



RECEIVED

2012 DEC 21 PM 3: 31

IDAHO PUBLIC
UTILITIES COMMISSION

NEWS RELEASE

Power Supply Planning Indicates Need to Suspend Two Idaho Power Demand Response Programs

The action will provide a necessary pause, as forecasted loads and generation show the programs are not expected to be needed in the near-term.

BOISE, Idaho, Dec. 21, 2012 -- Today Idaho Power filed a proposal with the Idaho Public Utilities Commission (IPUC) to temporarily suspend two of its demand response (DR) programs, A/C Cool Credit and Irrigation Peak Rewards. The move comes as the company's power supply planning process indicates a lack of near-term capacity deficits, making these DR programs not necessary in 2013.

The company intends to work with all stakeholders to identify the best long-term (post-2013) solutions for these programs. "We appreciate our customers' involvement and participation in these programs, and value their business now and in the future," said Customer Relations and Energy Efficiency Manager Theresa Drake. "We look forward to collaborating with them and other interested parties during the next year to continue to move DR in a positive direction."

By this action, the Company believes it is taking prudent steps to avoid the expenses associated with the program. The temporary suspension of the two DR programs and their associated incentive payments would result in reduced costs for all Idaho Power customers in the form of a direct reduction in the 2013-2014 Power Cost Adjustment (PCA) that will be updated June 1, 2013.

"In an order issued by the IPUC earlier this week in another case, one addressing issues of renewable energy pricing, the commission directed Idaho Power not to pay for capacity prior to the need," pointed out Greg Said, Vice President of Regulatory Affairs. "Today's filing on DR programs aligns with this commission guidance to the benefit of all customers."

DR is one of four components of Idaho Power's overall demand-side management (DSM). The other components include energy efficiency, market transformation, and other programs and activities generally designed to provide customer outreach and education concerning the efficient use of electricity. The company's main objectives for DSM programs are to achieve all prudent, cost-effective energy efficiency savings and provide an optimal amount of demand reduction from its demand response programs as determined through the Integrated Resource Plan (IRP) planning process.

more-more-more

P.O. Box 70 (83707)
1221 W. Idaho St.
Boise, ID 83702

Power Supply Planning Indicates Need to Suspend Two Idaho Power Demand Response Programs

Page 2 of 2

The A/C Cool Credit program provides residential customers who participate in the program with a monthly bill credit of \$7 per month in the summer in exchange for allowing Idaho Power to cycle their air-conditioning units off and on during periods of high system demand during the summer months of June, July and August.

The Irrigation Peak Rewards program provides irrigation customers who participate in the program with a financial incentive for allowing Idaho Power to turn off their irrigation pumps during periods of high system demand during the summer months of June, July and August.

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 St., Boise), 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 customer communication on the filing at www.idahopower.com/rates and click on Idaho Rate Filings.

About Idaho Power Company:

Idaho Power began operations in 1916. Today, the electric utility employs approximately 2,000 people who serve approximately 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

###