

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AN ORDER)
AUTHORIZING UP TO \$250,000,000)
AGGREGATE PRINCIPAL AMOUNT AT)
ANY ONE TIME OUTSTANDING OF)
SHORT-TERM BORROWINGS)
_____)

IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-04-06
APPLICATION

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

(a) **The Applicant**

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

(b) **Description of Securities**

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

(i) Amount of Securities

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

(ii) Interest Rate

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

(iii) Date of Issue

The proposed borrowings may be issued by the Applicant during the one-year period from April 1, 2004 through March 31, 2005.

(iv) Date of Maturity

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

(v) Voting Privileges

Not applicable.

(vi) Call or Redemption Provisions

Not applicable.

(vii) Sinking Fund or Other Provisions for Secured Payment

Not applicable.

(c) Manner of Issuance

(i) Method of Marketing

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

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

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

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

(ii) Terms of Sale

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

(iii) Underwriting Discounts or Commissions

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

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

(iv) Sales Price

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

(d) **Purpose of Issuance**

The proposed short-term borrowings will be made, and the promissory notes, commercial paper, or other evidence of indebtedness issued, to obtain temporary, interim capital (including renewal of short-term notes or other evidence of indebtedness issued or outstanding prior to March 31, 2005), for the following purposes:

(i) Property to be Acquired or Constructed

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

(ii) Refunding of Obligations and Reimbursement of Expenditures

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

(iii) Other Purposes

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

(e) Propriety of Issue and Guarantee

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

(f) Financial Statements; Resolutions

Attached to this application as Attachment I are Applicant's financial statements, consisting of its (A) Actual and Pro Forma Balance Sheet and Notes to Financial Statements, (B) Statement of Capital Stock and Funded Debt, (C) Commitments and Contingent Liabilities, (D) Statement of Retained Earnings and (E) Statement of Income.

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

(g) **Proposed Order**

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

(h) **Notice of Application**

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

(i) **Reports**

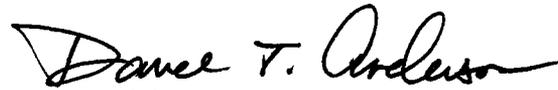
Applicant will file as Exhibit A hereto, a verified report with the Commission pursuant to Rule 143, listing the proposed agreements for the committed and uncommitted unsecured Lines of Credit and other agreements evidencing the borrowing arrangements.

PRAYER

WHEREFORE, Applicant requests that the Idaho Public Utilities Commission issue its Order authorizing Applicant, during the period from April 1, 2004 to and including March 31, 2005, to make short-term borrowings and to issue unsecured notes (including renewal notes) or other evidence of indebtedness, for the purposes herein set forth in an amount not to exceed \$250,000,000 aggregate principal amount at any one time outstanding. Applicant further requests authority to substitute commercial paper borrowings for the Lines of Credit, or other borrowing arrangements up to the limits imposed by applicable statutes, rules or regulations.

DATED at Boise, Idaho this 25th day of February 2004.

IDAHO POWER COMPANY



/s/ Darrel T. Anderson

Vice President, CFO & Treasurer

(CORPORATE SEAL)

ATTEST:



/s/ Robert W. Stahman

Secretary

Idaho Power Company

1221 W. Idaho Street

Boise, ID 83707-0070

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VERIFICATION

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

WITNESS my hand and seal of Idaho Power Company this 25th day of February, 2004.

Darrel T. Anderson

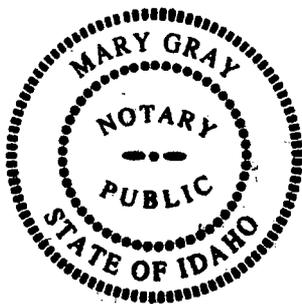
/s/ Darrel T. Anderson

SUBSCRIBED AND SWORN to me this 25th day of February, 2004.

(Notary Seal)

