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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY TO ENTER)
INTO CERTAIN FINANCING TRANSACTIONS)
FOR THE REFUNDING OF \$49,800,000 OF)
HUMBOLDT COUNTY, NEVADA POLLUTION)
CONTROL REVENUE BONDS)
_____)

CASE NO. IPC-E-03-

09

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 Rules 141 through 150 of the Commission's Rules of Practice and Procedure (the "Rules") for authority to enter into certain financing transactions for the refunding of \$49,800,000 aggregate principal amount of Humboldt County, Nevada Pollution Control Revenue Bonds (Idaho Power Company Project) Series 1984 (the "Outstanding Bonds"). The Outstanding Bonds were issued by Humboldt County, Nevada ("Humboldt County") on December 20, 1984, in the original principal amount of \$56,200,000, of which \$6,400,000 was subsequently retired. On June 2, 1986, the Outstanding Bonds were reoffered at a fixed interest rate of 8.30% per annum. The Commission approved the Applicant's participation in the original issuance of the Outstanding Bonds in 1984 in Case No. U-1006-246, Order No. 19275, and approved the Applicant's participation in the reoffering of the Outstanding Bonds at a fixed rate in 1986 in Case No. U-1006-246, Order No. 20348. The proceeds of the Outstanding Bonds were applied to refinance prior notes which were issued by Humboldt County to finance a portion of the cost of construction of the Applicant's 50% undivided interest in certain air and

water pollution control facilities at the Valmy Thermal Generating Plant, located in Humboldt County, in northwest Nevada.

Under the proposed refunding transaction, Humboldt County will issue and sell not to exceed \$49,800,000 aggregate principal amount of one or more series of pollution control revenue refunding bonds (the "Refunding Bonds") and loan the proceeds from such sale to the Applicant. The loan proceeds, together with certain monies from the Applicant, will be used to redeem \$49,800,000 aggregate principal amount of the Outstanding Bonds. The Applicant will provide for the repayment of the Refunding Bonds through a loan agreement and other arrangements with Humboldt County. The Applicant proposes to enter into the refunding transaction to secure a lower average interest rate for the Refunding Bonds and/or to extend the average maturity for the Refunding Bonds, in order to achieve a lower overall interest expense for the Refunding Bonds, as compared with the Outstanding Bonds.

(a) The Applicant

The Applicant is an electric public utility 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 Applicant was initially incorporated under the laws of the State of Maine and subsequently migrated its state of incorporation from the State of Maine to the State of Idaho effective June 30, 1989. It is duly qualified to do business as a foreign corporation in the States of Oregon, Nevada, Montana and Wyoming. 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

(1) Amount

The Refunding Bonds will not exceed \$49,800,000 in aggregate principal amount, which represents the total principal amount of the Outstanding Bonds presently outstanding. The Refunding Bonds may be collateralized with the Applicant's First Mortgage Bonds in aggregate principal amount not to exceed the aggregate principal amount of the Refunding Bonds.

(2) Interest Rate

The interest rate or rates may be fixed or variable for the Refunding Bonds and may be converted to fixed or variable rate(s) during the term(s) of the Refunding Bonds. The Applicant will 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 Refunding Bonds of the likely range of interest rates and other terms for the Refunding Bonds.

(3) Date of Issue

The Applicant expects that the Refunding Bonds will be issued on or prior to December 1, 2003, which is the first redemption date of the Outstanding Bonds. The Refunding Bonds may be issued prior to December 1, 2003 to take advantage of favorable interest rates. The Refunding Bonds may also be issued through a "forward delivery" process, under which the parties would execute the transaction documents for the issuance of the Refunding Bonds, and set the interest rate for the Refunding Bonds (which may be fixed or variable), prior to the actual issuance date for the Refunding Bonds. The forward delivery process would allow the Applicant to lock in favorable interest rates for an early lock-in fee, in advance of the December 1, 2003 redemption date of the Outstanding Bonds. The Applicant

may also enter into interest rate swaps with respect to the Refunding Bonds, and/or interest rate hedging arrangements, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars.

(4) Date of Maturity

The maturity date(s) for the Refunding Bonds have not yet been determined. The Applicant will endeavor to extend the average maturity date(s) of the Refunding Bonds beyond the December 1, 2014 maturity date of the Outstanding Bonds, where possible, to take advantage of the lower interest expense of the Refunding Bonds.

(5) Call or Redemption Privileges

To be determined.

(6) Sinking Fund or Other Provisions for Securing Payment

Any sinking fund provisions are yet to be determined for the Refunding Bonds. See section (c) below for a discussion of possible security agreements or arrangements.

(c) Method of Issuance

The Refunding Bonds will be issued pursuant to an indenture of trust, between Humboldt County and a trustee. Pursuant to a loan agreement between Humboldt County and the Applicant, the proceeds from the sale of the Refunding Bonds will be loaned to the Applicant to pay for the refunding of \$49,800,000 aggregate principal amount of the Outstanding Bonds. Under the loan agreement, the Applicant will be obligated to pay absolutely and unconditionally, to the extent sufficient funds are not already in the possession of the trustee, the principal of, interest on, and premium, if any, on the Refunding Bonds as well as certain fees and expenses associated with the transactions. Humboldt County's full faith and credit will not be pledged to the payment of the Refunding Bonds.

To achieve favorable ratings by national bond rating agencies for the Refunding Bonds, the Applicant may collateralize the Refunding Bonds with its own First Mortgage Bonds, or it may enter into guarantees, pledges or other security agreements or arrangements to insure timely payment of amounts due in respect of the Refunding Bonds. The Applicant may also enter into letters of credit, insurance or other arrangements with unrelated parties pursuant to which such parties may lend additional credit or liquidity support to the Refunding Bonds. The purpose of such additional credit or liquidity support would be to enhance the credit rating of the Refunding Bonds and thereby reduce the interest expense of the Refunding Bonds.

(1) Method of Marketing

The Refunding Bonds will be sold on a negotiated public offering basis by Humboldt County to the underwriters selected for the transaction (the "Underwriters"), pursuant to a contract of purchase. The Applicant expects the Underwriters to be selected by July 1, 2003, and will notify the Commission of the selection at that time.

(2) Terms of Sale

To be determined.

(3) Underwriting Discounts or Commissions

The Underwriters will receive a fee of not greater than 1.00% of the aggregate principal amount of the Refunding Bonds offered.

