



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

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IDAHO PUBLIC UTILITIES COMMISSION  
PATRICK A. HARRINGTON  
Attorney

February 25, 2003

**HAND DELIVERED**

Ms. Jean D. Jewell  
Secretary  
Idaho Public Utilities Commission  
Statehouse  
Boise, Idaho 83720

*\$ 250,000,000 q/b*

Re: In the Matter of the Application of Idaho Power Company for an Order Authorizing up to ~~\$250,000~~ Aggregate Principal Amount at any one time outstanding of Short-Term Borrowings

CASE NO. IPC-E-03-02

Dear Ms. Jewell:

Enclosed herewith for filing with the Commission are an original and five (5) copies of the above-referenced application. A notice for publication regarding the application is also enclosed for your signature. Idaho Power will promptly submit the \$1,000 application filing fee to the Commission for this application, as well as the financial statements to be filed as Attachment II. Please send three (3) certified copies of the Order issued in this matter to the undersigned.

If you have any questions regarding this application, please contact me at 388-2878.

Sincerely,

*Patrick A. Harrington*  
Patrick A. Harrington

PAH:jb  
Enclosures

- c: Darrel Anderson
- Dennis Gribble
- Randy Mills
- Terri Carlock

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION  
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IN THE MATTER OF THE APPLICATION OF IDAHO PUBLIC  
IDAHO POWER COMPANY FOR AN ORDER ) UTILITIES COMMISSION  
AUTHORIZING UP TO \$250,000,000 ) CASE NO. IPC-E-03-02  
AGGREGATE PRINCIPAL AMOUNT AT ) APPLICATION  
ANY ONE TIME OUTSTANDING OF )  
SHORT-TERM BORROWINGS )  
\_\_\_\_\_ )

IDAHO POWER COMPANY (the "Applicant") hereby applies for an Order of the Idaho Public Utilities Commission (the "Commission") authorizing the Applicant to incur up to \$250,000,000 aggregate principal amount at any one time outstanding of Short-Term Borrowings as set forth herein, pursuant to Chapter 9, Title 61, Idaho Code, and under Rules 141 through 150 of the Commission's Rules of Procedure (the "Rules").

(a) **The Applicant**

The Applicant is an electric public utility incorporated under the laws of the state of Idaho, engaged principally in the generation, purchase, transmission, distribution and sale of electric energy in an approximately 20,000 square mile area in southern Idaho and eastern Oregon. The principal executive offices of the Applicant are located at 1221 W. Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070; its telephone number is (208) 388-2200.

(b) **Description of Securities**

The securities will consist of loans issued by financial and other institutions and evidenced by unsecured notes or other evidence of indebtedness; and unsecured promissory notes to be issued for public or private placement through one or more commercial paper dealers or agents, or directly by Applicant.

(i) Amount of Securities

The securities proposed to be issued by Applicant hereunder will not exceed a total of \$250,000,000 aggregate principal amount at any one time outstanding.

(ii) Interest Rate

Applicant anticipates said borrowings will provide that the interest rates may be fixed or variable during the term of said loans, and that the rates will be based on LIBOR, the applicable prime rate, or other rate established in the borrowing arrangements, and may vary based upon the credit ratings of Applicant's first mortgage bonds.

(iii) Date of Issue

The proposed borrowings may be issued by the Applicant during the one-year period from April 1, 2003 through March 31, 2004.

(iv) Date of Maturity

The proposed borrowings will have varying maturities of not more than twelve months. In no event will any borrowing have a final maturity beyond March 31, 2005.

(v) Voting Privileges

Not applicable.

(vi) Call or Redemption Provisions

Not applicable.

(vii) Sinking Fund or Other Provisions for Secured Payment

Not applicable.

(c) **Manner of Issuance**

(i) Method of Marketing

Applicant intends to secure commitments for up to one year for unsecured Lines of Credit, individually or through an agent, with several financial or other institutions when and if required by Applicant's then current financial requirements (see Paragraph (d), Purpose of Issuance). Each individual Line of Credit Commitment will provide that up to a specific amount at any one time outstanding will be available to Applicant to draw upon for a fee to be determined by a percentage of the credit line available, credit line utilization, compensating balance or combination thereof.

