



July 28, 2016

IDACORP, Inc. Announces Second Quarter 2016 Results, Reaffirms 2016 Earnings Guidance

BOISE--IDACORP, Inc. (NYSE: IDA) reported second quarter 2016 net income attributable to IDACORP of \$56.2 million, or \$1.12 per diluted share, compared with \$66.1 million, or \$1.31 per diluted share, in 2015. For the first six months of 2016, IDACORP recorded net income attributable to IDACORP of \$82.0 million, or \$1.63 per diluted share, compared with \$89.5 million, or \$1.78 per diluted share, in the first six months of 2015.

“Strength in the Idaho economy continued to fuel growth in our service area,” said IDACORP President and CEO Darrel Anderson. “When combined with warmer than normal temperatures in late June, these factors helped us to achieve better than expected results. While triple-digit temperatures the last few days of June positively impacted irrigation and air conditioning load, sales volumes were below the record seen during last year’s second quarter.

“A change in the fixed cost adjustment mechanism last year also caused earnings in the second quarter of 2015 to be higher relative to this year’s second quarter,” concluded Anderson.

IDACORP’s earnings guidance remains unchanged in the range of \$3.80 to \$3.95 per diluted share, which includes the assumption of recording approximately \$1 million of additional accumulated deferred investment tax credits (ADITC) amortization for the full year.

Performance Summary

A summary of financial highlights for the periods ended June 30, 2016, and 2015 is as follows (in thousands except per share amounts):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--|-------------|--------------------------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income attributable to IDACORP, Inc. | \$ 56,246 | \$ 66,080 | \$ 81,975 | \$ 89,510 |
| Average outstanding shares – diluted (000’s) | 50,355 | 50,258 | 50,345 | 50,259 |
| IDACORP, Inc. earnings per diluted share | \$ 1.12 | \$ 1.31 | \$ 1.63 | \$ 1.78 |

The table below provides a reconciliation of net income attributable to IDACORP for the three- and six-month periods ended June 30, 2015, to the same periods in 2016 (items are in millions and are before tax unless otherwise noted).

| | Three months ended | Six months ended |
|---|-----------------------|---------------------|
| Net income attributable to IDACORP, Inc. - June 30, 2015 | \$ 66.1 | \$ 89.5 |
| Change in Idaho Power net income: | | |
| Increased sales volumes attributable to customer growth, net of associated power supply costs and power cost adjustment (PCA) mechanism impacts | \$ 2.7 | \$ 4.8 |
| Decreased sales volumes attributable to usage per customer, net of associated power supply costs and PCA mechanism impacts | (9.0) | (8.4) |
| Fixed cost adjustment (FCA) revenues | (5.9) | (1.1) |
| Third-party use of electric property, wheeling and other revenue | (1.0) | (2.1) |
| Change in other operating and maintenance expenses | 0.8 | (1.2) |
| Increase in depreciation expense | (1.5) | (3.1) |
| Other changes in operating revenues and expenses, net | 4.5 | 2.6 |
| Decrease in Idaho Power operating income | (9.4) | (8.5) |
| Changes in other non-operating income and expenses | (1.5) | (2.2) |
| Decrease in income tax expense (excluding additional ADITC amortization) | 1.4 | 2.8 |
| Increase in additional ADITC amortization | — | 0.5 |
| Total decrease in Idaho Power net income | (9.5) | (7.4) |
| Other changes (net of tax) | (0.4) | (0.1) |
| Net income attributable to IDACORP, Inc. - June 30, 2016 | \$ 56.2 | \$ 82.0 |

Net Income - Second Quarter 2016

IDACORP's net income decreased \$9.9 million for the second quarter of 2016 when compared with the second quarter of 2015. The decrease was driven primarily by a \$9.4 million decrease in Idaho Power's operating income.

