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IDAHO PUBLIC
UTILITIES COMMISSION

JASON B. WILLIAMS
Corporate Counsel
jwilliams@idahopower.com

February 15, 2012

VIA HAND DELIVERY

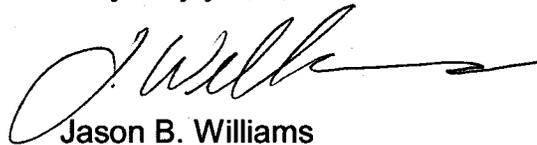
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-12-07
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY
FOR AUTHORITY TO DECREASE ITS BASE RATES DUE TO THE
REMOVAL OF THE ACCELERATED DEPRECIATION EXPENSE
ASSOCIATED WITH NON-ADVANCED METERING INFRASTRUCTURE
("AMI") METERING EQUIPMENT*

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Application in the above matter.

Very truly yours,



Jason B. Williams

JBW:csb
Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR) CASE NO. IPC-E-12-07
AUTHORITY TO DECREASE ITS BASE)
RATES DUE TO THE REMOVAL OF THE) APPLICATION
ACCELERATED DEPRECIATION EXPENSE)
ASSOCIATED WITH NON-ADVANCED)
METERING INFRASTRUCTURE ("AMI"))
METERING EQUIPMENT.)
_____)

Idaho Power Company ("Idaho Power" or "Company"), in accordance with Idaho Code §§ 61-524 and -525 and RP 052, 121, and 125, hereby respectfully makes Application to the Idaho Public Utilities Commission ("Commission") for authority to decrease its base rates due to the removal of accelerated depreciation expense associated with non-Advanced Metering Infrastructure ("AMI") metering equipment. This Application is being filed with the Commission concurrently with three other applications that will impact customers' base rates: (1) rate changes associated with the Open Access Transmission Tariff ("OATT") deferral amortization; (2) revised depreciation rates as a result of a new depreciation study; and (3) the inclusion of a

balancing account for the early decommissioning of the Boardman power plant. Idaho Power is simultaneously filing these applications so as to necessitate a single rate change for customers as opposed to four individual rate adjustments had the applications not been filed all at once.

In support of this Application, Idaho Power asserts as follows:

I. BACKGROUND

1. As a result of the very large purchased power costs and accompanying power cost adjustment rate increases stemming from the 2000-2001 energy crisis, the Commission ordered Idaho Power and the Energy Efficiency Advisory Group to evaluate and report upon the viability of Time-of-Use ("TOU") metering programs and the deployment of Advanced Meter Reading or Automated Meter Reading ("AMR")¹ technology. Order No. 28894 at 7, Order No. 29026 at 22. Case No. IPC-E-02-12 was opened to investigate TOU pricing for Idaho Power's residential customers and, after review of the Company's initial report, the Commission directed Idaho Power to implement AMI "as soon as possible, with installation commencing this year [2003] and completed in 2004." Order No. 29196 at 10. The 2004 implementation was subsequently delayed because of the financial, technical, and implementation problems encountered with meeting that time frame. Order No. 29226 at 2-3. The Commission then adopted a phased-in implementation along with a collaborative evaluation approach.

¹ AMI is a more inclusive term than AMR and refers to systems that measure, collect, and analyze energy usage information from advanced metering devices through various communication media on request or on a pre-defined schedule. This infrastructure includes hardware, software, communications equipment, customer associated systems, and data management software. The term AMR was upgraded to AMI as the technology and terminology developed. AMI better reflects the capabilities of the technology discussed herein.

2. In December 2003, after a collaborative workshop among the Company, Commission Staff, vendors, and interested parties, the Company filed its Phase One Implementation Plan to install AMI technology in the Emmett and McCall operating areas. Case No. IPC-E-02-12. Phase One implementation of 23,500 AMI meters and associated infrastructure was completed on October 26, 2004. On May 1, 2007, the Company filed a detailed AMI Status Report, followed by an August 31, 2007, Implementation Plan describing and proposing a three-year deployment of an AMI system covering roughly 99 percent of the Company's customers in its service territory from January 2009 through the end of 2011. Case No. IPC-E-06-01.