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 December 31, 2003

ASSETS

	<u>Actual</u>	<u>Adjustments</u>	<u>After Adjustments</u>
Electric Plant :			
In service (at original cost).....	\$ 3,220,228,418	\$	\$ 3,220,228,418
Accumulated provision for depreciation.....	<u>(1,239,604,536)</u>	<u> </u>	<u>(1,239,604,536)</u>
In service - Net.....	1,980,623,882		1,980,623,882
Construction work in progress.....	96,086,154		96,086,154
Held for future use.....	<u>2,437,921</u>	<u> </u>	<u>2,437,921</u>
Electric plant - Net.....	<u>2,079,147,957</u>	<u> </u>	<u>2,079,147,957</u>
Investments and Other Property:			
Nonutility property.....	828,832		828,832
Investment in subsidiary companies	27,417,179		27,417,179
Other.....	<u>23,068,958</u>	<u> </u>	<u>23,068,958</u>
Total investments and other property.....	<u>51,314,969</u>	<u> </u>	<u>51,314,969</u>
Current Assets:			
Cash and cash equivalents (A).....	3,997,908	250,000,000	253,997,908
Receivables:			
Customer.....	43,693,876		43,693,876
Allowance for uncollectible accounts.....	<u>(1,465,615)</u>		<u>(1,465,615)</u>
Notes.....	3,185,888		3,185,888
Employee notes	3,346,841		3,346,841
Related party.....	1,143,083		1,143,083
Other.....	<u>4,847,615</u>		<u>4,847,615</u>
Accrued unbilled revenues.....	30,868,673		30,868,673
Materials and supplies (at average cost).....	19,755,066		19,755,066
Fuel stock (at average cost).....	6,228,205		6,228,205
Prepayments.....	26,834,791		26,834,791
Regulatory assets	<u>6,268,551</u>	<u> </u>	<u>6,268,551</u>
Total current assets.....	<u>148,704,882</u>	<u>250,000,000</u>	<u>398,704,882</u>
Deferred Debits:			
American Falls and Milner water rights.....	31,585,000		31,585,000
Company owned life insurance.....	35,623,815		35,623,815
Regulatory assets associated with income taxes.....	324,654,116		324,654,116
Regulatory assets - PCA.....	71,930,305		71,930,305
Regulatory assets - other.....	31,175,496		31,175,496
Employee notes.....	4,774,513		4,774,513
Other.....	<u>43,343,335</u>	<u> </u>	<u>43,343,335</u>
Total deferred debits.....	<u>543,086,580</u>	<u> </u>	<u>543,086,580</u>
Total.....	<u>\$ 2,822,254,388</u>	<u>\$ 250,000,000</u>	<u>\$ 3,072,254,388</u>

(A) See Statement of Adjusting Journal Entries.

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

IDAHO POWER COMPANY
BALANCE SHEET
As of December 31, 2003

CAPITALIZATION AND LIABILITIES

	Common Shares Authorized	Common Shares Outstanding	Actual	Adjustments	After Adjustments
Equity Capital:	50,000,000	39,150,812			
Common stock			\$ 97,877,030	\$	\$ 97,877,030
Preferred stock			52,366,400		52,366,400
Premium on capital stock.....			398,230,780		398,230,780
Capital stock expense.....			(2,686,058)		(2,686,058)
Retained earnings.....			320,735,423		320,735,423
Accumulated other comprehensive income.....			(2,629,165)		(2,629,165)
			863,894,410		863,894,410
Total equity capital.....					
Long-Term Debt:					
First mortgage bonds			680,000,000		680,000,000
Pollution control revenue bonds			170,460,000		170,460,000
Other long-term debt.....			1,027,689		1,027,689
American Falls bond and Milner note guarantees			31,585,000		31,585,000
Unamortized discount on long-term debt (Dr).....			(2,205,072)		(2,205,072)
			880,867,617		880,867,617
Total long-term debt.....					
Current Liabilities:					
Long-term debt due within one year (A).....			50,077,326		50,077,326
Notes payable.....				250,000,000	250,000,000
Accounts payable			45,529,458		45,529,458
Notes and accounts payable to related parties.....			9,096,425		9,096,425
Taxes accrued.....			52,867,442		52,867,442
Interest accrued.....			12,892,588		12,892,588
Deferred income taxes.....			6,178,628		6,178,628
Other.....			20,984,288		20,984,288
			197,626,155	250,000,000	447,626,155
Total current liabilities.....					
Deferred Credits:					
Regulatory liabilities associated with accumulated deferred investment tax credits			67,788,977		67,788,977
Deferred income taxes.....			541,242,224		541,242,224
Regulatory liabilities associated with income taxes			41,023,911		41,023,911
Regulatory liabilities-other.....			149,745,874		149,745,874
Other.....			80,065,220		80,065,220
			879,866,206		879,866,206
Total deferred credits.....					
Total.....			\$ 2,822,254,388	\$ 250,000,000	\$ 3,072,254,388

(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 December 31, 2003
Giving Effect to the Proposed issuance of
Short-term Notes

Entry No. 1

Cash.....	\$	250,000,000	
Notes Payable.....			\$ 250,000,000

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

IDAHO POWER COMPANY
NOTES TO FINANCIAL STATEMENTS
As of December 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:

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. On May 8, 2003, IPC issued \$140 million of secured medium-term notes, which were divided into two series. The first was \$70 million First Mortgage Bonds 4.25% Series due 2013 and the second was \$70 million First Mortgage Bonds 5.50% Series due 2033. Proceeds were used to pay down IPC short-term borrowings incurred from the maturity and payment of \$80 million First Mortgage Bonds 6.40% Series due 2003 and the early redemption of \$80 million First Mortgage Bonds 7.50% Series due 2023, on May 1, 2003.

