

Important Information About Idaho Power Rates

Idaho Power is sensitive to the challenges faced by our customers in these difficult economic times and does not take lightly any request to increase rates. However, it is important for us to achieve fair and timely recovery of our costs to provide you safe and reliable electric service, which today's rates do not fully provide.

On June 1, Idaho Power requested from the Idaho Public Utilities Commission (IPUC) an increase in base rates of approximately \$83 million, a 9.9 percent increase. We anticipate the IPUC will evaluate our request and that any resulting rate change will not become effective until Jan. 1, 2012.

What Does This Mean To Idaho Power Customers?

The proposed increase to residential customers averages 8.83 percent. The monthly bill for a typical residential customer using 1,050 kilowatt-hours (kWh) per month would increase from \$75.42 to \$82.59 during non-summer months and from \$82.45 to \$90.59 per month during June, July and August. The table below shows the proposed changes for all major customer groups:

Customer Group	Percent Change
Residential	8.83%
Small General Service	14.85%
Large General Service	7.28%
Industrial Service	14.84%
Irrigation	14.85%
Overall Changes	9.90%

Why Is Idaho Power Filing A General Rate Case?

Decisions about energy are some of the most important choices facing our nation and our company today. Continued growth in demand for electricity, investments in aging infrastructure, and expenses related to additional compliance and reliability requirements are driving the need to invest large amounts of money to expand and improve electricity supply and delivery for our customers.

Since our last general rate case in 2008, we have invested over \$450 million in infrastructure necessary to continue providing safe and reliable electric service to our customers.

Other Rate Impacts

Idaho Power is continually looking for ways to provide quality services to our customers efficiently and at a low cost.

As part of a January 2010 settlement agreement with the IPUC, our customer groups and other interested parties, Idaho Power agreed not to file for comprehensive review of its base rates until now. While this agreement allowed for rate adjustments related to the recovery of a number of specified costs, customers have actually seen their rates go down in each of the last two years. In 2011, our Power Cost Adjustment (PCA) resulted in a \$40 million decrease which more than offset other allowed rate increases.

How Idaho Power Rates Compare To Other Utilities

Idaho Power customers continue to pay some of the lowest rates in the country for electric service. The latest Edison Electric Institute (EEI) Rate Comparison that ranks utility rates from highest to lowest placed Idaho Power number 167 out of 179 utilities for residential rates in the United States, based on Jan. 1 data. It should be noted that our low rates are reflective of our historically low embedded costs, including our hydroelectric plants and our ability to manage expense. Looking forward, Idaho Power faces increasing costs to serve new loads similar to that of peer utilities.

Opportunities for Public Review

Idaho Power's filing is a proposal that 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 St., Boise, ID), Idaho Power offices (1221 W. Idaho St., Boise, ID) or on Idaho Power's website, www.idahopower.com or the IPUC website, www.puc.idaho.gov. You can view additional, related materials, including frequently asked questions and a news release on the filing at www.idahopower.com/rates.

Thank you for taking the time to read this notice. We appreciate your business.