

September 7, 2001

Ms. Carole Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, Washington 98504

Re: Joint Application of PacifiCorp and PacifiCorp, Inc.  
Docket No. UE-001878

Dear Ms. Washburn:

The Notice of Hearing, issued August 28, 2001, requested each party to submit an issues list in this docket. The issues listed below are presented by Commission Staff. The list is not necessarily exhaustive and Staff assumes that it may address additional issues as they arise in the course of its evaluation of the Joint Application.

The overriding issue is whether the Joint Application is consistent with the public interest. Within that general issue, Staff at this time identifies the following issues:

1. Evaluation of the problems the Joint Application is designed to address, including resolution of inter-jurisdictional allocation issues, risk of cost recovery, impact of restructuring in Oregon, and state independent decision making.
2. Evaluation of alternatives to the Joint Application, including whether restructuring can occur in less than all jurisdictions.
3. Evaluation of the impact of the Joint Application on the jurisdiction of the Commission. Can the Commission effectively regulate in the public interest if the Joint Application is approved?
4. Evaluation of the details of the ServCo and GenCo proposals and contracts, including whether the Commission will be able to assess whether ratepayers receive the long-term benefits of the transmission facilities that would be held by GenCo.

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5. Evaluation of the impacts on revenue requirements of the Joint Application.
6. Evaluation of the interlay between the Joint Application and the formation of RTO West. Can the Commission approve the allocation of transmission assets to the unregulated GenCo before the formation of RTO West?
7. Evaluation of the impact of the Joint Application on the commitments made by PacifiCorp in its acquisition by Scottish Power, including whether the restructuring should proceed during the 5-year Rate Plan ending December 31 2001, as established in the Commission's Third Supplemental Order in Docket No. UE-991832.
8. Evaluation of whether the Joint Application will allow the Commission to assess whether DisCo's resource acquisitions are consistent with least cost planning policies embodied in Commission rule and its order in the merger of Utah Power & Light and Pacific Power & Light.

Sincerely,

Robert D. Cedarbaum  
Senior Counsel

cc: ALJ Karen Caille  
Parties of record