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EDITED TRANSCRIPT

IDA - Q4 2018 Idacorp Inc Earnings Call

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PRESENTATION

Operator

Welcome to IDACORP's Fourth Quarter and Year-end 2018 Earnings Conference Call. Today's call is being recorded and webcast live.

A complete replay will be available from the end of the day for a period of 12 months on the company's website at idacorpinc.com. (Operator Instructions) Now I will turn the call over to Justin Forsberg, Director of Investor Relations.

Justin S. Forsberg - *IDACORP, Inc. - Director of IR*

Thanks, Allison. Before the markets opened today, we issued and posted to IDACORP's website both our fourth quarter and year-end 2018 earnings release and our Form 10-K.

The slides we'll be using to supplement today's call are also available on our website. We'll refer to those slides during the call.

As noted on Slide 2, our presentation today will include forward-looking statements, which represent our current views on what the future holds. These forward-looking statements are subject to risks and uncertainties, some of which are listed on Slide 2 and are also laid out in more detail in our filings with the Securities and Exchange Commission, which you should review. These risks and uncertainties may cause actual results to differ materially from statements made today. We caution against placing undue reliance on any forward-looking statements.

As shown on Slide 3, on today's call, we have Darrel Anderson, IDACORP's President and Chief Executive Officer; and Steve Keen, Senior Vice President, Chief Financial Officer and Treasurer. We also have other individuals available to help answer any questions you may have after Darrel and Steve provide updates.

On Slide 4, we present our quarterly and full year financial results. IDACORP's 2018 fourth quarter earnings per diluted share were $0.52, a decrease of $0.25 per share over last year's fourth quarter. For the full year 2018, earnings per diluted share were $4.49, $0.28 higher than the same period in 2017. We have initiated our full year 2019 earnings guidance estimate in the range of $4.30 and $4.45 per diluted share, which is roughly 4.8% above our opening guidance in 2018.

I will now turn the call over to Steve.

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Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Thanks, Justin, and welcome, everyone.

Strong customer growth, a return to more normal irrigation sales, higher transmission wheeling and tax-related benefits all contributed to our 11th consecutive year of earnings growth for IDACORP. Slide 5 shows this accomplishment, which is an unprecedented achievement for our company.

I will now walk you through reconciliation of income from 2017 to 2018 using Slide 6. Customer growth of 2.3% added $10.3 million to operating income in 2018. Overall usage per customer, however, decreased operating income by $9.4 million. Residential usage per customer was lower by 6% as there were fewer cooling degree and heating degree days in 2018 than 2017's very hot summer and cold winter.

Next on the table, you will note an increase of $17.7 million in fixed cost adjustment revenues related primarily to residential customers, which mostly offset the lower residential use. In addition, irrigation usage per customer was 9% higher as the drier year returned irrigation customer sales to a more normal level.

Lower customer rates resulted in a $26.9 million decrease in retail revenues per megawatt hour. The reductions consisted primarily of $22 million in tax reform savings returned to customers as well as impacts from the differences in customer mix between the 2 years. An additional $4 million of noncash amortization of regulatory deferrals further down the table also relates to tax reform.

Idaho customers began to see benefits from tax reform through lower bills starting in June of 2018. These decreases are expected to benefit Idaho customers over the power cost-adjustment cycle each year, which spans from June 1 through May 31. Variations to these reductions are explained in our Form 10-K, and we expect they will settle to approximately $26 million over each PCA cycle until the next general rate case.

In addition to these changes in retail revenues, Idaho Power's operating income benefited from a $16.1 million increase related to open access transmission tariff changes, or OATT changes, including rates and, to a lesser extent, wheeling volumes. Wheeling rates reset annually and decreased about 10% on October 1, 2018, to align with these variables.

Looking ahead, transmission activities could continue to be a positive for us, but we will watch cautiously as the OATT rate updates and changes develop with renewable energy in the market.

