

## ***Idaho Power Files For Decrease In PCA Rate***

On April 12, 2006 Idaho Power submitted its annual Power Cost Adjustment (PCA) filing to the Idaho Public Utilities Commission (IPUC). If the filing is approved as filed, the PCA portion of all Idaho customers' rates will be reduced by more than \$123 million, or 19.3 percent on average. With IPUC approval, the PCA will show as a monthly credit of 0.3689 cents per kilowatt-hour (kWh) of electricity used and would become effective on June 1.

This year's downward adjustment in the PCA rate comes as a direct benefit of an above-average snow pack in the mountains upstream of Brownlee Reservoir. In years when water is plentiful and our company can fully utilize its extensive hydroelectric system, its power production costs are lower and the company shares those benefits with its customers, just as it is this year. But when water is in short supply as it has been in the past six drought years, the higher costs of supplying power by other means are offset through increased rates.

Our company is required to annually file a PCA request by April 15th with the IPUC that reflects our costs of generating electricity including purchasing fuel for its coal or natural gas fired plants and the costs of buying power from the wholesale energy market. This total amount is reduced by any sales of surplus electricity to other utilities.

Our proposal is subject to public review and approval by the IPUC. A copy of the application is available at the offices of the IPUC and Idaho Power, and on the company's "Regulatory Information" Web page at [www.idahopower.com](http://www.idahopower.com).

### **General Rate Case Information**

In October of 2005, Idaho Power filed a request with the IPUC for an increase in its base rates. As a result of that filing, the base rate components of your electricity bill also may change on June 1, 2006.

At this time there is a settlement proposal before the IPUC that, if approved, will increase the non-PCA or base portion of your rates, by 3.2 percent. This increase will be offset by the 19.3 percent reduction in the PCA component of your rates mentioned above for a combined net reduction in rates on June 1 of slightly more than 16 percent.

This chart illustrates the overall percentage reduction for each major customer group when the proposed PCA credit of 0.3689 cents per kWh is combined with the current base energy rate.

<b>Customer Group</b>	<b>Current PCA</b>	<b>Proposed PCA</b>	<b>Overall % PCA Decrease</b>
Residential	0.6045¢	(0.3689¢)	-15.4%
Small Commercial	0.6039¢	(0.3689¢)	-12.8%
Large Commercial	0.6039¢	(0.3689¢)	-21.9%
Industrial	0.6039¢	(0.3689¢)	-27.0%
Irrigation	0.6052¢	(0.3689¢)	-19.4%