A syndicated facility would include an arrangement fee estimated at \$250,000 payable to the agent, an annual fee estimated at \$30,000 payable to the agent, and a facility fee determined by a percentage of each bank's commitment.

Applicant may also make arrangements for uncommitted credit facilities under which unsecured Lines of Credit would be offered to Applicant on an "as available" basis and at negotiated interest rates. Such committed and uncommitted borrowings will be evidenced by unsecured promissory notes or other evidence of indebtedness. The committed and uncommitted Line of Credit agreements specifying the terms of Applicant's borrowings will be filed with the Commission as soon as available as Exhibit A.

Unsecured promissory notes will be issued and sold by Applicant through one or more commercial paper dealers or agents, or directly by Applicant. Each note issued as commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest bearing to be paid at maturity. Each note will have a fixed maturity and will contain no provision for automatic "roll over".

(ii) Terms of Sale

See Paragraph (c)(i), Method of Marketing.

(iii) Underwriting Discounts or Commissions

(A) Reference is made to paragraph (c)(i), Method of Marketing, which specifies the method of payment of fees to the financial or other institutions pursuant to the Line of Credit arrangements.

(B) It is expected that the commercial paper dealers or agents will sell such notes at a profit to them of not to exceed 1/8 of 1 percent of the principal amount of each note.

(iv) Sales Price

See paragraph (c)(iii), Underwriting Discounts or Commissions.

(d) **Purpose of Issuance**

The proposed short-term borrowings will be made, and the promissory notes, commercial paper, or other evidence of indebtedness issued, to obtain temporary, interim capital (including renewal of short-term notes or other evidence of indebtedness issued or outstanding prior to March 31, 2003), for the following purposes:

(i) Property to be Acquired or Constructed

The short-term funds will be used to finance Applicant's ongoing construction program including, but not limited to, new plant investment as well as the upgrade of existing generation, distribution, transmission and general plant.

(ii) Refunding of Obligations and Reimbursement of Expenditures

The short-term funds may also be used by Applicant for the retirement of maturing debt and the possible repurchase or defeasance of certain debt or preferred stock presently outstanding.

(iii) Other Purposes

Applicant may also use the short-term funds for general corporate purposes including, but not limited to, the possible purchase of electric utility assets and service territory and the possible repurchase of common shares and/or debt securities of Applicant on the open market.

(e) Propriety of Issue and Guarantee

Applicant believes and alleges the fact set forth in Paragraph (d), Purpose of Issuance, disclose that the proposed short-term borrowings are for a lawful object within the corporate purposes of Applicant and compatible with the public interest, and are necessary or appropriate for, or consistent with, the proper performance by Applicant of service as a public utility and will not impair its ability to perform that service.

(f) Financial Statements; Resolutions

Applicant will promptly file with the Commission as Attachment I its financial statements, consisting of its (A) Actual and Pro Forma Balance Sheet and Notes to Financial Statements, (B) Statement of Capital Stock and Funded Debt, (C) Commitments and Contingent Liabilities, (D) Statement of Retained Earnings and (E) Statement of Income.

A certified copy of the resolutions of Applicant's Directors authorizing the transaction with respect to this Application is attached hereto as Attachment II.

(g) **Proposed Order**

Applicant has filed as Attachment III a Proposed Order for adoption by the Commission if this Application is granted.

(h) **Notice of Application**

Notice of this Application will be published in those newspapers in Applicant's service territory listed in Rule 141(h) of the Commission's Rules within seven (7) days of the date hereof.

(i) **Reports**

Applicant will file as Exhibit A hereto, a verified report with the Commission pursuant to Rule 143, listing the proposed agreements for the committed and uncommitted unsecured Lines of Credit and other agreements evidencing the borrowing arrangements.