Excluding the tax reform-related $4 million noncash expense amortization of regulatory deferrals, other operating and maintenance expense was $13.8 million higher in 2018 compared with the prior year. Higher maintenance service costs led to a $4.2 million increase in transmission and distribution asset maintenance expense, and higher variable employee-related costs led to an $8.4 million increase in labor and benefit expenses. We are not currently planning for the majority of the labor and benefit change to recur in 2019. So despite these increases, we are only expecting 2019 operating and maintenance expenses to be modestly above the relatively flat level of the previous 6 years. The results of all these items, including rate reductions, decreased operating income by $13.6 million prior to revenue sharing.

Finally, Idaho Power recorded $5 million as a provision against revenues to be refunded to customers through a rate reduction expected to take effect in June of 2019. This sharing is based on full year 2018 return on year-end equity in the Idaho jurisdiction exceeding 10%. We have now been able to share more than $126 million with Idaho customers, including an approximate $68 million reduction in customer pension obligations since the earnings support and revenue sharing mechanism has been in place. Idaho Power's operating income would have been higher than 2017 without the rate reductions to customers of $26 million and the $5 million of customer revenue sharing.

Tax benefits from both the remeasurement of deferred income taxes as well as the make-whole premium for an early bond redemption in 2018 added $9 million to earnings. The remeasurement of deferred income taxes, which relates to the change in income tax rates due to tax reform and their impact on the adjustment of temporary differences in the 2017 income tax return, decreased income tax by $7.7 million relative to 2017. You may recall that we recorded a charge related to remeasurements of roughly $2 million in 2017.

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In addition, Idaho Power recorded a $1.3 million flow-through tax benefit related to a make-whole premium for an early bond redemption that occurred during the first half of last year. We do not expect these events to recur in 2019.

The remaining income taxes were $23.9 million lower, largely related to lower statutory tax rates. As we indicated last quarter, IDACORP assumes both the risks and some of the benefits to the extent actual tax expense varies from the pro forma level agreed to in the settled tax reform regulatory proceeding.

Overall, Idaho Power's and IDACORP's net income were, respectively, $16 million and $14.4 million higher than last year. IDACORP and Idaho Power continued to maintain strong balance sheets, including investment-grade credit rating and sound liquidity.

On Slide 7, we show IDACORP's operating cash flows along with our liquidity positions as of the end of December 2018. Cash flow from operations increased approximately $56 million when compared with 2017, mostly due to higher net income and the timing of working capital receipts and payments.

Going forward, we expect that the combination of a return to more normal changes in working capital balances and the timing of currently forecasted cash flows related to regulatory mechanisms will return operating cash flows to a more normal level.

The liquidity available under IDACORP's and Idaho Power's credit facilities is shown on the bottom of Slide 7. At this time, we do not anticipate issuing any additional equity in 2019 other than the relatively nominal amounts under compensation plans.

Slide 8 shows our first look at earnings guidance and estimated key financial and operating metrics for the full year 2019. We expect IDACORP's 2019 earnings to be in the range of $4.30 to $4.45 per diluted share. This guidance includes our expectation to use less than $5 million of additional ADITC in 2019.

Remember that the full $45 million has been preserved and is available for future years under the Idaho mechanism. We expect IDACORP's operating and maintenance expenses to be slightly lower than in 2018 with a range of $350 million to $360 million. And we also forecast capital expenditures to be slightly higher in 2019, between $280 million and $290 million.

Weather and reservoir storage conditions so far combined with the current forecast suggest that hydroelectric generation should be in the range of 6.5 million to 8.5 million megawatt hours. As always, our guidance assumptions reflect normal weather conditions going forward.

With that, I'll turn the presentation over to Darrel.

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

Thanks Steve. I want to add my thanks to all of you for being on today's call. I know you guys have a lot going on.

I want to begin my remarks once again with a nod to continued growth for Idaho Power. New customers are moving to our service area at a steady clip, which is driving higher sales and contributing to our increased loads. This trend, combined with progress on several major initiatives and execution on our business strategy, continues to benefit our company, our customers and our shareholders as we head into 2019.

On Slide 9, you will see that customer growth remains strong and is up 2.3% over the past 12 months. This growth supports the assertion the City of Boise coming in at #4 for job growth on the Milken Institute's 2018 list of best-performing cities. Boise moved up 14 places among cities on the list since last year's survey. According to Milken, low business cost and affordable cost of living, both of which have direct ties to fair price energy, are the 2 biggest assets driving Boise's growth.

