



November 18, 2004

Idaho Public Utilities Commission
PO Box 83730
Boise, ID 83720-0074

Attention: Scott D Woodbury

RE: Case NO GNR-E-02-1 Idaho Avoided Cost

Dear Mr. Woodbury,

Thank you for your letter of November 3, 2004 in which you provide the updated avoided costs as a result of the new Northwest Power and Conservation Council forecast.

Staff notified the Company that the Staff inadvertently changed the general inflation rate used to derive a starting gas price and escalation rate. PacifiCorp agrees with Staff that a revision to the general inflation rate is beyond the scope of the fuel price and cost of capital updates ordered by the Commission in Order No. 29628.

PacifiCorp has reviewed the proposed updated prices, as corrected, and agree that the prices have been updated correctly. The Company accepts the corrected schedule as accurate.

If you have any questions please feel free to call or email me at (503) 813-5541 or Mark.Widmer@PacifiCorp.com.

Sincerely,

Mark Widmer
by LJH

Mark Widmer
Director, Regulatory



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