



Brownlee Dam

Opportunities for Public Review

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A wide-angle photograph of the Brownlee Dam, a large concrete structure with multiple spillways, situated in a deep canyon. The water behind the dam is a vibrant blue, contrasting with the brown and green hillsides. The sky is clear and blue with some light clouds.

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Idaho Power Files Annual Power Cost Adjustment

Idaho Power has filed the final piece of its annual spring cost adjustments with the Idaho Public Utilities Commission (IPUC). After two years of price decreases for most customers, this year's Power Cost Adjustment (PCA) calls for a price increase of \$58.7 million across all customer classes. If approved by the Commission, Idaho Power's prices would still be lower than they were three years ago. Overall, Idaho Power's prices are 20% lower than the national average for residential customers and 30% lower for business customers.

Idaho Power understands the difficulties many customers are experiencing during the COVID-19 pandemic and has voluntarily suspended disconnects for residential and small commercial customers and temporarily waived associated late fees to help those in need. Idaho Power considered additional mitigation measures in its PCA filing, but determined that recommending postponed collection of known costs could increase the burden on customers in future years, impact Idaho Power operations and create uncertainty for the financial community.

Neither Idaho Power nor its shareholders receive any financial return from this filing — money collected is used to either recover costs or credit benefits associated with annual fluctuations in power costs. These typically represent approximately one-fourth to one-third of the company’s annual cost of serving customers

The overall impact to customer bills for residential and small general service customers is dependent on the outcome of the following two filings:

- The annual PCA, filed April 15, is a cost-recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. If the PCA proposal is approved by the IPUC as filed, the typical Idaho residential customer using 950 kilowatt-hours (kWh) of energy per month will see a \$4.01 increase on their bill related to this request, beginning June 1.
- The annual Fixed Cost Adjustment (FCA), filed in March and applicable to only residential and small commercial customers, adjusts prices based on changes in energy use per customer during the previous year. If the FCA proposal is approved as filed, a typical residential customer will see an increase of \$0.02, beginning June 1.

The impact of those two filings is shown in the table. A typical Idaho residential customer will see a monthly increase of \$4.03 when the impact of both filings is considered. The actual percentage of change will depend on a customer’s class and the rate they pay.

2020 RATE FILINGS					
PERCENTAGE CHANGE FROM CURRENT BILLED REVENUE					
Revenue Change (millions)	Residential	Small General Service	Large General Service ¹	Large Power ²	Irrigation
FIXED COST ADJUSTMENT (FCA)					
\$0.1	0.02%	0.01%	N/A	N/A	N/A
POWER COST ADJUSTMENT (PCA)					
\$58.7	4.20%	3.47%	5.76%	7.50%	5.32%
COMBINED IMPACT ³					
\$58.8	4.23%	3.48%	5.76%	7.50%	5.32%

¹ Includes lighting schedules; ² Includes special contracts;

³ Totals may not add up exactly due to rounding

The PCA has two main components: the forecast and the true-up. The forecast reflects Idaho Power's anticipated fuel costs, purchased power costs and customer benefits from sales of surplus energy for the coming April through March. The true-up brings last year's forecasted costs in balance with costs actually incurred by the company by looking back at what happened the previous April through March.

This year's PCA increase largely reflects the return to a more normal level of power supply costs as market energy prices have come down from unusually high levels reflected in last year's PCA. While it may seem counter-intuitive, power supply costs for Idaho Power tend to be lower during periods of higher market energy prices as resulting increased sales of surplus energy help to offset power supply costs. Additionally, last year's PCA included \$7.7 million in one-time customer benefits associated with revenue sharing and tax reform, which will expire at the end of the current PCA year.



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Continued on reverse side

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An IDACORP Company

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

Important Information:

Please Note: We want to ensure all of our customers have sufficient time to submit comments to the IPUC. Because your bill is processed toward the end of the IPUC's review of our request, you will receive this notification twice: first in this postcard and then in an insert in your bill later this month.

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NEWS RELEASE

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April 15, 2020

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About Idaho Power

Idaho Power, headquartered in vibrant and fast-growing Boise, Idaho, has been a locally operated energy company since 1916. Today, it serves a 24,000-square-mile area in Idaho and Oregon. The company’s goal to provide 100% clean energy by 2045 builds on its long history as a clean-energy leader that provides reliable service at affordable prices. With 17 low-cost hydroelectric projects at the core of its diverse energy mix, Idaho Power’s residential, business and agricultural customers pay among the nation’s lowest prices for electricity. Its 2,000 employees proudly serve more than 570,000 customers with a culture of safety first, integrity always and respect for all.

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.

Jordan Rodriguez, Communications Specialist
jrodriguez@idahopower.com 208-388-2460