(4) Sales Price and Net Proceeds to the Applicant

The results of the issuance of the Refunding Bonds are expected to be:

	<u>Total</u>	<u>Per \$100</u>
Gross Proceeds	\$49,800,000	\$100.000
Less: Underwriter's Commission (1.00%)	498,000	1.000
Proceeds Payable to Applicant	49,302,000	99.000
Less: Other Issuance Expenses (see below)	425,000	0.853
Less: Redemption Premium (3.00%)	<u>1,494,000</u>	<u>3.000</u>
Net Proceeds Loaned to Applicant	<u>\$47,383,000</u>	<u>\$95.147</u>

Other Issuance Expenses:

Trustee Fees	\$ 5,000.00
Regulatory Agency Fees	3,500.00
The Applicant's and Other Counsel Fees	300,000.00
Accounting Fees.....	15,500.00
Printing and Engraving Fees	20,000.00
Rating Agency Fees.....	50,000.00
Miscellaneous Costs.....	<u>31,000.00</u>
TOTAL	<u>\$425,000.00</u>

(d) Purpose of Issuance

The net proceeds to be received by the Applicant in connection with the sale of the Refunding Bonds will be used to refund \$49,800,000 aggregate principal amount outstanding of the Outstanding Bonds. To the extent that the proceeds of the Refunding Bonds are not immediately applied to the refunding of the Outstanding Bonds, they may be temporarily invested by the trustee in high grade, short-term taxable securities.

(e) Propriety of Issue

The Applicant believes and alleges that facts set forth herein disclose that the proposed issuance of Refunding Bonds is for a lawful object within the corporate purposes of the Applicant and compatible with the public interest, and is necessary or appropriate for, or consistent with, the proper performance by the Applicant of service as a public utility and will not impair its ability to perform that service, and is reasonably necessary or appropriate for such purposes.

(f) Financial Statements; Resolutions

The Applicant has filed herewith as Attachment I its financial statements dated as of March 31, 2003 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 the Applicant's directors authorizing the transaction with respect to this Application is attached hereto as Attachment II.

(g) Proposed Order

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

(h) Notice of Application

Notice of this Application will be published in those newspapers in the Applicant's service territory listed in Rule 141.08 of the Commission's Rules within seven (7) days of the date hereof.

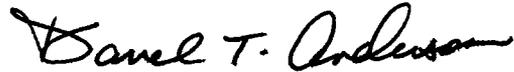
WHEREFORE, the Applicant requests that the Idaho Public Utilities Commission issue its Order authorizing the Applicant to (1) enter into contracts of purchase, loan agreements,

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letter of credit agreements, security agreements and such other agreements or arrangements as may be reasonably necessary in connection with the issuance by Humboldt County for the benefit of the Applicant, and the loan by Humboldt County to the Applicant of the proceeds from the issuance, of up to \$49,800,000 aggregate principal amount of pollution control revenue refunding bonds; and (2) assume liability as guarantor, pledgor, surety or otherwise (including issuance of the Applicant's First Mortgage Bonds) with respect to the principal of, interest on, and premium, if any, on the Refunding Bonds; all for the purpose of effecting the refunding of \$49,800,000 aggregate principal amount of the Outstanding Bonds, under the terms and conditions of and as set forth in this Application.

DATED at Boise, Idaho this 23rd day of June, 2003.

IDAHO POWER COMPANY



By: /s/ Darrel T. Anderson
Vice President, Chief
Financial Officer & Treasurer

(CORPORATE SEAL)

ATTEST:


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

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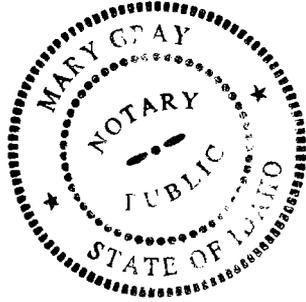
VERIFICATION

I, Darrel T. Anderson, declare that I am the Vice President, Chief Financial Officer & 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 23rd day of June, 2003.

Darrel T. Anderson
/s/ Darrel T. Anderson

SUBSCRIBED AND SWORN to before me this 23rd day of June, 2003.



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

ATTACHMENT I(a)

IDAHO POWER COMPANY
BALANCE SHEET
As of March 31, 2003

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			52,803,300		52,803,300
Premium on capital stock.....			362,032,321		362,032,321
Capital stock expense.....			(2,696,313)		(2,696,313)
Retained earnings.....			326,307,812		326,307,812
Accumulated other comprehensive income.....			(8,114,359)		(8,114,359)
Total equity capital.....			824,363,639		824,363,639
Long-Term Debt:					
First mortgage bonds			620,000,000		620,000,000
Pollution control revenue bonds (A).....			170,460,000	10,200,000	180,660,000
Other long-term debt.....			1,082,093		1,082,093
American Falls bond and Milner note guarantees			31,585,000		31,585,000
Unamortized discount on long-term debt (Dr).....			(2,356,797)		(2,356,797)
Total long-term debt.....			820,770,296	10,200,000	830,970,296
Current Liabilities:					
Long-term debt due within one year.....			130,082,848		130,082,848
Notes payable.....					-
Accounts payable			29,398,000		29,398,000
Notes and accounts payable to related parties.....			7,313,507		7,313,507
Taxes accrued.....			86,954,266		86,954,266
Interest accrued.....			22,703,228		22,703,228
Deferred income taxes.....			14,989,641		14,989,641
Other.....			17,444,628		17,444,628
Total current liabilities.....			308,886,118		308,886,118
Deferred Credits:					
Regulatory liabilities associated with accumulated deferred investment tax credits			67,482,568		67,482,568
Deferred income taxes.....			550,459,859		550,459,859
Regulatory liabilities associated with income taxes			40,838,481		40,838,481
Regulatory liabilities-other.....			6,108,606		6,108,606
Other.....			80,892,817		80,892,817
Total deferred credits.....			745,782,331		745,782,331
Total.....			\$ 2,699,802,384	\$ 10,200,000	\$ 2,710,002,384

(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 March 31, 2003
Giving Effect to the Proposed issuance of
Pollution Control Revenue Bonds

Entry No. 1

Cash.....	\$	60,000,000	
Pollution Control Revenue Bonds.....	\$		60,000,000

To record the proposed issuance of pollution control revenue bonds.

Entry No. 2

Pollution Control Revenue Bonds.....	\$	49,800,000	
Cash.....	\$		49,800,000

To record refinancing of the following:
8.30% Series due 2014

IDAHO POWER COMPANY
NOTES TO FINANCIAL STATEMENTS
As of March 31, 2003

1. Property Plant and Equipment:

The cost of 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. Repair and maintenance costs associated with planned major maintenance are recorded as these costs are incurred. For utility 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 in service is depreciated using the straight-line method at rates approved by regulatory authorities.

3. Revenues:

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

4. Cash and Cash Equivalents:

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:

IPC follows Statement of Financial Accounting Standards (SFAS) 71, "Accounting for the Effects of Certain Types of Regulation," and its financial statements reflect the effects of the different rate making principles followed by the various jurisdictions regulating IPC. 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 regulatory assets in the balance sheet 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:

Management makes estimates and assumptions when preparing financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions 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. These estimates involve judgments with respect to, among other things, future economic factors that are difficult to predict and are beyond management's control. As a result, actual results could differ from those estimates.

