

Important Information About Idaho Power Rates

On July 29, Idaho Power filed with the Public Utility Commission of Oregon (OPUC) a request to increase Oregon base rates by approximately \$5.8 million, or a 14.67 percent overall increase. Base rates are the portion of rates that pay for Idaho Power's cost of conducting business—including providing power to customers—under normal operating conditions.

Idaho Power is sensitive to the challenges faced by its customers in these difficult economic times and does not take lightly any request to increase rates. We are continually looking for ways to provide services to our customers efficiently and at low cost. Our customers continue to pay some of the lowest rates in the country for electric service.

What does this mean to Idaho Power customers?

Idaho Power provides reliable, responsible, fair-priced energy service to 18,453 customers in all Oregon rate classes. A summary of proposed changes to Oregon rates is shown at right.

The OPUC may take up to 10 months to consider Idaho Power's request for the proposed rate change, so customers would not see their base rates increase until June 1, 2012.

Why is Idaho Power filing a general rate case?

The requested rate change will continue to address a long-term, substantial imbalance between the cost of providing service in Oregon and Idaho Power's ability to recover those costs under current rates. This increase in rates is important for Idaho Power to achieve fair and timely recovery of investments it has already made in its electrical system, which today's rates do not fully provide.

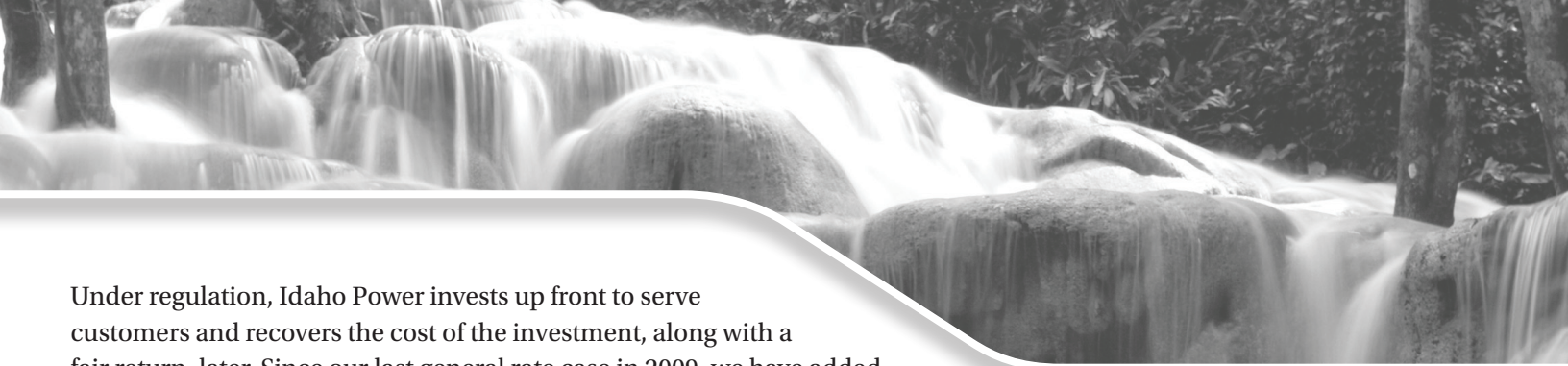
Decisions about energy are some of the most important choices facing our nation and our company today. Continued growth in demand for electricity, investments in aging infrastructure and expenses related to higher compliance and reliability requirements are driving the need to invest large amounts of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

Revenue Impact By Class

Percentage Change From Current Billed Rates

Residential	21.91%
Small General Service	4.82%
Large General Service	10.14%
Large Power	5.00%
Irrigation	29.34%
Overall Change	14.67%

Idaho Power's average Oregon residential customer who uses 1,240 kilowatt-hours per month would see an increase in their monthly bill of \$19.13.



Under regulation, Idaho Power invests up front to serve customers and recovers the cost of the investment, along with a fair return, later. Since our last general rate case in 2009, we have added more than \$316 million in our total system investments needed to continue to provide safe and reliable electric service to our customers. Idaho Power has not earned its authorized rate of return in any of the last five years and does not expect to in 2011.

What is Idaho Power doing to “tighten its belt?”

Similar to businesses across the nation, we have taken numerous steps to eliminate and lower costs without jeopardizing our system reliability, service quality and commitment to serve. These included aggressive measures to control labor costs, including, but not limited to, senior management pay freezes in 2009 and an employee reorganization designed to improve operational efficiencies, which resulted in a decrease in employees from 2008 to 2010. Although helpful, our cost-cutting measures do not eliminate the need to raise rates to recover expenses.

Is Oregon paying for growth in Idaho?

Customer demand on our system comes from all parts of our service area. From 2009 to 2011, exclusive of depreciation, Idaho Power’s electric system investment required to serve our Oregon customers will have increased approximately \$18 million. We also experienced escalating costs associated with providing service since the last Oregon rate case in 2009. Oregon demand is growing as well as Idaho, and all customers in our service area benefit from system improvements.

What are you doing to help your customers in this tough economy?

Idaho Power is committed to helping all customers through a variety of ongoing energy assistance initiatives. The most important is helping consumers use energy efficiently and take advantage of programs that can help cut costs by reducing consumption. Go to www.idahopower.com/energyefficiency for information on programs and tools to help make wise energy choices and save energy and money for your home or business.

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 Public Utility Commission of Oregon (OPUC).

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

Where can customers review a copy of the filing?

Copies of the filing are available on Idaho Power’s website at www.idahopower.com/oregonrates, and also will be posted on the OPUC website, www.puc.state.or.us. In addition, Idaho Power’s testimony and exhibits are available for customer review 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, or by mailing a request to the Public Utility Commission of Oregon, 550 Capitol St. N.E. #215, P. O. Box 2148, Salem, OR, 97308-2148. Customers also may call Idaho Power at 1-800-488-6151 or OPUC at 1-800-522-2404 for more information.

How do customers share their opinions on the filing?

The OPUC will begin a comprehensive review of the company’s application and will seek public input on the filing. The public involvement process includes public meetings and other ways for customers to share their opinions on the rate case. Idaho Power supports this process, values customer input and encourages participation.

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