

NEWS RELEASE

Idaho Power Makes Three Filings with the Idaho Public Utilities Commission, Including Proposal to Share Revenue with Customers

Powering the future brings change, both in electrical infrastructure and in rates. Two of the company's proposals combined will result in a net decrease for most customers, the third in an increase.

BOISE, Idaho, March 2, 2012 -- Today Idaho Power made three rate filings with the Idaho Public Utilities Commission (IPUC). Two of the proposals, a request to share revenue with customers and the company's annual Fixed Cost Adjustment (FCA), would be effective June 1 if approved. The third, a request for cost recovery for the new natural gas-fired Langley Gulch Power Plant, would take effect July 1.

"Idaho Power works hard to provide reliable, fair-priced electric service to its customers," pointed out Greg Said, Idaho Power Vice President of Regulatory Affairs. "And although rates sometimes change, at the end of the day we still pay some of the lowest prices in the country for electric service."

Overall Impact (an increase)

Last month Idaho Power made four rate filings in the Idaho jurisdiction that, if approved, would result in an overall rate decrease for most customers on June 1.

Recognizing that these filings have different requested effective dates, once all cases are reviewed the net effect to customers of the revenue sharing, FCA and Langley Gulch filings varies depending on customer rate schedule. If all three proposals are approved as filed, 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 increase of \$3.56 from current rates beginning July 1.

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

Idaho Power Files Three Rate Actions with the Idaho Public Utilities Commission

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| Revenue Impact By Class: Percentage Change from Current Billed Rates | | | | | | |
|--|-------------|-----------------------|-----------------------|-------------|------------|----------------|
| | Residential | Small General Service | Large General Service | Large Power | Irrigation | Overall Change |
| Revenue Sharing | (3.17%) | (3.16%) | (3.25%) | (3.26%) | (3.25%) | (3.21%) |
| Fixed Cost Adjustment (FCA) | 0.28% | 0.31% | 0.00% | 0.00% | 0.00% | 0.14% |
| Langley Gulch Power Plant Recovery | 7.00% | 6.99% | 7.18% | 7.21% | 7.17% | 7.10% |
| Net Change | 4.11% | 4.14% | 3.93% | 3.95% | 3.92% | 4.03% |

We anticipate filing the annual Power Cost Adjustment (PCA) this spring. In combination with the above proposed changes, the PCA 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 three March 2 filings are as follows:

Revenue Sharing (a decrease)

Based upon a prior settlement agreement between Idaho Power, the IPUC Staff and other interested parties, Idaho Power is sharing a portion of revenue that it received in 2011 with customers.

Revenue sharing based on year-end 2011 financial results will be provided to customers in two ways. First, customers' will see a rate reduction of approximately \$27 million.

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Second, an additional \$20 million will be applied to a balancing account to offset expenses owed by customers.

The combination of the two components results in an overall customer benefit of approximately \$47 million. Customers will receive an average decrease of 3.21 percent in current rates.

Idaho Power proposes to include the class-allocated revenue sharing benefits as a component of the 2012 Power Cost Adjustment effective June 1, 2012 through May 31, 2013.

Fixed Cost Adjustment (FCA) (an increase)

The FCA annually adjusts Residential and Small General Service customer electric rates up or down based on changes in energy use per customer during the previous year. The FCA is intended to provide for the collection of an authorized fixed cost amount. If, because of reduced energy use per customer during the prior year, Idaho Power under-collects the authorized fixed cost amount, we can collect the difference through a surcharge. If we over-collect the authorized amount, we refund the difference to customers through a credit.

In the past five years, both scenarios have occurred. In 2007, energy use per customer increased, and customers received a credit to their rates. During 2008 through 2010, Idaho Power's energy use per customer decreased, in part due to increased energy efficiency; we under-collected fixed costs from both Residential and Small General Service customers, as we did in 2011.

If approved, for 2011 the FCA will result in an increase for Residential and Small General Service customers to allow for recovery of the additional authorized fixed costs not collected through the energy charges during the previous year.

This year's FCA filing proposes to collect an additional \$1.1 million or 0.14 percent above current rates for one year.

Throughout 2011, Idaho Power continued to increase the availability of its demand-side management (DSM) programs and continued to offer new opportunities for customer participation. The Company has a very positive perception of demand-side management programs and believes that actively pursuing energy efficiency and education programs is a beneficial priority.

Langley Gulch Power Plant Recovery (an increase)

Idaho Power is asking the IPUC to review the investments we have made to construct and integrate the new, 300 megawatt, gas-fired Langley Gulch Power Plant into our operating

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system, and to approve an adjustment to rates to reflect those investments. Idaho Power proposes that the rate adjustment associated with the power plant occur on July 1, 2012 to coincide with the plant's availability to serve the summer peak loads in July.

The total investment associated with the Langley Gulch Power Plant the company is including in this filing is approximately \$391 million.

An increase in Idaho annual jurisdictional revenue of 7.10 percent is needed in order to recover the \$60 million revenue shortfall for the Idaho jurisdiction.

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 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.

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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

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.

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Last month you received information regarding four rate filings that, if approved, would result in an overall rate decrease for most customers on June 1. Idaho Power works hard to provide reliable, fair-priced electric service to its customers. Although rates sometimes change, at the end of the day we still pay some of the lowest prices in the country for electric service.

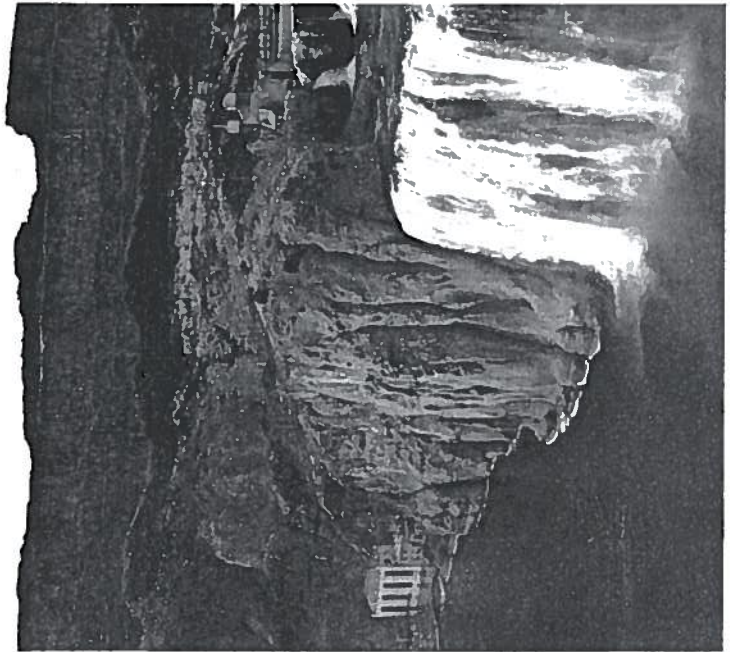
On March 2, Idaho Power made three additional rate filings with the Idaho Public Utilities Commission (IPUC). Two of the proposals, a request to share revenue with customers and the company's annual Fixed Cost Adjustment (FCA), would be effective June 1 if approved. The third, a request for cost recovery for the new natural gas-fired Langley Gulch Power Plant, would take effect July 1 when the plant is expected to be operational. Details on those filings are as follows.

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Revenue sharing based on year-end 2011 financial results will be provided to customers in two ways. First, customers will see a rate reduction of approximately \$27 million.

Second, an additional \$20 million will be applied to a balancing account to offset expenses owed by customers.



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The total investment associated with the Langley Gulch Power Plant the company is including in this filing is approximately \$391 million.

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