7. Financing:

At March 31, 2003, IPC had regulatory authority to incur up to \$250 million of short-term indebtedness. IPC has a \$200 million credit facility that expires on March 19, 2004. Under this facility, IPC pays a facility fee on the commitment, quarterly in arrears, based on its corporate credit rating. Commercial paper may be issued up to the amount supported by the bank credit facilities. At March 31, 2003, IPC had no short-term borrowings outstanding.

NOTES TO FINANCIAL STATEMENTS (Continued)

On March 14, 2003, IPC filed a \$300 million shelf registration statement that could be used for first mortgage bonds (including medium-term notes), unsecured debt and preferred stock. At March 31, 2003 none had been issued.

On May 1, 2003, IPC's \$80 million First Mortgage Bonds 6.40% Series due 2003 matured and were paid using short-term borrowings. Also, on May 1, 2003, IPC's \$80 million First Mortgage Bonds 7.50% Series due 2023 were redeemed early, at a redemption price of 103.366 percent, using short-term borrowings.

8. Income Taxes:

The liability method of computing deferred taxes is used on all temporary differences between the book and tax basis of assets and liabilities and deferred tax assets and liabilities are adjusted 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, IPC'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 (ITC) upon certain qualifying plant additions. ITC's 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.

IPC uses an estimated annual effective tax rate for computing its provision for income taxes on an interim basis. IPC's effective tax rate for the three months ended March 31, 2003 was 35.1 percent, compared with an effective tax rate of 37.6 percent for the three months ended March 31, 2002. The decrease in the 2003 estimated tax rate, compared with 2002, is due primarily to the favorable settlement in the first quarter of 2003 of a prior year tax issue, and the effects of a tax accounting method change, which took place after the first quarter of 2002.

9. Allowance For Funds Used During Construction:

Allowance for Funds Used During Construction (AFDC) represents the cost of financing construction projects with borrowed funds and equity funds. 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. The component of AFDC attributable to borrowed funds is included as a reduction to interest expense, while the equity component is included in other income.

10. Regulatory Issues:

Wind Down of Energy Marketing

IDACORP, Inc. (IDACORP) announced in 2002 that IDACORP Energy (IE) would wind down its energy marketing operations. In connection with the wind down, certain matters were identified that require resolution with the Federal Energy Regulatory Commission (FERC) or the 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

NOTES TO FINANCIAL STATEMENTS (Continued)

- 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. Since September, the FERC has made several requests for certain documents and other information all of which, except for those requests which have been deferred, IE and IPC have supplied. IE and IPC made additional filings with the FERC in November 2002, which included 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.

On February 26, 2003, the FERC issued an order approving the assignment of certain wholesale power and transmission services agreements from IPC to IE. The FERC also found that IPC violated Section 203 of the Federal Power Act (FPA) by assigning the agreements in June 2001 without seeking prior approval from the FERC. The FERC noted that noncompliance with Section 203 of the FPA may prompt the FERC in certain instances to impose remedies as a condition of its approval; however, no such remedies were imposed in the FERC order.

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.

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. The IPUC has issued several orders since then regarding these matters. Order No. 28852 issued on September 28, 2001 covered the time period prior to February 2001. Order No. 29026 covered the time period from March 2001 through March 2002. The IPUC also approved IPC's ongoing hedging and risk management strategies in Order No. 29102 issued on August 28, 2002. 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 the same order, the IPUC directed IPC to present a resolution or a status report to the IPUC 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. Status reports were filed with the IPUC on December 20, 2002 and March 20, 2003 reporting no significant developments.

The IPUC is waiting for the FERC to rule on those issues the companies voluntarily disclosed to the FERC in September 2002 before proceeding to resolve the issues in this case.

However, in its April 15, 2003 annual Power Cost Adjustment (PCA) filing with the IPUC, IPC included some additional compensation related to one of the FERC issues. As a result of an anticipated settlement with the FERC, IE paid IPC an additional \$2 million for spinning reserves and load following services. IPC proposed that this additional compensation be flowed through the 2003-2004 PCA. Other state regulatory issues related to the IPUC proceeding described above are expected to be addressed following the settlement of these matters with the FERC.

NOTES TO FINANCIAL STATEMENTS (Continued)

IDACORP and IPC do not believe that resolution of these transactions will have any adverse impact on their 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 FERC filing made 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 Idaho retail customers through the 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.

Oregon Public Utility Commission

On April 29, 2003, the staff of the Oregon Public Utility Commission (OPUC) issued a report on trading activities during the western energy crisis in 2000-2001 by regulated utilities serving customers in Oregon including Portland General Electric, PacifiCorp and IPC. With respect to IPC, the report reviews positions IPC has taken at the FERC on trading strategies, the FERC proceeding on market manipulation and issues voluntarily disclosed by IE and IPC in September 2002 regarding affiliate transactions. The report acknowledges that IE and IPC have denied participating in the trading strategies. The staff report recommends that staff reports back in 90 days regarding whether the OPUC should open a formal investigation of IPC.

Deferred Power Supply Costs

IPC's deferred power supply costs consist of the following at (in thousands of dollars):

	March 31, 2003	December 31, 2002
Oregon deferral	\$ 14,047	\$ 14,172
Idaho PCA current year power supply cost deferrals:		
Deferral during the 2002-2003 rate year	9,029	8,910
Astaris load reduction agreement	29,686	27,160
Idaho PCA true-up awaiting recovery:		
Irrigation and small general service deferral for recovery in the 2003-2004 rate year	12,222	12,049
Industrial customer deferral for recovery in the 2003-2004 rate year	3,799	3,744
Remaining true-up authorized May 2002	20,927	74,253
Total deferral	<u>\$ 89,710</u>	<u>\$ 140,288</u>

Idaho: IPC has a PCA mechanism that provides for annual adjustments to the rates charged to its Idaho retail customers. These adjustments, which take effect in May, are based on forecasts of net power supply expenses and the true-up of the prior year's forecast. During the year, 90 percent of the difference between the actual and forecasted costs is deferred with interest. The ending balance of this deferral, called a true-up, is then included in the calculation of the next year's PCA adjustment.

NOTES TO FINANCIAL STATEMENTS (Continued)

On April 15, 2003, IPC filed its 2003-2004 PCA with the IPUC. The filing proposes decreases in annual PCA revenues of \$114 million. However, the 2003-2004 PCA will be \$81 million over 1993 base rates. Of this amount, \$39 million is the 2002-2003 true-up, \$26 million is the 2003-2004 projection and \$16 million is the prior year's deferred amounts for specific customer classes as ordered by the IPUC as part of the 2002-2003 PCA. The IPUC is expected to make a determination on this filing by May 16, 2003.