Sales volumes due to customer growth increased operating income by \$2.7 million, as the number of Idaho Power customers grew by 1.8%. The increase from customer growth was more than offset by a decrease in sales volumes on a per customer basis reducing operating income by \$9.0 million in the second quarter of 2016 compared with the second quarter of 2015. While temperatures in the Idaho Power service area were well above normal in the second quarter of 2016, they were milder than second quarter 2015 temperatures. In 2015, a June heat wave combined with an earlier start to the irrigation season resulted in record second quarter sales volumes.

Also affecting the comparability of quarterly results was a change in the FCA mechanism approved by the Idaho Public Utility Commission (IPUC) in May 2015 effective as of January 2015. In the second quarter of 2015, Idaho Power recorded an additional \$7.4 million of FCA revenue related to the first quarter of 2015. The \$5.9 million decrease in the second quarter of 2016, compared with the second quarter of 2015, shown in the table above would have been a \$1.5 million increase in FCA revenues had the current FCA mechanism methodology been applied in the first quarter of 2015.

Other changes in operating revenues and expenses included a \$1.5 million benefit from higher rates due to changes in usage of irrigation customers and a \$2.1 million adjustment recorded in the second quarter of 2015 related to a change in the true-up component of the PCA mechanism with the adoption of the sales-based-adjustment methodology last year.

Income tax expense was lower due to lower pretax income in the second quarter of 2016 compared with the second quarter of 2015, partially offset by a smaller flow-through benefit of tax deductible make-whole premiums that Idaho Power paid in connection with the early redemption of long-term debt in both the second quarter of 2016 and 2015 and other regulatory flow-through income tax adjustments.

Net Income - Year-to-date 2016

IDACORP's net income decreased \$7.5 million for the first half of 2016 compared with the same period in 2015. The decrease was driven primarily by a decrease of \$8.5 million in Idaho Power's operating income, offset partially by reduced income tax expense.

Sales volume impacts of lower usage per customer in the first half of 2016 compared with the first half of 2015 reduced operating income by \$8.4 million. As noted above, second quarter 2016 temperatures were milder than in the second quarter 2015, while mild temperatures occurred in the service area in both the first quarter of 2016 and 2015. Idaho Power's continued customer growth contributed \$4.8 million to operating income.

Income tax expense was lower due to lower pretax income in the first half of 2016 compared with the first half of 2015, partially offset by a smaller flow-through benefit of tax deductible make-whole premiums that Idaho Power paid in connection with the early redemption of long-term debt in both the second quarter of 2016 and 2015 and other regulatory flow through income tax adjustments. Based on Idaho Power's current expectations of full-year 2016 results, Idaho Power has recorded \$0.5 million of additional ADITC amortization during the first six months of 2016 under its Idaho regulatory settlement stipulation. Idaho Power estimates that it will record approximately \$1 million of additional ADITC amortization for the full year 2016. No additional ADITC amortization was recorded during the same period in 2015.

2016 Annual Earnings Guidance and Key Operating and Financial Metrics

IDACORP is affirming its earnings guidance estimate for 2016 in a range of \$3.80 to \$3.95 per diluted share. The 2016 guidance incorporates all of the key operating and financial assumptions listed in the table that follows (in millions, except per share amounts):

| | 2016 Estimates | |
|---|------------------------|-------------------------|
| | Current ⁽¹⁾ | Previous ⁽²⁾ |
| Idaho Power Operating & Maintenance Expense | No Change | \$350-\$360 |
| Idaho Power Additional Amortization of ADITC | No Change | Less than \$5 |
| Idaho Power Capital Expenditures (excluding allowance for funds used during construction) | No Change | \$300-\$310 |
| Idaho Power Hydroelectric Generation (MWh) ⁽³⁾ | 6.0-7.0 | 6.0-8.0 |
| IDACORP Earnings Guidance (per share) | No Change | \$3.80-\$3.95 |

⁽¹⁾ As of July 28, 2016.

⁽²⁾ As of April 28, 2016, the date of filing IDACORP's and Idaho Power's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

⁽³⁾ Based on reservoir storage levels and forecasted weather conditions as of the date of this report.

