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**Idaho Power Files for General Rate Increase,
Decision Not Expected Until February 2009**

- Higher reliability standards and infrastructure growth drives need for increase
- Residential rates projected to increase 6.3 percent

BOISE, Idaho (June 27, 2008)—Idaho Power today filed an application with the Idaho Public Utilities Commission (IPUC) to increase the company's base rates for electricity an average of 9.9 percent for its Idaho customers.

Although the requested increase is for an average of 9.9 percent, the company's rate proposal impacts various customer groups differently. For example, if the request is approved as filed, residential customers would see an average increase of 6.3 percent. The monthly bill for a typical residential customer using 1,050 kilowatt-hours (kWh) per month would increase from \$66.06 to \$69.83 during non-summer months and from \$70.21 to \$74.86 per month during June, July and August.

"Two forces are driving this increase; growth in the number of customers and a growing demand for electricity," said Idaho Power Vice President for Regulatory Affairs Ric Gale. "We have invested heavily to ensure we can provide a safe and dependable supply of energy for our current and future customers. This request seeks to recover those investments."

Since 2005, Idaho Power has invested \$578.2 million in its extensive electrical system. This includes construction of 13 new substations, adding 1,157 miles of distribution line, and 190 miles of transmission lines.

In those same three years, the amount of electricity the utility purchased from other utilities grew from \$876 million to more than \$2 billion. These purchases include renewable resources, such as wind and geothermal. Idaho Power also invested to increase its generating capacity to 3,267 megawatts compared to 3,087 megawatts in 2005. A single megawatt can power at least 650 homes.

"Our investment in generation, transmission and distribution facilities ensures better system reliability. However, to meet our customer's growing need for electricity, we must continue to make these investments" Gale said.

The company's proposal would increase its revenues \$67 million annually in order to begin recovering previous capital investments and higher operating costs.

Efficient Use Of Electricity Is Encouraged

Gale said the proposed increase would add to customers' energy rates; however, Idaho Power is committed to helping its customers take actions to use less energy as a means of helping them reduce their electricity costs.

“Energy, especially electricity, is becoming more and more precious,” said Gale. “It should be conserved much the way water is conserved here in our state. Idaho Power has several programs to help each of our customer groups reduce their energy use to save both energy and money.”

Gale encouraged customers to visit the “Energy Center” of the company’s Web site – www.idahopower.com – to learn more about the programs offered and energy savings tips.

Rates Most Likely Will Remain Among Nation’s Lowest

According to Gale, the proposed new rates most likely would not change Idaho Power’s standing as a provider of low-cost energy.

“National surveys of investor-owned utilities repeatedly find Idaho Power’s rates among the nation’s lowest,” Gale said. “Idaho Power is not alone in facing the needs to expand and improve its infrastructure. Other utilities across the country are facing similar issues and escalating costs. I believe ultimately our customers will continue to benefit from energy prices that are among the lowest in the nation.”

Change Varies Among Customer Groups

Although Idaho Power is seeking an average increase of 9.9 percent to its base rates, the rates and overall percentage increases differ among customer groups because the costs of serving different customer groups vary. Costs vary due to differences in the way customer groups receive and use electricity. Idaho Power’s specific rate proposals for customer groups seek to align more closely customers’ rates with the costs of providing them electrical service.

The chart below shows an average charge by kilowatt-hour (kWh) for these various customer groups.

| Customer Group | Current Average Base Rate | Proposed Average Base Rate | Overall Percentage of Increase |
|------------------|---------------------------|----------------------------|--------------------------------|
| Residential | 6.28¢ | 6.67¢ | 6.3% |
| Small Commercial | 7.96¢ | 8.80¢ | 10.6% |
| Large Commercial | 4.37¢ | 4.88¢ | 15.0% |
| Industrial | 3.31¢ | 3.81¢ | 15.0% |
| Irrigation | 4.97¢ | 5.71¢ | 15.0% |

PCA Component Not Reflected In Request

The proposed rates do not include the Power Cost Adjustment (PCA) that adjusts rates on June 1 every year. Filed on April 15, the PCA varies annually and is largely driven by snow pack and resulting stream flow conditions in the Snake River. The amount of water flowing in the river determines the amount of electricity the company can generate from its system of 17 hydroelectric facilities.

Regulatory Review and Public Comment

This filing is a proposal, subject to IPUC review. 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 at Idaho Power’s website (www.idahopower.com/idahoRateFilings), at the IPUC website (www.puc.state.id.us) 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 Nampa, Payette, McCall, Mountain Home, Gooding, Hailey, Twin Falls, Pocatello, Blackfoot or Salmon.