Oregon: IPC is also recovering calendar year 2001 extraordinary power supply costs applicable to the Oregon jurisdiction. In two separate 2001 orders, the OPUC approved rate increases totaling six percent, which is the maximum annual rate of recovery allowed under Oregon state law. These increases are recovering approximately \$2 million annually. The Oregon deferred balance is \$14 million as of March 31, 2003.

11. Other Accounting Policies:

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

ATTACHMENT I(b)

IDAHO POWER COMPANY

The following statement as to each class of the capital stock of applicant is as of March 31, 2003, 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 - 128,033 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
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 March 31, 2003, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
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
4.75 % Series due 2012, dated as of Nov 15, 2002, due Nov 15, 2012	100,000,000
7.5 % Series due 2023, dated as of May 1, 1993, due May 1, 2023	80,000,000
6 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
	\$750,000,000

- (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-Sixth Supplemental Indentures thereto, by Idaho Power Company to Deutsche Bank Trust Company Americas (formerly known as 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 - \$1,164,941
 - (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 I(c)

IDAHO POWER COMPANY

Commitments and Contingent Liabilities:

IPC is currently purchasing energy from 67 on-line cogeneration and small power production facilities with contracts ranging from one to 30 years. Under these contracts IPC is required to purchase all of the output from these facilities. During the year ended December 31, 2002, IPC purchased 692,414 MWh at a cost of \$44 million.

From time to time IPC is a party to various other legal claims, actions and complaints not discussed below. IPC believes that it has defenses to all lawsuits and legal proceedings in which it is a defendant and will vigorously defend against them although IPC is unable to predict with certainty whether or not it will ultimately be successful. However, based on its evaluation, IPC 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.

Legal Proceedings

Truckee-Donner Public Utility District: In 2002, IE received notice from the 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 MW light load energy and 20 MW heavy load energy for the term January 1, 2002 through December 31, 2002 at \$72 per 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. This lawsuit was later removed to the United States District Court for the District of Idaho.

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.

On January 3, 2003, the companies and Truckee reached a settlement of all proceedings pending between the parties. Pursuant to the settlement, Truckee paid IE \$26 million in April 2003. Incident to the settlement, IE also entered into an Interim Power Sales Agreement with Truckee that replaced the original long-term power contract and ended on March 31, 2003.

United Systems, Inc., f/k/a Commercial Building Services, Inc.: On March 18, 2002, United Systems, Inc. (United Systems) filed a complaint in Idaho State District Court in and for the County of Ada 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. The parties in this matter agreed to delay the jury trial set for June 13, 2003 and reset it to begin on November 10, 2003.

On October 4, 2002, United Systems filed a Motion for Partial Summary Judgment as to their damages. United Systems has estimated their damages to be approximately \$7 million as stated above. Oral argument on the motion was heard on November 21, 2002. No decision has been entered on the Motion for Partial Summary Judgment.

The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on their consolidated financial positions, 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 IDACORP, IPC and IE. On March 9, 2001, Grays Harbor entered into a 20 MW 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 alleged that the assignment was void and unenforceable, and sought restitution from IE and IDACORP, or in the alternative, Grays Harbor alleged that the contract should be rescinded or reformed. Grays Harbor sought 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 had this action removed from the state court to the United States District Court for the Western District of Washington at Tacoma. On November 12, 2002, the companies filed a motion to dismiss Grays Harbor's complaint, asserting that the Federal District Court lacked jurisdiction as the matter is preempted under the Federal Power Act (FPA) by the FERC. The court ruled in favor of the companies' motion to dismiss and dismissed the case with prejudice on January 28, 2003. On February 25, 2003, Grays Harbor filed a Notice of Appeal, appealing the final judgment of dismissal to the United States Court of Appeals for the Ninth Circuit. The companies intend to vigorously defend their position on appeal.

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 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 alleged 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. 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. On March 25, 2003, the Court denied the AG's motion to remand and granted IPC's motion to dismiss the case based upon grounds of federal preemption and the filed rate doctrine. On March 28, 2003, the AG filed a Notice of Appeal, appealing from the Court's final judgment dismissing the action to the United States Court of Appeals for the Ninth Circuit. IPC intends to vigorously defend its position on appeal and believes this matter will not have a material adverse effect on its 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 Matthews 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, 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. On December 13, 2002, the Federal District Court granted Plaintiffs' Motion to Remand to State Court but did not issue a ruling on IPC and IE's motion to dismiss. The Ninth Circuit has granted certain Defendants and Cross-Defendants' Motions to Stay the Remand Order while they appeal the Order. An expedited briefing schedule was also ordered. 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 this lawsuit.

Idaho Rivers United: On December 10, 2002, Idaho Rivers United filed a complaint against IPC in U.S. District Court for the District of Idaho. In the complaint, Idaho Rivers United alleged that IPC violated the Clean Water Act by discharging an amount of dredged and fill material into the navigable waters of the Snake River in excess of that allowed by a Section 404 permit issued by the U.S. Army Corps of Engineers. The action relates to work completed by IPC, pursuant to a Section 404 permit issued by the Corps on September 3, 1999, in the area of the tailrace downstream of IPC's Bliss hydroelectric project on the Snake River in Idaho. Idaho Rivers United asked the court to impose civil penalties on IPC under sections 309(d) and 505(a) of the Clean Water Act to require IPC to pay for any remedial or restoration work necessary to amend any environmental harm caused by the alleged violation and to pay reasonable attorney fees.

On March 28, 2003, IPC and Idaho Rivers United entered into a consent decree resolving the disputed allegations of the complaint. Under the terms of the consent decree, IPC, without admitting liability, agreed to contribute the sum of \$86,800, in three equal annual payments, to The Nature Conservancy (TNC), an internationally recognized non-profit organization specializing in habitat restoration and protection, to be used for design, management and construction of TNC's proposed Blind Canyon and Thousand Springs wetlands projects on the Snake River in Idaho. These projects have a positive impact on water quality in the Snake River by removing sediments and nutrients from irrigation canal waters before they are returned to the river. IPC also agreed to pay attorney fees incurred by Idaho Rivers

United in the amount of \$15,000.

It is expected that the federal court will enter the consent decree by the first part of May 2003. Consistent with the terms of the decree, IPC will submit the first installment of \$28,933 to TNC no later than 30 days after entry of the decree. Subsequent installments are due on or before January 15, 2004 and 2005.

California Energy Proceedings at the FERC:

California Power Exchange Chargeback

As a component of IPC's non-utility energy trading in the state of California, IPC, in January 1999, entered into a participation agreement with the California Power Exchange (CalPX), a California non-profit public benefit corporation. The CalPX, at that time, operated a wholesale electricity market in California by acting as a clearinghouse through which electricity was bought and sold. Pursuant to the participation agreement, IPC could sell power to the CalPX under the terms and conditions of the CalPX Tariff. Under the participation agreement, if a participant in the CalPX exchange defaulted on a payment to the exchange, the other participants were required to pay their allocated share of the default amount to the exchange. The allocated shares were based upon the level of trading activity, which included both power sales and purchases, of each participant during the preceding three-month period.

