

Important Information About Your Bill

Idaho Power is committed to providing energy efficiency initiatives and programs for our customers. This partnership with customers demonstrates our commitment to securing our energy future in the communities we serve. Meeting these commitments requires periodic filings with the Idaho Public Utilities Commission (IPUC) and sometimes involves changing the rates we all pay for electric service.

Idaho Power filed three requests with the IPUC on March 15 which may affect your rates. Two of these rate actions expand our energy efficiency activities and underscore our commitment to helping our customers increase their energy efficiency, providing more opportunity for them to control their electric energy usage and costs.

Fixed Cost Adjustment (FCA)

The FCA is a pilot program designed to allow Idaho Power to invest in energy efficiency programs and activities without experiencing negative financial impacts. The program achieves this by reimbursing the company when it doesn't recover its commission-authorized fixed costs of providing energy due to reduced energy consumption encouraged through energy efficiency. Idaho Power has applied with the IPUC to make the FCA permanent.

The FCA annually adjusts residential and small general service customer electric rates up or down. If, because of reduced energy use during the year, Idaho Power under-collects the authorized fixed cost amount, it can collect the difference through a surcharge. If the company over-collects the authorized amount, it refunds the difference to customers through a credit.

During 2009, Idaho Power's energy use per customer decreased, in part due to increased energy efficiency; the company under-collected fixed costs from both residential and small general service customers. The filing proposes to collect \$6.3 million for one year, or an additional \$3.6 million over currently billed amounts. Beginning June 1, the company proposes to receive an additional 0.1218 cents/kilowatt-hour (kWh) from residential customers and 0.1535 cents/kWh from the small general service class.

Advanced Metering Infrastructure (AMI)

Responding to a changing technological environment and past directives from the IPUC, Idaho Power continues to install advanced

metering infrastructure (AMI), including smart meters, for customers across its service area. This technology will provide enhanced customer and environmental benefits, reduce operating costs associated with meter reading and improve meter reading accuracy, outage monitoring and restoration.

Customers with smart meters currently have detailed access to their usage, and will eventually be able to become more energy efficient and save money by adjusting their usage to take advantage of lower price periods. Smart meters also will allow more customers to participate in more energy efficiency and peak demand reduction programs.

If approved, this action will increase residential, small business and irrigation customers’ rates uniformly by 0.41 percent over base rates, and will produce an estimated \$2.4 million in additional revenue per year.

Pension Funding

Pensions help Idaho Power attract and retain high quality employees, ensuring our ability to provide customers reliable, responsible, fair-priced electric service on-demand.

The IPUC has acknowledged that it is appropriate for Idaho Power to request rate recovery for reasonably and prudently incurred cash contributions for pension expenses. This would be recovered through a uniform base rate increase of 0.77 percent or \$5.4 million.

Overall Impact of These Actions

If approved, these requests collectively will have differing impacts on the rates paid by our customers. The table below shows the average percentage change in amounts currently billed:

	Residential Service	Small General Service	Large General Service	Large Power Service	Irrigation Service	Overall Change
FCA	0.82%	0.99%	0.00%	0.00%	0.00%	0.39%
AMI	0.34%	0.35%	0.28%	0.00%	0.33%	0.27%
Pension Funding	0.63%	0.66%	0.60%	0.55%	0.61%	0.61%
Overall Change	1.79%	2.00%	0.88%	0.55%	0.94%	1.26%

For a typical residential customer using 1,050 kWh of energy each month, the monthly bill would increase by \$1.59 per month during June, July and August and by \$1.53 during non-summer months.

Idaho Power’s applications are filings open to public review and comment and subject to IPUC approval. They are available on the company’s Web page at www.idahopower.com/idahoratefilings or at the commission’s Web page at www.puc.state.id.us. Copies also are available at Idaho Power offices or at the IPUC office in Boise.