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IDAHO PUBLIC
UTILITIES COMMISSION

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For Immediate Release
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Idaho Power Files For General Rate Increase

BOISE—Idaho Power today filed an application with the Idaho Public Utilities Commission (IPUC) to increase the company's general rates an average of 7.8 percent. The proposed increase would apply to Idaho customers' base rates, the portion that pays for Idaho Power's actual cost of conducting business such as maintenance and operating expenses and capital investments. The new rate could become effective June 1, 2006 should the IPUC take the maximum amount of time to process the request.

Today's filing is only the second such request since 1993. Many of the issues within this case were closely reviewed by the IPUC as part of the company's last general rate request filing two years ago. This filing represents adjustments to the company's operating requirements since that time.

"There were several issues that delayed our 2003 general rate filing including an energy crisis here in the Northwest," said Idaho Power President and Chief Operating Officer LaMont Keen. "Not filing for such a prolonged period resulted in our having to seek a double digit rate increase. In the wake of our last case, we decided that it was in the best interest of our customers to file more frequent but smaller cases, such as the one we filed today."

Keen said the proposed price change would result in an annual revenue increase of \$44 million to help offset the company's yearly operating costs of approximately \$606 million to provide electrical service to its customers in Idaho.

Impact To Monthly Power Bills

For an Idaho Power residential customer who uses an average of 1,200 kilowatt-hours (kWh) today's proposed increase would change the monthly bill from \$74.23 to \$79.18 during non-summer months. In June, July and August, the monthly bill would increase from \$80.22 to \$85.38.

The proposed increase would be applied equally to all customer groups. The chart below shows how the increase would impact the average base rate, which includes all rate components, for various customers.

Customer Group	Current Average Base Rate	Proposed Average Base Rate
Residential	5.74 cents	6.19 cents
Small Commercial	7.16 cents	7.72 cents
Large Commercial	3.91 cents	4.22 cents
Industrial	2.99 cents	3.23 cents
Irrigation	4.42 cents	4.76cents

PCA Component Not Reflected In Today's Request

The proposed rates do not include the current Power Cost Adjustment (PCA) that adjusts rates each spring. The PCA varies each year and is largely driven by stream flow conditions in the Snake River that determine the amount of electricity the company can generate from its system of hydroelectric dams.

When flows are higher than average, the PCA reduces the total rate paid by customers. However, when flows are poor and the company must rely more upon its coal or natural gas-fired plants and the wholesale electricity market, the PCA increases the total rate. The PCA changes each year on June 1 following an IPUC review.

Increase Applies Equally

Idaho Power is proposing that the rate increase be spread equally to all major customer groups and special contract customers. Additionally, the company is proposing some pricing changes within various customer classes to better align prices with costs.

Regulatory Review and Public Comment

Following today's filing the IPUC will begin a comprehensive review of the application and will seek public input on the company's request. The process ensures that customers and regulators have the opportunity to review the company's costs.

Copies of the filing are available on the IPUC website (www.puc.state.id.us), Idaho Power's website (www.idahopower.com) or at the commission offices (472 W. Washington St., Boise). Copies also are available at Idaho Power's corporate headquarters, 1221 W. Idaho St., Boise or at Idaho Power facilities in Boise, Nampa, Payette, Emmett, McCall, Mountain Home, Gooding, Hailey, Twin Falls, Heyburn, American Falls, Pocatello, Blackfoot and Salmon.