NOTES TO FINANCIAL STATEMENTS (Continued)

At December 31, 2003, \$160 million remained available to be issued on this shelf registration statement.

At December 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 17, 2004. Under this facility IPC pays a facility fee on the commitment, quarterly in arrears, based on IPC's corporate credit rating. IPC's commercial paper may be issued up to the amounts supported by the bank credit facilities. At December 31, 2003, IPC had no short-term borrowings.

On October 22, 2003, Humboldt County, Nevada issued, for the benefit of IPC, \$49.8 million Pollution Control Revenue Refunding Bonds (Idaho Power Company Project) Series 2003 due December 1, 2024. IPC borrowed the proceeds from the issuance pursuant to a Loan Agreement with Humboldt County and is responsible for payment of principal, premium, if any, and interest on the bonds. The bonds are secured, as to principal and interest, by IPC first mortgage bonds and as to principal and interest when due, by an insurance policy issued by Ambac Assurance Corporation. The bonds were issued in an auction rate mode under which the interest rate is reset every 35 days. The initial auction rate was set at 0.95 percent. At December 31, 2003 the auction rate was 1.15 percent. Proceeds from this issuance together with other funds provided by IPC were used to redeem the outstanding \$49.8 million Pollution Control Revenue Bonds (Idaho Power Company Project) 8.3% Series 1984 due 2014, on December 1, 2003, at 103%.

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. ITCs 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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

10. Regulatory Issues:

Wind Down of Energy Marketing

IDACORP announced in 2002 that IE would wind down its energy marketing operations. In connection with the wind down, certain matters were identified that required resolution with the FERC and the IPUC.

The FERC matters have been resolved; however, certain compensation issues remain to be resolved with the IPUC.

In an IPUC proceeding that has been underway since May 2001, IPC, the IPUC staff and several interested customer groups have been working to determine the appropriate compensation IE should provide to IPC for certain 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 order 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, March 20, 2003 and May 13, 2003 and settlement discussions were initiated. The \$5.8 million in benefits related to the FERC settlement have been included in the Power Cost Adjustment (PCA) and credited to Idaho retail customers in accordance with the PCA methodology. The parties to the proceeding have executed a settlement agreement providing that an additional \$5.5 million will be flowed through the PCA mechanism to the Idaho retail customers from April 2003 through December 2005. This agreement was filed with the IPUC on February 17, 2004 and is subject to their approval.

Deferred Power Supply Costs

IPC's deferred power supply costs consist of the following at December 31, 2003 and 2002 (in thousands of dollars):

	2003	2002
Oregon deferral	\$ 13,620	\$ 14,172
Idaho PCA current year power supply cost deferrals:		
Deferral for 2003-2004 rate year	44,664	-
Deferral for 2002-2003 rate year	-	8,910
Astaris load reduction agreement	-	27,160
Idaho PCA true-up awaiting recovery:		
Irrigation and small general service deferral for recovery in the 2003-2004 rate year	-	12,049
Industrial customer deferral for recovery in the 2003-2004 rate year	-	3,744
Remaining true-up authorized May 2002	-	74,253
Remaining true-up authorized May 2003	13,646	-
Total deferral	\$ 71,930	\$ 140,288

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 costs (fuel and purchased power less surplus sales) 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, and, with a small adjustment to the filing, the rates were approved by the IPUC and became effective on May 16, 2003. As approved, IPC's rates have been adjusted to collect \$81 million above 1993 base rates, a \$114 million reduction from the 2002-2003 PCA.

So far in the 2003-2004 PCA rate year, actual power supply costs have exceeded those anticipated in the forecast, due principally to greater reliance on, and higher market prices for purchased power. Below normal water conditions also continues to negatively impact forecasted and actual power supply costs.

On May 13, 2002, the IPUC issued Order No. 29026 related to the 2002-2003 PCA rate filing. The order granted recovery of \$255 million of excess power supply costs, while it denied recovery of \$12 million of lost revenues resulting from the Irrigation Load Reduction Program, and \$2 million of other costs IPC sought to recover.

The IPUC had previously issued Order No. 28992 on April 15, 2002 disallowing the lost revenue portion of the Irrigation Load Reduction Program. IPC believes that this IPUC order is inconsistent with Order No. 28699, dated May 25, 2001, that allowed recovery of such costs, and IPC filed a Petition for Reconsideration on May 2, 2002. On August 29, 2002, the IPUC issued Order No. 29103 denying the Petition for Reconsideration. As a result of this order, approximately \$12 million was expensed in September 2002. IPC still believes it should be entitled to receive recovery of this amount and argued its position before the Idaho Supreme Court on December 5, 2003. If successful, IPC would record any amount recovered as revenue.