We also find that our clean, diverse energy portfolio is helping attract new business customers. Nearly 50% of our energy comes from hydroelectric plants, which help makes Idaho Power's prices among the lowest in the nation while reducing carbon emissions and providing a stable, reliable energy source for our customers.

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For the second year in a row, the United States Census Bureau published in December that the State of Idaho had the fastest growth rate in the nation. We believe most of that growth has occurred in Idaho Power service area.

United Van Lines recently stated that Idaho had the third-highest percentage of inbound moves in the country. We have cited Moody's forecast in the past, and Moody's latest forecast states that gross domestic product in Idaho Power service area is predicted to grow 4.2% in 2019 and 2.2% in 2020.

Employment within our region also remains on an upward trend. Compared with this time last year, employment within Idaho Power service area has grown 2.2%, now nearly 525,000 people employed, a new record. Unemployment at the end of 2018 in Idaho Power service area was 2.9% compared with 3.9% nationally.

Sticking with the theme of growth and favorable business conditions, several notable large load projects came online during the fourth quarter in Idaho Power service area. These include McCain Foods' new potato processing operation in Burley, Fresca Mexican Foods' new state-of-the-art processing facility in Caldwell and Idaho Central Credit Union's new data center in Pocatello.

If you were to look at a map of the locations that I just mentioned, you would see that our growth is not isolated to one particular geographic area but instead, is spread across our service area. There are several new projects that we expect to begin operations in 2019 as well, and we continue to see interest from businesses large and small, who are considering expanding within or moving to our service area.

I stated last quarter that we did not plan to file a general rate case in Idaho or Oregon in the next 12 months. That remains true today as we look at the upcoming 12 months. Steady load growth combined with increases in our customer base, constructive regulatory outcomes and effective management of operating expenses all play significant roles as we look at the need and timing of our next general rate case.

Turning to Slide 10. In late 2018, we reached an important milestone on the Hells Canyon Complex relicensing when the States of Idaho and Oregon agreed to a proposed settlement over reintroduction of steelhead and spring Chinook salmon into the Snake River above Oxbow dam. We expect this agreement will remove a significant obstacle towards achieving a new long-term federal license for our 3 hydroelectric dams in Hells Canyon.

As part of the settlement, our company committed to spend an additional $20 million total over the term of the license for research, water quality and stream improvements, key components of meeting our obligations under the federal Clean Water Act. While a significant achievement, several governmental approvals are still required, and we do not expect to receive a new federal license from the Federal Energy Regulatory Commission before 2022.

Moving to a brief update on the Boardman to Hemingway Transmission Line project or B2H, which continues to move forward. Idaho Power anticipates the in-service date for this line to be no earlier than 2026, but we expect the Oregon Department of Energy to issue a draft proposed order in the second quarter of this year followed by geotechnical investigation in early 2020. While we still have a few months before the 2019 Integrated Resource Plan is published, we continue to believe that the B2H project will prove to be a valuable resource to supporting cleaner energy future for the region.

Turning to weather on Slide 11. Projections from the National Oceanic and Atmospheric Administration as of today calls for equal chances above or below normal precipitation levels and slightly above normal chance of warmer temperatures in the next 3 months. Given that we are seeing snow forecasted for most of the next week across our service area, I would say this is a story that continues to develop.

With the recent precipitation in the form of rain and snow, reservoir storage in the upper Snake, Boise and Payette systems recently move to above-normal levels. As a reminder, our power cost-adjustment mechanisms in both Idaho and Oregon significantly reduce earnings volatility related to changes in our resource mix and associated power supply costs.

I want to close with a shout-out to the men and women who keep the lights on during what can be very trying weather conditions. There has been some crazy weather throughout the country, and we here in Idaho and Eastern Oregon have experienced some of these same conditions. Over the last month, we have seen significant snowfall and frigid temperatures across the service area that, at times, has challenged operations. Our

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people have been up for the challenge. I am proud to have the opportunity to work with such a dedicated group of people, who are committed to safely serving our customers regardless of conditions.

