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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

UTAH PUBLIC
SERVICE COMMISSION

In the Matter of the Application)	
of UTAH POWER & LIGHT COMPANY)	
and PC/UP&L MERGING CORP. (to)	CASE NO. 87-035-27
be renamed PacifiCorp) for an)	
Order Authorizing the Merger of)	
Utah Power & Light Company and)	POSITION STATEMENT OF
PacifiCorp into PC/UP&L Merging)	SALT LAKE CITY CORPO-
Corp. Authorizing the Issuance)	RATION AND SANDY CITY
of Securities, Adoption of Tariffs)	CORPORATION
and Transfer of Certificates of)	
Public Convenience and Necessity)	
and Authorities in Connection)	
Therewith.)	

Pursuant to the Commission's Prehearing Conference Order issued October 6, 1987, the above intervenors hereby set forth what they perceive to be the major issues in this case. The parties at the present time have no specific position on the issues because not enough of the facts are presently known. The issues interrelate with each other in such a way that the application of Utah Power & Light Company and PacifiCorp will have to be weighed. In other words, it appears that there will be advantages and disadvantages, and the ultimate position of these intervenors will be how those considerations balance against each other. The issues are as follows:

1. What will be the impact of the merger on all of the major rate making policies that effect the rates of these intervenors including: (a) companywide cost of service; (b) jurisdictional allocation policies of common expenses and rate

base; (c) the policy of the new company with respect to classifying customers and allocating costs between customer classes; (d) cost of capital considerations such as the impact on the merged companies' debt security ratings; and (e) cost of fuel and other generating costs?

2. What will be the impact of the additional regulatory control that will be exercised upon the merged corporation?

3. Will Utah reap the benefits of the high costs they have paid for normalized investment tax credits on the generating facilities that were constructed by Utah Power & Light in the past ten years?

4. What is the relative quality and efficiency of the generating facilities of the two corporations that will be pooled together?

5. What will be the impact of the merger on wheeling and other competition related policies of UP&L?

These intervenors specifically reserve the right to raise additional issues as the facts of this proposed merger are examined in greater detail.

DATED this 15th day of October, 1987.

UNGRICHT, RANDLE & DEAMER



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CERTIFICATE OF MAILING

I hereby certify that I mailed a true and correct copy of the foregoing POSITION STATEMENT OF SALT LAKE CITY CORPORATION AND SANDY CITY CORPORATION, this 15th day of October, 1987, postage prepaid, to the following:

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