In the May 2001 PCA filing, IPC requested recovery of \$227 million of power supply costs. The IPUC subsequently issued Order No. 28772 authorizing recovery of \$168 million, but deferring recovery of \$59 million pending further review. The approved amount resulted in an average rate increase of 31.6 percent. After conducting hearings on the remaining \$59 million, the IPUC in Order No. 28552 authorized recovery of \$48 million plus \$1 million of accrued interest, beginning in October 2001. The remaining \$11 million not recovered in rates from the PCA filing was written off in September 2001.

In October 2001, IPC filed an application with the IPUC for an order approving inclusion in the 2002-2003 PCA of costs incurred for the Irrigation Load Reduction Program and the FMC/Astaris Load Reduction Agreement. These two programs were implemented in 2001 to reduce demand and were approved by the IPUC and the OPUC. The costs incurred in 2001 for these two programs were \$70 million for the Irrigation Load Reduction Program and \$62 million for the FMC/Astaris Load Reduction Agreement. The IPUC subsequently issued Order No. 28992 authorizing IPC to include direct costs it has accrued in the programs, subject to later adjustments in the 2002-2003 PCA year. As mentioned earlier, the IPUC also denied IPC's request to recover lost revenues experienced from the Irrigation Load Reduction Program.

Oregon: IPC has also filed applications with the OPUC to recover calendar year 2001 extraordinary power supply costs applicable to the Oregon jurisdiction. In two separate 2001 orders, the OPUC has 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 was \$14 million as of December 31, 2003. During the 2003 Oregon legislative session, the maximum annual rate of recovery was raised to ten percent under certain circumstances. IPC expects to request the higher percentage in the Spring of 2004.

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 December 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 - 39,150,812 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 - 123,664 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 December 31, 2003, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
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 Nov 23, 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
4.25 % Series due 2013, dated as of May 13, 2003, due October 1, 2013	70,000,000
6 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
	\$730,000,000

- (2) Amount authorized - Limited within the maximum of \$1,100,000,000 (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-Ninth 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) Variable Auction Rate Series 2003 due 2024:

- (1) Description - Pollution Control Revenue Bonds, Variable Auction Rate Series due 2024, County of Humboldt, Nevada, dated as of October 22, 2003 due December 1, 2024 (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 - \$1,105,015
 - (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:

As of December 31, 2003, IPC had signed agreements to purchase energy from 69 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 the facilities inside the IPC service territory. For projects outside the IPC service territory, IPC is required to purchase the output which IPC has the ability to receive at the facility's requested point of delivery on the IPC system. IPC purchased 654,131 MWh at a cost of \$38 million in 2003 and 692,414 MWh at a cost of \$44 million in 2002.

IPC has agreed to guarantee the performance of reclamation activities at Bridger Coal Company of which Idaho Energy Resources Company, a subsidiary of IPC, owns a one-third interest. This guarantee, which is renewed each December, was \$60 million at December 31, 2003. Bridger Coal has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs and expects that the fund will be sufficient to cover all such costs. Because of the existence of the fund, the impact of this guarantee on the consolidated financial statements is minimal.

In August 2003, IE sold its forward book of electricity trading contracts to Sempra Energy Trading (SET). As part of the sale of the forward book of electricity contracts IE entered into an Indemnity Agreement with SET, guaranteeing the performance of one of the counterparties. The maximum amount payable by IE under the Indemnity Agreement is \$20 million. The indemnity agreement has been accounted for in accordance with FIN 45 and did not have a significant effect on the financial statements.

From time to time IDACORP and IPC are a party to various legal claims, actions and complaints in addition to those discussed below. IDACORP and IPC believe that they have meritorious defenses to all lawsuits and legal proceedings. Although they will vigorously defend against them, they are unable to predict with certainty whether or not they will ultimately be successful. However, based on the companies' evaluation, they believe that the resolution of these matters will not have a material adverse effect on IDACORP's or IPC's consolidated financial positions, results of operations or cash flows.

Legal Proceedings

Viestra Dairy v. Idaho Power Company: On August 11, 2000, Mike and Susan Viestra, dairy operators from Twin Falls, Idaho, brought suit against IPC in Idaho State District Court, Fifth Judicial District, Twin Falls County. The plaintiffs sought monetary damages in the amount of approximately \$8 million for negligence and nuisance (allegedly allowing electrical current to flow in the earth and adversely affect the health of plaintiffs' dairy cows) and punitive damages in the amount of approximately \$40 million.

On February 10, 2004, a jury verdict in favor of the plaintiffs was entered, awarding approximately \$7 million in compensatory damages and \$10 million in punitive damages. IPC intends to appeal this decision.