3. In August 2008, Idaho Power filed a request with the Commission asking that the Commission find the Company's proposed deployment of AMI technology to be in the public interest and grant the Company a Certificate of Public Convenience and Necessity ("CPCN") to install AMI technology throughout its service territory. On February 12, 2009, the Commission issued Order No. 30726 approving the Company's request for a CPCN, to accelerate the depreciation of its existing, non-AMI metering equipment over a three-year period, and to include the corresponding operation and maintenance benefits as they occur.

4. Shortly thereafter, Idaho Power filed an application for authority to increase rates of affected customer classes due to the inclusion of the AMI investment in rate base. Case No. IPC-E-09-07. The proposed increase only applied to those customers receiving AMI meters, which included Schedules 1, 3, 4, and 5 (Residential); Schedule 7 (Small General Service); Schedule 9 (Large General Service – secondary); Schedule 24 (Agricultural Irrigation Service – secondary); Schedule 41 (Street Lighting

Service – metered); and Schedule 42 (Traffic Control Signal Lighting Service). The revenue requirement request included the Company's test year investment in the new AMI infrastructure, operation and maintenance test year benefits, and one year of accelerated depreciation associated with non-AMI metering equipment. On May 29, 2009, the Commission approved the Company's application authorizing a \$10,497,354 increase to revenues of affected customer classes, of which approximately \$8 million was associated with incremental increase in depreciation expense as a result of the accelerated depreciation of non-AMI metering equipment.

II. ACCELERATED DEPRECIATION

5. With approval of Idaho Power's request in Case No. IPC-E-09-07, the Company began accelerating the depreciation of its non-AMI metering equipment over a three-year period and began recovery of the incremental increase in depreciation expense on June 1, 2009. The net plant value of the non-AMI metering equipment as of May 31, 2009, was \$31,653,649, which, using a three-year, straight-line depreciation method resulted in a monthly amortization of \$879,268, or \$10,551,216 of depreciation expense on an annual basis. The Company's non-AMI metering equipment will be fully depreciated by May 31, 2012. Because of the reduction in depreciation expense resulting from the fully depreciated non-AMI metering equipment, Idaho Power proposes to decrease annual base rate revenue recovered from the affected customer classes by \$10,551,216.

6. The Company proposes a uniform percentage decrease of 1.22 percent to Tariff Schedules 1, 3, 4, 5, 7, 9 secondary, 24 secondary, 41 metered service, and 42 (residential, small commercial, irrigation, and metered lighting customer classes)

effective June 1, 2012, for service provided on and after that date (See Attachment No. 1). The Company is proposing to decrease only the energy charge of the affected customer classes as the approved increase in Case No. IPC-E-09-07 was applied to only the energy charge.

III. PROPOSED TARIFF

7. As explained above, Idaho Power is proposing rate changes associated with the OATT deferral amortization, revised depreciation rates, and the Boardman balancing account in addition to a reduction in rates associated with this Application to remove depreciation expense associated with non-AMI metering equipment. In an attempt to satisfy RP 121.01, the Company is filing one set of proposed tariff sheets specifying the proposed rates for providing retail electric service to its customers in the state of Idaho following the inclusion of all four of the proposed rate changes. The tariffs including all four of these rate adjustments will be filed as Attachment Nos. 2 and 3 to the Company's Application for Authority to Increase Its Rates for Electric Service to Recover the Boardman Balancing Account ("Boardman Application") in both clean and legislative format, respectively. The Company believes that filing individual sets of tariff sheets with each case as required by RP 121.01 would be administratively complex and would not aid the Commission and interested parties with their review of these proposed rate adjustments. Idaho Power considers the filing of one set of tariff sheets with the cumulative impact of the proposed rates will comply with the spirit of the Commission's rule. The Company will make a compliance filing when final orders are received on all proposed requests to change rates effective June 1, 2012. The

compliance filing will include tariff sheets that show the cumulative impact of rate changes associated with all four cases.

