filing a consolidated tax return" (initial Prefiled Testimony of Mr. Colby, p.18).

97. On p.1 of the Drexel Burnham Lambert research report included in Exhibit 4.3 to Mr. Colby's initial Prefiled Testimony, reference is made to "significantly enhanced profit potential from wholesale power sales and brokering offered through the combined entity".

(a) Do UP&L and PacifiCorp agree with this statement?
(b) If so, please furnish any studies, memoranda projections or other support for this statement.
(c) What is the regulatory treatment of such wholesale power sales and brokering expected to be?
(d) Is the regulatory treatment expected to be affected by the merger in any way, and if so please explain.

98. (a) On p.6 of Goldman Sachs' Research Brief dated August 20, 1987, included in Exhibit 4.3 to Mr. Colby's initial Prefiled Testimony in this matter, reference is made to \$7.0 additional revenues by 1991 from sales, "which would benefit the bottom line of the merged entity, after factoring in an assumed level of incremental revenues that would accrue solely to ratepayers". Please provide the precise numerical derivation of this \$7 million estimate, and the nature of the sales referred to, and the regulatory treatment assumed for such sales revenues and/or profits.

(b) On p. 8 of the same document, a projection of \$62.8 million additional revenues by 1991 is referred to. Please provide the same supporting information with respect to this amount requested in (a) above.

99. (a) Please furnish copies of all financial forecasts, handouts, presentations or press releases for the financial community.

(b) Please provide the numerical derivation and a full explanation of any sales, revenues, earnings, or profits projections contained in the those communications, including those on which the revenue and earnings projections referred to in the previous question were based.

Respectfully submitted this 3rd day of December, 1987.

Sandy Mooy
Assistant Attorney General for
Committee of Consumer Services

CERTIFICATION OF MAILING

I hereby certify that on this 3rd day of December, 1987, I mailed or hand delivered a true and correct copy of the foregoing Second Set of Discovery Requests of the Committee of Consumer Services to:

Dale A. Kimball, Esq.
Gary A. Dodge, Esq.
Kimball, Parr, Crockett & Waddoups
P.O. Box 11019
SLC, UT 84147

F. Robert Reeder, Esq.
Val R. Antczak, Esq.
185 South State, Ste 1300
Parsons, Behle & Latimer
185 South State, Suite 700
P.O. Box 11898
SLC, UT 84147-0898

Robert S. Campbell, Jr.
Gregory B. Monson
Watkiss & Campbell
310 South Main, Suite 1200
SLC, UT 84101

Calvin L. Rampton, Esq.
Jones, Waldo, Holbrook & McDonough
1500 First Interstate Plaza
SLC, UT 84101

Raymond W. Gee, Esq.
Kirton, McConkie & Bushnell
330 South 3rd East
SLC, UT 84111

F. Elgin Ward
Lynn W. Mitton
D G & T
8722 South 300 West
Sandy, UT 84070

John Morris
LeBoeuf, Lamb, Leiby & MacRae
136 South Main, Suite 1000
SLC, UT 84101

Sidney G. Baucom
Thomas Forsgren
Edward A. Hunter
Utah Power & Light
1407 West North Temple,
P. O. Box 899
SLC, UT 84110

George M. Galloway
Stoel Rives Boley Jones & Grey
Suite 2300
900 S.W. Fifth Avenue
Portland, Oregon 97204

Micheal Ginsberg
Office of Attorney General
236 State Capitol
SLC, UT 84114

James A. Holkamp
Van Cott, Bagley, Cornwall & McCarthy
P.O. Box 45340
SLC, UT 84145

A. Wally Sandack
370 East Fifth South
SLC, UT 84111

Idaho Public Utilities Commission
Micheal S. Gilmore
Deputy Attorney General
Statehouse Mail
Boise, Idaho 83720

Stephen R. Randle
Ungricht, Randle & Dremer
520 Boston Bldg.
SLC. Ut. 84111

Roger Cutler
Salt Lake City Attorney
324 South State
SLC, Ut. 84111

Alice Ritter Burns
Cedar City Corporation
P. O. Box 249
Cedar City, Ut. 84720

Richard W. Giaugue
Gregory P. Williams
Gary F. Bendinger
Giaugue, Williams, Wilcox & Bendinger
500 Kearns Bldg.
SLC, Ut. 84101

