

*April 15, 2009*

## ***PCA Filing Reflects Energy Costs***

On April 15, 2009, Idaho Power submitted its annual Power Cost Adjustment (PCA) proposal for approval by the Idaho Public Utilities Commission (IPUC). This filing reflects a true-up of last year's forecasted costs to actual expenses, as well as anticipated fuel costs for generating electricity, power purchases and offsets from the benefit of off-system sales for the coming year.

If approved by the commission, the PCA will increase rates by \$93.8 million, or 11.40% overall. For the typical residential customer using 1,050 kilowatt-hours of electricity each month, the monthly increase will be approximately \$7.20. The actual percentage of change varies by customer group based upon the rate they pay for electricity.

The PCA, an annual filing in place since 1992, is strictly a cost recovery mechanism that passes on both the benefits and costs of supplying energy to Idaho Power customers. It does not contain a profit component.

## ***Factors Contributing To Higher Power Supply Expenses***

A number of factors contribute to this year's PCA and the resulting increase. One factor is the significant increase in last year's actual energy costs compared to those forecast. We also forecast higher-than-normal energy costs for the coming year due to expected below-normal stream flows impacting hydroelectric generation. This impact reduces off-system sales benefits, increases power purchases and results in higher fuel costs to produce electricity with our system's thermal resources.

Customers benefit from our system's surplus energy sales to the wholesale market. Off-system sales revenues are deducted from our power supply costs and reduce the rates our customers pay. However, this coming year, our ability to sell and the revenue generated are projected to be significantly less than the normal benefit derived from these off-system sales.

The company actively manages its system operations to help lower power supply costs without jeopardizing its system reliability, service quality or obligation to serve.

## **Water Challenges For Hydroelectric Generation**

In years when water is plentiful Idaho Power more fully utilizes its 17-dam hydroelectric system, resulting in lower power production costs and associated benefits passed on to customers. When hydroelectric generating conditions are below average as they have been for nine of the past 10 years, Idaho Power must use more expensive resources to meet customers' need for electricity. The company expects to generate between 6.5 and 8.5 million megawatt-hours (MWh) from its hydroelectric generation resources this year compared to 6.2 and 6.9 million in 2007 and 2008 respectively. The anticipated range for 2009 is below the median annual hydrological generation of 8.5 million MWh.

Although below-normal hydro generation is anticipated for 2009, recent weather conditions may provide customer benefits through reduced power supply expenses. The commission will review the company's application and determine whether any additional changes should be reflected in rates at this time.



## Overall Results Of 2009 Filing

If approved, the PCA filing means a rate increase of \$93.8 million for the company's Idaho customers, or 11.40 percent overall. This chart illustrates the overall percentage increase for each major customer group as a result of the proposed PCA. The varying amount of overall increase reflects the difference that each group pays for electricity.

REVENUE IMPACT BY CLASS				
Percentage Change from Current Rates				
Residential	General Service	Large Power	Irrigation	Overall Change
9.30%	12.05%	16.37%	11.08%	11.40%

Idaho Power's proposal is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (472 W. Washington, Boise ID), Idaho Power offices or on Idaho Power's Web site, [www.idahopower.com](http://www.idahopower.com) or the IPUC Web site [www.puc.idaho.gov](http://www.puc.idaho.gov).

**Rates and Regulatory**

Idaho Power's rates, service, accounting and other general matters of utility operation are under the regulatory jurisdiction of the:

- Federal Energy Regulation Commission (FERC)
- Idaho Public Utilities Commission (IPUC)
- Oregon Public Utility Commission (OPUC)

For a summary of the Idaho Public Utilities Commission's rules and regulations regarding electricity service for each customer group, view the following:

- Residential Consumer Information (pdf) / Essential version (pdf)
- Commercial Consumer Information Brochure (pdf) / Essential version (pdf)
- Industrial, Large Commercial and Irrigation Consumer Information Brochure (pdf) / Essential version (pdf)

Oregon customers will be interested in the Rights And Responsibilities Summary (pdf) / Essential version (pdf).

**2009/2010 General Rate Case and Rate Design**  
Get details about the new fixed rates, FACH, customer resources and more.

**Advanced Metering Infrastructure (AMI)**  
Current electric meters are being exchanged with new, advanced meters in our service area.

**Idaho Power Tariffs**  
Find Rate Schedules, Rules and Regulations, and Tariff Updates for Idaho and Oregon. In addition, [Rates and Testimony and Records](#) are also available.

**Energy Watch**  
Enroll today residential customers on the Energy Watch program can find out when Energy Watch hours are scheduled and other program information.

**Risk, K and Harmonics**  
Learn more about Rule K, Customer's Load and Operation, Tariff, and how it relates to your power quality and reliability in Idaho or Oregon.

Home | Contact Us | Site Map

Search

Advanced Search

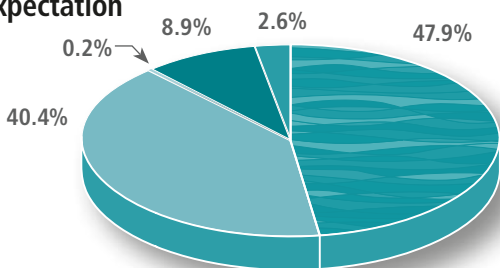
Site Map | Energy Emergency | Terms - Conditions | Privacy Policy | EMCC2009

## Where Did Your Electricity Come From Last Year?

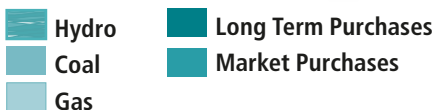
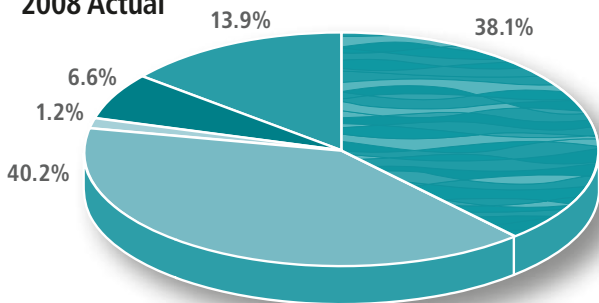
Idaho Power uses a diverse mix of resources to provide its customers with a reliable, low-cost supply of electricity. This mix includes hydroelectricity, power generated by the company's coal or natural gas-fired plants and from purchases from the wholesale energy market.

These charts show the source of your electricity in a normal year and the amount and sources Idaho Power used to meet electrical demand in 2008.

### Normal Expectation



### 2008 Actual



Energy is a finite, precious resource, and Idaho Power encourages its customers to use it wisely. For more information and to sign up for energy efficiency programs that can help conserve electricity and save money, please go to [www.idahopower.com/energyefficiency](http://www.idahopower.com/energyefficiency).