

Gary A. Dodge, Esq. #A0897  
PARR WADDOUPS BROWN GEE & LOVELESS  
185 South State Street, Suite 1300  
Salt Lake City, Utah 84111-1536  
Telephone: 801-532-7840  
Attorneys for Large Customer Group

---

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

---

In the Matter of the Application of	)	
PacifiCorp and Scottish Power plc	)	Docket No. 98-2035-04
for an Order Approving the Issuance	)	
of PacifiCorp Common Stock	)	LARGE CUSTOMER GROUP'S
	)	STATEMENT OF ISSUES

---

Pursuant to the Commission's Scheduling Order in this matter, the Large Customer Group ("LCG") submits an initial list of issues that the LCG believes the Commission should consider in determining whether to approve the issuance of securities as requested by the Applicants. At this point, the LCG has identified the following issues that it believes should be addressed by this Commission in the course of its investigation into whether the relief requested by the Applicants should be granted:

1. **Reliability/Quality of Service.** The merged company's proposed cost-cutting measures could impact reliability and quality of service in an unreasonable and unacceptable manner. If the merger is approved, appropriate and effective quality/reliability standards should be explored, adopted and enforced. Moreover, appropriate incentives and requirements should be adopted to ensure appropriate levels of investment in electric facilities and services.

2. **Rates/Terms of Service.** PacifiCorp's electric rates and terms of service could be negatively impacted by the merger. The merger will add complexities in the area of cost allocation. Moreover, the merger puts ratepayers at risk if it proves to be an unwise or inefficient move. The company should be prepared to make specific and measurable commitments to ensure that its customers are benefitted and to avoid the risk of any adverse impact of the merger on ratepayers.

3. **Industry Restructuring.** The merger may impact Utah's readiness for and response to industry restructuring. The merged company has not clearly articulated its position on or its intended response to federal and state restructuring efforts, unbundling of rates, transmission reform, existing and prospective competition, development of and participation in a Regional Grid Management Organization, and customer choice. Steps should be taken to ensure that the merged company is adequately prepared for and will not adversely impact ongoing discussions and decisions regarding, or preparations for, industry restructuring.

4. **Other.** The LCG reserves the right to take positions and submit testimony on any other issues identified by any other participants to this proceeding. The LCG also reserves the right to submit additional issues that it or its consultants may hereafter determine to be relevant.

DATED this \_\_\_\_\_ day of February, 1999.

PARR WADDOUPS BROWN GEE & LOVELESS

---

Gary A. Dodge

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this \_\_\_\_ day of February, 1999, to the following:

Edward Hunter

John Eriksson

STOEL RIVES

201 South Main Street, Suite 1100

Salt Lake City, UT 84111

Brian W. Burnett

CALLISTER NEBEKER MCCULLOUGH

10 East South Temple, #800

Salt Lake City, UT 84133

Michael Ginsberg

ASSISTANT ATTORNEY GENERAL

500 Heber M. Wells Building

160 East 300 South

Salt Lake City, UT 84111

Douglas C. Tingey

ASSISTANT ATTORNEY GENERAL

Committee of Consumer Services

160 East 300 South, 5<sup>th</sup> Floor

Salt Lake City, UT 84111

Daniel Moquin

ASSISTANT ATTORNEY GENERAL

1594 West North Temple, Suite 300

Salt Lake City, UT 84116

F. Robert Reeder

William J. Evans

PARSONS BEHLE & LATIMER

201 South Main Street, Suite 1800

P.O. Box 45898

Salt Lake City, UT 84145-0898

Stephen R. Randle

RANDLE DEAMER ZARR ROMRELL

139 East South Temple, Suite 330

Salt Lake City, UT 84111

Peter J. Mattheis

Matthew J. Jones

BRICKFIELD BURCHETTE & RITTS

1025 Thomas Jefferson Street, N.W.

800 West Tower

Washington, D.C. 20007

Eric Blank

Land and Water Fund of the Rockies

2260 Baseline Rd., Suite 200

Boulder, CO 80302

Matthew F. McNulty, III

VANCOTT BAGLEY CORNWALL

50 South Main Street, Suite 1600

P.O. Box 45340

Salt Lake City, UT 84145

Lee R. Brown

Magnesium Corporation of America

238 North 2200 West

Salt Lake City, UT 84116

Bill Thomas Peters

David W. Scofield

PARSONS DAVIES KINGHORN

185 South State Street, Suite 700

Salt Lake City, UT 84111

Dr. Charles E. Johnson

The Three Parties

1338 Foothill Blvd., Suite 134

Salt Lake City, UT 84108