



For information, contact:
Margaret Oler 801-220-2592
Media Hotline 800-775-7950

2007 JUN -8 AM 9:28

IDAHO PUBLIC UTILITIES COMMISSION

June 8, 2007

PAC-E-07-05

FOR IMMEDIATE RELEASE

Rocky Mountain Power files for rate increase

BOISE, Idaho – Rocky Mountain Power today filed with the Idaho Public Utilities Commission for a rate increase of \$18.5 million, or 10.3 percent overall, to be effective Jan. 1, 2008. The proposed rate increase is designed to cover the dramatically increasing cost of serving industrial, residential and irrigation customers.

"The proposed increase is needed as the result of the company's need to meet the increasing cost for electricity," said Richard Walje, president, Rocky Mountain Power. "As the need for electricity has grown, the company has made large investments in new infrastructure and facilities. In addition, costs have increased for fuel, wholesale electricity transactions, electricity transmission, labor and the cost of capital."

Walje said if the company's proposal is approved, residential and irrigation customers would see a 6.7 percent average price increase. For the average residential home using 1,000 kilowatt hours per month, that equates to an increase of approximately \$5.56 per month. The application also proposes price increases of 14 to 24 percent for industrial contract customers. No price increase is proposed for commercial customers.

The Commission will study the company's proposal during the coming months and must approve the proposed changes before they can take effect. The public will have the opportunity to comment on the proposal during the rate-making process. A copy of the company's application is available for public review at the commission offices in Boise and at the company's offices in Rexburg, Preston, Shelley and Montpelier. It is expected that a decision will be reached sometime during December this year.

Rocky Mountain Power is a division of PacifiCorp serving nearly 68,000 customers in southeast Idaho. The company is committed to delivering safe and reliable electrical service to its customers while maintaining its position as a low-cost provider in the region.

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Customer Notification

On June 8, 2007 Rocky Mountain Power filed with the Idaho Public Utilities Commission for a rate increase of \$18.5 million, or 10.3 percent overall, to be effective January 1, 2008. The proposed rate increase is designed to cover the dramatically increasing cost of serving industrial, residential and irrigation customers.

The proposed increase is necessary in order for the company to meet the increasing costs of providing electricity. As the need for electricity has grown, the company has made large investments in new infrastructure and facilities. In addition, costs have increased for fuel, wholesale electricity transactions, electricity transmission, labor and the cost of capital.

If the company's proposal is approved as filed, residential and irrigation customers would see a 6.7 percent average price increase. For the average residential home using 1,000 kilowatt hours per month, that equates to an increase of approximately \$5.56 per month. The application also proposes price increases

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of 14 to 24 percent for industrial contract customers. No price increase is proposed for commercial customers.

The commission will study the company's proposal during the coming months and must approve the proposed changes before they can take effect. The public will have the opportunity to comment on the proposal during the rate-making process. A copy of the company's application is available for public review at the commission offices in Boise and at Rocky Mountain Power offices in Rexburg, Preston, Shelley and Montpelier (address list below), or at the company's Web site www.rockymountainpower.net/rates. It is expected that a decision will be reached sometime during December this year.

Rocky Mountain Power offices:

25 East Main Street
Rexburg, Idaho 83440

509 South 2nd East
Preston, Idaho 83263

852 East 1400 North
Shelley, Idaho 83274

24852 U.S. Highway 89
Montpelier, Idaho 83254

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