IPC is unable to predict the outcome of this matter; however, IPC has confirmed coverage with its insurance carrier. IPC has previously expensed the full amount of its self-insured retention. With coverage, this matter will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

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., an inactive 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 Co. notified United Systems that IDACORP Services Co. 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 claimed \$7 million in net profits lost and costs incurred.

IDACORP Services Co. asserted that termination related compensation owed to United Systems, if any, was 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 Co. On October 4, 2002, United Systems filed a Motion for Partial Summary Judgment as to its damages. On July 9, 2003, the Court denied Plaintiff's Motion for Partial Summary Judgment and granted Defendants' Motion to Bifurcate. On October 29, 2003, IDACORP agreed to pay \$712,500 to settle this dispute with United Systems in return for dismissal of the proceeding with prejudice. The settlement was finalized on November 26, 2003. An Order of Dismissal with Prejudice as to All Defendants was entered on December 2, 2003.

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 Megawatt (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 Megawatt-hour (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 because the FERC has exclusive jurisdiction over wholesale power transactions and thus the matter is preempted under the Federal Power Act (FPA) and barred by the filed-rate doctrine. 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. Briefing on the appeal was completed in August 2003, but the court has yet to set a date for oral argument. The companies intend to vigorously defend their position on appeal and believe this matter will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

Port of Seattle: On May 21, 2003, the Port of Seattle, a Washington municipal corporation, filed a lawsuit against 20 energy firms, including IPC and IDACORP, in the United States District Court for the Western District of Washington at Seattle. The Port of Seattle's complaint alleges fraud and violations of state and federal antitrust law and the Racketeering Influenced and Corrupt Organization Act. On December 4, 2003, the Judicial Panel on Multidistrict Litigation transferred the case to the Southern District of California for inclusion with several similar multidistrict actions currently pending before the Honorable Robert H. Whaley (the same judge who heard the Public Utility District No. 1 of Snohomish County, Washington case).

All defendants, including IPC and IDACORP, have moved to dismiss the complaint in lieu of answering it. The motions are all based on the ground that the complaint seeks to set alternative electrical rates, which are exclusively within the jurisdiction of the FERC and are barred by the filed-rate doctrine. Briefing on these motions shall be completed in early February 2004. A hearing on the motion to dismiss was held on February 19, 2004, but no ruling on the motion has been issued. 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.

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 the court's final judgment dismissing the action to the United States Court of Appeals for the Ninth Circuit. The briefing on the appeal was completed on October 31, 2003. The Court has yet to set a date for oral argument. 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 emerged 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, have moved to dismiss these claims, and those motions were heard in September 2002, together with motions to remand the case back to state court filed by the original plaintiffs. 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. The briefing on the appeal was completed in December 2003. The court has yet to set a date for oral argument, and a decision by the Ninth Circuit is expected in mid-2004. As a result of the various motions, no trial date is set. 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.

Class Action Complaints Relating to Trades on the New York Mercantile Exchange: On August 18, 2003, Cornerstone Propane Partners, L.P. (Cornerstone), on behalf of itself and others who allegedly purchased and sold natural gas futures and options contracts on the New York Mercantile Exchange from January 1, 2000 to December 31, 2002, filed a class action complaint in the United States District Court for the Southern District of New York against more than 30 defendants, including IDACORP and IPC. On November 14, 2003, an individual, Dominick Viola (Viola), filed a substantively similar complaint in the United States District Court for the Southern District of New York, on behalf of himself and others allegedly similarly situated, against more than 30 defendants, including IDACORP and IPC. The Cornerstone and Viola actions have been consolidated. The complaints claim that the defendants reported inaccurate trading information to various trade publications that compile and publish indices of natural gas prices and that the defendants engaged in various improper trades on the Enron Online internet-based trading platform, the alleged purpose of which was to improperly inflate the prices of natural gas. The plaintiffs seek class action certification and damages for alleged violations of the Commodity Exchange Act and for aiding and abetting such violations.

IDACORP and IPC provided the plaintiffs with information that refutes all of the allegations contained in the complaints. The plaintiffs agreed to dismiss the actions against IDACORP and IPC, without prejudice to resume the actions if additional information is learned in the course of the actions still pending against other defendants. IDACORP and IPC are no longer named as defendants in the actions.

The companies believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

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 United States Bankruptcy Court, Central District of California.

In April 2001, PG&E filed for bankruptcy. The CalPX and the 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 the 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.

