

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

RECEIVED
FILED
2003 MAR -3 PM 4:54

IDAHO PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUANCE AND)
SALE OF UP TO \$300,000,000 OF APPLICANT'S)
(1) FIRST MORTGAGE BONDS, (2) SERIAL)
PREFERRED STOCK, WITHOUT PAR VALUE)
AND (3) DEBT SECURITIES)
_____)

03
CASE NO. IPC-E-01-03
APPLICATION

Idaho Power Company (the "Applicant") hereby applies for an Order from the Idaho Public Utilities Commission (the "Commission") under Title 61, Idaho Code, Chapters 1 and 9, and Chapters 141 through 150 of the Commission's Rules of Practice and Procedure, for authority to issue and sell from time to time (a) up to \$300,000,000 aggregate principal amount of one or more series of Applicant's First Mortgage Bonds, which may be designated as secured medium-term notes (the "Bonds"), (b) up to \$300,000,000 in gross proceeds to Applicant of one or more series of its Serial Preferred Stock, Without Par Value (the "Preferred Stock") and (c) up to \$300,000,000 aggregate principal amount of one or more series of unsecured debt securities of the Applicant (the "Debt Securities"); provided, however, that the total principal amount of the Bonds, the gross proceeds to Applicant of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold hereunder shall not exceed \$300,000,000. The Bonds, Preferred Stock and Debt Securities will be issued publicly pursuant to a shelf registration with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"), or privately pursuant to an exemption from registration under the Act, as set forth herein.

(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 Bonds, Preferred Stock and Debt Securities will be registered with the SEC on a Registration Statement filed in accordance with Rule 415 of the Act, as amended. Upon filing the Registration Statement with the SEC, the Applicant will also file a copy of the Registration Statement with the Commission in this case. This shelf registration of the Bonds, Preferred Stock and Debt Securities with the SEC will allow the Applicant to issue and sell one or more series of the Bonds, Preferred Stock and Debt Securities on a continuous or delayed basis if authorized by the Commission and the other state regulatory commissions having jurisdiction over the Applicant's securities. This will enable the Applicant to take advantage of attractive market conditions efficiently and rapidly. Under a shelf registration, the Applicant will be able to issue the Bonds, Preferred Stock and Debt Securities at different times without the necessity of filing a new registration statement. Applicant requests authority to issue the Bonds, Preferred Stock and Debt Securities over a period of two years from the date of the Commission's order approving this transaction.

Bonds

The Applicant proposes to issue and sell, from time to time, up to \$300,000,000 aggregate principal amount of one or more series of the Bonds pursuant to the Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 between the Applicant and Bankers Trust Company (now Deutsche Bank Trust Company Americas) (the "Trustee") and R.G. Page (Stanley Burg, successor individual trustee), as trustees, as supplemented and amended (the "Mortgage"), and as to be further supplemented by one or more supplemental indentures relating to the Bonds. The Applicant may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars. The Bonds will be secured equally with the other First Mortgage Bonds of the Applicant.

After the terms and conditions of the issuance and sale of the Bonds have been determined, Applicant will file a Prospectus Supplement(s) with the SEC if the Bonds are sold publicly, setting forth the series designation, aggregate principal amount of the issue, purchase price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, whether interest rate hedging arrangements will apply to the Bonds, repayment terms, redemption terms, if any, and any other special terms of the Bonds, which terms may be different for each issuance of the Bonds. The Applicant will also file a copy of the Prospectus Supplement with the Commission.

The Bonds may be designated as secured medium-term notes. The medium-term notes could have maturities from nine months to thirty years. Prior to issuing medium-term notes publicly, the Applicant will file a prospectus supplement with the SEC setting forth the general terms and conditions of the medium-term notes to be issued. Upon each issuance of the medium-term notes pursuant to the Prospectus Supplement, the Applicant will file a Pricing Supplement with the SEC providing a specific description of the terms and conditions of each issuance of the medium-term notes. Applicant will also file a copy of the Prospectus Supplement and Pricing Supplement with the Commission.

Applicant's outstanding First Mortgage Bonds are currently rated A-2 by Moody's Investors Service, A by Standard & Poor's Corporation, and A by Fitch IBCA. If the Bonds are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Bonds are sold privately, the Bonds will probably not be rated.

Preferred Stock

Applicant proposes to issue and sell, from time to time, up to \$300,000,000 of one or more new series of its Serial Preferred Stock, Without Par Value. For a further description of Applicant's Serial Preferred Stock, Without Par Value, reference is made to Applicant's Restated Articles of Incorporation, as amended, a copy of which is filed herewith as Attachment I.

After the terms and conditions of the issuance and sale of the Preferred Stock have been determined, Applicant will file a Prospectus Supplement(s) with the SEC if the Preferred Stock is sold publicly, setting forth the series designation, aggregate amount of the issue, purchase price or prices, retirement date or dates, if any, sinking fund provisions, if any, dividend rate or rates (which may be fixed or variable) and/or the method of determination of such rate or

rates, time of payment of dividends, redemption terms, if any, and any other special terms of the Preferred Stock, which terms may be different for each issuance of the Preferred Stock. Applicant will also file a copy of the Prospectus Supplement with the Commission.

Applicant's outstanding Preferred Stock are currently rated Baa2 by Moody's, BBB by Standard & Poor's, and BBB+ by Fitch IBCA. If the Preferred Stock is sold publicly, Applicant cannot predict whether it will be similarly rated. If the Preferred Stock is sold privately, it will probably not be rated.

Debt Securities

The Debt Securities will be unsecured obligations of the Applicant and will be issued under an existing or a new unsecured debt Indenture of the Applicant. A form of any new Indenture will be included in the Registration Statement which will be filed with the Commission as stated above. The Applicant will supplement the Indenture in the future to further specify the terms and conditions of each series of Debt Securities. Such amendments will be filed with the SEC and will also be filed with the Commission. The Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars.

After the terms and conditions of the issuance and sale of the Debt Securities have been determined, Applicant will file a Prospectus Supplement(s) with the SEC if the Debt Securities are sold publicly, setting forth the series designation, aggregate principal amount of the issue, purchase price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Debt Securities will be discounted, whether

all or a portion of the Debt Securities will be issued in global form, whether the interest rate hedging arrangements will apply to the Debt Securities, repayment terms, redemption terms, if any, and any other special terms of the Debt Securities, which terms may be different for each issuance of the Debt Securities. Applicant will also file a copy of the Prospectus Supplement with the Commission.

Applicant's outstanding unsecured senior debt is currently rated A3 by Moody's investors Service, BBB+ by Standard & Poor's Corporation, and A- by Fitch IBCA. If the Debt Securities are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Debt Securities are sold privately, the Debt Securities will probably not be rated.

(c) Method of Issuance

The Bonds, Preferred Stock and Debt Securities may be sold by public sale or private placement, directly by the Applicant or through agents designated from time to time or through underwriters or dealers. If any agents of the Applicant or any underwriters are involved in the sale of the Bonds, Preferred Stock or Debt Securities, the names of such agents or underwriters, the initial price to the public, any applicable commissions or discounts and the net proceeds to the Applicant will be filed with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the name of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission.

Agents and underwriters may be entitled under agreements entered into with the Applicant to indemnification by the Applicant against certain civil liabilities, including the liabilities under the Act.

(d) Purpose of Issuance

The net proceeds to be received by the Applicant from the sale of the Bonds, Preferred Stock and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes. To the extent that the proceeds from the sale of the Bonds, Preferred Stock and Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

(e) Propriety of Issue

Applicant believes and alleges the facts set forth herein disclose that the proposed issuance and sale of Bonds, Preferred Stock and Debt Securities are for a lawful object within the corporate purposes of Applicant and compatible with the public interest, 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, and are reasonably necessary or appropriate for such purposes.

(f) Financial Statements; Resolutions

Applicant has filed herewith as Attachment II 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 filed as Attachment III.

(g) Proposed Order

Applicant has filed as Attachment IV 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 the Applicant's service territory listed in Section 24.19 of the Commission's Rules within seven (7) days of the date hereof.

PRAYER

WHEREFORE, Applicant respectfully requests that the Idaho Public Utilities Commission issue its Order herein authorizing Applicant to issue and sell for the purposes herein set forth up to \$300,000,000 aggregate principal amount of one or more series of its Bonds, up to \$300,000,000 in gross proceeds to Applicant of one or more series of its Preferred Stock, and up to \$300,000,000 aggregate principal amount of its Debt Securities; provided, that the total principal amount of the Bonds, gross proceeds to Applicant of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000.

DATED at Boise, Idaho this 27th day of February, 2003.

IDAHO POWER COMPANY

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

(CORPORATE SEAL)

ATTEST:

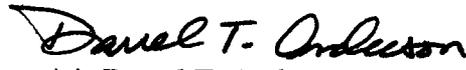

/s/ Robert W. Stahman

Secretary
Idaho Power Company
1221 W. Idaho Street
P.O. Box 70
Boise, Idaho 83707-0070

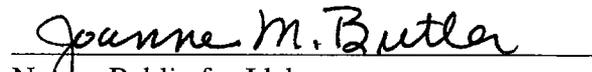
VERIFICATION

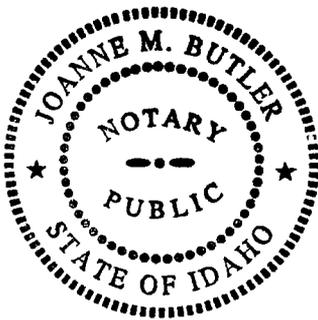
I, Darrel T. Anderson, declare that I am the Vice President, CFO and Treasurer of Idaho Power Company and am authorized to make this Verification. The Application and the attached exhibits were prepared at my direction and were read by me. I know the contents of the Application and the attached exhibits, 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 27th day of February, 2003.


/s/ Darrel T. Anderson

SUBSCRIBED AND SWORN to before me this 27th day of February, 2003.


Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 10-5-07



ATTACHMENT II(a)

IDAHO POWER COMPANY
BALANCE SHEET
As of September 30, 2002

ASSETS

	<u>Actual</u>	<u>Adjustments</u>	<u>After Adjustments</u>
Electric Plant :			
In service (at original cost).....	\$ 3,043,566,304	\$	\$ 3,043,566,304
Accumulated provision for depreciation.....	<u>(1,278,568,264)</u>	<u> </u>	<u>(1,278,568,264)</u>
In service - Net.....	1,764,998,040		1,764,998,040
Construction work in progress.....	98,263,888		98,263,888
Held for future use.....	<u>2,335,078</u>	<u> </u>	<u>2,335,078</u>
Electric plant - Net.....	<u>1,865,597,006</u>	<u> </u>	<u>1,865,597,006</u>
Investments and Other Property:			
Nonutility property.....	1,050,389		1,050,389
Investment in subsidiary companies	20,576,816		20,576,816
Other.....	<u>17,332,118</u>	<u> </u>	<u>17,332,118</u>
Total investments and other property.....	<u>38,959,323</u>	<u> </u>	<u>38,959,323</u>
Current Assets:			
Cash and cash equivalents (A).....	15,163,442	300,000,000	315,163,442
Receivables:			
Customer.....	70,652,835		70,652,835
Allowance for uncollectible accounts.....	<u>(1,516,892)</u>		<u>(1,516,892)</u>
Notes.....	4,988,276		4,988,276
Employee notes	7,514,914		7,514,914
Related party.....	20,753,816		20,753,816
Other.....	789,523		789,523
Accrued unbilled revenues.....	28,742,437		28,742,437
Materials and supplies (at average cost).....	22,842,008		22,842,008
Fuel stock (at average cost).....	10,646,740		10,646,740
Prepayments.....	33,784,150		33,784,150
Regulatory assets associated with income taxes.....	<u>14,853,118</u>	<u> </u>	<u>14,853,118</u>
Total current assets.....	<u>229,214,367</u>	<u>300,000,000</u>	<u>529,214,367</u>
Deferred Debits:			
American Falls and Milner water rights.....	31,585,000		31,585,000
Company owned life insurance.....	35,440,064		35,440,064
Regulatory assets associated with income taxes.....	311,782,923		311,782,923
Regulatory assets - PCA.....	176,273,769		176,273,769
Regulatory assets - other.....	32,889,686		32,889,686
Other.....	<u>46,095,321</u>	<u> </u>	<u>46,095,321</u>
Total deferred debits.....	<u>634,066,763</u>	<u> </u>	<u>634,066,763</u>
Total.....	<u>\$ 2,767,837,459</u>	<u>\$ 300,000,000</u>	<u>\$ 3,067,837,459</u>

(A) See Statement of Adjusting Journal Entries.

The accompanying Notes to Financial Statements are an integral part of this statement

IDAHO POWER COMPANY
BALANCE SHEET
As of September 30, 2002

CAPITALIZATION AND LIABILITIES

	Common Shares Authorized	Common Shares Outstanding	Actual	Adjustments	After Adjustments
Equity Capital:	50,000,000	37,612,351			
Common stock			\$ 94,030,878	\$	\$ 94,030,878
Preferred stock			53,985,100		53,985,100
Premium on capital stock.....			361,874,913		361,874,913
Capital stock expense.....			(2,724,027)		(2,724,027)
Retained earnings.....			336,128,388		336,128,388
Accumulated other comprehensive income.....			(5,980,195)		(5,980,195)
			837,315,057		837,315,057
Total equity capital.....					
Long-Term Debt:					
First mortgage bonds (A).....			470,000,000	300,000,000	770,000,000
Pollution control revenue bonds			170,460,000		170,460,000
Other long-term debt.....			1,120,254		1,120,254
American Falls bond and Milner note guarantees			31,585,000		31,585,000
Unamortized discount on long-term debt (Dr).....			(842,223)		(842,223)
			672,323,031	300,000,000	972,323,031
Total long-term debt.....					
Current Liabilities:					
Long-term debt due within one year.....			107,084,021		107,084,021
Notes payable.....			133,300,000		133,300,000
Accounts payable			37,533,427		37,533,427
Notes and accounts payable to related parties.....			110,888,847		110,888,847
Taxes accrued.....			36,295,498		36,295,498
Interest accrued.....			19,569,756		19,569,756
Deferred income taxes.....			14,853,118		14,853,118
Other.....			22,336,755		22,336,755
			481,861,422		481,861,422
Total current liabilities.....					
Deferred Credits:					
Regulatory liabilities associated with accumulated deferred investment tax credits			68,831,560		68,831,560
Deferred income taxes.....			588,190,654		588,190,654
Regulatory liabilities associated with income taxes			41,785,011		41,785,011
Regulatory liabilities-other.....			6,055,837		6,055,837
Other.....			71,474,887		71,474,887
			776,337,949		776,337,949
Total deferred credits.....					
Total.....			\$ 2,767,837,459	\$ 300,000,000	\$ 3,067,837,459

(A) See Statement of Adjusting Journal Entries.

The accompanying Notes to Financial Statements are an integral part of this statement

IDAHO POWER COMPANY
STATEMENT OF ADJUSTING JOURNAL ENTRIES
As of September 30, 2002
Giving Effect to the Proposed issuance of
Short-term notes

Cash.....	\$	300,000,000	
Notes Payable.....			\$ 300,000,000

To record the proposed issuance of short-term notes and receipt of cash.

IDAHO POWER COMPANY
 CLASSIFICATION OF ELECTRIC UTILITY PLANT AND ACCUMULATED
 PROVISION FOR DEPRECIATION AND AMORTIZATION
 As of September 30, 2002

Classification of Electric Plant

Electric Utility Plant

1. Electric plant in service:			
(a) Intangible plant.....	\$ 60,919,111		
(b) Steam plant.....	760,044,704		
(c) Hydro production plant.....	620,537,149		
(d) Other production plant.....	49,107,099		
(e) Transmission plant.....	474,772,255		
(f) Distribution plant.....	881,030,211		
(g) General plant.....	<u>197,610,224</u>	\$ 3,044,020,753	
2. Electric plant held for future use.....		2,335,078	
3. Construction work in progress.....		<u>98,263,888</u>	
Total electric utility plant.....		<u>\$ 3,144,619,719</u>	

Classification of Accumulated Provision for Depreciation and Amortization

Applicable to Electric Plant

Accumulated provision for depreciation of electric plant	\$ 1,255,107,011
Accumulated provision for amortization of electric plant	<u>23,692,262</u>
Total accumulated provision for depreciation and amortization.....	<u>\$ 1,278,799,273</u>

The accompanying Notes to Financial Statements are an integral part of this statement

IDAHO POWER COMPANY
NOTES TO FINANCIAL STATEMENTS
As of September 30, 2002

1. Property Plant and Equipment:

The cost of additions to utility plant in service represents the original cost of contracted services, direct labor and material, allowance for funds used during construction and indirect charges for engineering, supervision and similar overhead items. Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property are expensed to operations. The Company records repair and maintenance costs associated with planned major maintenance as these costs are incurred. For property replaced or renewed the original cost plus removal cost less salvage is charged to accumulated provision for depreciation while the cost of related replacements and renewals is added to property, plant and equipment.

2. Depreciation:

All utility plant is depreciated using the straight-line method at rates approved by regulatory authorities.

3. Revenues:

In order to match revenues with associated expenses, the Company accrues unbilled revenues for electric services delivered to customers but not yet billed at month-end.

4. Cash and Cash Equivalents:

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and highly liquid temporary investments with maturity dates at date of acquisition of three months or less.

5. Regulation of Utility Operations:

The Company follows SFAS No. 71, "Accounting for the Effects of Certain Types of Regulations," and its financial statements reflect the effects of the different rate making principles followed by the various jurisdictions regulating the Company. The economic effects of regulation can result in regulated companies recording costs that have been or are expected to be allowed in the ratemaking process in a period different from the period in which the cost would be charged to expense by an unregulated enterprise. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses in the periods when those same amounts are reflected in rates. Additionally, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for amounts that are expected to be refunded to customers (regulatory liabilities).

6. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Financing:

The Company has regulatory authority to incur up to \$350 million of short-term indebtedness. The Company also has a \$200 million 364-day revolving credit facility that expires in March 2003, under which the Company pays a facility fee on the commitment quarterly in arrears, based on its corporate credit rating. Commercial paper may be issued subject to the regulatory maximum, up to the amount supported by the credit facilities. At September 30, 2002, short-term borrowing under this facility totaled \$133 million. The Company repaid \$100 million of

NOTES TO FINANCIAL STATEMENTS (Continued)

floating rate notes in September 2002 using short-term borrowings from IDACORP which are payable on November 15, 2002. The Company plans to replace this intercompany debt with external financing.

The Company currently has a \$200 million shelf registration that can be used for first mortgage bonds, including medium-term notes, unsecured debt or preferred stock. At September 30, 2002 none had been issued.

In March 2002, \$50 million of First Mortgage Bonds 8.75% Series due 2027 were redeemed early using short-term borrowings.

8. Income Taxes:

The Company follows the liability method of computing deferred taxes on all temporary differences between the book and tax basis of assets and liabilities and adjusts deferred tax assets and liabilities for enacted changes in tax laws or rates. Consistent with orders and directives of the Idaho Public Utilities Commission (IPUC), the regulatory authority having principal jurisdiction, the Company's deferred income taxes (commonly referred to as normalized accounting) are provided for the difference between income tax depreciation and straight-line depreciation computed using book lives on coal-fired generation facilities and properties acquired after 1980. On other facilities, deferred income taxes are provided for the difference between accelerated income tax depreciation and straight-line depreciation using tax guideline lives on assets acquired prior to 1981. Deferred income taxes are not provided for those income tax timing differences where the prescribed regulatory accounting methods do not provide for current recovery in rates. Regulated enterprises are required to recognize such adjustments as regulatory assets or liabilities if it is probable that such amounts will be recovered from or returned to customers in future rates.