8. Attachment No. 2 to this Application shows a comparison of revenues from the various tariff customers under Idaho Power's existing rates and charges with the corresponding proposed new revenue levels resulting from the proposed rates from the four cases mentioned above.

9. This Application, together with Attachment Nos. 1, 2, and 3, is filed with the Commission to be kept open for public inspection as required by law, and the same fully states the changes to be made in the rate schedules now in force. The new electric rate schedules contained in Attachment No. 2 to the Company's Boardman Application are requested to become effective June 1, 2012, for services provided on and after that date, unless otherwise ordered by this Commission, and when effective, will supersede and cancel the present electric rate schedules now in existence.

10. It is in the public interest that the Commission allow Idaho Power to decrease its revenues by approving the rates set out in Attachment No. 2 to the Company's Boardman Application and that said rates are allowed to go into effect as filed for electric service rendered on and after June 1, 2012, and that the effective date of said rates not be suspended.

IV. MODIFIED PROCEDURE

11. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 *et seq.* If, however, the Commission determines that a technical hearing is required, the

Company stands ready to present its testimony and support the Application in such hearing.

V. COMMUNICATIONS AND SERVICE OF PLEADINGS

12. This Application will be brought to the attention of Idaho Power's customers by means of both a press release to media in the Company's service area and a customer notice distributed in customers' bills, both of which are included herein as Attachment No. 3. The customer notice will be distributed over the course of the Company's current billing cycle, with the last notice being sent on March 20, 2012. In addition to describing this filing, these customer communications also describe proposed rate changes associated with the OATT deferral amortization, revised depreciation rates, and the Boardman Application. Idaho Power will also keep its Application open for public inspection at its offices throughout the state of Idaho. Idaho Power asserts that this notice procedure satisfies the Rules of Practice and Procedure of this Commission; however, the Company will, in the alternative, bring the Application to the attention of its affected customers through any other means directed by this Commission.

13. Communications and service of pleadings with reference to this Application should be sent to the following:

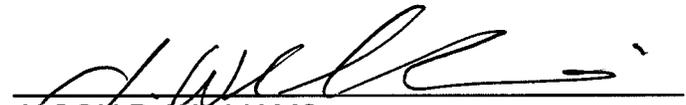
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VI. REQUEST FOR RELIEF

14. Idaho Power respectfully requests that the Commission issue an Order: (1) authorizing that this matter may be processed by Modified Procedure; (2) approving a decrease of \$10,551,216 in the annual revenue recovered from Schedules 1, 3, 4, 5, 7, 9 secondary, 24 secondary, 41 metered, and 42 customers; and (3) approving an effective date of June 1, 2012, for the new rates.

DATED at Boise, Idaho, this 15th day of February 2012. 1



JASON B. WILLIAMS
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-07

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Removal of Accelerated Depreciation Funding
Effective June 1, 2012

