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UTAH PUBLIC
SERVICE COMMISSION

February 20, 2003

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Re: Docket No. 02-035-T11; proposed Schedule No. 38

Dear Commissioners:

The Company submits this letter to express to the Commission the Company's concerns with statements made by the Committee of Consumer Services in its Memorandum dated January 31, 2003 submitted in the above-referenced docket. In that Memorandum, the Committee claimed PacifiCorp has displayed a "continuing reluctance to make its [avoided cost] methodology available". Further, the Committee asserted that the Company has demonstrated a "refusal to declare the avoided cost methodology it intends to use to evaluate QF requests."

The Company has indicated to the Committee and others that it has been and is continuing to evaluate and work on a new IRP-based methodology for developing avoided costs for larger QFs. The Company is not refusing to provide its avoided cost methodology but is in the process of developing that methodology. The Company will be providing additional information to parties in the near future regarding an IRP-based methodology.

Thank you for your consideration of this matter

Sincerely,



D. Douglas Larson