Paul T. Morris
I. Robert Wall
West Valley City
2470 South Redwood Rd.
West Valley City, Ut. 84119

Kathryn T. Whalen
Bennett, Harman, Tauman & Reynolds
One S. W. Columbia, Suite 1450
Portland, Oregon 97258

Donald R. Allen
John P. Williams
Duncan, Allen & Mitchell
1575 Eye Street
Washington, D. C. 20005

Chris L. Engstrom
Snow, Nuffer, Engstrom & Drake
P.O. Box 400
St. George, Utah 84770

Elsa Hurtado

Mr. Dennis Steinberg
Pacific Power & Light Company
920 S. W. Sixth Ave
Portland, Oregon 97204

December 8, 1987

Dear Mr. Steinberg,

The Committee of Consumers Services appreciates the time spent by of UP&L and PP&L technical staff discussing with our consultants any concerns or misunderstandings they had with our first set of data requests. As a result of this discussion enclosed are the following clarifications of the first set of data requests submitted by the Committee on November 20, 1987 in 87-035-27 case.

Please provide a copy of all responses directly to SERA and ESRG as the individual answers to each questions are completed:

Attention Craig Conley
SERA
1722 J Street, Suite 19A
Sacramento, California 95817

Attention Rick Hornby
ESRG
120 Milk Street
Boston, Massachusetts 02109

cc: Mr. Edward A. Hunter
Mr. George M. Galloway

Sincerely,

Sandy Mooy
Assistant Attorney General

While UP&L and PP&L assert that post 1992 production costing data and runs are not a part of their submittals and analysis, CCS and its consultants still believe that post 1992 data and analysis is critical to an understanding of the benefits and costs of the proposed merger. Analysis and support data over a 20 years time horizon is still requested as where asked for in the data request.

RESOURCE PLANNING:

4. Provide monthly projections of marginal off-peak and on-peak fuel and operating costs for PP&L and UP&L separately and also merged from 1988 to 2008. Provide all work papers.

 * Note 4: PP&L agreed to provide non time differentiated monthly incremental costs to 1992. UP&L agreed to provide marginal cost PROMOD runs listing on-peak and off-peak marginal fuel and operating costs.

13. Provide the most recent studies for PP&L and UP&L used to establish system reliability criterion and to determine minimum reserve capacity. Include a discussion of all assumptions and data used and provide all work papers.

 * Note 13: We will receive the most recent ICP study for both utilities. In addition we would like to receive the most recent NWPP study for PP&L.

18. Determine and list annually from 1988 to 2008 the projected energy and capacity needs with and without wholesale sales to new markets. Describe and quantify how wholesale sales will affect the Resource Plan projections. Provide all analysis and work papers.

 * Note 18: Energy and capacity needs with and without wholesale sales to new markets will include analysis of the mergered system as well as PP&L and UP&L individually. Wholesale sedes specifically refer to firm wholesale sales.

20. For both the UP&L and PP&L, provide the amount of economy energy purchased from each utility supplier from 1984 to the present, and projected for future years. Identify the amounts and cost purchased with spinning reserves and the amount and cost purchased without spinning reserves on a monthly basis aggregated by all the periods and disaggreated into on-peak and off-peak. Define on and off-peak time periods used. Provide actual or projected costs of procuring economy with spinning reserves listing the cost of purchasing spinning reserves separately.

 * Note 20: PP&L and UP&L will provide data describing energy and capacity purchases by Company by month from 1984 to the present. UP&L will provide time differentiated log sheets for purchases by month. Additionally, UP&L will provide data describing exchanges by company by month.

21. Explain why in Ex. 3.10 and 3.12 of Boucher's Second Supplemental Testimony that the UP&L hydro system is apparently asserted to have had the same monthly minimum reliable capacity levels in both 1961 and 1928-29. If such was not the case, restate separately the totals found on pages 2 and 3 of Ex. 3.12 in consistent time of capacity for 1928 and 29 and for 1961.

* Note 21: PP&L clarified that stating 1928-29 as a critical hydro condition in Ex. 3.10 and 3.12 UP&L hydro was a typo the revelant year is 1961 for UP&L's hydro. Therefore this data request is withdrawn.

22. Table 1 of each of Ex. 3.10, 3.11 and 3.12 appear to use actual year hydro generation. Is that correct? If so, restate each table using mean (i.e., average) monthly hydro generation for both PP&L and UP&L.

