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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S INTERIM AND) CASE NO. IPC-E-01-16
PROSPECTIVE HEDGING, RESOURCE) (PHASE II)
PLANNING, TRANSACTION PRICING,)
AND IDACORP ENERGY SOLUTIONS) SUPPLEMENTAL STATUS REPORT
(IES) AGREEMENT.)
_____)

On December 20, 2002, in compliance with Order No. 29102 Idaho Power Company ("Idaho Power" or "the Company") and the Commission Staff jointly filed a Status Report to advise the Commission of the current status of the Parties' efforts to resolve the remaining issues in this case specifically relating to transactions between Idaho Power and IDACORP Energy LP ("IE") under the Agreement For Electricity Supply and Management Services between Idaho Power and IE ("Supply and Management Agreement").

In the December 20, 2002, Status Report, Idaho Power committed that on or before March 15, 2003, it would file with the Commission either a proposed resolution of the outstanding issues or another Status Report addressing the remaining unresolved issues and a plan for resolving the issues. This Supplemental Status Report is filed to fulfill that commitment.

History of the Proceeding

The December 20, 2002 Status Report provided a summary of the prior history of this case. This Supplemental Status Report will not repeat all of that history. However, one portion of the history of this case that needs to be updated is the resolution of Federal Energy Regulatory Commission ("FERC") issues. As noted in the December 20, 2002 Status Report, during the process of winding up IE's energy trading business, it became apparent to Idaho Power that a number of wholesale transactions between Idaho Power and IE had been executed in a manner that was not consistent with the requirements of the FERC. In addition, it was determined that a number of wholesale power transactions between the Company and IE had not received the required prior approval from the FERC. While in most instances IE has already paid for the wholesale services provided, purchase prices under these transactions must be reviewed and approved by the FERC. To come into full compliance with the FERC requirements, Idaho Power and IE have been engaged in a substantial effort to review, allocate, and price all transactions between the parties in a manner that is consistent with FERC requirements. Idaho Power has retained the services of Charles River Associates to assist in the separation of pricing process.

Plan For Resolution of -16 Case Issues

As noted in the December 20, 2002, Status Report, to determine the proper pricing and allocation of costs relating to transactions between IE and Idaho Power, it will be necessary for the FERC to finally approve purchase prices for certain ancillary services sold to IE and to finally approve prices for real-time energy purchases between Idaho Power and IE. Idaho Power has presented these issues and a massive amount of data to the FERC and is currently awaiting a determination by the FERC. As of the date of this filing, the FERC has not made its final determinations on the allocation and quantification of costs associated with the Idaho Power--IE transactions. Idaho Power has been in continuing communication with the FERC Staff and believes that the FERC will provide additional guidance as to how it intends to proceed in the very near future. Idaho Power is confident that this additional information will allow Idaho Power to proceed expeditiously with the plan for resolution of -16 case issues outlined in the December 20, 2002, Status Report.

As noted in the December 20, 2002, Status Report, Idaho Power and Staff have agreed that it is preferable to allow the FERC to complete its review process before initiating additional settlement discussions among the participants in this case. Idaho Power and Staff still believe this is the correct process to follow, as it will avoid unneeded duplication of effort and allow for the most efficient allocation of resources by the parties.

In summary, the plan for resolution anticipates that when the FERC has made its final determinations on the allocations and quantification of costs associated with the Idaho Power--IE transactions, Idaho Power and IE will enter into a settlement

agreement which would establish an amount of additional monies owing to Idaho Power. Idaho Power would then present that Idaho Power-IE settlement agreement and supporting documentation to the parties in this proceeding in a workshop or series of workshops in which the amount and derivation of additional revenue could be discussed. Following the workshops, it would be Idaho Power's and Staff's expectation that the parties would attempt to negotiate and enter into a written stipulation which will resolve and settle all of the remaining issues in this case. This stipulation would integrate the FERC-approved transfer prices and allocations in developing a final negotiated settlement.

Staff and Idaho Power still believe that this basic procedure is the most reasonable and prudent way to move forward with the ultimate resolution of the issues in this case.

On the assumption that the FERC is very close to providing Idaho Power with additional guidance, Idaho Power is willing to commit that on or before May 16, 2003, Idaho Power will file with the Commission either (1) the stipulated resolution described above, or (2) a supplemental status report addressing the remaining unresolved issues and a plan for resolving those issues.

Idaho Power reiterates its regret that this case has become so much more complicated than had been initially anticipated. The Company continues to be confident that the substantial effort already taken by Idaho Power, IE, and Charles River Associates will provide the participants in this case with a high level of confidence that all of the issues have been fully explored and that any additional compensation owing to Idaho Power is computed based on the best available data.

Respectfully submitted this 14th day of March, 2003.



BARTON L. KLINE
Attorney for Idaho Power Company



LISA D. NORDSTROM
Deputy Attorney General
Idaho Public Utilities Commission

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 14th day of March, 2003, I served a true and correct copy of the within and foregoing SUPPLEMENTAL STATUS REPORT upon the following named parties by the method indicated below, and addressed to the following:

Lisa D. Nordstrom	<input checked="" type="checkbox"/>	Hand Delivered
Deputy Attorney General	<input type="checkbox"/>	U.S. Mail
Idaho Public Utilities Commission	<input type="checkbox"/>	Overnight Mail
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Randall C. Budge	<input type="checkbox"/>	Hand Delivered
Racine, Olson, Nye, Budge & Bailey	<input checked="" type="checkbox"/>	U.S. Mail
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