Utah Division of Public Utilities
Witness: Ronald L. Burrup
Exhibit No. DPU RLB 3.5

SUMMARY OF CONDITIONS: Ronald L. Burrup

Risk that the $10 million in merger savings will not be realized in rates	**A 2001 Informational Filing shall include a full description, calculation (with supporting work papers) and dollar identification (both total PacifiCorp and Utah's share) of merger savings. This filing shall include in the adjusted revenue requirement calculation any merger savings achieved, applying established Utah ratemaking practices. The allocated share of merger savings shall not be less than the Utah allocated share of the $10 million of estimated PacifiCorp corporate savings, assuming that the closing date of the PacifiCorp/ScottishPower merger occurs in 1999. If the closing date of the PacifiCorp/ScottishPower merger does not occur in 1999, PacifiCorp/Scottish-Power may make an appropriate adjustment in the $10 million of estimated PacifiCorp corporate savings to reflect the delay in the closing of the merger. In either event, if the annual amount of PacifiCorp corporate savings exceed $10 million, the higher amount of actual savings will be used. The $10 million in PacifiCorp corporate savings will apply notwithstanding the fact that foreign exchange variations in the costs charged will fall into PacifiCorp** **No later than six months after the closing date of the merger, ScottishPower and PacifiCorp will file the merger transition plan with the Commission. The plan will include the items described in Mr. MacRichie's Oregon rebuttal testimony**. **The promised $10 million net reduction is permanent and guaranteed whether or not it is actually achieved.**

Risk that intra-company loans may disadvantage electric operations or that dividend payments may interfere with construction obligations.	**PacifiCorp and Scottish Power shall apply to the Commission for approval of intra-company loan agreements. For two years following the merger, PacifiCorp shall file a cash flow summary (or other evidence) with its dividend report, showing that service will not be impaired by payment of the dividend.**
Risk that asset revaluation may be used to increase property tax expense which is used in setting rates.	**Scottish Power agrees that asset revaluation resulting from the merger shall not be used as a basis to increase property taxes or other taxes or existing contract costs for the purpose of setting rates in the Utah jurisdiction**.
Risk that state regulators will not maintain their ability to adequately regulate the merged company.	**General and Financial reports to be filed with the Commission** **a) FERC form 1** **b) Annual and quarterly reports to shareholders** **c) Semi Annual reports showing Utah and total company operating results, allocation factors, coal reports, demand side management report, production costs modeling, peak loads by jurisdiction, normalizing adjustments and work papers,** **d) Monthly financial and operating reports** **e) Securities and Exchange Commission Reports 10-Q and 10K, quarterly and annual.** **f) Annual class cost of service studies** **g) Monthly Energy Information Administration Form EIA-826** **h) Annual affiliated interest report** **i) Five year financial plan and forecast of financial condition, filed annually for the total company and PacifiCorp.**