On January 18, 2001, the CalPX sent IPC an invoice for \$2 million - a "default share invoice" - as a result of an alleged Southern California Edison (SCE) payment default of \$215 million for power purchases. IPC made this payment. On January 24, 2001, IPC terminated the participation agreement. On February 8, 2001, the CalPX sent a further invoice for \$5 million, due February 20, 2001, as a result of alleged payment defaults by SCE, Pacific Gas and Electric Company (PG&E) and others. However, because the CalPX owed IPC \$11 million for power sold to the CalPX in November and December 2000, IPC did not pay the February 8th invoice. IPC essentially discontinued energy trading with the CalPX and the California Independent System Operator (Cal ISO) in December 2000.

IPC believes that the default invoices were not proper and that IPC owes no further amounts to the CalPX. IPC has pursued all available remedies in its efforts to collect amounts owed to it by the CalPX. On February 20, 2001, IPC filed a petition with the FERC to intervene in a proceeding that requested the FERC to suspend the use of the CalPX charge back methodology and provides for further oversight in the CalPX's implementation of its default mitigation procedures.

A preliminary injunction was granted by a Federal Judge in the Federal District Court for the Central District of California enjoining the CalPX from declaring any CalPX participant in default under the terms of the CalPX Tariff. On March 9, 2001, the CalPX filed for Chapter 11 protection with the U.S. Bankruptcy Court, Central District of California.

In April 2001, PG&E filed for bankruptcy. The CalPX and Cal ISO were among the creditors of PG&E. To the extent that PG&E's bankruptcy filing affects the collectibility of the receivables from the CalPX and Cal ISO, the receivables from these entities are at greater risk.

The FERC issued an order on April 6, 2001 requiring the CalPX to rescind all chargeback actions related to PG&E's and SCE's liabilities. Shortly after that time, the CalPX segregated the CalPX chargeback amounts it had collected in a separate account. The CalPX claims it is awaiting further orders of the FERC and the bankruptcy court before distributing the funds that it collected under its chargeback tariff mechanism. Although certain parties to the California refund proceeding urged the FERC's Presiding Administrative Law Judge (ALJ) to consider the chargeback amounts in his determination of who owes what to whom, in his Certification of Proposed Findings on California Refund Liability, he concluded that the matter already was pending before the FERC for disposition.

California Refund

In April 2001, the FERC issued an order stating that it was establishing price mitigation for sales in the California wholesale electricity market. Subsequently, in its June 19, 2001 order, the FERC expanded that price mitigation plan to the entire western United States electrically interconnected system. That plan included the potential for orders directing electricity sellers into California since October 2, 2000 to refund portions of their spot market sales prices if the FERC determined that those prices were not just and

reasonable, and therefore not in compliance with the FPA. The June 19 order also required all buyers and sellers in the Cal ISO market during the subject time-frame to participate in settlement discussions to explore the potential for resolution of these issues without further FERC action. The settlement discussions failed to bring resolution of the refund issue and as a result, the FERC's Chief ALJ submitted a Report and Recommendation to the FERC recommending that the FERC adopt the methodology set forth in the report and set for evidentiary hearing an analysis of the Cal ISO's and the CalPX's spot markets to determine what refunds may be due upon application of that methodology.

On July 25, 2001, the FERC issued an order establishing evidentiary hearing procedures related to the scope and methodology for calculating refunds related to transactions in the spot markets operated by the Cal ISO and the CalPX during the period October 2, 2000 through June 20, 2001. As to potential refunds, if any, IE believes its exposure is likely to be offset by amounts due from California entities. Multiple parties have filed requests for rehearing and petitions for review. The latter, more than 60, have been consolidated by the United States Court of Appeals for the Ninth Circuit and held in abeyance while the FERC continues its deliberations. The Ninth Circuit also directed the FERC to permit the parties to adduce additional evidence respecting market manipulation. See "Market Manipulation" below.

This case had been further complicated by an August 13, 2002 FERC staff (Staff) Report which included the recommendation to replace the published California indices for gas prices that the FERC previously established as just and reasonable for calculating a Mitigated Market Clearing Price (MMCP) to calculate refunds with other published indices for producing basin prices plus a transportation allowance. Staff's recommendation is grounded on speculation that some sellers had an incentive to report exaggerated prices to publishers of the indices, resulting in overstated published index prices. Staff bases its speculation in large part on a statistical correlation analysis of Henry Hub and California prices. If the FERC accepts the Staff recommendation, the total amount of refunds could roughly double over earlier estimates. IE, in conjunction with others, submitted comments on the Staff recommendation - asserting that Staff's conclusions were incorrect in part on the basis of the fact that the Staff's correlation study ignored evidence of normal market forces and scarcity which created the pricing variations which Staff observed, rather than improper manipulation of reported prices. Beyond soliciting comments on the Staff recommendation, the FERC has not decided whether or how to proceed with consideration of a change in the gas pricing methodology which it previously approved.

Based upon that order and subject to possible modification based upon revision of the gas indices to be used, the Cal ISO would then be directed by the FERC to calculate revised refund amounts due from sellers of spot market power into the CalPX and Cal ISO during the refund period.

The ALJ issued a Certification of Proposed Findings on California Refund Liability on December 12, 2002. The FERC has indicated the intention to largely conclude work on the California refund matters, including the ALJ's decision, the gas pricing component of its MMCP methodology and claims of market manipulation.

The FERC issued its Order On Proposed Findings On Refund Liability on March 26, 2003. In large part, the FERC affirmed the recommendations of its ALJ. However, the FERC changed a component of the formula the ALJ was to apply when the FERC adopted findings of its staff that published California spot market prices for gas did not reliably reflect the prices a gas market that had not been manipulated would have produced, despite the fact that many gas buyers paid those amounts. The findings of the ALJ, as adjusted by the FERC's March 26, 2003 order, are expected to substantially increase the offsets to amounts still owed by the Cal ISO and the CalPX to the companies, perhaps by enough to require the payment of refunds. Calculations remain uncertain because the FERC has required the Cal ISO to correct a number of defects in its calculations and because the FERC has stated that if refunds will prevent a seller from recovering its California portfolio costs during the refund period, it will provide an opportunity for a cost showing by such a respondent. As a result IE is unsure of the impact this ruling will have on the refunds due from California.

IE, along with a number of other parties, filed a petition with the FERC on April 25, 2003 seeking review of the March 26, 2003 order.

IPC transferred its non-utility wholesale electricity marketing operations to IE effective June 1, 2001. Effective with this transfer, the outstanding receivables and payables with the CalPX and Cal ISO were assigned from IPC to IE. At March 31, 2003, with respect to the CalPX chargeback and the California Refund proceedings, discussed above, the CalPX and Cal ISO owed \$14 million and \$30 million, respectively, for energy sales made to them by IPC in November and December 2000. IE has accrued a reserve of \$42 million against these receivables.