On March 20, 2002, the AG filed a complaint with the FERC against various sellers in the wholesale power market, including IE and IPC, alleging that the FERC's market-based rates violate the FPA, and, even if market-based rate requirements are valid, that the quarterly transaction reports filed by sellers do not contain the transaction-specific information mandated by the FPA and the FERC. The complaint stated that refunds for amounts charged between market-based rates and cost-based rates should be ordered. The FERC denied the challenge to market-based rates and refused to order refunds, but did require sellers, including IE and IPC, to refile their quarterly reports to include transaction-specific data. The AG appealed the FERC's decision to the United States Court of Appeals for the Ninth Circuit. The AG contends that the failure of all market-based rate authority sellers of power to have rates on file with the FERC in advance of sales is impermissible. The Ninth Circuit heard oral arguments on October 9, 2003, but has not specified the date on which it will issue a decision. The companies cannot predict the outcome of this matter.

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. The 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 based its speculation in large part on a statistical correlation analysis of Henry Hub and California prices. IE, in conjunction with others, submitted comments on the Staff recommendation - asserting that the Staff's conclusions were incorrect because the Staff's correlation study ignored evidence of normal market forces

and scarcity that created the pricing variations that the Staff observed, rather than improper manipulation of reported prices.

The ALJ issued a Certification of Proposed Findings on California Refund Liability on December 12, 2002.

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 Administrative Law Judge (ALJ). However, the FERC changed a component of the formula the ALJ was to apply when it 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. 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 an application with the FERC on April 25, 2003 seeking rehearing of the March 26, 2003 order. On October 16, 2003, the FERC issued two orders denying rehearing of most contentions that had been advanced and directing the Cal ISO to prepare its compliance filing calculating revised Mitigated Market Clearing Prices and refund amounts within five months. The Cal ISO has since requested additional time to complete its compliance filings. By order of February 3, 2004, the Commission granted additional time. In a February 10, 2004 report to the commission, the Cal ISO asserted its belief that it will complete re-running the data and completion of financial clearing of amounts due by August 2004, subject to a number of events that must occur in the interim, including Commission disposition of a number of pending issues. The Cal ISO is required to update the Commission on its progress monthly. After that time, the FERC will consider cost-based filings from sellers to reduce their refund exposure. On December 2, 2003 IDACORP petitioned for review of the FERC's orders and since that time dozens of other petitions for review have been filed. They have not yet been consolidated with one another or with the petitions for review of earlier FERC's California refund orders already pending. Certain parties also sought further rehearing before the FERC. These latter applications remain pending before the FERC. The Ninth Circuit has held the appeals in abeyance pending the disposition of the market manipulation claims discussed below and the development of a comprehensive plan to brief this complicated case.

In June 2001, IPC transferred its non-utility wholesale electricity marketing operations to IE. Effective with this transfer, the outstanding receivables and payables with the CalPX and the Cal ISO were assigned from IPC to IE. At September 30, 2003, with respect to the CalPX chargeback and the California Refund proceedings discussed above, the CalPX and the 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. This reserve was calculated taking into account the uncertainty of collection, given the California energy situation. Based on the reserve recorded as of September 30, 2003, IDACORP believes that the future collectibility of these receivables or any potential refunds ordered by the FERC would not have a material adverse effect 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 (certain 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 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, 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 IE and IPC, submitted briefs and responsive testimony.

In its March 26, 2003 order, discussed previously, 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.

On June 25, 2003, the FERC ordered over 50 entities that participated in the western wholesale power markets between January 1, 2000 and June 20, 2001, including IPC, to show cause why certain trading practices did not constitute gaming or anomalous market behavior in violation of the Cal ISO and the CalPX Tariffs. The Cal ISO was ordered to provide data on each entity's trading practices within 21 days of the order, and each entity was to respond explaining their trading practices within 45 days of receipt of the Cal ISO data. IPC submitted its responses to the show cause orders on September 2 and 4, 2003. On October 16, 2003, IPC reached agreement with the Staff on the two orders commonly referred to as the "gaming" and "partnership" show cause orders. Regarding the gaming order, the Staff determined it had no basis to proceed with allegations of false imports and paper trading and IPC agreed to pay \$83,373 to settle allegations of circular scheduling. IPC believed that it had defenses to the circular scheduling allegation but determined that the cost of settlement was less than the cost of litigation. In the settlement, IPC did not admit any wrongdoing or violation of any law. With respect to the "partnership" order, the Staff submitted a motion to the FERC to dismiss the proceeding because materials submitted by IPC demonstrated that IPC did not use the "parking" and "lending" arrangement with Public Service Company of New Mexico to engage in gaming or anomalous market behavior. The "gaming" settlement has been certified by the Presiding Administrative Law Judge to the FERC with a recommendation for its approval. The motion to dismiss the "partnership" proceeding was approved by the FERC in an order issued January 23, 2004. The FERC's order will be subject to appeal by other parties in the proceeding.

