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Pacific Power to construct transmission lines through West, bringing more capacity to meet growth needs

PORTLAND, Ore.—Pacific Power today announced plans to build more than 1,200 miles of new 500-kilovolt transmission lines originating in Wyoming and connecting into Utah, Idaho, Oregon and the desert southwest. The two lines are set for completion in year 2014. The \$4 billion-plus investment plan includes existing projects in the company's 10-year business plan and additional investments to address customers' increasing electric energy use. In addition to improving system reliability, these projects are also aimed at delivering wind and other renewable generation resources to more customers throughout PacifiCorp's six-state service area and the western region. PacifiCorp, which operates as Pacific Power and Rocky Mountain Power, provides safe, reliable electricity to approximately 1.7 million customers in Oregon, Washington, California, Utah, Wyoming and Idaho.

"We are pleased to announce these projects as a clear signal to our retail customers, regulators and transmission customers that we are taking steps now to ensure our system is adequate and capable of meeting future customer load growth and regional needs," said Pat Reiten, president of Pacific Power. "We are uniquely situated to make these essential investments in the regional transmission grid, which ensure continued service reliability and access to various generation resources. While designed to provide us with much-needed options in our ability to reliably serve our native retail load, we believe these new projects also provide substantial long-term benefits to the western region by promoting cost-efficient, flexible and diverse resource development."

The new lines will move power to high-growth areas, particularly in Utah and Wyoming. They also will support the needs of the West Coast states including PacifiCorp's existing customers in Washington, California and Oregon that are seeking increased use of renewable energy. Much of that renewable energy, particularly wind, is expected to come from Wyoming and adjacent states.

PacifiCorp has entered into a memorandum of understanding with Idaho Power Company to cooperate on the northernmost line, a double-circuit 500-kilovolt transmission line from PacifiCorp's and Idaho Power's jointly owned Jim Bridger power plant in Wyoming to southeastern Idaho, with a connection south into Utah along an existing transmission path from southern Idaho into northern Utah (Path C). Another segment of this line will be built west across Idaho and into Oregon. The 600-plus miles of line will be capable of delivering up to 3,000 megawatts of electricity from Wyoming to Idaho into Utah and up to 2,500 megawatts of new incremental capacity from Idaho west into Oregon.

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“Idaho Power is pleased to continue our longstanding relationship with Pacific Power by jointly working to develop regional-scale projects that would serve our growing customer needs. The flexibility created by the design and location of these proposed facilities would provide our load centers the necessary transmission access to additional resources called for in our Integrated Resource Plan,” said LaMont Keen, Idaho Power Idaho Power president and chief executive officer.

Another major line will run from southwestern Wyoming (near the Jim Bridger power plant) into central Utah at the Mona substation located in Juab County. The 600-mile project will extend from the Mona area into southern Utah and the desert southwest. It will be capable of delivering up to 3,000 megawatts from Wyoming to Mona and 3,000 megawatts from the Mona area into the desert southwest.

“We believe these new lines will support and help enable these regional project objectives,” said John Cupparo, vice president of transmission for Pacific Power. “As the recently released Frontier Line feasibility study noted, a stronger and less-constrained grid will ease transmission bottlenecks, enhance domestic energy security and enable new markets for clean and renewable energy sources. Taken as a whole, all of the projects are critical to shaping and strengthening the West’s transmission system and ensuring reliable, efficient, coordinated service.”

The new lines are a natural extension of the \$250 million transmission investment commitments MidAmerican Energy Holdings Company made when it acquired PacifiCorp in 2006. Transaction commitments include a Path C upgrade to alleviate a bottleneck to the flow of electricity during increasingly high consumption periods, a new transmission line from Mona north into Salt Lake City to relieve constraints in Utah, and a line that will support renewable energy development in Washington.

Pacific Power also continues to be an active participant in other regional transmission projects, including the Frontier Line and TransWest Express Line.

The new transmission projects announced today are a “hub and spoke” design—creating common points or “transmission hubs” of major interconnection for load and resources. From these hubs, power will be collected then moved in different directions. This comprehensive approach allows the company to deliver power from a variety of generation sources such as coal, gas or wind, to where it is needed.

Both lines will use double-circuit 500-kilovolt construction where feasible to lessen impacts on land use and also will optimize the use of future and existing transmission corridors where reliability requirements are not impacted.

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“We cannot stress enough the need to focus on the long-term needs and benefits required for the region and the Western grid,” said Cupparo. “It is this long-term view that will make the difference in how we address the expansion of the grid.”

The lines will be the first major projects to be built under the oversight of the Northern Tier Transmission Group, a coalition of investor-owned and public utilities, state government agencies and transmission customers intent on pursuing regional transmission planning and expansion opportunities consistent with Order No. 890 requirements recently adopted by the Federal Energy Regulatory Commission. Northern Tier, formed in late 2006, will oversee the planning of the two lines and manage the public input process.

Pacific Power and Idaho Power Company will be working with the Western Electricity Coordinating Council and the Northern Tier Transmission Group through the next steps of the regional planning and rating processes. Northern Tier will work with sub-regional groups including Northwest Transmission Assessment Committee, Columbia Grid, West Connect and others to ensure public and regional coordination is part of the process. Work will also commence soon on route selection and permitting for the two lines.

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About PacifiCorp

PacifiCorp is one of the lowest-cost electricity producers in the U.S., providing approximately 1.7 million customers with reliable, efficient energy. The company works to meet growing energy demand while protecting and enhancing the environment. PacifiCorp's electric generating plants have a net capability of more than 8,500 megawatts from coal, hydro, gas-fired combustion turbines and renewable wind and geothermal power. PacifiCorp operates as Pacific Power in Oregon, Washington and California, and as Rocky Mountain Power in Utah, Wyoming and Idaho.

About Idaho Power

Idaho Power serves more than 471,000 customers in a 24,000 square-mile area. The company operates its system with 4,629 miles of transmission lines and 25,935 miles of distribution lines. Idaho Power relies heavily on hydroelectric power for its generating needs and is one of the nation's few investor-owned utilities with a predominantly hydroelectric generating base. The company owns and operates 17 hydroelectric power plants, two gas-fired plants and shares ownership in three coal-fired generating plants. Idaho Power's mission is to prosper by providing reliable, responsible, fair-priced energy services, today and tomorrow.

About Northern Tier Transmission Group

The transmission grid delivers the electricity underpinning the Western economy and enabling our quality of life. This indispensable infrastructure is too important to take for granted. The Northern Tier Transmission Group, transmission owners serving the Northwest and Mountain states, are committed, with the active cooperation of state governments, to improving the operations of and charting the future for the grid that links their service territories. Participants in the Northern Tier Transmission Group are committed to working with one another and with affected stakeholders and state officials, to increase efficient use of the grid and to develop the infrastructure needed to deliver new renewable and thermal power resources to consumers. NTTG is focused on action and devoted to a collaborative, step-by-step approach that will deliver results promptly and cost effectively.