These reserves were calculated taking into account the uncertainty of collection, given the California energy situation. Based on the reserves recorded as of March 31, 2003, IDACORP believes that the future collectibility of these receivables or any potential refunds ordered by the FERC would not have a significant impact on its consolidated financial position, results of operations or cash flows.

Market Manipulation

In a November 20, 2002 order the FERC permitted discovery and the submission of evidence respecting market manipulation by various sellers during the western power crises of 2000 and 2001.

On March 3, 2003, the California Parties (the investor owned utilities, the California Attorney General, the California Electricity Oversight Board and the California Public Utilities Commission) filed voluminous documentation asserting that a number of wholesale power suppliers, including IE and IPC had engaged in one of a variety of forms of conduct that the California Parties contended were impermissible. Although the contentions of the California Parties were contained in more than 11 compact discs of data and testimony, approximately 12,000 pages of data, IE and IPC were mentioned in limited contexts-the overwhelming majority of the claims of the California Parties related to claims respecting the conduct of other parties.

As a consequence, the California Parties urged the FERC to apply the precepts of its earlier decision-to replace actual prices charged in every hour starting May 1, 2000 through the beginning of the existing refund period (October 2, 2000) with a MMCP, seeking approximately \$8 billion in refunds to the Cal ISO and the CalPX. On March 20, 2003, numerous parties, including the companies, submitted briefs and responsive testimony. The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

In its March 26, 2003 order, discussed above, the FERC declined to generically apply its refund determinations across the board to sales by all market participants, although it stated that it reserved the right to provide remedies for the market against parties shown to have engaged in proscribed conduct.

The FERC is now considering a March 26, 2003 Staff Report, that, in part, adopts the positions advanced by the California Parties, and relies in substantial degree on market monitoring protocol tariff provisions of the Cal ISO and CalPX, as the basis for the contention that a tariff provision had been violated. The FERC is now considering recommendations of its staff to initiate show cause proceedings against companies named in its report. A number of wholesale power suppliers were named in the Staff Report, including IE and IPC. IE and IPC intend to vigorously defend if they are named in a show cause proceeding, but they are unable to predict the outcome of this proceeding. On April 2, 2003 in Docket No. PA02-2-005, the FERC solicited briefs from all parties respecting the question of the extent to which those Cal ISO and CalPX protocols established binding tariff norms for conduct of market participants. The companies filed briefs on April 11, 2003 explaining that those tariff provisions established a requirement for the Cal ISO and the CalPX to report on and monitor market activities, but did not establish standards of conduct for market participants.

Pacific Northwest Refund: On July 25, 2001, the FERC issued an order establishing another 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 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 ALJ's recommended findings are pending before the FERC. However, at the request of the City of Tacoma and the Port of Seattle on December 19, 2002, the FERC reopened the proceedings to allow the submission of additional evidence related to alleged manipulation of the power market by Enron and others. IE had opposed that request. As was the case in the California refund proceeding, at the conclusion of the discovery period, parties alleging market manipulation were to submit their claims to the FERC and responses were due on March 20, 2003. Grays Harbor, whose civil litigation claims were dismissed, as noted above, has intervened in this FERC proceedings asserting on March 3, 2003 that its six month forward contract, for which performance has been completed, should be treated as a spot market contract for purposes of the FERC's consideration of refunds and requesting refunds from IPC of \$5 million. Grays Harbor did not suggest that there was any misconduct by the company. The company submitted responsive testimony defending vigorously against Grays Harbor's refund claims.

In addition, the Port of Seattle, the City of Tacoma and Seattle City Light made filings with the FERC on March 3, 2003 claiming that because some market participants drove prices up throughout the west through acts of manipulation, prices for contracts throughout the Pacific Northwest market should be re-set starting in May 2000 using the same factors the FERC would use for California markets. Although the majority of the claims of these parties are generic, they named a number of power market suppliers, including IPC and IE, as having used parking services provided by other parties under FERC-approved tariffs and thus as being candidates for claims of having received incorrectly congestion revenues from the Cal ISO. IE and IPC are vigorously defending against both the generic claims that the Pacific Northwest markets were not competitive and the claims advanced by the Port of Seattle and City of Tacoma, but are unable to predict the outcome of this matter.

Washington Retail Consumer Class Action Complaint: The complaint in this case was filed on December 20, 2002 in the United States District Court for the Western District of Washington at Seattle, against various entities, including IPC. The complaint was served on IPC on February 3, 2003. This action seeks class action status on behalf of all persons and businesses residing in Washington who were purchasers of electrical and/or natural gas energy from any period beginning in January 2000 to the present. The complaint alleges claims under the Washington Consumer Protection Act, RCW 19.86, as well as common law claims of fraud by concealment, negligence and for an accounting. The complaint asserts that the defendants, including IPC, engaged in, among other things, unfair and deceptive acts, in violation of the FPA, by (a) withholding the supply of energy; (b) misrepresenting the amount of its energy supplies; (c) exercising improper control over the energy markets; and (d) manipulating the price of energy markets resulting in energy rates being unjust, unreasonable and unlawful. The plaintiff seeks certification of a class action, equitable and injunctive relief, an accounting, treble damages, attorneys' fees and costs. On February 3, 2003, another defendant, Reliant, moved to transfer the case to the Judge who is presiding over Multiple District Litigation (MDL) No. 1405. The MDL rejected this request because that Judge, as a Washington resident, is a member of the class. On March 11, 2003, IPC, along with other defendants, filed a motion with the MDL seeking to transfer the case to be consolidated with similar actions before the Judge who is presiding over the California Attorney General Action, and other similar cases. On March 21, 2003 the Court granted IPC's motion for an extension of time to respond to the complaint until 30 days after the MDL panel rules. IPC intends to vigorously defend against this lawsuit and believes this matter will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Oregon Retail Consumer Class Action Complaint: The complaint in this case was filed on December 16, 2002 in the Circuit Court of the State of Oregon for the County of Multnomah, against various entities, including IPC. The complaint was served on IPC on February 7, 2003. The case was removed by another defendant, Reliant, to the United States District Court, District of Oregon on February 4, 2003. The complaint seeks class action status on behalf of all persons and businesses residing in Oregon who were purchasers of electrical and/or natural gas energy from any period beginning in January 2000 to the present. The complaint alleges claims under the Oregon Unfair Trade Practices Act, ORS 646.605 et seq. in addition to claims of fraud by concealment, negligence and for an accounting. The complaint asserts that the defendants, including IPC, engaged in, among other things, unfair and deceptive acts, in violation of the FPA, by (a) withholding the supply of energy; (b) misrepresenting the amount of its energy supplies; (c) exercising improper control over the energy markets; and (d) manipulating the price of