* Note 22: "actual year hydro generation" should read critical year hydro generation.

TRANSMISSION ENGINEERING:

29. For the 230 KV Naughton-Jim Bridger, 345 KV Ben Lomand-Borah, two 230 KV Ben Lomand-Naughton, 230 KV Naughton-Treasureton-Brady, 345 KV Four Corners, 230 KV Glen Canyon, 345 KV New Castle, 345 KV Mona-IPP, 230 KV Pavant and 345 KV Mona-Bonanza transmission lines, provide charts (and all work papers used in preparing the charts) showing for each year from 1984 (recorded) through 2020, both with and without the merger, by line owner (and user if different from owner) by on-peak and off-peak periods if different:

b. The firm transfer capability of the lines (for both directions, if different).

* Note 29 b: Subitem b is eliminated

f. The amount of surplus transmission capacity available in both directions (with consideration given to net scheduling).

* Note 29 f: Subitem f has been eliminated.

32. Provide copies of detailed system maps illustrating UP&L's and PP&L's 500 KV through 64 KV transmission system routings on a geographical basis for all portions of the system. For UP&L's transmission system, provide physical data, system configuration, operating diagrams and circuit parameters.

* Note 32: UP&L will send a map.

33. Provide three copies of the latest WSCC map (with planned facilities illustrated) and all WSCC reports prepared on an annual basis.

* Note 33: "all WSCC reports," should read "latest WSCC reports". UP&L agreed to provide the following copies of the WSCC:

1. Ten year report,
2. Loads Resource report,
3. Response 411 to FERC,
4. Significant Transmission Improvement Report,
5. Annual Studies Report.

38. Provide all studies and documentation to support the assertion in Mr. Boucher's second supplemental testimony, page 9-12, that the existing PP&L and UP&L interconnection capacity/support will increase due to the proposed system improvements. Include power flow and stability studies including power flow plots, stability results and/or computer outputs.

* Note 38: page reference of "page 9-12" should read "page 24-28".

42. Using WSCC's, PP&L's and/or UP&L's log sheets for the Bridger to Naughton line, Malin, Pinto, Midpoint and Jim Bridger substations, summarize for each monthly on-peak and off-peak time period, the total number of hours counterclockwise and clockwise loop flow occurred and the magnitudes of the loopflow from January 1984 through the most recent month available. Define on-peak and off-peak hours.

* Note 42: log sheets for Malin substation only will be provided from 1986 to the present.

43. Provide a table identifying which transmission lines are being contemplated for use in increased future wholesale sales to new markets and from 1988 through 2008 for each line, list:

c. Each future wholesale sale and its buyer.

* Note 43: should read "Each future wholesale sale and geographic area of buyer."

51. Can the alleged power transmission opportunities for sale of firm power to the Southwest and to California, and benefits from displaced power production by UP&L plants occur without the merger? If not, explain in detail why not.

* Note 51: PP&L will provide a speculative description to the apparent discrepancy between 80 MW and 436 MW estimates.

66. Provide all documentation and user's manual(s) for the version of EMA's PROMOD and other UP&L production cost models being used in the merger analysis.

* Note 66: Documentation and user manuals will include MAINPLAN.

68. Provide hourly load data in EEI or similar format on MS-DOS floppy (360K) or if necessary, on 1600 BPI, unlabeled tape, for years 1984, 1985, and 1986 and the annual projections of future hourly loads to 2008. Describe the methodology used for the development of future year loads and any adjustments made to the historical hourly loads.

* Note 86: Both PP&L and UP&L agreed to provide hourly load data up to 1992 on ASCII formatted floppy disk. Post 1992 hourly load date is requested. (See Preface Note)

73. Provide the inputs, outputs, calculations and methodology employed to determine the various hydro exceedence levels (including critical and expected hydro years). List which levels were selected for the various production cost modeling efforts and justify the selection.

* Note 73: This question was clarified to focus on the output of the regulation model for the Mid-Columbia and other Mainstem Dams that PP&L receives power from. Futher PP&L was to provide in hard copy the model used to translate that hydro generation data into inputs to the PP&L production costing model including encroachment adjustments.

Responses labelled NR are Not Responsive to the question by either party. The specific deficiency is described. Responses labelled NR* represent no response received from PP&L.