The State of Idaho allows a three percent investment tax credit upon certain qualifying plant additions. Investment tax credits earned on regulatory assets are deferred and amortized to income over the estimated service lives of the related properties. Credits earned on non-regulated assets or investments are recognized in the year earned.

Tax Accounting Method Change

During the third quarter ended September 30, 2002 the Company filed its 2001 federal income tax return and adopted a change to our tax accounting method for capitalized overhead costs. The old method allocated such costs primarily to construction of plant, while the new method allocates such costs to both construction of plant and the production of electricity.

The Company adopted this method change during 2002 to take advantage of new tax rules enacted or promulgated during the first half of 2002. The key rule changes include: an announcement in January that this method change qualifies for the automatic change procedures; the signing in March of an economic stimulus bill that expanded the loss carryback period from two years to five years; and the announcement in March that the full effects of method changes could be absorbed in the year of change. These new rules provided sufficient incentive to adopt the method change with the Company's 2001 tax return, filed in September 2002.

The tax accounting method change has been recorded as a decrease to income tax expense for the third quarter ended September 30, 2002 of \$31 million, attributable to 2001 and prior years and is consistent with prior regulatory treatment. The 2002 effects of the method change have been included as a \$3 million decrease to income tax expense for the third quarter ended September 30, 2002.

NOTES TO FINANCIAL STATEMENTS (Continued)

9. Allowance For Funds Used During Construction (AFDC):

AFDC, a non-cash item, represents the composite interest costs of debt, and a return on equity funds, used to finance construction. While cash is not realized currently from such allowance, it is realized under the rate making process over the service life of the related property through increased revenues resulting from higher rate base and higher depreciation expense.

10. Regulatory Issues:

Wind Down of Power Marketing

IDACORP announced on June 21, 2002 that IE would wind down its power marketing operations. The announcement stated that IE would not seek new electric customers; would limit its maximum value at risk to less than \$3 million; would target a reduction of working capital requirements to less than \$100 million by the end of 2003; and would reduce its workforce by approximately 50 percent. IE planned to continue its natural gas marketing operations in Houston and was evaluating growth opportunities in the natural gas mid-stream markets through an office established in Denver. On November 5, 2002, IDACORP announced that it was terminating further evaluation of growth opportunities in the mid-stream natural gas markets. The announcement stated that IE would close its Denver office by year-end, affecting five employees, and because of its link to the natural gas platform, would shut down its natural gas trading operation in Houston by March 2003, affecting six employees. The announcement concluded that IE's continued wind down of its electric trading operations would result in additional work-force reductions at IE's Boise operations through mid-2003.

Beginning August 1, 2002, IPC resumed the function of buying and selling wholesale electricity to support its utility operations. IPC conducted electricity marketing until June 2001 when those operations were transferred to IE.

In connection with the wind down of power marketing at IE, certain matters were identified that require resolution with the FERC or the Idaho Public Utility Commission (IPUC).

Matters that need to be resolved with the FERC include:

- a utility such as IPC is entitled to transmission priority for its retail customers, while transmission for trading transactions must be purchased under the utility's open access tariff on the same basis as third parties. It appears that in some transactions this distinction was not observed;
- certain transactions between a utility and an affiliate are required to have prior FERC approval. Such prior approval was not sought for some electricity transactions between IE and IPC, such as spinning reserves and load following services, which are common industry services; and

although IPC informed the FERC before IE was split off from IPC that it intended to move the utility's power marketing business to IE, IPC's power marketing contracts were assigned without formally obtaining the requisite prior approval of the FERC.

IE and IPC voluntarily contacted the FERC in September 2002 to discuss these matters. The FERC requested certain documents and other information most of which IE and IPC have supplied. IE and IPC expect to make additional filings with the FERC in November 2002 which will include requests for approval of certain electricity transactions, the assignment of certain contracts between IPC and IE and termination of the Electricity Supply Management Services Agreement entered into between IPC and IE in June 2001.

Should the FERC conclude that its regulations or rate schedules were not complied with, it has significant discretion as to the appropriate remedies, if any. The FERC's remedial authority includes the authority to require refunds, to order equitable relief, to suspend the authorization to sell wholesale power at market-based rates, and, in some instances, to impose monetary penalties.

NOTES TO FINANCIAL STATEMENTS (Continued)

In an IPUC proceeding that has been underway since May 2001, IPC and the IPUC staff have been working to determine the appropriate compensation IE should provide to IPC as a result of transactions between the affiliates since February 2001. Similar state regulatory issues relating to the period prior to February 2001 were resolved by the parties involved and approved by the IPUC by Order No. 28852 issued on August 28, 2002. In that order, the IPUC approved IPC's ongoing hedging and risk management strategies. This formalized IPC's agreement to implement a number of changes to its existing practices for managing risk and initiating hedging purchases and sales. In Order No. 29102, the IPUC directed IPC to present a resolution or a status report to the IPUC no later than December 20, 2002 on additional compensation due to the utility for the use of its transmission system and other capital assets by IE and any remaining transfer pricing issues.

The companies do not believe that resolution of these transactions will have any adverse impact on retail customers or a material adverse effect on ongoing operations. However, because it cannot be predicted at this point what regulatory actions might be taken or when, it cannot be determined what effect there may be on earnings and whether it will be material.

As previously disclosed, the filing made with the FERC on May 14, 2001, with respect to the pricing of real-time energy transactions between IPC and IE, is still under review by the FERC. For the period June 2001 through March 2002, IE paid IPC approximately \$6 million, which was calculated based upon the pricing methodology for the period that was most favorable to IPC. This amount was credited to ratepayers through the Power Cost Adjustment (PCA). An additional \$1 million has been paid to IPC for the period April 2002 through July 2002 based upon the same pricing methodology. However, until the FERC takes final action on this filing, rates for real-time transactions between IE and IPC are subject to adjustment.

Deferred Power Supply Costs

Idaho: Our PCA mechanism provides for annual adjustments to the rates charged to Idaho retail customers. These adjustments, which typically take effect in May, are based on forecasts of net power supply expenses. During the year, the difference between actual and forecasted costs is deferred with interest. The balance of this deferral, called a true-up, is then included in the calculation of next year's PCA adjustment.

On May 13, 2002, the IPUC issued Order No. 29026 related to the 2002-2003 PCA rate filing. The order granted recovery of \$255 million of excess power supply costs, consisting of:

- \$209 million of voluntary load reduction and power supply costs incurred between March 1, 2001 and March 31, 2002.
- \$28 million of excess power supply costs forecasted for the period April 2002-March 2003.
- \$18 million of unamortized costs previously approved for recovery beginning October 1, 2001. The amount authorized in October 2001 totaled \$49 million. This order spreads the remaining October rate increase, which would have ended in September 2002, through May 2003.

The order also:

- Denied recovery of \$12 million of lost revenues resulting from the irrigation load reduction program, and \$2 million of other costs we sought to recover.
- Authorized recovery over a one-year period for all but \$12 million of the \$255 million of allowed deferred costs. In June 2002, the IPUC issued Order No. 29065 deferring an additional \$4 million applicable to certain industrial customers. The \$16 million will be recovered during the 2003-2004 PCA rate year, and we will earn a six percent carrying charge on the balance.

NOTES TO FINANCIAL STATEMENTS (Continued)

- Denied our request to issue \$172 million in Energy Cost Recovery Bonds, which would have spread the recovery of that amount over three years.
- Discontinued the IPUC-required three-tiered rate structure for residential customers.
- Authorized a separate surcharge to collect approximately \$3 million annually to fund future conservation programs.

The IPUC had previously issued an order disallowing the lost revenue portion of the irrigation load reduction program. We believe that the IPUC's order is inconsistent with an earlier order that allowed recovery of such costs and we filed a Petition for Reconsideration on May 2, 2002. On August 29, 2002, the IPUC issued Order No. 29103 denying the Petition for Reconsideration. As a result of this order, approximately \$12 million was expensed in September 2002. We still believe we should be entitled to receive recovery of this amount and have asked the Idaho Supreme Court to review the IPUC's decision.

Oregon: We filed an application with the Oregon Public Utility Commission (OPUC) to begin recovering extraordinary 2001 power supply costs in our Oregon jurisdiction. On June 18, 2001, the OPUC approved new rates that would recover less than \$1 million over the next year. Under the provisions of the deferred accounting statute, annual rate recovery amounts were limited to three percent of our 2000 gross revenues in Oregon. During the 2001 session, the Oregon Legislature amended the statute giving the OPUC authority to increase the maximum annual rate of recovery of deferred amounts to six percent for electric utilities. We subsequently filed on October 5, 2001, to recover an additional three percent extraordinary deferred power supply costs. As a result of this filing, the OPUC issued Order No. 01-994 allowing us to increase our rate of recovery to six percent effective November 28, 2001.

Deferred power supply costs consist of the following (in thousands of dollars):

	September 30, 2002	December 31, 2001
Oregon deferral	\$ 14,284	\$ 14,866
Idaho PCA current deferral:		
Deferral for 2001-2002 rate year	-	78,395
Deferral for 2002-2003 rate year	3,003	-
Irrigation load reduction program	-	69,586
Astaris load reduction agreement	18,449	62,247
Irrigation and small general service deferral for recovery in the 2003-2004 rate year	11,876	-
Industrial customer deferral for recovery in the 2003-2004 rate year	3,690	-
Idaho PCA true-up:		
Remaining true-up authorized October 2001	-	36,500
Remaining true-up authorized May 2001	-	42,895
Remaining true-up authorized May 2002	124,972	-
Total deferral	<u>\$ 176,274</u>	<u>\$ 304,489</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

FMC/Astaris Settlement Agreement

On January 8, 2002, the IPUC initiated an investigation to examine the load reduction rates contained in our Voluntary Load Reduction (VLR) Agreement with FMC/Astaris. This VLR Agreement amended the Electric Service Agreement (ESA) that governed the delivery of electric service to FMC/Astaris' Pocatello plant, which ceased operations late in 2001. On June 6, 2002, we, along with FMC/Astaris, signed and filed a proposed Stipulation and Settlement Agreement (Agreement) with the IPUC and on June 10, 2002, the IPUC approved the Agreement in Order No. 29050 which included the following provisions:

- The VLR payments that we would have made to FMC/Astaris through May 2003 were decreased \$5 million, reducing overall payments to \$37 million. Approximately 90 percent of this reduction will flow through the PCA mechanism as a reduction in costs to Idaho retail customers.
- FMC/Astaris agreed to dismiss, with prejudice, a declaratory judgment action concerning the FMC/Astaris contract that it had previously filed against us in the Fourth Judicial District for the State of Idaho.
- FMC/Astaris will pay us approximately \$31 million through March 2003 to settle the ESA.

