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IDAHO PUBLIC UTILITIES COMMISSION

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NEWS RELEASE

Idaho Power Makes Two Regulatory Filings

The proposals ask regulators to approve customer rates reflecting the accelerated depreciable life of a coal-fired power plant as the company assesses closure of the facility, as well as an update to general depreciation rates.

BOISE, Idaho, Oct. 21, 2016 – Today, Idaho Power submitted two filings to the Idaho Public Utilities Commission (IPUC). One is related to the company's North Valmy Power Plant (Valmy) in Nevada, and the other addresses revisions to the company's depreciation rates.

Valmy Accelerated Depreciable Life

Idaho Power owns 50 percent of the coal-fired North Valmy Power Plant near Battle Mountain, Nevada. The Valmy filing requests adjusting customer pricing to reflect the accelerated depreciable life for the power plant. Currently, the depreciable life for Valmy is based on a depreciation schedule that ends in 2031 for Unit 1 and 2035 for Unit 2. The proposed depreciation schedule would move the date of full depreciation up to 2025 for both units.

Idaho Power's 2016 assessment of Valmy concluded it may not benefit customers from an economic and electric reliability perspective to operate the facility beyond 2025. This accelerated depreciation schedule is part of Idaho Power's commitment to a glide-path away from coal, and ensures that the remaining costs of Valmy will be allocated to those customers who will benefit from this resource.

The accelerated depreciation schedule for Valmy requires advancing the recovery of the remaining plant investment costs. Similar to paying off a home or car loan early, costs are compressed into a shorter schedule. If Idaho Power uses a schedule that ends in 2025, it would result in a $28.5 million increase to accelerate recovery according to today's filing. This amount includes accelerated depreciation of the plant, decommissioning costs, and capital investments forecasted through the remaining life of the plant.

Depreciation Study

Every five years, Idaho Power files a depreciation study to adjust its depreciation rates to match the longevity it is currently experiencing for utility plant and equipment. Depreciation rates establish the amount of time over which Idaho Power recovers its investments in the electrical

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system through rates.

The difference in depreciation expense included in current rates and depreciation expense reflected in today's filing is a $6.7 million increase.

Customer Rates

If the proposals are approved by the IPUC, the price Idaho customers pay for electric service will increase by about $35.2 million beginning June 1, 2017. The typical Idaho residential customer using 1,000 kilowatt-hours (kWh) of energy per month will see an increase of about $3.08 on their monthly bill. This is an overall percentage increase of 3.10 percent from current prices. The actual percentage of change will depend on a customer's group and the rate it pays.

Revenue Impact By Class
Percentage Change from Current Billed Rates

	Residential	Small General Service	Large General Service [1]	Large Power [2]	Irrigation	Overall Change
Valmy Depreciable Life	2.42%	2.30%	2.58%	2.58%	2.64%	2.51%
Depreciation Study	0.57%	0.54%	0.60%	0.60%	0.62%	0.59%
Combined Effect	2.99%	2.84%	3.18%	3.18%	3.26%	3.10%

[1] Includes Lighting Schedules

[2] Includes Special Contracts

For more information, see idahopower.com/rates.

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 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 530,000 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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