Summary of Revenue Impact

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Base Revenue	Mills Per kWh	Total Adjustments to Base Revenue	Proposed Base Revenue	Mills Per kWh	Percent Change Base to Revenue
Uniform Tariff Rates:										
1	Residential Service	1	399,329	4,896,272,827	\$387,467,359	79.14	(\$5,256,125)	\$382,211,234	78.06	(1.36)%
2	Master Metered Mobile Home Park	3	23	4,942,681	\$370,890	75.04	(\$5,306)	\$365,584	73.96	(1.43)%
3	Residential Service Energy Watch	4	0	0	\$0	0.00	\$0	\$0	0.00	N/A
4	Residential Service Time-of-Day	5	0	0	\$0	0.00	\$0	\$0	0.00	N/A
5	Small General Service	7	28,165	144,888,296	\$14,582,874	100.65	(\$155,537)	\$14,427,337	99.58	(1.07)%
6	Large General Service	9	31,614	3,480,101,459	\$196,662,000	56.51	(\$3,281,637)	\$193,380,363	55.57	(1.67)%
7	Dusk to Dawn Lighting	15	0	6,481,376	\$1,164,504	179.67	\$0	\$1,164,504	179.67	0.00%
8	Large Power Service	19	116	1,978,623,647	\$83,932,246	42.42	\$0	\$83,932,246	42.42	0.00%
9	Agricultural Irrigation Service	24	16,642	1,720,204,410	\$109,589,453	63.71	(\$1,846,631)	\$107,742,822	62.63	(1.69)%
10	Unmetered General Service	40	2,030	15,807,753	\$1,093,478	69.17	\$0	\$1,093,478	69.17	0.00%
11	Street Lighting	41	361	23,165,568	\$2,940,508	126.93	(\$2,780)	\$2,937,728	126.81	(0.09)%
12	Traffic Control Lighting	42	397	2,981,282	\$143,102	48.00	(\$3,200)	\$139,901	46.93	(2.24)%
13	Total Uniform Tariffs		478,677	12,273,469,299	\$797,946,413	65.01	(\$10,551,216)	\$787,395,197	64.15	(1.32)%
Special Contracts:										
15	Micron	26	1	451,138,622	\$17,270,255	38.28	\$0	\$17,270,255	38.28	0.00%
17	J R Simplot	29	1	203,558,197	\$6,775,566	33.29	\$0	\$6,775,566	33.29	0.00%
18	DOE	30	1	244,266,665	\$9,452,111	34.60	\$0	\$9,452,111	34.60	0.00%
19	Hoku - Block 1	32	1	387,957,600	\$25,311,225	65.24	\$0	\$25,311,225	65.24	0.00%
20	Hoku - Block 2	32	1	197,100,000	\$7,380,681	37.45	\$0	\$7,380,681	37.45	0.00%
21	Total Special Contracts		4	1,484,021,084	\$65,189,839	43.93	\$0	\$65,189,839	43.93	0.00%
23	Total Idaho Retail Sales		478,681	13,757,490,383	\$863,136,252	62.74	(\$10,551,216)	\$852,585,036	61.97	(1.22)%

(1) June 1, 2012 - May 31, 2013 Forecasted PCA Test Year

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-07

IDAHO POWER COMPANY

ATTACHMENT NO. 2

**Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Combined Effect of Filings Funding
Effective June 1, 2012**

Summary of Revenue Impact

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Base Revenue	Mills Per kWh	Total Adjustments to Base Revenue	Proposed Base Revenue	Mills Per kWh	Percent Change Base to Base Revenue
Uniform Tariff Rates:										
1	Residential Service	1	399,329	4,896,272,827	\$387,467,359	79.14	(\$3,085,438)	\$384,381,921	78.51	(0.80)%
2	Master Metered Mobile Home Park	3	23	4,942,681	\$370,890	75.04	(\$3,101)	\$367,789	74.41	(0.84)%
3	Residential Service Energy Watch	4	0	0	\$0	0.00	\$0	\$0	0.00	N/A
4	Residential Service Time-of-Day	5	0	0	\$0	0.00	\$0	\$0	0.00	N/A
5	Small General Service	7	28,165	144,888,296	\$14,562,874	100.65	(\$80,024)	\$14,502,849	100.10	(0.55)%
6	Large General Service	9	31,614	3,480,101,459	\$196,662,000	56.51	(\$2,099,509)	\$194,562,491	55.91	(1.07)%
7	Dusk to Dawn Lighting	15	0	6,481,376	\$1,164,504	179.67	\$6,479	\$1,170,983	180.67	0.56%
8	Large Power Service	19	116	1,978,623,647	\$83,932,246	42.42	\$542,759	\$84,475,005	42.69	0.65%
9	Agricultural Irrigation Service	24	16,642	1,720,204,410	\$109,589,453	63.71	(\$1,189,762)	\$108,399,691	63.02	(1.09)%
10	Unmetered General Service	40	2,030	15,807,753	\$1,093,478	69.17	\$6,578	\$1,100,056	69.59	0.60%
11	Street Lighting	41	361	23,165,568	\$2,940,508	126.93	\$13,889	\$2,954,396	127.53	0.47%
12	Traffic Control Lighting	42	397	2,981,282	\$143,102	48.00	(\$2,291)	\$140,810	47.23	(1.60)%
13	Total Uniform Tariffs		478,677	12,273,469,299	\$797,946,413	65.01	(\$5,890,421)	\$792,055,992	64.53	(0.74)%
Special Contracts:										
15	Micron	26	1	451,138,622	\$17,270,255	38.28	\$114,396	\$17,384,651	38.54	0.66%
17	J R Simplot	29	1	203,558,197	\$6,775,566	33.29	\$46,248	\$6,821,814	33.51	0.68%
18	DOE	30	1	244,266,665	\$8,452,111	34.60	\$57,194	\$8,509,306	34.84	0.68%
19	Hoku - Block 1	32	1	387,957,600	\$25,311,225	65.24	\$0	\$25,311,225	65.24	0.00%
20	Hoku - Block 2	32	1	197,100,000	\$7,380,681	37.45	\$49,110	\$7,429,791	37.70	0.67%
21	Total Special Contracts		4	1,484,021,084	\$65,189,839	43.93	\$266,948	\$65,456,786	44.11	0.41%
23	Total Idaho Retail Sales		478,681	13,757,490,383	\$863,136,252	62.74	(\$5,623,474)	\$857,512,778	62.33	(0.65)%