More detailed financial information is provided in IDACORP's Quarterly Report on Form 10-Q filed today with the U.S. Securities and Exchange Commission and posted to the IDACORP Web site at www.idacorpinc.com.

Web Cast / Conference Call

IDACORP will hold an analyst conference call today at 2:30 p.m. Mountain Time (4:30 p.m. Eastern Time). All parties interested in listening may do so through a live Webcast on the Internet, or by calling (973) 200-3032 for listen-only mode. The passcode is 38266593. The conference call logistics are posted on the company's Website (www.idacorpinc.com) and will be included in the company's earnings news release. Slides will be included during the conference call. To access the slide deck, register for the event just prior to the call at www.idacorpinc.com/investor-relations/earnings-center/conference-calls. A replay of the conference call will be available on the company's website for a period of 12 months and will be available shortly after the call.

Background Information

IDACORP, Inc. (NYSE: IDA), Boise, Idaho-based and formed in 1998, is a holding company comprised of Idaho Power, a regulated electric utility; IDACORP Financial, a holder of affordable housing projects and other real estate investments; and Ida-West Energy, an operator of small hydroelectric generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978. IDACORP's origins lie with Idaho Power and operations beginning in 1916. Today, Idaho Power employs approximately 2,000 people to serve a 24,000-square-mile service area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its generation portfolio, Idaho Power's nearly 530,000 residential, business and agricultural customers pay some of the nation's lowest prices for electricity. To learn more about Idaho Power or IDACORP, visit www.idahopower.com or www.idacorpinc.com.

