

5:07

2007 JUN 18 AM 8:35

June 15, 2007

IDAHO PUBLIC UTILITIES COMMISSION

Randy C. Allphin
Senior Planning Administrator
Tel: (208) 388-2614
rallphin@idahopower.com

Idaho Public Utilities Commission
Attn: Scott Woodbury
PO Box 83720
Boise, ID 83720-0074

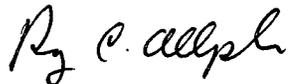
RE: CASE NOS. GNR-E-07-1

IN THE MATTER OF THE ANNUAL REVISION AND UPDATED CALCULATION OF THE ADJUSTABLE PORTION OF THE AVOIDED COST RATE(S) FOR EXISTING PURPA CONTRACTS FOR AVISTA CORPORATION DBA AVISTA UTILITIES, FOR IDAHO POWER COMPANY AND FOR PACIFICORP DBA UTAH POWER AND LIGHT COMPANY.

We have reviewed the information you have provided in your letter dated May 24, 2007 notifying Idaho Power of revision of the adjustable portion of the Avoided cost rate(s) for existing PURPA contracts.. Idaho Power concurs that the model and calculations used by the IPUC staff for Idaho Power Company are consistent with IPUC Order 28708.

In reviewing the letter it was noticed that the calculation of the approved gas price of \$7.80 less the \$0.87 decrease resulted in a new price of \$6.94. Mathematically, this calculation should result in a new price of \$6.93. Idaho Power contacted Rick Sterling and discussed this calculation; the \$0.01 difference is a result of mathematical rounding of the components within this calculation. Based upon our discussion with Rick, the \$6.94 value is acceptable.

Sincerely,



Randy C Allphin
Idaho Power Company

Cc: Bart Kline (Ipc)