(1) June 1, 2012 - May 31, 2013 Forecasted PCA Test Year

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-07

IDAHO POWER COMPANY

ATTACHMENT NO. 3

NEWS RELEASE

Idaho Power Requests to Lower Rates for Most Customers

As part of Idaho Power's hard work to provide reliable, fair-priced electric service to its customers, the company has filed a request to reduce most customers' rates effective June 1.

BOISE, Idaho, Feb. 16, 2012 -- On Feb. 15, Idaho Power made four filings with the Idaho Public Utilities Commission (IPUC), the net effect of which is a proposed **decrease** to most customers' rates effective June 1. Idaho Power customers benefit from some of the lowest electricity rates in the nation.

Overall Impact

Idaho Power understands that multiple filings can be confusing for customers, and we want to help you understand what the result means to your bottom line. A summary of proposed changes to Idaho rates is shown below.

Revenue Impact By Class: Percentage Change from Current Billed Rates						
	Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change
Depreciation Rate Change	0.31%	0.29%	0.32%	0.27%	0.32%	0.31%
Boardman Shutdown	0.18%	0.17%	0.19%	0.16%	0.19%	0.18%
Transmission Revenue Deferral Recovery	0.07%	0.05%	0.09%	0.11%	0.08%	0.08%
Non-AMI Meter Depreciation	(1.36%)	(1.07%)	(1.63%)	0.00%	(1.69%)	(1.22%)
Net Change	(0.80%)	(0.56%)	(1.03%)	0.54%	(1.10%)	(0.65%)

The net effect to customers of these four filings varies depending on your rate schedule. However the result is a decrease for most customers. The bill impact for an average Idaho

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Idaho Power Requests To Lower Customer Rates

Page 2 of 4

Power residential customer in Idaho using 1,050 kilowatt-hours of energy a month will be a bill decrease of \$0.67 beginning June 1, if all proposals are approved as filed.

We anticipate making additional filings this spring that, in combination with the above proposed changes, will have a net effect on rates.

Why Idaho Power Needs to Change Rates

As a regulated utility, Idaho Power invests up front to serve customers and recovers the cost of the investment, along with a commission-authorized fair return, later. The company also needs to pay its expenses as they occur.

To provide power today and to plan for tomorrow, we must invest in our aging infrastructure and in new infrastructure. As we add new resources in the future, to meet growth in customer demand or reduced generation from coal facilities, power supply expenses and customer rates will be impacted.

Details on the four Feb. 15 filings are as follows:

Depreciation Rate Change

Idaho Power has requested authorization from the IPUC to institute revised depreciation rates in our Idaho jurisdiction for our existing electric facilities. Depreciation rates establish the amount of time over which Idaho Power recovers its investments in the electrical system through rates.

The last changes to Idaho Power's depreciation rates became effective August 1, 2008. The revised depreciation rates proposed to become effective on June 1, 2012, are based on the results of a detailed depreciation study examining Idaho Power's existing electric facilities-in-service as of June 30, 2011.

