



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

Dear Oregon Customer:

I am writing to tell you that for the first time in nearly a decade, Idaho Power has asked the Oregon Public Utility Commission (OPUC) to allow the company to raise the general rates it charges its Oregon customers. As Idaho Power's Vice President of Regulatory Affairs, I personally want to share a couple of points with you about why we are asking for this increase. If the company's request is approved, Idaho Power's rates for electric service in Oregon will increase by \$4,418,098 per year or 17.52%.

Although our customer base in Oregon is small, we have seen escalating costs over the past ten years associated with providing service to you as well as to an increased number of customers. We have made considerable investments in our power system, including a new power plant at Mountain Home and additional infrastructure improvements like a major upgrade to lines from Hells Canyon and additional investments in our distribution system. Other inflationary costs, such as replacing equipment, tools, vehicle fuel, labor, postage and computers have all contributed to the need to increase your base rates.

Idaho Power's proposal for changes to the rates you pay reflects the changes to the rates recently approved by the Idaho Public Utilities Commission for our customers in Idaho. Among these changes is the adoption of seasonal rates for residential, commercial, and industrial customers and the implementation of time-of-use rates for industrial customers. On the reverse of this letter you will find information about the specific changes proposed for each of our customer groups.

The OPUC rules provide you with a public process that will include public meetings and a means by which you can register your opinions concerning this proposed rate increase. In the meantime, if you have additional questions or if you would like additional information concerning this filing, please contact me by calling (208) 388-2887 or by mailing your request to me at P. O. Box 70, Boise, Idaho, 83707. Idaho Power's filing can be found on the company's Web site at www.idahopower.com.

Cordially,

Ric Gale
Vice President, Regulatory Affairs

Here is a summary of the proposed changes to your rates

Residential (Schedule 1)

- A proposed new summer rate for monthly electricity use greater than 300 kilowatt-hours (kWh) during June, July, and August. This rate is 12 percent greater than the rate for usage above 300 kWh during the rest of the year. This summer rate reflects the higher costs of electricity during these high-demand months. The proposed rate for the first 300 kWh of monthly usage throughout the entire year does not vary by season.
- An increase in the monthly service charge — currently shown on your monthly bill as a customer charge — from \$4.00 to \$5.25 per month.
- A proposed overall increase for residential customers of 17.52 percent. This would increase today's average residential customer's bill from \$62.51 to \$77.06 during the summer and to \$71.22 during the rest of the year.

Residential Rate	Current	Proposed	Percent of Change
Summer Rate above 300 kWh (June, July August)	4.6986¢	6.0521¢	28.8 percent
Non-summer rate above 300 kWh	4.6986¢	5.4037¢	15.0 percent
First 300 kWh year around	3.7588¢	4.1347¢	10.0 percent

Charges shown are **base rates**

Small General Service (Schedule 7)

- A proposed summer rate for monthly usage greater than 300 kWh during June, July, and August. This rate is 12 percent more than during the rest of the year to reflect the higher costs of electricity during these high-demand months. The proposed rate for the first 300 kWh of usage during the summer is the same rate for all usage during the rest of the year.
- An increase in the monthly service charge — currently called the customer charge — from \$5.00 for single-phase service and \$10.00 for three-phase service to \$6.55 and \$13.10, respectfully.
- A proposed overall increase of 17.52 percent.

Large General Service (Secondary) (Schedule 9)

- Proposed summer rates that are 12 percent higher than during the rest of the year
- An increase in the service charge — currently called the customer charge — from \$5.00 for single-phase service and \$10.00 for three-phase service to \$8.50 and \$15.00, respectfully.
- A proposed overall increase of 15.88 percent.

Irrigation Service (Schedule 24)

- The implementation of a \$0.80 demand charge during the out-of-season. With this change, the same energy charge is proposed to be in place during both the in-season and the out-of-season.
- The adoption of a standard re-connection policy for all customers. If approved, the free service reconnection for irrigation customers will be eliminated.
- A proposed overall increase of 25 percent.

Industrial Service (Schedule 19)

- The implementation of seasonal time-of-use rates with the rates during the three summer months of June, July, and August approximately 12 percent higher than the rest of the year.

Idaho Power Company's testimony and exhibits are available for inspection at the company's Payette Operations Center, 1550 South Main Street, Payette, Idaho, and at its corporate headquarters at 1221 West Idaho Street, Boise, Idaho.

In addition to contacting Idaho Power for more information, you may also obtain additional information regarding this application by calling the Oregon Public Utility Commission's toll-free number, 1-800-522-2024, or by mailing your request to the Oregon Public Utility Commission, 550 Capitol Street, P. O. Box 2148, Salem, Oregon, 97308-2148.

Si le gustaría esta información en Español, favor de llamar Idaho Power al 1-800-488-6151, gratis.

This notice is to provide Idaho Power's Oregon customers with general information about a recently proposed rate increase and how, if approved, it would affect customers. Calculations and statements made in this notice will not be binding upon the Oregon Public Utility Commission (OPUC).

