

NEWS RELEASE

Idaho Power Files Annual Fixed Cost Adjustment

This annual filing adjusts electric rates for Idaho Residential and Small General Service customers based on changes in energy use during the previous year. If, because of reduced energy use per customer during the prior year, Idaho Power collects less than the authorized level of fixed costs, we recover the difference through a surcharge. If we collect more than the authorized level of fixed costs, we refund the difference to customers through a credit. In 2013, Idaho Power did not collect the authorized level of fixed costs, so this year a surcharge is proposed.

BOISE, Idaho, March 14, 2014 -- Idaho Power today filed its annual Fixed Cost Adjustment (FCA) with the Idaho Public Utilities Commission (IPUC). This year's FCA filing represents an increase of \$6.0 million for Residential and Small General Service customers. If the proposal is approved as filed, the price change for an average Idaho Power residential customer in Idaho using 1,050 kilowatt-hours of energy a month would be an increase of about \$1.20 per month beginning June 1.

A summary of the proposed change to Idaho rates is shown below.

Revenue Impact By Class: Percentage Change from Current Billed Rates

	Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change*
Fixed Cost Adjustment (FCA)	1.17%	1.20%	0.00%	0.00%	0.00%	1.18%

*The overall percentage change for the affected classes.

The FCA is a true-up mechanism that “decouples,” or separates, energy sales from revenue, and is intended to provide for the recovery of the Commission-authorized level of fixed costs. This removes financial disincentives for the company to promote and invest in energy efficiency activities. Fixed costs include long-lived infrastructure—things such as generation plants, power lines, substations and other equipment—as well as certain administrative costs.