**PRAYER**

WHEREFORE, Applicant requests that the Idaho Public Utilities Commission issue its Order authorizing Applicant, during the period from April 1, 2003 to and including March 31, 2004, to make short-term borrowings and to issue unsecured notes (including renewal notes) or other evidence of indebtedness, for the purposes herein set forth in an amount not to exceed \$250,000,000 aggregate principal amount at any one time outstanding. Applicant further requests authority to substitute commercial paper borrowings for the Lines of Credit, or other borrowing arrangements up to the limits imposed by applicable statutes, rules or regulations.



DATED at Boise, Idaho this \_\_\_\_ day of February 2003.

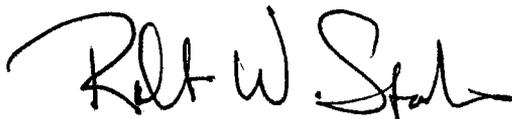
IDAHO POWER COMPANY



/s/ Darrel T. Anderson  
Vice President, CFO & Treasurer

(CORPORATE SEAL)

ATTEST:



/s/ Robert W. Stahman

Secretary  
Idaho Power Company  
1221 W. Idaho Street  
Boise, ID 83707-0070

VERIFICATION

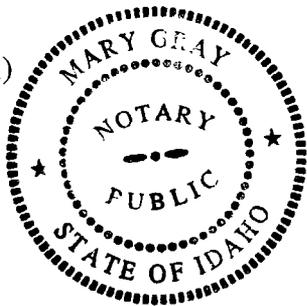
I, Darrel T. Anderson, declare that I am the Vice President, CFO and Treasurer of Idaho Power Company, and am authorized to make this Verification. The application and the attached exhibits were prepared at my direction and were read by me. I know the contents of the Application and the attached exhibits, and they are true, correct and complete to the best of my knowledge and belief.

WITNESS my hand and seal of Idaho Power Company this 24<sup>th</sup> day of February, 2003.

*Darrel T. Anderson*  
/s/ Darrel T. Anderson

SUBSCRIBED AND SWORN to me this 24 day of February, 2003.

(Notary Seal)



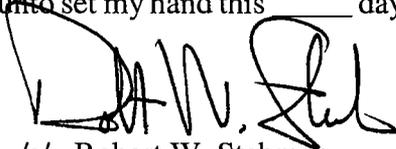
*Mary Gray*  
Notary Public for Idaho  
Residing at Boise, Idaho  
My Commission Expires: 7/17/2004

# ATTACHMENT I

STATE OF IDAHO )  
COUNTY OF ADA ) ss.  
CITY OF BOISE )

I, ROBERT W. STAHPMAN, the undersigned, Secretary of Idaho Power Company, do hereby certify that the following constitutes a full, true and correct copy of the resolutions adopted by the Board of Directors of the Company on March 21, 2002, authorizing the Company to incur up to \$350,000,000 aggregate principal amount of short-term borrowing, and that said resolutions have not been amended or rescinded and are in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of February, 2003.

  
/s/ Robert W. Stahman  
Secretary

(CORPORATE SEAL)

RESOLVED, That for the purpose of providing in part for the Company's ongoing financial requirements, unsecured short-term borrowings by the Company are hereby authorized in an aggregate principal amount of not to exceed \$350,000,000 at any one time outstanding, such borrowings (including renewals thereof), subject to the authority of, or in compliance with procedures of, all governmental agencies having jurisdiction in respect thereof, to be made (1) at such time or times, in such amount or amounts (within the above specified aggregate maximum), for such period or periods, at such rate or rates of interest, upon such other terms and conditions, and to be evidenced by notes or such other evidence of indebtedness in such form or forms as shall be determined by, and (2) under such agreement or agreements or pursuant to such arrangements as shall have been approved by, the Chief Executive Officer, the President, the Chief Financial Officer, or the Treasurer or any Assistant Treasurer, as necessary or appropriate, in view of the Company's financial requirements; and that the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or Assistant Treasurer, are, and each of them hereby is authorized to execute and deliver in the name and on behalf of the Company, all such agreements and arrangement documents, or instruments, and to do or cause to be done all such other things, as may be required or expedient for the purpose of such borrowing, including the determination of a bank or banks to act as issuing and paying agent for any promissory notes or other evidence of indebtedness of the Company; and that the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or Assistant Treasurer be, and they hereby are authorized and empowered from time to time, to make, execute and deliver in the name and on behalf of the Company, promissory notes or other evidence of indebtedness, not to exceed an aggregate principal amount of \$350,000,000 at any one time outstanding as herein authorized; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and directed to file applications with the Idaho Public