energy markets resulting in energy rates being charged to Oregon energy consumers that were unjust, unreasonable and unlawful. The plaintiff seeks certification of a class action, equitable and injunctive relief, an accounting, attorneys' fees and costs. The action was removed to federal court, and on March 11, 2003, IPC, along with other defendants, filed a motion with the MDL seeking to transfer the case to be consolidated with similar actions before the Judge who is presiding over the California Attorney General Actions, and other similar cases. A stipulation has been submitted to the Court for an extension of time to respond to the complaint, until 30 days after the MDL panel rules. IPC intends to vigorously defend against this lawsuit and believes this matter will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Enron Bankruptcy Case: When Enron Corporation and certain of its affiliates, including Enron Power Marketing, Inc. (EPMI) and Enron North America Corp. (ENA) (collectively, Enron) petitioned for bankruptcy protection in December 2001, IE and IPC exercised their rights to terminate all contracts with Enron. During October 2002, IE submitted claims in the Enron bankruptcy proceeding for net pre-petition obligations owed by Enron to IE of approximately \$17 million, primarily for power and energy delivered prior to the Enron bankruptcy. IE also asserted various contingent and unliquidated claims against Enron. IE acknowledged in its claims that there are also monetary values associated with the forward contracts for post-petition deliveries that were terminated, which, when analyzed separately, may result in a substantial net liability to Enron after setoff of such pre-petition obligations.

On November 13, 2002, IE received demand letters from EPMI and ENA asserting that IE's net liability, including interest, amounted to approximately \$44 million to EPMI and \$3 million to ENA, as of that date. IPC received a similar demand letter from EPMI asserting a net amount owed to EPMI of approximately \$1 million.

For several months, IE and IPC have been trying to reach agreement with Enron, under a non-disclosure and confidentiality agreement, on amounts for both the pre-petition and forward obligations in order to calculate a net termination payment value and reach a mutually agreed settlement value. However, on February 27, 2003, IE received a complaint filed by EPMI in the U.S. Bankruptcy Court, Southern District of New York. The complaint asserted that EPMI is entitled to a net termination payment of approximately \$39 million, plus interest from the termination date. The complaint asked for declaratory relief, damages and made objections to IE's filed claim.

During March 2003, IE and IPC reached agreement with Enron on both a settlement amount to be paid by IE and IPC and the terms and conditions of a settlement agreement. The settlement agreement also contains certain confidentiality requirements. IE and IPC executed and delivered the settlement agreement to Enron on March 31, 2003. The settlement agreement is subject to approval of the U.S. Bankruptcy Court, which is expected during May 2003. Enron has agreed to extend the time for IE to respond to the Enron complaint described above.

IE and IPC have no reason to believe that the settlement agreement will not be approved. However, if the settlement does not receive the requisite court approval and Enron pursues the complaint, IE and IPC intend to dispute the amounts claimed by EPMI and will vigorously defend against the complaint and aggressively prosecute any counterclaims they may have against Enron.

ATTACHMENT I(d)

IDAHO POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND
UNDISTRIBUTED SUBSIDIARY EARNINGS
For the Twelve Months Ended March 31, 2003

Retained Earnings

Retained earnings (at the beginning of period)	\$	320,914,079
Balance transferred from income.....		73,615,140
Dividends received from subsidiary.....		7,000,000
Preferred Stock Redemption.....		<u>(711,555)</u>
Total.....		<u>400,817,664</u>
Dividends:		
Preferred Stock		4,092,070
Common Stock		<u>70,417,782</u>
Total.....		<u>74,509,852</u>
Retained earnings (at end of period).....	\$	<u>326,307,812</u>

Undistributed Subsidiary Earnings

Balance (at beginning of period).....	\$	12,690,634
Equity in earnings for the period.....		9,541,458
Dividends paid (Debit).....		<u>7,000,000</u>
Balance (at end of period).....	\$	<u>15,232,092</u>

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

ATTACHMENT I(e)

IDAHO POWER COMPANY
STATEMENT OF INCOME
For the Twelve Months Ended March 31, 2003

	Actual
Operating Revenues.....	\$ 855,451,130
Operating Expenses:	
Purchased power.....	125,517,925
Fuel.....	100,479,859
Power cost adjustment.....	188,275,645
Other operation and maintenance expense.....	206,995,582
Depreciation expense.....	85,839,483
Amortization of limited-term electric plant.....	8,732,552
Taxes other than income taxes.....	19,922,869
Income taxes - Federal.....	77,119,813
Income taxes - Other.....	10,780,558
Provision for deferred income taxes.....	25,097,800
Provision for deferred income taxes - Credit.....	(118,560,465)
Investment tax credit adjustment.....	(1,248,556)
	728,953,064
Total operating expenses.....	728,953,064
Operating Income.....	126,498,066
Other Income and Deductions:	
Allowance for equity funds used during construction.....	1,194,816
Income taxes.....	2,901,468
Other - Net.....	7,261,742
	11,358,026
Net other income and deductions.....	11,358,026
Income Before Interest Charges.....	137,856,092
Interest Charges:	
Interest on first mortgage bonds.....	43,088,760
Interest on other long-term debt.....	9,213,223
Interest on short-term debt.....	4,033,932
Amortization of debt premium, discount and expense - Net.....	2,433,244
Other interest expense.....	1,473,253
	60,242,412
Total interest charges.....	60,242,412
Allowance for borrowed funds used during construction - Credit.....	3,001,459
	57,240,953
Net interest charges.....	57,240,953
Net Income.....	\$ 80,615,139

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 March 31, 2003

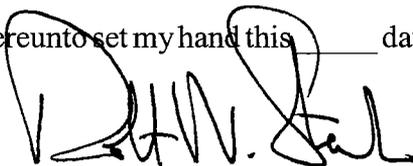
Interest on long-term debt		
Interest on existing \$49,800,000 principal amount of pollution control revenue bonds at an interest rate of 8.3%.....	\$	4,133,400
 Interest on new \$60,000,000 principal amount of pollution control revenue bonds issued at interest rate estimated at 4.75%.....		<u>2,850,000</u>
 Interest expense.....	 \$	 (1,283,400)
 Income taxes:		
Increase in Federal income taxes: due to decrease in interest expense (\$1,283,400 x 32.8%).....	 \$	 420,955
 Increase in State income taxes: due to decrease in interest expense (\$1,283,400 x 6.3%).....	 \$	 80,854

ATTACHMENT II

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 May 15, 2003, authorizing Idaho Power to refinance \$49.8 million in pollution control bonds for the Valmy coal fired power plant, and that said resolutions have not been amended or rescinded and are in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of June, 2003.