Garnet Power Purchase Agreement

We had entered into a power purchase agreement (PPA) with Garnet Energy LLC (Garnet), a subsidiary of Ida-West Energy (Ida-West), a subsidiary of IDACORP, to purchase energy produced by Garnet's to-be-built natural gas generation facility. A hearing before the IPUC was scheduled for July 23, 2002 on our application for an order approving the PPA and an accounting order authorizing the inclusion of power supply expenses associated with the purchase of capacity and energy from Garnet in the PCA.

Prior to the hearing date, Garnet informed us that there was a substantial likelihood that it would be unable to obtain the financing at acceptable terms necessary to construct the facility. Garnet further advised that there might be alternative financing arrangements that could allow Garnet to obtain financing within the constraints of the PPA. However, pursuing alternative financing arrangements would require additional time. As a result we sought a continuance in the hearing scheduled for July 23, 2002. Ida-West has capitalized approximately \$11 million related to the Garnet facility as of September 30, 2002.

On July 24, 2002, the IPUC issued its ruling effectively closing the proceeding involving our petition to enter into a PPA with Garnet. We were directed to return in 90 days with a report on the status of Garnet's progress in obtaining financing for the project and how we propose to meet future power requirements if the Garnet facility is not built. On October 30, 2002, we submitted our compliance report to the IPUC, which included (1) Ida-West's notification that due to the dramatic changes in the electricity industry, financing the project on acceptable terms under the PPA was impracticable, (2) Ida-West's offering of three alternatives to allow the project to go forward and (3) our revised plan for meeting future load requirements absent the PPA associated with the Garnet project including wholesale power purchases, energy exchanges, obtaining certain transmission rights or constructing or acquiring generation resources located in our service territory.

Application to Defer Extraordinary Costs Associated With Security Measures

In November 2001, we filed an application requesting the IPUC to issue an accounting order authorizing the deferral of extraordinary costs associated with increased security measures subsequent to the events of September 11, 2001. The additional or extraordinary security measures are needed to help ensure the safety of our employees and to protect our facilities. In March 2002 the IPUC issued Order No. 28975 directing the following related to these costs:

NOTES TO FINANCIAL STATEMENTS (Continued)

- Costs in excess of \$11,000 per month are to be deferred in a regulatory asset account.
- Such costs incurred in 2001 are to be amortized over a five-year period beginning in January 2003. Costs deferred in each subsequent year are to be amortized beginning in January of the next calendar year.
- Deferred costs are to receive the appropriate carrying charge.
- Costs are to be allocated among our various jurisdictions and affiliates.
- The IPUC deferred making a final decision regarding final allocation of deferred security expenses to other affiliates and sharing with shareholders until such time as the IPUC conducted its prudence review of the expenses.

At September 30, 2002, \$1 million of extraordinary security costs had been deferred.

IDACORP Energy and Idaho Power Company Agreement

We entered into an Electricity Supply Management Services Agreement (Agreement) with IE in June 2001. The IPUC is currently assessing issues associated with this Agreement. While some of the issues likely became moot with the decision to wind down IE's trading operation, the IPUC staff has indicated its desire to continue to review whether adequate compensation has been provided to our customers as a result of transactions with IE after February 2001. Similar issues arising prior to February 2001 were resolved by IPUC Order No. 28852. IPUC Order No. 29102 requires that the remaining IPC/IE compensation and transfer pricing issues be brought to resolution or that a status report be filed by December 20, 2002.

A preliminary review of uncompensated amounts for transactions between IE and IPC occurring after February 2001 showed that the amount that IE would pay to IPC could be approximately \$6 million.

11. Other Accounting Policies:

Debt discount, expense and premium are being amortized over the terms of the respective debt issues.

ATTACHMENT II(b)

IDAHO POWER COMPANY

The following statement as to each class of the capital stock of applicant is as of September 30, 2002, the date of the balance sheet submitted with this application:

Common Stock

- (1) Description - Common Stock, \$2.50 par value; 1 vote per share
- (2) Amount authorized - 50,000,000 shares (\$125,000,000 par value)
- (3) Amount outstanding - 37,612,351 shares
- (4) Amount held as reacquired securities - None
- (5) Amount pledged by applicant - None
- (6) Amount owned by affiliated corporations - All
- (7) Amount held in any fund - None

Applicant's Common Stock is held by IDACORP, Inc., the holding company of Idaho Power Company. IDACORP, Inc.'s Common Stock is registered (Pursuant to Section 12(b) of the Securities Exchange Act of 1934) and is listed on the New York and Pacific stock exchanges.

4% Preferred Stock

- (1) Description - 4% Preferred Stock, cumulative, \$100 par value; 20 votes per share
- (2) Amount authorized - 215,000 shares (\$21,500,000 par value)
- (3) Amount outstanding - 139,851 shares
- (4) Amount held as reacquired securities - None
- (5) Amount pledged by applicant - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount held in any fund - None

Applicant's 4% Preferred Stock is registered as part of a class pursuant to Section 12(g) of the Securities Exchange Act of 1934.

Series Serial Preferred Stock, \$100 Par Value

- (1) Description - 7.68% Series Serial Preferred Stock, cumulative, \$100 par value; 1 vote per share
- (2) Amount authorized - 150,000 shares (\$15,000,000 par value)
- (3) Amount outstanding - 150,000 shares
- (4) Amount held as reacquired securities - None
- (5) Amount pledged by applicant - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount held in any fund - None

Applicant's 7.68% Series Serial Preferred Stock is registered as part of a class pursuant to Section 12(g) of the Securities Exchange Act of 1934.

Serial Preferred Stock, Without Par Value

- (1) Description - Serial Preferred Stock, without par value
- (2) Amount authorized - 3,000,000 shares
- (3) Amount outstanding - Amount outstanding - 250,000 shares, 7.07% Series, cumulative, \$100 stated value, non-voting shares
- (4) Amount held as reacquired securities - None
- (5) Amount pledged by applicant - None
- (6) Amount owned by affiliated corporation - None
- (7) Amount held in any fund - None

Applicant's Serial Preferred Stock is registered as part of a class pursuant to Section 12(g) of the Securities Exchange Act of 1934.

Provisions of the Articles of Incorporation authorize the Board of Directors to fix dividend rates and redemption prices for the authorized but unissued Serial Preferred Stock.

For a full statement concerning the terms and provisions relating to the Common, 4% Preferred and Serial Preferred Stocks of applicant, reference is made to the Applicant's Articles of Incorporation presently on file with the Commission.

IDAHO POWER COMPANY

The following statement as to funded debt of applicant is as of September 30, 2002, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
6.85 % Series due 2002, dated as of Oct 2, 1996, due Oct 1, 2002	\$27,000,000
6.40 % Series due 2003, dated as of May 1, 1993, due May 1, 2003	80,000,000
8 % Series due 2004, dated as of Mar 25, 1992, due Mar 15, 2004	50,000,000
5.83 % Series due 2005, dated as of Sep 9, 1998, due Sep 9, 2005	60,000,000
7.38 % Series due 2007, dated as of Dec 1, 2000, due Dec 1, 2007	80,000,000
7.20 % Series due 2009, dated as of Nov 23, 1999, due Dec 1, 2009	80,000,000
6.60 % Series due 2011, dated as of Mar 2, 2001, due Mar 2, 2011	120,000,000
7.5 % Series due 2023, dated as of May 1, 1993, due May 1, 2023	80,000,000
	\$577,000,000

- (2) Amount authorized - Limited within the maximum of \$900,000,000 (or such other maximum amount as may be fixed by supplemental indenture) and by property, earnings, and other provisions of the Mortgage.
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount of sinking or other funds - None

For a full statement of the terms and provisions relating to the respective Series and amounts of applicant's outstanding First Mortgage Bonds above referred to, reference is made to the Mortgage and Deed of Trust dated as of October 1, 1937, and First to Thirty-Fifth Supplemental Indentures thereto, by Idaho Power Company to Bankers Trust Company and R. G. Page (Stanley Burg, successor individual trustee), Trustees, presently on file with the Commission, under which said bonds were issued.