The company is proposing a uniform increase of \$2,656,213, or 0.31 percent for all customer classes. The change in depreciation rates and the corresponding customer rates would become effective June 1, 2012.

Early Shutdown of Boardman Coal Plant

Idaho Power's operating partner has announced plans to shut down the coal-fired Boardman Power Plant in north-central Oregon in 2020. Idaho Power owns 10 percent of the facility. In recognition of these plans, Idaho Power is requesting an increase in customer rates effective June 1, 2012, resulting from the accelerated depreciation of the plant, decommissioning costs

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Idaho Power Requests To Lower Customer Rates

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related to the plant shutdown and capital investments forecasted through the remaining life of the plant. These are not additional costs to customers, but ones that are being incurred earlier than we originally planned.

The proposed change equates to an overall increase of \$1,583,373, or 0.18 percent.

Transmission Revenue Deferral Recovery

Idaho Power's Open Access Transmission Tariff (OATT) defines the rates, terms and conditions of transmission services the company provides to wholesale customers per Federal Energy Regulatory Commission (FERC) regulations. An ongoing transmission case with the FERC had a significant impact on actual transmission revenues Idaho Power received from OATT customers, resulting in an overstatement of revenue credits given to Idaho customers from March 2008 through May 2010.

Idaho Power worked hard to successfully reduce the shortfall by more than \$6 million. We're now requesting IPUC approval to begin the three-year amortization of the remaining \$2,064,469 deferral.

We have requested an increase of \$688,156 in the annual revenue recovered from Idaho customers beginning on June 1, 2012, for service provided on and after that date. This is a uniform percentage increase of 0.08 percent to all customer classes.

Non-AMI Meter Depreciation

Idaho Power has applied to the IPUC for authority to decrease its base rates due to the removal of the accelerated depreciation expense associated with non-Advanced Metering Infrastructure (AMI) metering equipment (mechanical meters).

This equipment will be fully depreciated on May 31, 2012. As a result, Idaho Power proposes to decrease annual revenue recovered from residential, small business, irrigation, and metered lighting customer classes by \$10,551,216.

Idaho Power proposes a uniform percentage decrease of 1.22 percent to the above customers effective June 1, 2012, for service provided on and after that date.

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, Boise, ID), Idaho Power offices or on Idaho Power's website, www.idahopower.com or the IPUC

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Idaho Power Requests To Lower Customer Rates

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website, www.puc.idaho.gov. You can view additional, related materials on the filing at www.idahopower.com/rates.

About Idaho Power Company:

Idaho Power began operations in 1916. Today, the electric utility employs approximately 2,000 people who serve nearly 500,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its generation portfolio, Idaho Power's residential, business and agricultural customers pay among the nation's lowest rates for electricity. IDACORP, Inc. (NYSE: IDA) is the investor-owned utility's parent company based in Boise, Idaho. To learn more, visit www.idahopower.com or www.idacorpinc.com.

Contact: Stephanie McCurdy
Communication Specialist
Idaho Power
208-388-6973 and SMcCurdy@idahopower.com
1-800-458-1443 media line

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

Important Information About Idaho Power Rates

Additional Spring Filings

We do anticipate making additional filings this spring that, in combination with the proposed changes outlined in this notice, will have a net effect on rates. These are typical annual evaluations and will include the annual Fixed Cost Adjustment (FCA), Power Cost Adjustment (PCA) and Revenue Sharing Adjustment.

Why We Need to Change Rates

As a regulated utility, Idaho Power invests up front to serve customers and recovers the cost of the investment, along with a commission-authorized fair return, later. We also need to pay our expenses as they occur.

To provide power today and to plan for tomorrow, we must invest in our aging infrastructure and in new infrastructure. As we add new resources in the future, to meet growth in customer demand or reduced generation from coal facilities, power supply expenses and customer rates will be impacted.

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, Boise ID), Idaho Power offices 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.

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

Idaho Power's customers benefit from some of the lowest electricity rates in the nation. Recent filings will result in a net decrease to those rates for most customers.