With that, Steve and I and others on the call will be happy to answer questions you may have.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question today will come from Julien Dumoulin-Smith of Bank of America.

Alex Morgan - *BofA Merrill Lynch, Research Division - Analyst*

This is Alex Morgan calling in for Julien. I just wanted to ask about rate cases. So it's clear that you've done a very good job at keeping cost structures flat, and you see a number of benefits through strong load growth and your commitment to managing operating costs, and you have a constructive regulatory environment. Given that you mentioned you're not going in for a rate case in the next 12 months, what would actually drive you back for one? And is there a sense of when this could possibly be?

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

So this is Darrel. I'll start a little bit on that, and we've got Tim Tatum, who heads up our regulatory group, is here also with us. But first of all, let me -- we look at this all the time. This is something that we constantly assess, and I said in my comments we look at a number of factors, what's going on with growth, number one, and as I said, we've had strong growth over the last number of years, which has been one of the key drivers right now as to why we don't feel the need to go in and have to file. We've also done a really good job of managing our expenses. We're on our -- Steve talked about where our expenses were for 2018. Now the most -- the biggest part of that increase is associated with some labor -- variable labor costs that we don't expect to reoccur in 2019. And so if you look over the last 7 years from an expense perspective after adjusting for that, it's relatively flat. And so -- and the other part of this is as we continue to manage our capital program, again we spend what we need to spend on and ensure that for a reliable and safe system and also in order to continue to meet our growth. So we look at all of those factors in totality and determine whether or not it makes sense to have to go in and file. And so as we said, we're not planning to do that for the next 12 months, and so we will continue to assess that, and we'll update you all on that at the end of the first quarter depending on -- and take a look at the landscape there. The other thing you have to -- you can't lose sight of, too, though is the fact that over the last couple of years, we've done some one-off regulatory filings where it had one-off issues, for instance, in the Valmy settlement case. We did a one-off case there to address a specific issue, and that has provided some recovery of cost and return in those cases. And so we sort of picked those one-off things where we can, and then we look at it holistically beyond that. So I can't tell you right now when that next one's going to be, but we would be inclined -- when we have the next call, we will update what I just told you now, and the fact that we aren't doing it, we're not planning one for the next 12 months. And Tim, if you had anything to add.

Tim Tatum - *Idaho Power Company - VP of Regulatory Affairs*

Nothing more to add.

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

Okay. So hopefully, that's helpful, at least from a high-level perspective.

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Operator

Our next question will come from Paul Ridzon of KeyBanc.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

What drove the pickup in wheeling volumes? I know prices were down, but you still had a benefit from it. What's the dynamic behind that? Is that...

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

No, there's really -- there's 2 things that picked up there is the prior year, I guess, we had a rate increase, but it was only for the last few months. It came in, in October. It was a pretty large, I don't remember the number off the top of my head, was it about 30%? About a 30% increase that we weren't sure certainly at the start of the year whether that would have an impact on volumes. But volumes stayed strong regardless through the years, so that was a big lift. I do think the changing nature of the market where there's a lot more activity with renewables that is causing power to need to move from one place to another a lot has influenced that. And I think I mentioned in my script that we're watching that pretty close. The rate is now dropping down again. It went down about 10% this October. As the old rates balanced out, they take into account what just happened in the prior year, and it rolls it forward. But it is a bit of a guessing game on what the volumes are going to do relative to the rates. And as you mentioned, we did just get an EIM. So we don't have a full year of EIM under our belt either. So that's another place that I think a little more time will give us some clarity as to maybe do a better job of what we should predict in the coming years. But it was certainly a strong year. And there were a few bizarre activities, too, that drove occasional peaks that -- other -- not in our system so much but if things go on that caused people to have to move power, that can impact us.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

And what does guidance assume, kind of flat revenues?

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Well, I think I use the word cautious. But yes, I think we looked at it with -- took a pretty modest approach to it. I would say around flat is probably close. What we didn't do is take that and take the prior low year and this current higher year and run it way higher. I think it's kind of as you hold, and I think we looked at volumes we pulled the price down. We may have expected a slight increase in volumes with a lower price. But we didn't do a lot with it, to be truthful.

Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

So the annual true-up kind of looks at last year's volumes and spreads out over more widgets or less widget?

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Yes, it's really a cost -- I think I'm not the perfect one to explain this, but it's somewhat of a true-up of your cost against the amount of sales you consider happening related to the equipment that's doing that. [Ted], could you give maybe a better...

Unidentified Company Representative

Looked at the cost of maintaining the transition system, what those costs are and takes out a portion of it for the load and then the remaining portion goes into a point-to-point rate. So as you get revenues back, they're credited back against that cost. So you have a really good year, 1 year. The following year, you may have a lower rate because of those revenues from the previous year that get reduced off that total cost.

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Paul Thomas Ridzon - *KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst*

And any guidance on what to look for for an effective tax rate in '19?

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Gene, you have a...

Gene Marchioro

Low teen.

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Yes, low teens, Gene -- is what Gene's saying.

Operator

The next question will come from Ashar Khan of Veridon (sic) [Verition].

Ashar Khan

Can I just ask you, I was just looking the -- and I know you mentioned this was a very good year on a cash flow perspective basis. But if I'm right, I was looking at the 10-K, you have a very huge cash balance now over like $260 million, $270 million. And if I'm right, if you do like $125 million of dividends and $280 million of CapEx, that gives you operating cash flow needs of about $405 million, $410 million. And I think so your normalized run rate is running around $420 million, $430 million. So it seems like you're in a very cash cow position, and you have this extra cash lying around. So can you just tell me what's the use of this cash? And why can't we get some kind of a special dividend or something like that?

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Well, Ashar, if you -- you can kind of look back a few years, and what you'll see is we will tend to borrow in 1 year, and we will -- it's typically aligned with a refinancing of some type. But we will pull out additional cash that we then have typically used to fund the next 2 years of construction and O&M. And so we did -- we brought some in last year. We didn't use it all up by the end of the year. I believe we're not more than a year away from that being gone just from the normal operations. And there's some more adjustments to the ins and out. We refer to it in our liquidity discussion that, for instance, the tax reform started in April. Some of the benefits started in January. So there's cash that's come in that has been and continue to be paid back out over the PCA year. I believe it jumps actually the year following and then settles back down to around the 26. So the cash doesn't always line up with the earnings and that sort of thing. And it does tend to true-up. So I guess, as we sit and look at our cash balance, we don't see dollars there that we're not going to need for just basic operations. And it's -- I don't have all the flexibility to lay out right this minute, but we could probably walk you through that.

Ashar Khan

Yes. But can you give me -- what is your normalized cash flow from operation? You mentioned this year, it's very high, right? This year, you got $497 million. As I mentioned, your needs, your dividend and CapEx needs are $400 million. So you got $100 million of extra cash this year from your operations in 2018. So that's got nothing to do with borrowing or anything like that. That's just the business produced a huge amount of cash

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flow more than what it consumes this year. And so I'm trying to understand how that gets used up. And what is the normal run rate of CFO for a year? Can you elaborate on that?

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

We did borrow roughly $100 million of additional cash this year, which, as I said, is intended to fund the activities we have this year and in -- or last year and in 2019. So it's really a matter of -- in the old days, we used to wait until we actually were -- we would even go into the negative on cash, and then we would finance. And 2008 and 2009 somewhat rang that out of all utilities because from a rating agency perspective, you're respected a lot of more if you keep your short-term lines fairly undrawn and you finance ahead rather than in arrears. And that's really where we moved to and that has helped the credit.

Ashar Khan

No, I understand that. But Steve, that's why your cash balance went up by not $100 million but like $200 million, are you with me, year-over-year because...

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

I guess, Ashar, we wouldn't drive our dividend policy on a 1 year change. But I think if we get into the details, I wouldn't -- what you're seeing is not really what we're seeing. I mean, it was a strong year, and I do think the timing of some of the PCA and the tax reform are playing into that. But they're not -- we don't see the items that are there as permanent changes that would give us some found money that doesn't have to go anywhere. It's all lined up to be gone, and I think we're only a year or so away from seeing that come back. And we'll have a new need to go out and borrow additional amounts.

