

promote energy efficiency? Will the Company use the same approaches and programs? What are the Company's plans for energy efficiency? Do additional regulatory mechanisms need to be put in place in regard to energy efficiency?

2. Renewable Resources: In the last rate case PacifiCorp agreed to participate in a Task Force that would lead to the development of a program that would allow interested customers to pay a little more on their electric bill to purchase clean energy generated from wind or other renewable sources. Customer responses to similar programs outside of Utah have been unexpectedly high. Would the newly acquired Company be willing to offer its customers a choice of purchasing a renewable energy product? What might such a choice look like? In addition to exploring providing customer choices, PacifiCorp had purchased a small, but not insignificant, amount of wind power as part of its regulated resource base from a wind site located in central Wyoming. Is it the intent of the new management to keep this wind power as part of its regulated resource mix? What are the Company's intentions with regard to renewable resources? Do additional regulatory mechanisms need to be put into place in regard to renewable resources?

3. Air Quality/Regional Haze: Over the years, PacifiCorp has done a reasonable job of seeking to improve air quality and to solve visibility and other problems resulting from the contribution of utility pollutant emissions to regional haze. What effect will the acquisition have on the Company's air quality improvement and regional haze activities? Do any additional regulatory

mechanisms need to be put in place in regard to encouraging the Company to proactively pursue air quality improvements?

4. The Risk of CO2 Controls: One of the major risks confronted by a coal-based utility like PacifiCorp is the potential for tighter federal controls on carbon dioxide emissions. What effect will the acquisition have on PacifiCorp's efforts to deal with the risk of future carbon dioxide controls? What plans does the new management have to mitigate these risks?

5. Retail Competition: A number of states in the West -- including California, Nevada, Arizona, and Montana -- have made a policy decision that would allow retail customers to choose their own electric supplier. What impact will the acquisition have on PacifiCorp's attitude toward retail competition in Utah?

DATED this 17th day of February 1999.

Respectfully submitted,

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