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(A) Variable Rate Series 2000 due 2027:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate Series due 2027, Port of Morrow, Oregon, dated as of May 17, 2000, due February 1, 2027.
- (2) Amount authorized - \$4,360,000
- (3) Amount outstanding - \$4,360,000
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

(B) 8.30% Series 1984 due 2014:

- (1) Description - Pollution Control Revenue Bonds, 8.30% Series due 2014, County of Humboldt, Nevada, dated as of December 20, 1984 due December 1, 2014 (secured by First Mortgage Bonds, Pollution Control Series A)
- (2) Amount authorized - \$49,800,000
- (3) Amount outstanding - \$49,800,000
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

(C) 6.05% Series 1996A due 2026:

- (1) Description - Pollution Control Revenue Bonds, 6.05% Series 1996A due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026
- (2) Amount authorized - \$68,100,000
- (3) Amount outstanding - \$68,100,000
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

(D) Variable Rate Series 1996B due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996B Series due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026.
- (2) Amount authorized - \$24,200,000
- (3) Amount outstanding - \$24,200,000
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(E) Variable Rate Series 1996C due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996C Series due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026.
- (2) Amount authorized - \$24,000,000
- (3) Amount outstanding - \$24,000,000
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

For a full statement of the terms and provisions relating to the outstanding Pollution Control Revenue Bonds above referred to, reference is made to (A) copies of Trust Indenture by Port of Morrow, Oregon, to the Bank One Trust Company, N. A., Trustee, and Loan Agreement between Port of Morrow, Oregon and Idaho Power Company, both dated May 17, 2000, under which the Variable Rate Series 2000 bonds were issued, (B) copies of Loan Agreement between Idaho Power Company and Humboldt County, Nevada; Indenture of Trust between Humboldt County, Nevada and Morgan Guaranty Trust Company of New York; Escrow Agreement between Humboldt County, Nevada and Bankers Trust Company and Idaho Power Company; Placement Agreement between Humboldt County, Nevada and Bankers Trust Company; all dated December 1, 1984; agreement among Idaho Power Company, Bankers Trust Company, as Remarketing Agent, Goldman, Sachs & Co., and Kidder, Peabody & Co. Inc. dated May 20, 1986; Pledge Agreement between Idaho Power Company and Morgan Guaranty Trust Company of New York dated May 1, 1986; under which the 8.30% Series bonds were issued and (C) (D) (E) copies of Indentures of Trust by Sweetwater County, Wyoming, to the First National Bank of Chicago, Trustee, and Loan Agreements between Idaho Power Company and Sweetwater County, Wyoming, all dated July 15, 1996, under which the 6.05% Series 1996A bonds, Variable Rate Series 1996B bonds and Variable Rate Series 1996C bonds were issued.

IDAHO POWER COMPANY

Rural Electrification Association Notes

(A) 2.0% and 5.0% Series due 1998-2023:

- (1) Description - REA Notes, 2.0% and 5.0% interest rate with various maturity dates (secured by property).
- (2) Amount authorized - Various Amounts
- (3) Amount outstanding - \$1,204,275
- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds - None

For a full statement of the terms and provisions relating to the outstanding Rural Electrification Association Notes above referred to, reference is made to the Restated Mortgage and Security Agreement dated as of May 1, 1992, and Agreement between the United States of America and Idaho Power Company dated May 1, 1992.

ATTACHMENT II(c)

IDAHO POWER COMPANY

Commitments and Contingent Liabilities:

Commitments under contracts and purchase orders relating to the Company's program for construction and operation of facilities amounted to approximately \$6 million at September 30, 2002. The commitments are generally revocable and are subject to reimbursement of manufacturers' expenditures incurred and/or other termination charges.

The Company is currently purchasing energy from 66 on-line cogeneration and small power production facilities with contracts ranging from 1 to 30 years. Under these contracts the Company is required to purchase all of the output from these facilities. During the fiscal year ended December 31, 2001, the Company purchased 728,155 MWh at a cost of \$45 million.

From time to time the Company is a party to various other legal claims, actions and complaints not discussed below. The Company believes that it has meritorious defenses to all lawsuits and legal proceedings in which it is a defendant and will vigorously defend against them although the Company is unable to predict with certainty whether or not it will ultimately be successful. However, based on its evaluation, the Company believes that the resolution of these matters will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Other Legal Proceedings

Truckee-Donner Public Utility District: IDACORP Energy (IE) has received notice from Truckee-Donner Public Utility District (Truckee), located in California, asserting that IE was in purported breach of, and that Truckee has the right to renegotiate certain terms of, the Agreement for the Sale and Purchase of Firm Capacity and Energy in place between the two entities. Generally, the terms of the contract provide for IE to sell to Truckee 10 megawatts (MW) light load energy and 20 MW heavy load energy for the term January 1, 2002 through December 31, 2002 at \$72 per megawatt hour (MWh) and 25 MW flat energy for the term January 1, 2003 through December 31, 2009 at \$72 per MWh.

On May 30, 2002, IE filed a lawsuit against Truckee in the Idaho State District Court in and for the County of Ada. IE seeks a declaration that it is not in breach of the contract, injunctive relief requiring Truckee to make payments pursuant to the terms of the contract and to raise its rates as stipulated in the contract. The lawsuit has been removed to the United States District Court for the District of Idaho. On August 15, 2002, Truckee answered the complaint, denying the material allegations, and asserted various counterclaims against IE, IPC and IDACORP, in which it contends that these entities were in breach of the contract, inter alia, incident to the sale of surplus energy for Truckee, and by failing to provide firm backing for the capacity and associated energy provided pursuant to the contract. On September 23, 2002, IE, IPC and IDACORP filed a reply to the counterclaim, denying the material allegations of Truckee's counterclaim. Trial of the lawsuit is scheduled to commence September 8, 2003.

On July 23, 2002, Truckee filed a complaint against IPC, IE and IDACORP with the FERC seeking relief under its long-term power contract for the purchase of wholesale electric power from IPC and IE.

The complaint requests that the FERC, among other matters, (1) reform or terminate the contract under Section 206 of the Federal Power Act, (2) order refunds, (3) assert exclusive jurisdiction over the rate issues and exercise primary jurisdiction to consider state-law claims arising out of the contract provisions and underlying facts and (4) assess the market power of IE and IPC with the Sierra Pacific and IPC control areas under the FERC's Supply Margin Assessment test and impose appropriate remedies if the test is not passed.

The companies intend to vigorously defend their position in these proceedings and believe these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

This has been previously reported in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.

United Systems, Inc., f/k/a Commercial Building Services, Inc.: On March 18, 2002, United Systems, Inc. (United System) filed a complaint against IDACORP Services Co., a subsidiary of IDACORP, dba IDACORP Solutions. United Systems is a heating, ventilation, refrigeration and plumbing contracting company that entered into a contract with IDACORP Services in December 2000.

Under the terms of the contract, IDACORP Services authorized United Systems to do business as "IDACORP Solutions." The contract was to be effective from January 2001 through December 2005.

In November 2001, IDACORP Services notified United Systems that IDACORP Services was terminating the contract for convenience. The contract allowed for such termination but required the terminating party to compensate the other party for all costs incurred in preparation for, and in performance of the contract, and for reasonable net profit for the remaining term of the contract. United Systems claims \$7 million in net profits lost and costs incurred.

IDACORP Services asserts that termination related compensation owed to United Systems, if any, is substantially less than the amount claimed by United Systems.

On August 8, 2002, United Systems filed an amended complaint adding IDACORP, IE, and IPC as additional Defendants claiming they should be held jointly and severally liable for any judgment entered against IDACORP Services.

This case is set for a jury trial the week of June 13, 2003. The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Public Utility District No. 1 of Grays Harbor County, Washington: On October 15, 2002, Public Utility District No. 1 of Grays Harbor County, Washington (Grays Harbor) filed a lawsuit in the Superior Court of the State of Washington, for the County of Grays Harbor, against IPC, IDACORP and IE.

On March 9, 2001, Grays Harbor entered into a 20MW purchase transaction with IPC for the purchase of electric power from October 1, 2001 through March 31, 2002, at a rate of \$249 per MWh. In June 2001, with the consent of Grays Harbor, IPC assigned all of its rights and obligations under the contract to IE.

In its lawsuit, Grays Harbor alleges that the assignment was void and unenforceable, and seeks restitution from IE and IDACORP. Alternatively, Grays Harbor alleges that the contract should be rescinded or reformed as against IPC, IDACORP and IE, claiming that the contract was entered into pursuant to a mutual or unilateral mistake; that it is unconscionable; or that Grays Harbor entered into the contract under duress. Grays Harbor seeks as damages an amount equal to the difference between \$249 per MWh and the "fair value" of electric power delivered by IE during the period October 1, 2001 through March 31, 2002.

IDACORP, IPC, and IE have removed this action from the state court to the United States District Court for the Western District of Washington at Tacoma. The companies intend to vigorously defend this lawsuit and believe these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

State of California Attorney General: The California Attorney General (AG) filed the complaint in this case in the California Superior Court in San Francisco on May 30, 2002. This is one of thirteen virtually identical cases brought by the AG against various sellers of power in the California market, seeking civil penalties pursuant to California's unfair competition law - California Business and Professions Code Section 17200. Section 17200 defines unfair competition as any "unlawful, unfair or fraudulent business act or practice" The AG alleges that IPC engaged in unlawful conduct by violating the Federal Power Act (FPA) in two respects: (1) by failing to file its rates with the FERC as required by the FPA; and

(2) charging unjust and unreasonable rates in violation of the FPA. The AG alleges that there were "thousands of . . . sales or purchases" for which IPC failed to file its rates, and that IPC charged unjust and unreasonable rates on "thousands of occasions." Pursuant to Business and Professions Code Section 17206, the AG seeks civil penalties of up to \$2,500 for each alleged violation. IPC is vigorously defending the action. On June 25, 2002, IPC removed the action to federal court, and on July 25, 2002, the AG filed a motion to remand back to state court. The court previously denied the AG's prior motions to remand back to state court in the companion cases. IPC's Motion to Dismiss was heard by the court on July 31, 2002. A decision is expected before the end of the year. We intend to vigorously defend our position in this proceeding and believe these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Wholesale Electricity Antitrust Cases I & II: These cross-actions against IE and IPC emerge from multiple California state court proceedings first initiated in late 2000 against various power generators/marketers by various California municipalities and citizens, including California Lieutenant Governor Cruz Bustamante and California legislator Barbara Mathews in their personal capacities. Suit was filed against entities including Reliant Energy Services, Inc., Reliant Ormond Beach, L.L.C., Reliant Energy Etiwanda, L.L.C., Reliant Energy Ellwood, L.L.C., Reliant Energy Mandalay, L.L.C., and Reliant Energy Coolwater, L.L.C. (collectively, Reliant); and Duke Energy Trading and Marketing, L.L.C., Duke Energy Morro Bay, L.L.C., Duke Energy Moss Landing, L.L.C., Duke Energy South Bay, L.L.C., Duke Energy Oakland, L.L.C. (collectively, Duke). While varying in some particulars, these cases made a common claim that Reliant, Duke and certain others (not including IE or IPC), colluded to influence the price of electricity in the California wholesale electricity market. Plaintiffs asserted various claims that the defendants violated California Antitrust Law, (the Cartwright Act) Business & Professions Code Section 16720, et seq., and California's Unfair Competition Law, Business & Professions Code Section 17200, et seq. Among the acts complained of are bid rigging, information exchanges, withholding of power and various other wrongful acts. These actions were subsequently consolidated, resulting in the filing of Plaintiffs' Master Complaint (PMC) in San Diego Superior Court on March 8, 2002.