1. NR Variable and fixed O&M costs were requested but not provided. The response was that a split would be subjective. These numbers are difficult to produce but are used in PROMOD modeling. As a substitute, we could use the numbers from the PROMOD input data sets or UP&L's best estimate. No response received from PP&L.

2. NR* UP&L only.

3. NR* Data provided for UP&L only, no split between fixed and variable.

4. NR The response states the request requires PROMOD runs which have not been made. UP&L agreed to provide this data in the December 3 meeting. No data provided for PP&L who agreed to supply non-time differential monthly incremental costs.

5. NR Resource plan for UP&L provided. No response for PP&L. Work papers requested but not provided.

6. NR* UP&L only.

7. NR* UP&L only.

8. NR* UP&L only.

9. NR* UP&L only.

10. NR* UP&L only.

12. NR Documentation of operational procedures was requested but not provided.

13. NR Studies, discussion of assumptions and data and work papers were not provided. Copies of PNCA and ICP studies were not provided as agreed to in the December 3 meeting.

18. NR Energy and capacity needs listed by years with and without firm wholesale sales were requested along with work papers. Exhibits cited in the response do not incorporate any new sales but list only existing contracts. No explanation is given as to the source of new capacity for the merged system when resources fall short of loads. For PP&L this occurs in 1992, for UP&L in 1997 and in the merged case in 1991. No work papers are provided and are essential to understand loads and resources. In the December 3 meeting PP&L and UP&L agreed to provide the analysis requested.

19. NR* UP&L only.

20. NR* UP&L only.

23. NR* UP&L only.

24. NR* UP&L only.

29. NR Response does not provide complete answers on the work papers supporting answers. Specifically, information was requested for specific lines by year and on or off-peak periods (if different). Item e) was not responded to including data on firm sales and other transmission commitments.

35. NR* For many of the listed months, the amount of firm load exceeds Utah's generation and capacity purchases. The data provided must be in error and is non-responsive. No data was provided for PP&L.

37. NR The response provided 1986 and 1987 total budget amounts. However, the request asked for Budget Reports which should include budget amounts by project, disaggregated by year, for the company's normal planning period (four or five years, typically) and possibly a brief justification and description. The request was intended to look at where budgets were allocated within each system and between utilities. No data was provided for PP&L.

43. NR The request asked for projections by line up to 2008. None were provided. The response to Items A and B refer to Response 28, which has not been provided and Response 29, which is non-responsive. For Item B, the request specifically asked for transmission service commitments without the merger. The cited responses do not provide an adequate answer as to the loading of the transmission system under different operating conditions (e.g., merged versus non-merged). The response to Item C does not identify each future wholesale sale and its buyer as requested and agreed to in the December 3 meeting. Item D refers to transmission capacity, not generation. The response to Item E did not address agreements by each transmission line identified in Item C.

47. The response refers to Response No. 48 which is non-responsive since Response No. 48 refers to yet another response which has not been provided.

48. The response refers to another response (Kennecott No. 8) which has not been provided.

49. NR The response suggests that no analysis has been conducted to evaluate the impact of new out-of-area sales on generation or transmission needs. No work papers are provided. This question is especially critical in determining when the merged system will require new generation and/or transmission capacity.

50. NR The answer is vague and completely textual. The answer completely sidesteps the identification or discussion of benefits from "increased operating efficiencies from a combined system" without the merger. The question does not ask that all benefits be evaluated but any benefits could be realized.

51. NR No substantiation that UP&L could not make sales to California and the Southwest without the merger. The response refers to response 50 (also non-responsive) which does not address firm sales opportunities and other benefits.

52. NR Work papers and analyses were asked for and not included. Reference to another PSCU case does not constitute an adequate response.

63. NR A list and description of all model runs used in the merger analysis was requested. MAINPLAN output reports are provided but no indication that these are the only runs performed and which data are used in determining the benefits.

65. NR The response states that the request requires PROMOD runs to be made and none have been done. This is incorrect and contrary to the statements made and agreed to by UP&L during the December 3 meeting.

68. NR Annual projections of hourly loads and PP&L data were not provided as agreed to during the December 3 meeting.

69. NR* UP&L only.

72. NR* UP&L only.

74. NR The response referred to the inputs and outputs of MAINPLAN. No data was provided on the methodology used to develop economy energy purchase projections (which are inputs into MAINPLAN) as requested. No PP&L data was provided.