On June 25, 2003, the FERC also issued an order instituting an investigation of anomalous bidding behavior and practices in the western wholesale power markets. In this investigation, the FERC will review evidence of alleged economic withholding of generation. The FERC has determined that all bids into the CalPX and the Cal ISO markets for more than \$250 per MWh for the time period May 1, 2000 through October 1, 2000 will be considered prima facie evidence of economic withholding. The FERC has issued data requests in this investigation to over 60 market participants including IPC. If it is determined that IPC engaged in improper bidding, the FERC has indicated that sanctions may include disgorgement of alleged profits and other non-monetary actions, including possible revocation of market-based rate authority and/or additional required provisions in codes of conduct. IPC received some information regarding these matters from the Cal ISO and on July 24, 2003, IPC responded to the FERC's data requests. Based on the information received to date from the Cal ISO, IDACORP and IPC believe that any potential penalties imposed by the FERC would not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

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 had been pending before the FERC, when 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. 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 proceeding, 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 is 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. On June 25, 2003, after having considered oral argument held earlier in the month, the FERC issued its Order Granting Rehearing, Denying Request to Withdraw Complaint and Terminating Proceeding, in which it terminated the proceeding and required that no refunds be paid. The Commission denied rehearing on November 10, 2003. The Port of Seattle, the City of Tacoma, the City of Seattle, the California Attorney General and Puget Sound Energy Inc. filed petitions for review in the Ninth Circuit within the time permitted. These petitions have not yet been consolidated. Notably, Grays Harbor did not file a petition for review, although it has sought to intervene in the proceedings initiated by the petitions of others. In addition, the California Parties sought further rehearing of aspects of the FERC's orders. The FERC's order remains subject to rehearing by the FERC and review by appellate courts. The companies are unable to predict the outcome of this matter.

Nevada Power Company: In February and April of 2001, IPC entered into two transactions under the Western Systems Power Pool (WSPP) Agreement whereby IPC agreed to deliver to Nevada Power Company (NPC) 25 MW during the third quarter of 2002. NPC agreed to pay IPC \$250 per MWh for heavy load deliveries and \$155 per MWh for light load deliveries. IPC assigned the contracts to IE with NPC's consent and the assignment was subsequently approved by the FERC. Based upon the uncertain financial condition of NPC, and pursuant to the terms of the WSPP Agreement, IE requested NPC to provide assurances of its ability to pay for the power if IE made the deliveries. NPC failed to provide appropriate credit assurances; therefore, in accordance with the WSPP Agreement procedures, IE terminated all WSPP Agreement transactions with NPC effective July 8, 2002. Pursuant to the WSPP Agreement, IE notified NPC of the liquidated damages amount and NPC responded with a letter, which described their view of rights under the WSPP Agreement and suggested a negotiated resolution. IE and NPC unsuccessfully attempted to mediate a resolution to this dispute.

IE filed a complaint against NPC on April 25, 2003, in Idaho State District Court in and for the County of Ada. This complaint was served on NPC on May 14, 2003. IE asked the Idaho State District Court for damages in excess of \$9 million pursuant to the contracts. On June 17, 2003, NPC filed a motion to dismiss IE's complaint alleging, among other things, that: the Idaho State District Court lacks jurisdiction over NPC; a separate complaint seeking declaratory judgment was filed in the United States District Court, District of Nevada on May 14, 2003 by NPC against IPC, IE and IDACORP involving the same subject matter as the complaint filed by IE against NPC; IE does not have standing to maintain certain claims against NPC; Idaho is not a convenient forum to adjudicate the matter; and IE filed the action in Idaho State District Court in violation of the WSPP Agreement. NPC's motion to dismiss was heard on December 2, 2003. The parties await the Court's ruling. NPC has never served IE with the complaint for declaratory judgment filed in the United States District Court in Nevada.

On September 23, 2003, NPC filed and served IE, IPC, and IDACORP with a Declaratory Action filed with the Nevada State Court in and for the County of Clark concerning the same subject matter of the pending Idaho State District Court action filed by IE on April 25, 2003. NPC seeks declaratory judgment on the following issues: that the assignment of the February and April 2001 energy supply contracts from IPC to IE is void or voidable; that IE did not comply with the WSPP Agreement when requesting reasonable assurances; and that NPC is relieved of its obligations to pay under the contracts by reason of force

majeure. IE filed a motion to dismiss NPC's Nevada State Court claims. That motion was heard, and denied, on November 17, 2003.

IE intends to vigorously prosecute the action it filed in Idaho State District Court. Furthermore, IPC, IE and IDACORP intend to vigorously defend against NPC's claims filed in the State of Nevada.

At December 31, 2003, IE had a \$4 million receivable related to the NPC contracts.