Utilities Commission, and such other commissions or regulatory agencies identified by such officers, for any necessary or appropriate authorization in connection with the short-term borrowings in an aggregate principal amount not to exceed \$350,000,000 as determined by the proper officers of the Company to be in the best interest of the Company, and to execute on behalf of the Company and in its name and to cause to be filed with said Commission such amendments, supplements and reports, if any, as they deem necessary or proper in connection with such applications and with any orders issued by the Commission; and be it

FURTHER RESOLVED, That all acts heretofore done and all documents heretofore executed, filed or delivered by the officers of the Company in connection with the proposed short-term borrowings are hereby approved, ratified and confirmed; and that the officers of the Company are hereby authorized and directed to do or cause to be done any and all other acts and things in their judgment that may be necessary or proper or as counsel may advise in order to carry out the purpose of the foregoing resolutions.

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RESOLVED, That effective on the date hereof, subject to regulatory approvals, authorizations or consents, Idaho Power Company may issue and sell its promissory notes (commercial paper or similar notes), from time to time (either in physical or electronic book-entry form or otherwise) to such lenders, brokers, dealers or placement agents in commercial paper as the officers of the Company may determine, in principal amounts not to exceed an aggregate of \$350,000,000 at any time outstanding, each such note to be signed by one officer of the Company as hereinafter provided, at such prices and containing such dates, rates, maturities or other terms as the officer or officers executing said notes shall deem appropriate; provided, that no such note shall be for a term of more than 270 days; and be it

FURTHER RESOLVED, That the signature or signatures on said promissory notes may be either the manual or facsimile signature of the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer or any Assistant Treasurer of the Company, or any other officer of the Company designated in writing by any of the foregoing; and be it

FURTHER RESOLVED, That any one of the following officers of the Company, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Assistant Treasurer be, and each hereby is authorized to execute and deliver on behalf of the Company an agreement with U.S. Bank Trust National Association, New York, or other financial institution, providing for the safekeeping, completion, countersignature, issuance and payment of the promissory notes of the Company; and be it

FURTHER RESOLVED, That any of the above officers be and each one hereby is authorized to revoke such agreement or execute and deliver, from time to time, such amendments to said agreement as any such officer may deem to be desirable.

# ATTACHMENT II

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER COMPANY FOR AN ORDER ) CASE NO. IPC-E- \_\_\_\_  
AUTHORIZING UP TO \$250,000,000 )  
AGGREGATE PRINCIPAL AMOUNT AT ) PROPOSED ORDER  
ANY ONE TIME OUTSTANDING OF )  
SHORT-TERM BORROWINGS )  
\_\_\_\_\_ )

On February 25, 2003, Idaho Power Company (Idaho Power), an electrical utility headquartered in Boise, Idaho, providing retail electric service in southern Idaho and eastern Oregon, filed with this Commission its Application pursuant to Chapter 9, Title 61 of the Idaho Code and Rules 141 through 150 of the Commission's Rules of Procedure, requesting an Order authorizing Idaho Power to incur up to \$250,000,000 aggregate principal amount of short-term borrowings at any one time outstanding. The Commission hereby adopts its Findings of Fact, Conclusions of Law and Order approving the Application.