Forward-Looking Statements

In addition to the historical information contained in this press release, this press release contains (and oral communications made by IDACORP, Inc. and Idaho Power Company may contain) statements, including, without limitation, earnings guidance, that relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, outlook, assumptions, or future events or performance, often, but not always, through the use of words or phrases such as "anticipates," "believes," "continues," "estimates," "expects," "guidance," "intends," "potential," "plans," "predicts," "projects," "targets," or similar expressions, are not statements of historical facts and may be forward-looking. Forward-looking statements are not guarantees of future performance and involve estimates, assumptions, risks, and uncertainties. Actual results, performance, or outcomes may differ materially from the results discussed in the statements. In addition to any assumptions and other factors and matters referred to specifically in connection with such forward-looking statements, factors that could cause actual results or outcomes to differ materially from those contained in forward-looking statements include the following: (a) the effect of decisions by the Idaho and Oregon public utilities commissions, the Federal Energy Regulatory Commission, and other regulators that impact Idaho Power's ability to recover costs and earn a return; (b) administration of reliability, security, and other requirements for system infrastructure required by the Federal Energy Regulatory Commission and other regulatory authorities, which could result in penalties and increase costs; (c) changes in residential, commercial, and industrial growth and demographic patterns within Idaho Power's service area and the loss or change in the business of significant customers, and their associated impacts on loads and load growth, and the availability of regulatory mechanisms that allow for timely cost recovery in the event of those changes; (d) the impacts of economic conditions, including the potential for changes in customer demand for electricity, revenue from sales of excess power, financial soundness of counterparties and suppliers, and the collection of receivables; (e) unseasonable or severe weather conditions, wildfires, drought, and other natural phenomena and natural disasters, which affect customer demand, hydroelectric generation levels, repair costs, and the availability and cost of fuel for generation plants or purchased power to serve customers; (f) advancement of technologies that reduce loads or reduce the need for Idaho Power's generation or sale of electric power; (g) adoption of, changes in, and costs of compliance with laws, regulations, and policies relating to the environment, natural resources, and threatened and endangered species, and the ability to recover increased costs through rates; (h) variable hydrological conditions and over-appropriation of surface and groundwater in the Snake River Basin, which may impact the amount of power generated by Idaho Power's hydroelectric facilities; (i) the ability to acquire fuel, power, and transmission capacity under reasonable terms, particularly in the event of unanticipated power demands, lack of physical availability, transportation constraints, or a credit downgrade; (j) accidents, fires (either at or caused by Idaho Power's facilities), explosions, and mechanical breakdowns that may occur while operating and maintaining Idaho Power's assets, which can cause unplanned outages, reduce generating output, damage the companies' assets, operations, or reputation, subject the companies to third-party claims for property damage, personal injury, or loss of life, or result in the imposition of civil, criminal, and regulatory fines and penalties; (k) the increased costs and operational challenges associated with purchasing and integrating intermittent renewable energy sources into Idaho Power's resource portfolio; (l) operational factors affecting Idaho Power's power generating facilities, including disruptions or outages of Idaho Power's generation or transmission systems or of any interconnected transmission system, which may cause Idaho Power to incur repair costs or purchase replacement power at increased costs; (m) the ability to obtain debt and equity financing or refinance existing debt when necessary and on favorable terms, which can be affected by factors such as credit ratings, volatility in the financial markets, interest rate fluctuations, decisions by the Idaho or Oregon public utility commissions, and the companies' past or projected financial performance; (n) reductions in credit ratings, which could adversely impact access to capital markets and would require the posting of additional collateral to counterparties pursuant to credit and contractual arrangements; (o) the ability to enter into financial and physical commodity hedges with creditworthy counterparties to manage price and commodity risk, and the failure of any such risk management and hedging strategies to work as intended; (p) changes in actuarial assumptions, changes in interest rates, and the return on plan assets for pension and other post-retirement plans, which can affect future pension and other postretirement plan funding obligations, costs, and liabilities; (q) the ability to continue to pay dividends based on financial performance, and in light of contractual covenants and restrictions and regulatory limitations; (r) changes in tax laws or related regulations or new interpretations of applicable laws by federal, state, or local taxing jurisdictions, the availability of tax credits, and the tax rates payable by IDACORP shareholders on common stock dividends; (s) employee workforce factors, including the operational and financial costs of unionization or the attempt to unionize all or part of the companies' workforce, the impact of an aging workforce and retirements, the cost and ability to retain skilled workers, and the ability to adjust the labor cost structure when necessary; (t) failure to comply with state and federal laws, regulations, and orders, including new interpretations and enforcement initiatives by regulatory and oversight bodies, which may result in penalties and fines and increase the cost of compliance, the nature and extent of investigations and audits, and the cost of remediation; (u) the inability to obtain or cost of obtaining and complying with required governmental permits and approvals, licenses, rights-of-way, and siting for transmission and generation projects and hydroelectric facilities; (v) the cost and outcome of litigation, dispute resolution, and regulatory proceedings, and the ability to recover those costs or the costs of operational changes through insurance or rates, or from third parties; (w) the failure of information systems or the failure to secure data, failure to comply with privacy laws, security breaches, or the direct or indirect effect on the companies' business or operations resulting from cyber attacks, terrorist incidents or the threat of terrorist incidents, and acts of war; (x) unusual or unanticipated changes in normal business operations, including unusual maintenance or repairs, or the failure to successfully implement new technology solutions; (y) adoption of or changes in accounting policies and principles, changes in accounting estimates, and new Securities and Exchange Commission or New York Stock Exchange requirements, or new interpretations of existing requirements; and (z) the expense and risks associated with capital expenditures for infrastructure, and the timing and availability of cost recovery for such expenditures.

Any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Readers should also review the risks and uncertainties listed in IDACORP, Inc.'s and Idaho Power Company's most recent Annual Report on Form 10-K and other reports the companies file with the U.S. Securities and Exchange Commission, including (but not limited to) Part I, Item 1A - "Risk Factors" in the Form 10-K and Management's Discussion and Analysis of Financial Condition and Results of Operations and the risks described therein from time to time. IDACORP and Idaho Power disclaim any obligation to update publicly any forward-looking information, whether in response to new information, future events, or otherwise, except as required by applicable law.

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