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IDAHO PUBLIC
UTILITIES COMMISSION

201 South Main, Suite 2300
Salt Lake City, Utah 84111

June 15, 2007

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

Attention: Scott D Woodbury

RE: Case Nos. GNR-E-07-1; PAC-E-07-09

Dear Mr. Woodbury,

Thank you for your letter of May 24, 2007 in which you provided the 2007-2008 updated prices for the adjustable portion of the avoided costs rates under the present avoided cost methodology. Your letter also provided an update to the adjustable rate portion of avoided costs for QF contracts using variable costs associated with Colstrip and for PacifiCorp contracts with 1992 amendments.

During our reviewing the proposed gas price update, we noticed that the heat rate used to convert the proposed gas price was 7350 MMBtu/KWH. In Order No. 29124 issued on 9/26/02, the Commission changed the heat rate from 7350 to 7100. Therefore, using a gas price of \$6.94 and a heat rate of 7100, the adjustable portion of the fueled rate should be 49.27 mills/kWh.

With the exception of the item listed above, PacifiCorp has reviewed the price update and agree that the prices have been updated correctly.

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 /p.n.

Mark Widmer
Director, Net Power Cost