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NEWS RELEASE

Idaho Power Files Annual Power Cost Adjustment

The power cost recovery proposal will mean a price increase for customers if approved as filed, but it also includes revenue to be shared with customers.

BOISE, Idaho, April 15, 2016 – Today Idaho Power filed its annual Power Cost Adjustment (PCA) with the Idaho Public Utilities Commission (IPUC). The PCA is an annual rate adjustment that passes on both the benefits and costs of supplying energy to Idaho Power customers. Neither Idaho Power nor its shareholders receive any financial return on this filing—money collected from the surcharge can be used only to pay power supply expenses. These typically represent approximately one-fourth to one-third of the company’s annual cost of serving customers.

If the PCA proposal is approved by the IPUC, the amount Idaho customers pay for electric service will increase by \$17.3 million beginning June 1; the typical Idaho residential customer using 1,000 kilowatt-hours of energy per month will see an increase of about \$1.32 on their monthly bill, beginning June 1.

Included in this year’s PCA rates, customers will receive a \$3.2 million revenue sharing credit. Since 2009 Idaho Power has shared a total of \$118 million with our customers, and will share this additional \$3.2 million this year if our filing is approved.

**2016 PCA Revenue Impact by Class:
Percentage Change from Current Billed Revenue**

Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change
1.35%	1.16%	1.68%	2.06%	1.58%	1.57%

There are three main factors contributing to this year’s PCA increase: 1) costs associated with power purchase agreements under the Public Utilities Regulatory Policy Act of 1978 (PURPA) have increased by approximately \$10 million over last year, primarily related to the addition of new solar contracts, 2) Idaho Power’s Idaho jurisdictional earnings above a 10 percent return on equity were less than the prior year, resulting in a \$5 million reduction in the revenue sharing component of the PCA, and 3) last year’s actual power costs exceeded forecasted levels because of worse-than-expected water conditions and lower-than-expected surplus energy sales.

Idaho Power’s hydroelectric system is the company’s largest power generation resource.

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Although the winter of 2015-2016 produced a better-than-average snowpack, it won't erase the last several years of low water conditions in the region. "It's important to understand that the relationship between snow in the mountains and water available for power generation in Idaho Power's system can change annually based on several factors," says Idaho Power Vice President of Regulatory Affairs Tim Tatum. "Although it was a better water year in some parts of Idaho Power's service area, last year's extremely dry winter left reservoirs in the Upper Snake – a critical basin for Idaho Power – very low by summer's end. Now, as water begins moving out of the mountain snowpack, those reservoirs need to be refilled. Some of that water will ultimately flow through Idaho Power's dams, but we can only use the water that makes its way downstream from those reservoirs."

For more information, see idahopower.com/PCA.

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, 83702), Idaho Power offices or on Idaho Power's website, idahopower.com, or the IPUC website, puc.idaho.gov. Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via email about the case. Written comments regarding Idaho Power's application may be filed with the IPUC. You can view additional related materials on the filing at idahopower.com/rates.

About Idaho Power Company:

Idaho Power, headquartered in Boise, Idaho, and locally operated since 1916, is an electric utility that employs more than 2,000 people who serve nearly 525,000 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 diverse generation portfolio, Idaho Power's residential, business and agricultural customers pay among the nation's lowest rates for electricity. IDACORP, Inc. (NYSE: IDA), Idaho Power's independent publicly traded parent company, is also headquartered in Boise, Idaho. To learn more, visit idahopower.com or idacorpinc.com.

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