

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) CASE NO. IPC-E-04-22
ORDER AUTHORIZING THE ISSUANCE)
AND SALE OF UP TO \$300,000,000 OF)
IDAHO POWER'S FIRST MORTGAGE)
BONDS AND DEBT SECURITIES) ORDER NO. 29621
_____)**

On October 7, 2004, Idaho Power Company ("Idaho Power") filed an Application for authority to issue and sell from time to time (a) up to \$300,000,000 aggregate principal amount of one or more series of Idaho Power's First Mortgage Bonds, which may be designated as secured medium-term notes (Bonds) and (b) up to \$300,000,000 aggregate principal amount of one or more series of unsecured debt securities of Idaho Power (Debt Securities); provided however, that the total principal amount of the Bonds, the gross proceeds to Idaho Power of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000. The Commission, having fully considered the Application and attached exhibits, its files and records relating to the Application and the applicable laws and rules, now makes the following findings of fact, conclusions of law and Order:

FINDINGS OF FACT

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

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

Idaho Power seeks authority to issue and sell, from time to time, (a) up to \$300,000,000 aggregate principal amount of one or more series of the Bonds under its Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 as supplemented and amended ("Mortgage"), and as to be further supplemented and amended and (b) up to \$300,000,000 aggregate principal amount of one or more series of Debt Securities under an unsecured debt Indenture of Idaho Power; provided, that the total principal amount of the Bonds and gross

proceeds to Idaho Power of the Preferred Stock and the principal amount of the Debt Securities to be issued and sold shall not exceed \$300,000,000.

Idaho Power will file a registration statement for the Bonds and Debt Securities with the Securities and Exchange Commission (SEC) pursuant to the shelf registration provisions of Rule 415 of the Securities Act of 1933, as amended. This will enable Idaho Power to efficiently and rapidly take advantage of attractive market conditions. Under the shelf registration, Idaho Power will be able to issue the Bonds and/or Debt Securities at different times without the necessity of filing a new registration statement. Idaho Power requests authority to issue the Bonds, Preferred Stock and/or Debt Securities over a period of two years from the date of this Order.

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

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

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

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

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

CONCLUSIONS OF LAW

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

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

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

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

IT IS FURTHER ORDERED that Idaho Power file a verified statement setting forth in reasonable detail the disposition of the proceeds of each sale and issuance pursuant to this Order.

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.

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

IT IS FURTHER ORDERED that the issuance of this order does not constitute acceptance of Idaho Power Company's exhibits or other material accompanying this Application for any purpose other than the issuance of this order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of November 2004.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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