On Feb. 15, Idaho Power made four filings with the Idaho Public Utilities Commission (IPUC). The net effect of these proposals will have differing impacts on the rates paid by our customers, effective June 1, 2012, with most seeing a net decrease. Details on those filings are as follows.

Depreciation Rate Changes (an increase)

Idaho Power has requested authorization from the IPUC to institute revised depreciation rates in our Idaho jurisdiction for our existing electric facilities. Depreciation rates establish the amount of time over which Idaho Power recovers its investments in the electrical system through rates.

The last changes to Idaho Power's depreciation rates became effective August 1, 2008. The revised depreciation rates proposed to become effective June 1, 2012, are based on the results of a detailed depreciation study examining Idaho Power's existing electric facilities-in-service as of June 30, 2011.

We're proposing a uniform increase of \$2,656,213, or 0.31 percent for all customer classes. The change in depreciation rates and the corresponding customer rates would become effective June 1, 2012.

Early Shutdown of

Boardman Coal Plant (an increase)

Idaho Power's operating partner has announced plans to shut down the coal-fired Boardman Power Plant in north-central Oregon in 2020. Idaho Power owns 10 percent of the facility.

In recognition of these plans, we are requesting an increase in customer rates effective June 1, 2012, resulting from the accelerated depreciation of the plant, decommissioning costs related to the plant shutdown and capital investments forecasted through the remaining life of the plant. These are not additional costs to customers, but ones that are being incurred earlier than we originally planned.

The proposed change equates to an overall increase of \$1,583,373 or 0.18 percent.

Transmission Revenue

Deferral Recovery (an increase)

Idaho Power's Open Access Transmission Tariff (OATT) defines the rates, terms and conditions of transmission services we provide to wholesale customers per Federal Energy Regulatory Commission (FERC) regulations. An ongoing transmission case with the FERC had a significant impact on actual transmission revenues Idaho Power received from OATT customers, resulting in an overstatement of revenue credits given to Idaho customers from March 2008 through May 2010.

Idaho Power worked hard to successfully reduce the shortfall by more than \$6 million. We're now requesting IPUC approval to begin the three-year amortization of the remaining \$2,064,469 deferral. We have requested an increase of \$688,156 in the annual revenue recovered from Idaho customers beginning on June 1, 2012, for service provided on and after that date. This is a uniform percentage increase of 0.08 percent to all customer classes.

Non-AMI Meter Depreciation (a decrease)

Idaho Power has applied to the IPUC for authority to decrease its base rates due to the removal of the accelerated depreciation expense associated with non-Advanced Metering Infrastructure (AMI) metering equipment (mechanical meters).

This equipment will be fully depreciated on May 31, 2012. As a result, Idaho Power proposes to decrease annual revenue recovered from residential, small business, irrigation, and metered lighting customer classes by \$10,551,216.

Idaho Power proposes a uniform percentage decrease of 1.22 percent to the above customers effective June 1, 2012, for service provided on and after that date.

**Overall Impact
(a decrease for most customers)**

We understand that multiple filings can be confusing for customers, and we want to help you understand what the result means to your bottom line. A summary of proposed changes to Idaho rates is shown below.

The net effect to customers of these four filings varies depending on your rate schedule. However, the result is a decrease for most customers. The bill impact for an average Idaho Power residential customer in Idaho using 1,050 kilowatt-hours of energy a month will be a bill decrease of \$0.67 beginning June 1, 2012, if all proposals are approved as filed.

Revenue Impact By Class: Percentage Change from Current Billed Rates

	Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change
Depreciation Rate Change	0.31%	0.29%	0.32%	0.27%	0.32%	0.30%
Boardman Shutdown	0.18%	0.17%	0.19%	0.16%	0.19%	0.17%
Transmission Revenue Deferral Recovery	0.07%	0.05%	0.09%	0.11%	0.08%	0.07%
Non-AMI Meter Depreciation	(1.36%)	(1.07%)	(1.63%)	0.00%	(1.69%)	(1.22%)
Net Change	(0.80%)	(0.56%)	(1.03%)	0.54%	(1.10%)	(0.67%)