Ashar Khan

Okay, okay, okay. I'll follow-up offline. Wanted to get a better sense of what an average CFO number is for a year. I would appreciate any feedback on that.

Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

Well, it has been growing. I mean, that's our goal. It's not to keep it flat. It is to have it grow with the company. It's just this year was again mostly regulatory mechanism-related that we accumulated a little more cash. And you're going to see that drain down a bit over the next year.

Operator

Our next question will come from Chris Ellinghaus of Williams Capital.

Christopher Ronald Ellinghaus - *The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas*

Mr. Keen, can you give us some more detail on your O&M expectations for the year? It looks like the midpoint's down about $10 million. Is part of that pension?

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Steven R. Keen - *IDACORP, Inc. - Senior VP, CFO & Treasurer*

No. It was really -- as Darrel mentioned, we had some costs that were higher that primarily related to payroll and benefits that we think are going to settle back down to a more kind of a levelized run rate. If you look at our number compared to last year, what we're projecting is really an uptick of about 1.4%. So we -- and I think that's consistent with what we said is that we don't know that we can hold completely flat into perpetuity, but we are aiming to be as close to flat as we can. So I think a modest rise in our O&M is what we're going to -- is what we're predicting for '19. And we'll be aiming for something like that on the go forward to the extent we can.

Christopher Ronald Ellinghaus - *The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas*

Okay. If I recall correctly, the IRP gets filed this year. When is that?

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

Chris, this is Darrel. We would expect to file that in June.

Christopher Ronald Ellinghaus - *The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas*

Okay. Darrel, you were talking about recent precipitation. Does the recent data lead you one direction or other in your hydro range at all?

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

So we looked long and hard on that range all the way up to yesterday just kind of given how things were moving around on -- with the precip side and what the forecast showed. So the range that we gave you does give a pretty good indication of where we think we could land. Again, it is moving a fair amount right now. I mean, we're seeing -- I mean, we went from below normal to above normal in the span of probably 10 days or so. So it was -- it's been a lot of precip and all over across our key drainages. So like I said too, this is something that's pretty fluid right now, and so the range is pretty wide, but it's also the sort of the same kind of range that we've had at the beginning of every year because of some of the -- how much it can move.

Christopher Ronald Ellinghaus - *The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas*

Okay. And can you give us a little color...

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

So the other thing, Chris, let me just mention too the other thing that is always hard and you know this because you've watched water a lot is a lot of this -- we could have a lot of snow but a lot of it depends on when it comes off and how it comes off. I mean, if it heats up really quickly, you know that's not great for us necessarily. You have to flush a lot of water that way versus if it's sort of a gradual warming trend. So as you saw in those charts from NOAA as of today, they're projecting a slightly higher chance of potentially warmer than normal. But -- so you don't really know for sure. So a lot of it's timing on how that runs off. And again, obviously come end of first quarter when we're having this call again, we'll likely have a little better perspective on how it sets up. But right now, the good news is if you look at the midpoint of where that range is, it's a pretty healthy hydrogen number.

Christopher Ronald Ellinghaus - *The Williams Capital Group, L.P., Research Division - Senior Equity Research Analyst of Power and Natural Gas*

Right. Can you also talk a little bit about you mentioned some of the recent new customers that began operations. But can you talk about what's in the pipeline?

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Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

Actually we talked about that before the call. And we kind of thought that we were not really in a good spot to talk about those right now. Sensitivity of customer info and all those sorts of things. So we're not going to talk about it. But as they come online and if we get in a position where we're okay from the customers to share it, we will.

Operator

(Operator Instructions) That concludes the question-and-answer session for today. Mr. Anderson, I will turn the conference back over to you.

Darrel T. Anderson - *IDACORP, Inc. - President, CEO & Director*

Thanks, Allison, and thank you all for taking the time out to participate on our call this afternoon. We absolutely appreciate your continued interest in IDACORP. And as always, please feel free to call us with any further questions that you may have. And we hope that you have a great rest of the day. Thanks a lot.

Operator

That concludes today's conference, and thank you for your participation.

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