On April 22, 2002, more than a year after the initial complaints had been filed, two of the original defendants, Duke and Reliant, filed separate cross-complaints against IPC and IE, and approximately 30 other cross-defendants. Duke and Reliant's cross-complaints seek indemnity from IPC, IE and the other cross-defendants for an unspecified share of any amounts they must pay in the underlying suits because, they allege, other market participants like IPC and IE engaged in the same conduct at issue in the PMC. Duke and Reliant also seek declaratory relief as to the respective liability and conduct of each of the cross-defendants in the actions alleged in the PMC. Reliant has also asserted a claim against IPC for alleged violations of the California Unfair Competition Law, Business and Professions Code Section 17200, et seq. As a buyer of electricity in California, Reliant seeks the same relief from the cross-defendants, including IPC, as that sought by plaintiffs in the PMC as to any power Reliant purchased through the California markets.

Some of the newly added defendants (foreign citizens and federal agencies) removed that litigation to federal court. IPC and IE, together with numerous other defendants added by the cross-complaints, have moved to dismiss these claims, and those motions were heard in September 2002, together with motions to remand the case back to state court filed by the original plaintiffs. As a result of the various motions, no trial date is set at this time. The companies cannot predict the outcome of this proceeding, nor can they evaluate the merits of any of the claims at this time, but they intend to vigorously defend these lawsuits.

California Energy Situation

On July 25, 2001, the FERC issued an order establishing a proceeding to explore whether there may have been unjust and unreasonable charges for spot market sales in the Pacific Northwest during the period December 25, 2000 through June 20, 2001. The FERC Administrative Law Judge (ALJ) submitted recommendations and findings to the FERC on September 24, 2001. The ALJ found that prices should be governed by the Mobile-Sierra standard of the public interest rather than the just and reasonable standard, that the Pacific Northwest spot markets were competitive and that no refunds should be allowed. Procedurally, the ALJ's decision is a recommendation to the commissioners of the FERC. Multiple parties have submitted comments to the FERC respecting the ALJ's recommendations. The City

of Tacoma and the Port of Seattle have requested that the docket be reopened to allow the submission of additional evidence related to alleged manipulation of the power market by Enron and others.

In a series of requests for information ending on May 8, 2002, the FERC issued a data request to all sellers of Wholesale Electricity and/or Ancillary Services to the Cal ISO and/or the CalPX during the years 2000-2001. The request required IPC and IE to respond in the form of an affidavit to inquiries respecting various trading practices that the FERC identified in its fact-finding investigation of Potential Manipulation of Electric and Natural Gas Prices in Docket No. PA02-2-000. IPC and IE filed the various responses sought by the FERC. The May 22, 2002 response indicated that although they did export energy from the CalPX outside of California during the period 2000-2001, they did not engage in any impermissible trading practice described in the Enron memoranda. The energy was resold to supply preexisting load obligations, to supply term transactions or to supply a contemporaneous sales transaction. The companies denied engaging in the other ten practices identified by the FERC. IPC and IE filed additional responses with the FERC on May 31 and June 5, 2002. In the May 31 response, the companies denied engaging in the practice referred to as "wash," "round trip" or "sell/buyback" trading involving the sale of an electricity product to another company together with a simultaneous purchase of the same product at the same price. In the June 5 response, where the data request was directed to all sellers of natural gas in the Western Systems Coordinating Council and/or Texas during the years 2000-2001, the companies denied engaging in the practice referred to as "wash," "round trip" or "sell/buyback" trading involving the sale of natural gas together with a simultaneous purchase of the same product at the same price.

On October 2, 2002, the United States Commodity Futures Trading Commission (CFTC) issued a subpoena to IPC requesting, among other things, all records related to all natural gas and electricity trades by IPC involving "round trip trades", also known as "wash trades" or "sell/buyback trades" including, but not limited to those made outside the Western Systems Coordinating Council region. The subpoena applies to both IE and IPC. As discussed above, on May 22, 2002, both IE and IPC responded to a similar request from the FERC stating that they did not engage in "round trip" or "wash" trades. By letter from the CFTC dated October 7, 2002 the Division of Enforcement agreed to hold in abeyance until a later date all items requested in the subpoena with the exception of one paragraph which related to three trades on a certain date with a specific party. The companies have provided the requested information.

ATTACHMENT II(d)

IDAHO POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND
UNDISTRIBUTED SUBSIDIARY EARNINGS
For the Twelve Months September 30, 2002

<u>Retained Earnings</u>	
Retained earnings (at the beginning of period)	\$ 453,808,703
Balance transferred from income.....	74,284,254
Dividends received from subsidiary.....	6,000,000
Balance transferred to parent.....	<u>(62,282)</u>
Total.....	<u>534,030,675</u>
Dividends:	
Preferred Stock	4,851,264
Common Stock	<u>69,983,803</u>
Total.....	<u>74,835,067</u>
Retained earnings (at end of period).....	<u>\$ 459,195,608</u>

<u>Undistributed Subsidiary Earnings</u>	
Balance (at beginning of period).....	\$ 13,419,836
Equity in earnings for the period.....	10,197,391
Dividends paid (Debit).....	6,000,000
Balance transferred to parent.....	<u>62,282</u>
Balance (at end of period).....	<u>\$ 17,679,509</u>

The accompanying Notes to Financial Statements are an integral part of this statement

ATTACHMENT II(e)

IDAHO POWER COMPANY
STATEMENT OF INCOME
For the Twelve Months Ended September 30, 2002

	Actual
Operating Revenues.....	\$ 858,678,419
Operating Expenses:	
Purchased power.....	172,657,794
Fuel.....	100,939,726
Power cost adjustment.....	141,555,291
Other operation and maintenance expense.....	214,344,379
Depreciation expense.....	84,728,041
Amortization of limited-term electric plant.....	7,951,917
Taxes other than income taxes.....	19,517,538
Income taxes - Federal.....	54,810,236
Income taxes - Other.....	1,828,639
Provision for deferred income taxes.....	37,781,838
Provision for deferred income taxes - Credit.....	(104,598,321)
Investment tax credit adjustment.....	2,975,483
Total operating expenses.....	734,492,561
Operating Income.....	124,185,858
Other Income and Deductions:	
Allowance for equity funds used during construction.....	33,433
Income taxes.....	(1,954,442)
Other - Net.....	17,836,759
Net other income and deductions.....	15,915,750
Income Before Interest Charges.....	140,101,608
Interest Charges:	
Interest on first mortgage bonds.....	42,303,522
Interest on other long-term debt.....	9,341,530
Interest on short-term debt.....	6,768,239
Amortization of debt premium, discount and expense - Net.....	2,356,907
Other interest expense.....	1,500,442
Total interest charges.....	62,270,639
Allowance for borrowed funds used during construction - Credit.....	2,194,954
Net interest charges.....	60,075,685
Net Income.....	\$ 80,025,923

The accompanying Notes to Financial Statements are an integral part of this statement

IDAHO POWER COMPANY
EXPLANATION OF ADJUSTMENTS SHOWING
EFFECT OF TRANSACTION IN THE INCOME STATEMENT
For the Twelve Months Ended September 30, 2002

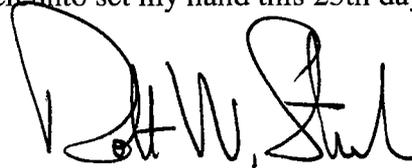
Interest on long-term debt		
Interest savings on \$300,000,000 principal amount of first mortgage bonds and short term debt retired at interest rates ranging between 3% and 8%.....	\$	(19,518,000)
 Interest on new \$300,000,000 principal amount of first mortgage bonds issued at interest rate estimated at 6.00%.....		<u>18,000,000</u>
 Interest expense.....	\$	(1,518,000)
 Income taxes:		
Increase in Federal income taxes: due to decrease in interest expense (\$1,518,000 x 32.7%).....	\$	496,386
 Increase in State income taxes: due to decrease in interest expense (\$1,518,000 x 6.5%).....	\$	98,670

ATTACHMENT III

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

I, ROBERT W. STAHMAN, 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 on November 21, 2002, relating to the issuance of up to \$300,000,000 of First Mortgage Bonds, Preferred Stock and/or Debt Securities under a Shelf Registration filed with the SEC, 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 25th day of February, 2003.