/s/ Robert W. Stahman

Secretary

(CORPORATE SEAL)

RESOLVED, That the proper officers of the Company be, and they hereby are, authorized to negotiate with prospective underwriters, investment bankers, commercial banks and others with respect to the issuance and sale by Humboldt County, Nevada (the "County") of not to exceed \$49,800,000 of refunding pollution control revenue bonds to refund, together with certain other moneys of the Company, a like principal amount of the Humboldt County, Nevada Pollution Control Revenue Bonds (Idaho Power Company Project) Series 1984, which bonds may be secured by the creation and issuance of a new series of the Company's First Mortgage Bonds, as hereinafter provided; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized to consult with representatives of the County in connection with the proposed refunding and, in connection therewith, to enter into such agreements with the County as may be required in the form or forms to be approved by the Board of Directors or the Executive Committee of this Board; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized to enter into hedging or forward delivery arrangements as the Board of Directors or the Executive Committee of this Board shall determine as necessary or desirable in connection with the proposed refunding; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized, directed 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 the approval of the proposed refunding, hedging or forward delivery

arrangements to be entered into in connection with the proposed refunding and the creation, issuance and delivery by the Company of its First Mortgage Bonds in an aggregate principal amount not to exceed \$49,800,000; 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 such agreements 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 agents or others as the Board of Directors or the Executive Committee of this Board shall determine in connection with the proposed refunding and any hedging or forward delivery arrangements to be entered into in connection with the proposed refunding; and be it

FURTHER RESOLVED, That, as security for the proposed refunding pollution control revenue bonds, there is hereby created a new series of First Mortgage Bonds, under the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, to be designated "First Mortgage Bonds, Pollution Control Series B", and the issuance by the Company of not to exceed \$49,800,000 in aggregate principal amount of such 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 Deutsche Bank Trust Company Americas as Corporate Trustee under said Mortgage, First Mortgage Bonds in a total aggregate principal amount not to exceed \$49,800,000, 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 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 the series; 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 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 Deutsche Bank Trust Company Americas be, and it hereby is, requested, upon fulfillment of the requirements specified in Articles 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 a Supplemental Indenture, 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 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 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, 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, 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 Deutsche Bank Trust Company Americas, as Corporate Trustee, and Deutsche Bank Trust Company Americas, 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, Deutsche Bank Trust Company Americas 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 hereby are, authorized to take such actions, for and on behalf of the Company, relating to the authentication, creation, issuance and delivery of said First Mortgage Bonds, the execution and delivery of the Supplemental Indenture as hereinabove provided and the recording and filing of such completed Supplemental Indenture 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 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 III

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY TO ENTER)
INTO CERTAIN FINANCING TRANSACTIONS) CASE NO. IPC-E-03- ____
FOR THE REFUNDING OF \$49,800,000 OF)
HUMBOLDT COUNTY, NEVADA POLLUTION) PROPOSED ORDER
CONTROL REVENUE BONDS)
_____)

This matter is before the Commission upon the Application of Idaho Power Company ("IPC") filed June ____, 2003, for authority to enter into certain financing transactions for the refunding of outstanding pollution control revenue bonds issued by Humboldt County, Nevada ("Humboldt County"). 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 1 and 9.

II.

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

III.

IPC proposes to enter into an agreement with Humboldt County whereby Humboldt County will issue and sell not to exceed \$49,800,000 aggregate principal amount of one or more series of pollution control revenue refunding bonds (the "Refunding Bonds") and loan the proceeds from such sale to IPC. IPC will use the loan proceeds, together with certain monies provided by IPC, to redeem \$49,800,000 aggregate principal amount of Humboldt County, Nevada Pollution Control Revenue Bonds (Idaho Power Company Project) Series 1984 (the "Outstanding Bonds").

To the extent that the proceeds from the sale of the Refunding Bonds are not immediately applied to the refunding of the Outstanding Bonds, they may be temporarily invested by the trustee in high grade, short-term taxable securities.

IV.

IPC proposes to enter into the refunding transaction to secure a lower average interest rate for the Refunding Bonds and/or to extend the average maturity for the Refunding Bonds, in order to achieve a lower overall interest expense for the Refunding Bonds, as compared with the Outstanding Bonds. The interest rate or rates may be fixed or variable for the Refunding Bonds, and may be converted to fixed or variable rate(s) during the term(s) of the Refunding Bonds. IPC will 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 Refunding Bonds of the likely range of interest rates and other terms for said Refunding Bonds.

V.

IPC expects that the Refunding Bonds will be issued on or prior to December 1, 2003, which is the first redemption date of the Outstanding Bonds. IPC states that the Refunding Bonds may be issued prior to December 1, 2003 to take advantage of favorable interest rates. The Refunding Bonds may also be issued through a “forward delivery” process, under which the parties would execute the transaction documents for the issuance of the Refunding Bonds, and set the interest rate for the Refunding Bonds (which may be fixed or variable), prior to the actual issuance date for the Refunding Bonds. According to IPC, the forward delivery process would allow IPC to lock in favorable interest rates for an early lock-in fee, in advance of the December 1, 2003 redemption date of the Outstanding Bonds. IPC may also enter into interest rate swaps with respect to the Refunding Bonds, and/or interest rate hedging arrangements, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars.

VI.

IPC will endeavor to extend the average maturity of the Refunding Bonds beyond the December 1, 2014 maturity date of the Outstanding Bonds, where possible, to take advantage of the lower interest expense of the Refunding Bonds.

VII.

IPC states that the Refunding Bonds will be issued pursuant to an indenture of trust, between Humboldt County and a trustee. Pursuant to a loan agreement between Humboldt County and IPC, the proceeds from the sale of the Refunding Bonds will be loaned to IPC to pay for the refunding of \$49,800,000 aggregate principal amount of the Outstanding Bonds. Under the loan agreement, IPC will be obligated to pay absolutely and unconditionally, to the extent sufficient funds are not already in the possession of the trustee, the principal of, interest on, and

premium, if any, on the Refunding Bonds, as well as certain fees and expenses associated with the transaction. Humboldt County's full faith and credit will not be pledged to the payment of the Refunding Bonds.

VIII.

To achieve favorable ratings by national bond rating agencies for the Refunding Bonds, IPC may collateralize the Refunding Bonds with its own First Mortgage Bonds, or it may enter into guarantees, pledges or other security agreements or arrangements to insure timely payment of amounts due in respect of the Refunding Bonds. IPC may also enter into letters of credit, insurance or other arrangements with unrelated parties pursuant to which such parties may lend additional credit or liquidity support to the Refunding Bonds. The intended purpose of such additional credit or liquidity support is to enhance the credit rating of the Refunding Bonds and thereby reduce the interest expense of the Refunding Bonds.

IX.

The Refunding Bonds will be sold on a negotiated public offering basis by Humboldt County to the underwriters selected for the transaction (the "Underwriters"), pursuant to a contract of purchase. The Applicant expects the Underwriters to be selected by July 1, 2003, and will notify the Commission of the selection at that time.

The Underwriters will receive a fee of not greater than 1.00% of the aggregate principal amount of the Refunding Bonds offered.