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Idaho Power Files Annual Power Cost Adjustment; Hot Summer Of 2007 Results In Higher PCA Rate In 2008 IDAHO PUBLIC UTILITIES COMMISSION

BOISE, Idaho(April 15) — Idaho Power today submitted its annual Power Cost Adjustment (PCA) filing to the Idaho Public Utilities Commission (IPUC) that reflects the company's fuel costs for generating electricity and power purchases.

If approved, today's filing means a rate increase of slightly more than sixth-tenths of a cent per kilowatt hour (0.647 cents) for the company's Idaho customers. For the average residential customer using 1,050 kilowatt-hours of electricity each month, the monthly increase will be approximately \$6.80. Overall, this year's filing will increase PCA rates by \$87 million, or 12.76 percent on average. The actual percentage of change varies by customer group based upon the rate they pay for electricity.

"We had a long, hot summer last year," said Idaho Power Vice President for Regulatory Affairs Ric Gale. "A string of summer days with temperatures above the 100 degree mark brought a record-setting customer demand for electricity. At the same time we had a run-off of just 2.8 million acre-feet which meant reduced hydropower generation. It wasn't a good combination for our customers or us."

Gale said customers broke the company's previous record for power use five times before establishing an all-time high of 3,193 megawatts.

IPUC Order On Emission Credit Sales Will Reduce PCA Impact

In a related matter, the IPUC Tuesday (April 14) issued an order determining the disposition of sulfur dioxide emission sales made by Idaho Power during calendar year 2007. The commission ordered \$16 million in proceeds from the sale to be applied to help offset the PCA deferral balances incurred during this last year. The IPUC order said \$500,000 from the sale may be used to fund an energy education program.

Due to April 15 PCA filing deadline, today's submission does not reflect the impact of this order; however, the company will promptly comply with the order to ensure the rate reduction is included in the PCA rate change scheduled for June 1, 2008. The exact impact of the reduction on PCA rates is unknown at this time, however, it is expected to reduce the requested \$87 million to \$71 million.

2008 Stream Flows Improve Over 2007

There is a relationship between stream flow in the Snake River and Idaho Power rates. Flows this year are expected to be 5.4 million acre-feet (maf) between April and July, substantially better than last year's 2.8 maf.

In years when water is plentiful Idaho Power can more fully utilize its 17-dam hydroelectric system, the company's power production costs are lower and Idaho Power shares those benefits with its customers.

However, when hydro generating conditions are poor as they were last year, Idaho Power must use more expensive resources to meet its customers' need for electricity. These include greater reliance upon the company's portion of three jointly-owned coal fired plants in Nevada, Oregon and Wyoming and upon wholesale power purchases.

Customers Receive Full Hydro Benefit This Year

Under traditional PCA calculations, customers receive 90 percent of the benefit of increased hydro generation, nearly \$42 million this year. However, this year the company proposes to give the entire benefit of the increased hydro generation to its customers, raising their hydro benefit to \$44 million. This amount, with additional miscellaneous benefits, will be applied against the \$132 million of unrecovered expenses from 2007. The recommendation to move to 100 percent from 90 percent also will affect the look-back portion of next year's PCA calculation.

The runoff projections are provided by the US Weather Service's Northwest River Forecast Center (NRFC) in Portland, Ore. According to NRFC records, the 30-year average stream flow into Brownlee during the April-through-July period is 6.3 maf.

Below is the typical monthly amount paid by a typical residential customer using 1,050 kilowatt-hours (kWh) per month. It reflects both summer and non-summer seasons under the current PCA rate compared to the new PCA rate expected to become effective June 1.

Season	Current Bill	Bill after June 1, 2007
Summer	\$72.76	\$79.56
Non-Summer	\$67.32	\$74.12

This chart illustrates the overall percentage increase for each major customer group as a result of the proposed PCA.

Customer Group	Current PCA	Proposed PCA	Overall Increase
Residential	0.2419 cents per kilowatt-hour	0.8891 cents per kilowatt-hour	10 percent
Small Commercial			8 percent
Large Commercial			14.4 percent
Irrigation			12.7 percent
Industrial			18.6 percent

The public can review the company's PCA application at the offices of the IPUC or Idaho Power or on the company's "Regulatory Information" Web page at www.idahopower.com.

About Idaho Power

Idaho Power is a regulated electric utility that began operations in 1916. Today, Idaho Power employs approximately 2,050 people throughout the company's service region. At the close of 2007, the company served 481,651 general business customers in a 24,000 square-mile service area in southern Idaho and eastern Oregon. To learn more about Idaho Power, visit www.idahopower.com.