



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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May 4, 2001

Bruce Hellebuyck, Director
Regulatory Policy
PacifiCorp
825 NE Multnomah, Suite 800
Portland, OR 97232

Subject: Docket UE-010594 - Application of PacifiCorp for an Order Regarding the Transfer of the Shares of Common Stock of PacifiCorp from NA General Partnership to a Newly Formed Affiliate, PacifiCorp Holdings, Inc.

Dear Mr. Hellebuyck:

To aid staff's review of this application, please provide the following information:

1. Please identify all non-utility business activities currently being operated by PacifiCorp or one of its subsidiaries, that the company intends to separate from its regulated utility operations, as discussed on pages 4 and 6 of the application.
2. Please provide a corporate structure as of May 1, 2001, starting at NA General Partnership (NAGP) and showing every corporation, partnership, or other business subsidiary under NAGP.
3. For each of the non-utility business activities identified in the response to request number one, please identify the entity in the corporate structure in the response to request number two, which performs those activities. Identify the nature of business activity for each.
4. Identify any common members of board of directors, officers and or employees between PacifiCorp and the subsidiary for each of the businesses intended to be separated.
5. Identify all transactions between PacifiCorp and any of its affiliates, including current subsidiaries of PacifiCorp. This should include formal and informal transactions during the preceding year and any additional contacts for services currently in place. Transactions should include any service or product going from or to PacifiCorp, including management and financing services. Indicate the level and method of compensation provided for each service (compensation may be in the form of an

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allocation of costs). Indicate whether other affiliated companies, including subsidiaries, participated in the provision or receipt of the transacted service or product, such as affiliate X selling coal to PacifiCorp, while a second affiliate Y performed the mining duties for affiliate X.

6. Exhibit 1-A to the application indicates that NAGP is currently the parent company of PacifiCorp Holdings, Inc. (PHI). Does NAGP hold any ownership in PHI currently? If yes, please identify.
7. Is there any other current ownership of PHI other than NAGP? If so, please identify.
8. Page three of the application indicates that in the alternative to the Commission disclaiming jurisdiction, the company seeks approval of the internal reorganization, which will occur by exchange of all PacifiCorp common stock from NAGP for the Capital Stock of PHI. If NAGP already holds 100 percent interest in PHI (requests five and six) then what value is PHI trading NAGP for all the common stock of PacifiCorp.
9. Referring to page six of the application, please identify how the separation will reduce the exposure of the regulatory side of PacifiCorp to adverse results on its non-utility operations. What benefits will be created which will be "to the benefit of PacifiCorp's customers?"
10. Referring to Exhibits 1 A & 1 B of the application, please indicate why the insertion of PHI as the holding company in Exhibit 1 B, rather than the use of NAGP as depicted in Exhibit 1 A, is necessary or valuable? (For explanation, referring to Exhibit 1 A, it would appear that the company could transfer the unregulated subsidiaries of PacifiCorp or PGHC to PHI or to NAGP directly, rather than placing PacifiCorp under PHI and then breaking out the subsidiaries?

Any inquiries concerning these requests should be directed to the attention of Merton Lott, at (360) 664-1312.

Sincerely,



Carole J. Washburn
Secretary

cc: Melinda Davison, ICNU
simon ffitich, Public Council