

APR 16 2018

Boise, Idaho

1407 West North Temple, Suite 330
Salt Lake City, Utah 84116



April 16, 2018

VIA ELECTRONIC FILING

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

Attention: Diane Hanian
Commission Secretary
Sean Costello
Deputy Attorney General

**Re: CASE NO. PAC-E-18-02:
UPDATE TO PUBLISHED AVOIDED COST RATES TO REFLECT AN
UPDATED NATURAL GAS PRICE FORECAST OF THE U.S. ENERGY
INFORMATION ADMINISTRATION (EIA)**

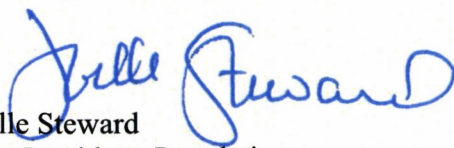
Dear Mr. Costello;

Thank you for your letter and worksheets dated April 5, 2018, with PacifiCorp's updated Surrogate Avoided Resource ("SAR") rates. Pursuant to Order No. 32697, the final release of the U.S. Energy Information Administration's (EIA's) Annual Energy Outlook automatically triggers an update to the published avoided cost rates under the SAR methodology. EIA issued their Annual Energy Outlook for 2018 on February 6, 2018, with a new natural gas forecast.

PacifiCorp has reviewed the calculation of the updated SAR published avoided cost rates with EIA's 2018 natural gas forecast. This letter acknowledges that the updated SAR rates are accurate and will become effective June 1, 2018.

Any informal inquiries should be directed to Ted Weston at (801) 220-2963.

Sincerely,


Joelle Steward
Vice President, Regulation