ATTACHMENT I(D)

IDAHO POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND
UNDISTRIBUTED SUBSIDIARY EARNINGS
For the Year Ended December 31, 2003

<u>Retained Earnings</u>	
Retained earnings (at the beginning of period)	\$ 330,300,312
Balance transferred from income.....	48,542,859
Dividends received from subsidiary.....	
Preferred Stock Redemption.....	<hr/>
Total.....	<hr/> <u>378,843,171</u>
 Dividends:	
Preferred Stock	3,429,538
Common Stock	<hr/> 64,726,137
Total.....	<hr/> <u>68,155,675</u>
Retained earnings (at end of period).....	 \$ <u><u>310,687,496</u></u>

<u>Undistributed Subsidiary Earnings</u>	
Balance (at beginning of period).....	\$ 12,690,634
Equity in earnings for the period.....	10,047,927
Dividends paid (Debit).....	<hr/>
Balance (at end of period).....	 \$ <u><u>22,738,561</u></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 Year Ended December 31, 2003

	Actual
Operating Revenues.....	\$ 780,381,662
Operating Expenses:	
Purchased power.....	150,979,849
Fuel.....	99,897,758
Power cost adjustment.....	70,762,261
Other operation and maintenance expense.....	218,828,575
Depreciation expense.....	87,913,155
Amortization of limited-term electric plant.....	9,737,322
Taxes other than income taxes.....	20,752,763
Income taxes - Federal.....	40,987,586
Income taxes - Other.....	7,251,532
Provision for deferred income taxes.....	41,049,257
Provision for deferred income taxes - Credit.....	(62,485,541)
Investment tax credit adjustment.....	229,367
Total operating expenses.....	685,903,884
Operating Income.....	94,477,778
Other Income and Deductions:	
Allowance for equity funds used during construction.....	3,384,923
Income taxes.....	6,470,725
Other - Net.....	10,147,137
Net other income and deductions.....	20,002,785
Income Before Interest Charges.....	114,480,563
Interest Charges:	
Interest on first mortgage bonds.....	45,861,167
Interest on other long-term debt.....	8,784,317
Interest on short-term debt.....	1,397,013
Amortization of debt premium, discount and expense - Net.....	2,401,511
Other interest expense.....	755,889
Total interest charges.....	59,199,897
Allowance for borrowed funds used during construction - Credit.....	3,310,120
Net interest charges.....	55,889,777
Net Income.....	\$ 58,590,786

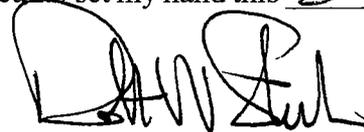
The accompanying Notes to Financial Statements are an integral part of this statement

ATTACHMENT II

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of February, 2004.



/s/ Robert W. Stahman

Secretary

(CORPORATE SEAL)

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

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

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

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

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

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

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

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

ATTACHMENT III

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AN ORDER) CASE NO. IPC-E-04- ____
AUTHORIZING UP TO \$250,000,000)
AGGREGATE PRINCIPAL AMOUNT AT) PROPOSED ORDER
ANY ONE TIME OUTSTANDING OF)
SHORT-TERM BORROWINGS)
_____)

On February 26, 2004, Idaho Power Company (Idaho Power), an electrical utility headquartered in Boise, Idaho, providing retail electric service in southern Idaho and eastern Oregon, filed with this Commission its Application pursuant to Chapter 9, Title 61 of the Idaho Code and Rules 141 through 150 of the Commission's Rules of Procedure, requesting an Order authorizing Idaho Power to incur up to \$250,000,000 aggregate principal amount of short-term borrowings at any one time outstanding. The Commission hereby adopts its Findings of Fact, Conclusions of Law and Order approving the Application.

FINDINGS OF FACT

I

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

II

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

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

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

III

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

IV

Idaho Power states the purpose for which the proposed short-term borrowings will be made and promissory notes, commercial paper or other evidence of indebtedness issued, is to obtain temporary, interim capital (including renewal of short-term notes or other evidence of indebtedness issued or outstanding prior to April 1, 2005), to finance Idaho Power's ongoing construction program, including, but not limited to, new plant investment, as well as the upgrade of existing generation, distribution, transmission and general plant, and for general corporate purposes

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

CONCLUSIONS OF LAW

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

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

The method of issuance is proper.

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

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

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

ORDER

IT IS THEREFORE ORDERED that Idaho Power Company be, and the same is hereby authorized, during the period from April 1, 2004 to and including March 31, 2005 to make

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

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

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

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

DONE BY ORDER of the Idaho Public Utilities Commission at Boise, Idaho this _____ day of _____, 2004.

PAUL KJELLANDER, President

DENNIS HANSEN, Commissioner

MARSHA H. SMITH, Commissioner

ATTEST:

Jean D. Jewell
Commission Secretary