**FINDINGS OF FACT**

I

Idaho Power was incorporated on May 6, 1915 and migrated its state of incorporation to the state of Idaho on June 30, 1989 and is duly qualified to do business in the state of Idaho. Idaho Power's principal office located in Boise, Idaho.

II

Idaho Power proposes, subject to the approval of the Commission, to secure commitments for unsecured Lines of Credit for up to one year with several financial and other institutions. Each Line of Credit commitment will provide that up to a specific amount at any one time outstanding will be available to Idaho Power to draw upon for a fee to be determined either by a

percentage of the credit line available, credit line utilization, compensating balance or combination thereof. In the case of a syndicated facility, Idaho Power will pay an arrangement fee and an annual fee to the agent as well as a facility fee based on a percentage of each bank's commitment. Idaho Power may also make arrangements for uncommitted credit facilities under which unsecured Lines of Credit would be offered to Idaho Power on an "as available" basis and at negotiated interest rates. Such committed and uncommitted borrowings will be evidenced by unsecured promissory notes or other evidence of indebtedness.

In addition, unsecured promissory notes will be issued and sold by Idaho Power directly or through one or more commercial paper dealers or agents. Each note issued as commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest bearing to be paid at maturity. Each such note will have a fixed maturity and contain no provision for automatic "roll over".

### III

The proposed borrowings may be issued by the Idaho Power during the period from April 1, 2003 to and including March 31, 2004. The proposed borrowings will have varying maturities, but in no event will any borrowing have a final maturity beyond March 31, 2005.

### IV

Idaho Power states the purpose for which the proposed short-term borrowings will be made and promissory notes, commercial paper or other evidence of indebtedness issued, is to obtain temporary, interim capital (including renewal of short-term notes or other evidence of indebtedness issued or outstanding prior to April 1, 2003), to finance Idaho Power's ongoing construction program, including, but not limited to, new plant investment, as well as the upgrade of existing generation, distribution, transmission and general plant, and for general corporate purposes

including, but not limited to, the possible purchase of electric utility assets and service territory, the possible repurchase of common shares of Idaho Power, the retirement of maturing debt and the possible repurchase or defeasance of certain debt or preferred stock presently outstanding.

### **CONCLUSIONS OF LAW**

Idaho Power is an electrical corporation within the definition of *Idaho Code* § 61-119 and is a public utility within the definition of *Idaho Code* § 61-129.

The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* § 61-901 *et seq.*, and the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedures, IDAPA 31.01.01.141-150.

The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utility Law of the state of Idaho and are compatible with the public interest. However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

All fees have been paid by Idaho Power in accordance with *Idaho Code* § 61-905.

### **ORDER**

IT IS THEREFORE ORDERED that Idaho Power Company be, and the same is hereby authorized, during the period from April 1, 2003 to and including March 31, 2004 to make

short-term borrowings and to issue unsecured notes (including renewal notes), for the purposes herein set forth, in an amount not to exceed \$250,000,000 aggregate principal amount of short-term promissory notes or other evidence of indebtedness to be outstanding at any one time, with a final maturity of no later than March 31, 2005. Idaho Power is further authorized to the extent permissible under applicable governmental statutes and regulations to substitute commercial paper borrowings for the Lines of Credit, or other borrowing arrangements, up to the limit of \$250,000,000 aggregate principal amount at any one time outstanding as herein set forth. No additional authorization is required to carry out this transaction and no Supplemental Order will be issued.

IT IS FURTHER ORDERED that Idaho Power file, as soon as available, final exhibits as set forth in its Application.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, utility capital structure, service, accounts, evaluation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Title 61, Chapter 9, *Idaho Code*, or any act or deed done or performed in connection therewith shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of said Title 61, Chapter 9, *Idaho Code*.

DONE BY ORDER of the Idaho Public Utilities Commission at Boise, Idaho this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_

PAUL KJELLANDER, President

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DENNIS HANSEN, Commissioner

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MARSHA H. SMITH, Commissioner

ATTEST:

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Jean D. Jewell  
Commission Secretary