



An IDACORP Company

IDAHO POWER COMPANY  
P.O. BOX 70  
BOISE, IDAHO 83707

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BETSY GALTNEY  
Regulatory Affairs Representative  
Pricing & Regulatory Services

IDAHO PUBLIC  
UTILITIES COMMISSION

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September 30, 2005

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, Idaho 83720-0074

RE: IPC-E-01-16 - Compliance Filing

Dear Ms. Jewell:

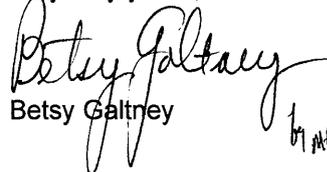
In Order No. 29102, issued in Case No. IPC-E-01-16, the Commission directed Idaho Power Company to submit a Risk Management and Policy Manual and the 2003-2004 Risk Guidelines as approved by the Idaho Power Company Board of Directors Audit Committee to the Commission for final review and approval. On December 4, 2002, the Company submitted the Policy Manual and Risk Guidelines to the Commission.

In Order No. 29102, the Commission also accepted a Stipulation which required the Company to meet annually with Commission Staff and the Customer Advisory Group to develop revised Risk Guidelines for each subsequent PCA year. The required annual collaborative meeting took place on August 1, 2005. During that meeting, the Company proposed no change to the Risk Guideline limits for the 2006-2007 PCA year and the Commission Staff and CAG were in agreement with the proposal. On September 14, 2005 the Risk Guidelines for the 2006-2007 PCA year were approved by the Audit Committee of the Board of Directors.

The Company Energy Risk Management Policy requires that any modifications to the Policy be filed with the Idaho Public Utilities Commission upon approval by the Audit Committee of the Board of Directors of Idaho Power. Accordingly, attached to this Compliance Filing is an original and six copies of the 2006-2007 Risk Guidelines as approved by the Audit Committee of the Board of Directors.

Two extra copies of the Compliance Filing are enclosed for Randy Lobb and Terri Carlock. Copies have also been sent to the Customer Advisory Group.

Very truly yours,

  
Betsy Galtney

BG:ma  
Enclosures

c: Randy Budge  
David Hawk  
Pam Eaton  
Dale Eldridge  
Don Reading  
Peter Richardson  
Lynn Tominaga  
Ric Gale, IPCO (w/o attachment)  
Bart Kline, IPCO (w/o attachment)

**APPENDIX F: RISK GUIDELINES FOR THE 2005-2006 and 2006-2007 PCA YEAR**

**TIER ONE**

System Risk Limit	\$100 million
Hedges Established	25 MW tranches
Hedges Removed	50 MW tranches

**TIER TWO**

Volumetric Limit	+/-100 MW
Hedges Established	25 MW tranches
Hedges Removed	50 MW tranches

**TIER THREE**

Hedges Established	25 MW tranches
Hedges Removed	50 MW tranches

The approved seasonal factors listed below will be applied to the Floor Limit prices and rounded to the nearest dollar.

<b>Floor Limits</b>	<b>Heavy Load</b>	<b>Light Load</b>
Expected Forecast	\$30	\$15
Low-Water Forecast	\$20	\$10

<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
92%	92%	91%	87%	90%	113%	116%	119%	110%	95%	94%	100%

The RMC may modify its hedging activities associated with each Tier constraint in order to recognize more efficient market transactions (i.e. buy for a quarter instead of individual months or establish or remove hedges in the most efficient increments).