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IDAHO PUBLIC
UTILITIES COMMISSION

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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) SECOND SUPPLEMENTAL
(IES) AGREEMENT.) STATUS REPORT
_____)

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").

Idaho Power and Commission Staff filed a Supplemental Status Report in this case on March 14, 2003. In the March 14, 2003, Status Report, Idaho Power committed that on or before May 16, 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 Second Supplemental Status Report is filed to fulfill that commitment.

History of the Proceeding

The prior Status Reports provided a summary of the prior history of this case. This Second 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 prior Status Reports, 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 separations and pricing process.

Plan For Resolution of -16 Case Issues

As noted in the prior Status Reports, 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.¹ Idaho Power has presented all of these issues to the FERC and is currently awaiting a determination by the FERC. As of the date of this report, Idaho Power and the FERC Staff have entered into a nonpublic Stipulation and Consent Agreement which has been presented to the FERC for its approval.² As of the date of this report the FERC has not acted on the Stipulation.

A description of the Idaho Power-IE transactions and the quantification of the dollar amounts to be paid by IE to Idaho Power as addressed in the FERC Stipulation and Consent Agreement is specifically described in John R. Gale's testimony in the Company's recent PCA filing (Case No. IPC-E-03-05). As Mr. Gale explains in his testimony, the Company is proposing to make an adjustment to the 2003-2004 PCA that is consistent with the amounts contained in the FERC Stipulation.

¹ Idaho Power has allowed the IPUC Staff to review a copy of the filing the Company and IE made with the FERC to conclude the IE-IPC relationship. This FERC filing addresses the real-time pricing issues. (FERC Docket No. ER01-1329-000-01)

² Staff has not reviewed the settlement agreement or any settlement documentation. Only the filing information noted in footnote 1 has been made available for review by the Staff.

As noted in the two prior Status Reports, Idaho Power and IPUC 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.

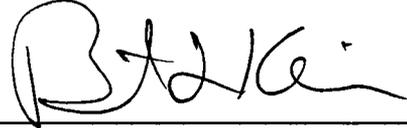
In summary, the plan for resolution anticipates that when the FERC has made its final determinations on the allocations and quantification of costs associated with the Idaho Power--IE transactions, Idaho Power and IE will enter into a settlement agreement which would establish an amount of additional 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 and Staff's expectation that the parties would attempt to negotiate and enter into a written stipulation to resolve and settle all of the remaining issues in this case. This stipulation may 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.

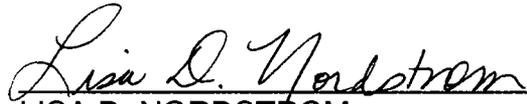
On the assumption that the FERC is close to providing Idaho Power with its final determination, Idaho Power is willing to commit that on or before August 15,

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.

Respectfully submitted this 13th day of May, 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 May, 2003, I served a true and correct copy of the within and foregoing SECOND SUPPLEMENTAL STATUS REPORT upon the following named parties by the method indicated below, and addressed to the following:

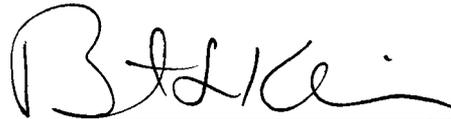
Lisa D. Nordstrom	<u> x </u>	Hand Delivered
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Bay Village, Ohio 44140	<u> </u>	Overnight Mail
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