/s/ Robert W. Stahman

Secretary

(CORPORATE SEAL)

RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to make, execute and file, in the name and on behalf of the Company, such applications and other documents and any amendments or supplements to such applications and documents with the state regulatory authorities having jurisdiction over the Company and/or its securities as may be necessary to obtain an exemption from competitive bidding requirements and to facilitate the creation, issuance, sale and delivery by this Company in one or more series from time to time of (a) first mortgage bonds ("First Mortgage Bonds") in an aggregate principal amount not exceeding \$300,000,000, (b) additional shares of preferred stock ("Preferred Stock") having an aggregate par or stated value not exceeding \$300,000,000, and (c) unsecured debt securities ("Debt Securities", and with the First Mortgage Bonds and Preferred Stock, collectively referred to as the "Securities") in an aggregate principal amount not exceeding \$300,000,000; provided, however, that the total principal amount of First Mortgage Bonds and Debt Securities and the par or stated value of Preferred Stock to be issued and sold shall not, in the aggregate, exceed \$300,000,000; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized to prepare and file with the Securities and Exchange Commission one or more registration statements (each including a prospectus) and any amendments (including post-effective amendments) or supplements thereto, for the registration under the Securities Act of 1933, as amended, of the Securities and for qualification under the Trust Indenture Act of 1939, as amended, of the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as heretofore supplemented and as it is proposed to be further supplemented by a supplemental indenture or indentures and for qualification under the Trust Indenture Act of 1939,

as amended, of an indenture of the Company relating to the Debt Securities, as it is proposed to be supplemented by a supplemental indenture or indentures; and be it

FURTHER RESOLVED, That Jan B. Packwood, J. LaMont Keen, Robert W. Stahman and Elizabeth W. Powers, be, and they hereby are, appointed and designated as the persons duly authorized to receive communications and notices from the Securities and Exchange Commission with respect to said registration statement; and be it

FURTHER RESOLVED, That the Company hereby appoints Jan B. Packwood, J. LaMont Keen and Robert W. Stahman, and each of them severally, as the true and lawful attorney and attorneys of the Company with full power to act with or without the others and with full power of substitution and resubstitution to execute said registration statement and any amendment or amendments thereto, for and on behalf of the Company; and that each officer and director of the Company executing said registration statement and any amendment or amendments thereto on behalf of the Company, be, and he hereby is, authorized to appoint Jan B. Packwood, J. LaMont Keen and Robert W. Stahman, and any agent named for service in said registration statement, and each of them severally, his true and lawful attorney or attorneys with power to act with or without the other and with full power of substitution and resubstitution, to execute in his name, place and stead, in his capacity as an officer or director of the Company, such registration statement and any amendment or amendments thereto, and all instruments necessary or incidental in connection therewith, and to file the same with the Securities and Exchange Commission, with full power and authority to each of said attorneys to do and perform, in the name and on behalf of the said officers or directors, or any of them, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to take, in the name and on behalf of the Company, any and all action which they may deem necessary or desirable in order to effect the registration or qualification of the Securities for offer and sale under the securities or Blue Sky laws of any of the states or territories of the United States of America and the District of Columbia, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports, agreements, resolutions and other papers, documents and instruments that may be required or appropriate under such laws, and to take any and all other action which may be deemed by them to be necessary or desirable in order to maintain such registration or qualification for as long as they deem it to be in the best interests of the Company; and be it

FURTHER RESOLVED, That upon obtaining the necessary regulatory authorizations, and upon effectiveness of the registration statement under the Securities Act of 1933, and, if applicable, the relevant indenture becoming qualified under the Trust Indenture Act of 1939, as amended, the proper officers of the Company be, and they hereby are, authorized to issue and sell, or cause to be

issued and sold, all or any portion of the Securities either pursuant to competitive bidding, negotiated underwriting, private sale, through agents, directly to an agent at a negotiated discount or directly to purchasers, upon such terms and conditions and at a price or prices as are established by the Board of Directors by these resolutions or may hereafter be established by the Board of Directors or the Executive Committee of this Board; and be it

FURTHER RESOLVED, That the President, any Vice President or the Treasurer of the Company be, and each of them hereby is, authorized to enter into an Underwriting Agreement, a Purchase Agreement, a Selling Agency Agreement and/or a Distribution Agreement in the form or forms to be approved by the Board of Directors or the Executive Committee of this Board, with such underwriters, purchasers and/or sales agents as the Board of Directors or the Executive Committee of this Board shall determine for the sale by the Company of the Securities; and be it

FURTHER RESOLVED, That there are hereby created five new series of First Mortgage Bonds, under the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, each to be designated "First Mortgage Bonds, ___ Series due ____" or "First Mortgage Bonds, Secured Medium-Term Notes, Series E", and the issuance by the Company of not to exceed \$300,000,000 in aggregate principal amount of such five series of First Mortgage Bonds is hereby authorized and that, pursuant to the provisions of the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, the proper officers of the Company be, and they hereby are, authorized to execute under the seal of the Company and to deliver to Bankers Trust Company as Corporate Trustee under said Mortgage, First Mortgage Bonds in a total aggregate principal amount not to exceed \$300,000,000, in fully registered form in denominations of \$1,000 and any multiple or multiples thereof; that this Board of Directors hereby determines that all of the First Mortgage Bonds of each such series shall mature on the date or dates and shall bear interest at the rate or rates and be payable on the date or dates provided in the Supplemental Indenture providing for the creation of such series or, if Secured Medium-Term Notes, Series E, this Board of Directors hereby determines that such First Mortgage Bonds to be issued from time to time shall (i) bear interest at such rate or rates (which may be fixed or variable), (ii) mature on such date or dates from nine (9) months to forty (40) years from the date of issue, (iii) contain such provisions with respect to the redemption thereof prior to maturity, and the dates and prices associated therewith, as may be appropriate upon due consideration of current market conditions and the Company's general financing plan, and (iv) have such other terms and provisions, all as may be determined from time to time by the President, any Vice President or the Treasurer of the Company and as shall be set forth or referred to in, and confirmed by, written order or orders for the authentication and delivery of the First Mortgage Bonds of such series under the Company's Mortgage and Deed of Trust, as heretofore supplemented, and each such written order shall conclusively establish the determination by the Board of Directors of the terms of the principal amount of the First Mortgage Bonds of such series subject to such written order, both principal and interest to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at the option of the Company,

interest on each said First Mortgage Bond may also be payable at the office of the Company in Boise, Idaho, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts; and that such First Mortgage Bonds shall be otherwise redeemable, registrable, transferable and exchangeable as otherwise contemplated in the form established by the Board of Directors or the Executive Committee of this Board; and that such First Mortgage Bonds shall contain such other terms as the Board of Directors or the Executive Committee of this Board shall approve, such approval to be conclusively evidenced by the actions of the Board of Directors or the Executive Committee of this Board in setting the terms of each such series of First Mortgage Bonds and by the execution and delivery thereof by the officers executing the same; and be it

FURTHER RESOLVED, That Bankers Trust Company be, and it hereby is, requested, upon fulfillment of the requirements specified in Article V, VI and/or VII of said Mortgage, to authenticate said First Mortgage Bonds, and deliver the same promptly, in accordance with the written order or orders of the Company signed by the President or any Vice President, and by the Treasurer or any Assistant Treasurer of the Company; and be it

FURTHER RESOLVED, That the Executive Committee be, and it hereby is, authorized to approve one or more Supplemental Indenture(s), supplemental to the Company's Mortgage and Deed of Trust dated as of October 1, 1937; and that the proper officers of the Company be, and they hereby are, authorized and directed to execute and deliver, on behalf of the Company, said Supplemental Indenture(s) with such terms therein as the Executive Committee or the officers executing the same may approve, their approval of any such terms and/or changes to be conclusively evidenced by the actions of the Executive Committee in setting the terms of each such series of First Mortgage Bonds or by the execution and delivery thereof by the officers of the Company; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and directed to record and file or cause to be recorded and filed such Supplemental Indenture(s), when executed, in such offices as in their judgment may be necessary or appropriate in order to carry out the purposes of the foregoing resolutions; and be it

FURTHER RESOLVED, That the Executive Committee be, and it hereby is, hereby authorized to adopt and approve a form of First Mortgage Bond substantially as provided and set forth in the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, with such changes thereto as the Executive Committee or the officers of the Company executing the same may approve, such approval to be conclusively evidenced by the actions of the Executive Committee in setting the terms of said First Mortgage Bonds or by the execution and delivery thereof by the officers of the Company; and, until definitive bonds are ready for delivery, the proper officers of the Company be, and they hereby are, authorized in their discretion to execute and deliver to Bankers Trust Company, as Corporate Trustee, and Bankers Trust Company, be, and it hereby is, requested to authenticate and deliver a

temporary bond or temporary bonds in substantially the form approved by the Executive Committee of this Board; and be it

FURTHER RESOLVED, That if any officer of the Company who signs, or whose facsimile signature appears upon, said First Mortgage Bonds, ceases to be an officer of the Company prior to the issuance of said Bonds, the Bonds so signed or bearing such facsimile signature shall nevertheless be valid; and be it

FURTHER RESOLVED, That upon all said First Mortgage Bonds the signature of the President or a Vice President of the Company, the signature of the Secretary or an Assistant Secretary of the Company and the seal of the Company may be facsimile; and that any such facsimile signature of any such officer of the Company appearing on said First Mortgage Bonds is hereby approved and adopted as a signature of such officer of the Company, and any such facsimile seal of the Company appearing on said First Mortgage Bonds is hereby approved and adopted as a seal of the Company; and be it

FURTHER RESOLVED, That in respect of said First Mortgage Bonds, Bankers Trust Company be, and it hereby is, appointed agent of this Company (1) in respect of the payment of the principal of, and interest (and premium, if any) on, said First Mortgage Bonds, (2) in respect of the registration, transfer and exchange of said First Mortgage Bonds, and (3) upon which notices, presentations and demands to or upon the Company in respect of said First Mortgage Bonds, and in respect of the Company's said Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, may be given or made; and be it

FURTHER RESOLVED, That Robert W. Stahman be, and he hereby is, appointed Counsel, under the Mortgage, to render any opinions of counsel required thereunder, and Jan B. Packwood be, and he hereby is, appointed Engineer, under the Mortgage, to make, execute and deliver any Engineer's Certificate required thereunder, said appointments to remain in effect until the Trustee receives written notice to the contrary; and be it

FURTHER RESOLVED, That the Executive Committee and the proper officers of this Company be, and they are hereby, authorized to take such actions, for and on behalf of the Company, relating to the authentication, creation, issuance, sale and delivery of said First Mortgage Bonds, the execution and delivery of one or more Supplemental Indentures as hereinabove provided and the recording and filing of such completed Supplemental Indentures in such offices as they may deem necessary or desirable, including, without limitation, the determination of the interest rate and the insertion thereof in the form of said First Mortgage Bonds and, at their option, in the Supplemental Indenture creating such series; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to execute and deliver on behalf of the Company one or more indentures providing for the issuance of Debt Securities by the Company, including supplements to any indenture, with such trustee or trustees as they may appoint, such indenture or indentures, or supplement or

supplements, to be in such form or forms and bear such date or dates as may be approved by the officers of the Company executing the same, such approval to be conclusively evidenced by the execution of said indenture or indentures or supplement or supplements; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to appoint any agent, trustee or registrar necessary or appropriate in connection with the issuance or sale of the Debt Securities; and be it

