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IDAHO PUBLIC
UTILITIES COMMISSION

February 18, 2009

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

RE: CASE NOS. GNR-E-09-1

IN THE MATTER OF THE FUEL COST RELATED ADJUSTABLE TO IDAHO
AVOIDED COST RATES FOR IDAHO POWER COMPANY, PACIFICORP DBA ROCKY
MOUNTAIN POWER, AND AVISTA CORPORATION DBA AVISTA UTILITIES.

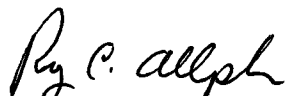
We have reviewed the information you have provided in your letter dated February 9, 2009 notifying Idaho Power of revision of the Published avoided cost rates due to inclusion of a revised Northwest Power and Conservation Council natural gas forecast that was released on December 29, 2008.

On February 11, 2009 Rick Sterling called Randy Allphin at Idaho Power advising of a mathematical error discovered in the values that were included in the letter dated February 9, 2009 and e-mailed a revised Published Avoided Cost calculation to Idaho Power for review. For reference a representative value from this revised calculation is \$88.11 for a 20 year levelized contract with an on-line year of 2009.

Idaho Power concurs that the model and calculations used by the IPUC staff for Idaho Power Company are consistent with IPUC Order 30480.

Idaho Power believes there may be some question as to whether the December 29, 2008 Northwest Power and Conservation Council natural gas forecast is a final or draft forecast. However, in reviewing the Northwest Power and Conservation Council process in developing its 6th plan, there are numerous indications that this Natural Gas forecast is the final forecast that will be used in the 6th plan. Idaho Power assumes that if at a later date a different final forecast is included in the 6th plan these Published Avoided Costs will be revised accordingly and any QF purchase power agreements executed will include the Published Avoided Costs as approved by the Commission at the time the agreement was executed and will not be subject to change.

Sincerely,


Randy C Allphin

cc:

Bart Kline (IPCo) ✓
Donovan Walker (IPCo) ✓
Mike Youngblood (IPCo) ✓
Mark Stokes (IPCo) ✓