FURTHER RESOLVED, That the trustee appointed in connection with the issuance or sale of the Debt Securities be, and it hereby is, requested, upon fulfillment of the requirements specified in said indenture, to authenticate said Debt Securities, and deliver the same promptly, in accordance with the written order or orders of the Company signed by the President or any Vice President, and by the Treasurer or any Assistant Treasurer of the Company; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to execute the Debt Securities in temporary or definitive form, under manual or facsimile signature, and under the facsimile seal of the Company attested by the manual or facsimile signature of the Secretary; and be it

FURTHER RESOLVED, That the Executive Committee and the proper officers of this Company be, and they are hereby, authorized to take such actions, for and on behalf of the Company, relating to the authentication, creation, issuance, sale and delivery of said Debt Securities, the execution and delivery of the indenture and one or more supplemental indentures as hereinabove provided, including, without limitation, the determination of the interest rate and the insertion thereof in the form of said Debt Securities and, at their option, in the supplemental indenture creating such series; and be it

FURTHER RESOLVED, That the Executive Committee and the proper officers of this Company be, and they hereby are, authorized and empowered in the name and on behalf of the Company to do or cause to be done any and all other acts and things as they may deem necessary or desirable to consummate the transactions set forth in and contemplated by these resolutions with full power to act in the premises, and that all actions of the Executive Committee and the proper officers of the Company taken pursuant to and in furtherance of the purposes of these resolutions be, and they hereby are, established as actions of this Board of Directors.

ATTACHMENT IV

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUANCE AND)
SALE OF UP TO \$300,000,000 OF APPLICANT'S)
(1) FIRST MORTGAGE BONDS, (2) SERIAL)
PREFERRED STOCK, WITHOUT PAR VALUE)
AND (3) DEBT SECURITIES)
_____)

CASE NO. _____

PROPOSED ORDER

This matter is before the Commission upon the Application of Idaho Power Company ("Applicant") filed March 3, 2003, for authority to issue and sell from time to time (a) up to \$300,000,000 aggregate principal amount of one or more series of Applicant's First Mortgage Bonds, which may be designated as secured medium-term notes (Bonds), (b) up to \$300,000,000 in gross proceeds to Applicant of one or more series of its Serial Preferred Stock, Without Par Value (Preferred Stock), and (c) up to \$300,000,000 aggregate principal amount of one or more series of unsecured debt securities of the Applicant (Debt Securities); provided however, that the total principal amount of the Bonds, the gross proceeds to Applicant of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000. The Commission, having fully considered the Application and attached exhibits, its files and records relating to the Application and the applicable laws and rules, now makes the following:

FINDINGS OF FACT

I.

The Commission has jurisdiction pursuant to Title 61, Idaho Code, Chapters one and nine.

II.

Applicant is incorporated under the laws of the State of Idaho and is qualified to do business in the states of Oregon, Nevada, Montana and Wyoming in connection with its utility business, with its principal office in Boise, Idaho.

III.

The Applicant seeks authority to issue and sell, from time to time, (a) up to \$300,000,000 aggregate principal amount of one or more series of the Bonds under its Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 as supplemented and amended ("Mortgage"), and as to be further supplemented and amended, (b) up to \$300,000,000 in gross proceeds to the Applicant of one or more new series of its Serial Preferred Stock, Without Par Value, under its Restated Articles of Incorporation, as amended, and (c) up to \$300,000,000 aggregate principal amount of one or more series of Debt Securities under an unsecured debt Indenture of Applicant; provided, that the total principal amount of the Bonds and gross proceeds to the Applicant of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000.

IV.

The Applicant has filed a registration statement for the Bonds, Preferred Stock and Debt Securities with the Securities and Exchange Commission (SEC) pursuant to the shelf registration provisions of Rule 415 of the Securities Act of 1933, as amended. This will enable the Applicant to take advantage of attractive market conditions efficiently and rapidly. Under the shelf registration, the Applicant will be able to issue the Bonds, Preferred Stock and/or Debt Securities at different times without the necessity of filing a new registration statement. The

Applicant requests authority to issue the Bonds, Preferred Stock and/or Debt Securities over a period of two years from the date of this Order.

V.

The Bonds will be issued pursuant to one or more supplemental indentures to the Mortgage and will be secured equally with the other First Mortgage Bonds of the Applicant. The Applicant may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars. The Applicant states that price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, whether interest rate hedging arrangements will apply to the Bonds, repayment terms, redemption terms, if any, and any other special terms of the Bonds have not yet been determined and may be different for each issuance of the Bonds.

VI.

The Bonds may be designated as secured medium-term notes. The medium-term notes could have maturities from nine months to thirty years. Before issuing medium-term notes publicly, the Applicant will file a Prospectus Supplement with the SEC setting forth the general terms and conditions of the medium-term notes to be issued. Upon each issuance of the medium-term notes pursuant to the Prospectus Supplement, the Applicant will file a Pricing Supplement with the SEC providing a specific description of the terms and conditions of each issuance of the medium-term notes. The Applicant will also file a copy of the Prospectus Supplement and Pricing Supplements with the Commission.

VII.

The Preferred Stock will be issued pursuant to the provisions contained in the Applicant's Restated Articles of Incorporation relating to Serial Preferred Stock, Without Par Value. Applicant states that the series designation, aggregate amount of the issue, purchase price or prices, retirement date or dates, if any, sinking fund provisions, if any, dividend rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of dividends, redemption terms, if any, and any other special terms of the Preferred Stock have not yet been determined and may be different for each issuance of the Preferred Stock.

VIII.

The Debt Securities will be unsecured obligations of the Applicant and will be issued under an existing or new unsecured debt Indenture of the Applicant. The Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars. The Applicant states that price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Debt Securities will be discounted, whether all or a portion of the Debt Securities will be issued in global form, whether interest rate hedging arrangements will apply to the Debt Securities, repayment terms, redemption terms, if any, and any other special terms of the Debt Securities have not yet been determined and may be different for each issuance of the Debt Securities.

IX.

Applicant states that the Bonds, Preferred Stock and/or Debt Securities may be sold by public sale or private placement, directly by the Applicant or through agents designated from time to time or through underwriters or dealers. If any agents of the Applicant or any underwriters are involved in the sale of the Bonds, Preferred Stock and/or Debt Securities, the names of such agents or underwriters, the initial price to the public (if applicable), any applicable commissions or discounts, and the net proceeds to the Applicant will be filed by the Applicant with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the names of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission.

X.

The net proceeds to be received by the Applicant from the sale of the Bonds, Preferred Stock and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes. To the extent that the proceeds from the sale of the Bonds, Preferred Stock or Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

CONCLUSIONS OF LAW

I.

Applicant is incorporated under the State of Idaho and is duly authorized to do business in the states of Oregon, Nevada, Montana and Wyoming in connection with its utility operations.

II.

The Commission has jurisdiction over this Application.

III.

The Commission does not have before it for determination and, therefore, does not determine the effect of the Bonds, Preferred Stock and/or Debt Securities on rates to be charged by Applicant for electric service to consumers in the State of Idaho.

IV.

The proposed issuance and sale of the Bonds, Preferred Stock and/or Debt Securities are for a lawful purpose and are within Applicant's corporate powers. The proposed transaction is in the public interest, and a formal hearing on this matter would serve no public purpose.

V.

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

ORDER

IT IS THEREFORE ORDERED that the Application of Idaho Power Company to issue and sell from time to time (a) up to \$300,000,000 aggregate principal amount of one or more series of the Bonds, (b) up to \$300,000,000 in gross proceeds to Applicant of one or more series of its Serial Preferred Stock, and (c) up to \$300,000,000 aggregate principal amount of one or more series of the Debt Securities in the ways and for the purposes set forth in its Application be, and the same is hereby granted; provided, that the total principal amount of the Bonds, gross proceeds to the Applicant of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000. This authorization shall be for two years from the date of this order. Applicant may request an extension of this authorization by letter filed with the Commission prior to the expiration of such two-year period.

IT IS FURTHER ORDERED that Applicant notify the Commission by letter within seven (7) days (or as soon as possible, if the required information is not available within seven (7) days) before the issuance of the Bonds, Preferred Stock and/or Debt Securities of the likely range of interest rates or dividend rates and other terms for the securities, unless, in the case of Bonds, the Bonds are issued as medium-term notes.

IT IS FURTHER ORDERED that Applicant file, as promptly as possible after the issuance of each series of Bonds, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission. If the Applicant issues Bonds designated as medium-term notes, the Applicant's reporting requirements shall consist of filing with the Commission a copy of the Prospectus Supplement for the medium-term notes as filed with the SEC. The Applicant shall also file with the Commission a copy of

the Pricing Supplements filed with the SEC, setting forth the specific terms and conditions for each issuance of the medium-term notes.

IT IS FURTHER ORDERED that Applicant file, as promptly as possible after the issuance of each series of the Preferred Stock, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission.

IT IS FURTHER ORDERED that Applicant file, as promptly as possible after the issuance of each series of Debt Securities, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission.

IT IS FURTHER ORDERED that nothing in this order shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, repurchased, defeased or guaranteed under the provisions of this order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluation, estimates or determination of costs, 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 the issuance of this order does not constitute acceptance of Idaho Power Company's exhibits or other material accompanying this Application for any purpose other than the issuance of this order.

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

PAUL KJELLANDER, President

DENNIS S. HANSEN, Commissioner

MARSHA H. SMITH, Commissioner

ATTEST:

JEAN D. JEWELL
Commission Secretary