

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AN ORDER)
AUTHORIZING UP TO \$300,000,000)
AGGREGATE PRINCIPAL AMOUNT AT ANY)
ONE TIME OUTSTANDING SHORT-TERM)
BORROWINGS)**

CASE NO. IPC-E-05-4

ORDER NO. 29778

On March 28, 2005, the Commission issued Order No. 29736 approving Idaho Power Company's request for authority to incur up to \$300,000,000 aggregate principal amount of short-term debt at any one time outstanding for a period of five years beginning April 1, 2005 and ending March 31, 2010. Because the five-year authorization period is longer than the two-year period granted with prior authorities, the Commission adopted a condition providing that the five-year authority remains in place so long as bond ratings remain investment grade (the "Condition"). On April 14, 2005, Idaho Power filed a Request for Clarification addressing this Condition.

THE REQUEST FOR CLARIFICATION

Idaho Power requests clarification of the second ordering paragraph on page 3 of the Order, which states:

IT IS FURTHER ORDERED that such authority exists only as long as the Company's bond ratings remain investment grade (BBB- or higher by Standard & Poor's Rating Service and Baa3 or higher by Moody's Investors' Service, Inc.).

According to Idaho Power, this Condition, as written, could increase the underwriters' risk analysis and require issuance restrictions or limitations. Therefore, Idaho Power requests additional language allowing a 364-day continuance of the initial authority following the downgrade. This will prevent the authority from immediately terminating, allow the debt to mature over the next 364 days and allow the Company to make the required filings with the Commission.

DISCUSSION

Having reviewed our prior Order No. 29736 and the Company's request, we clarify our prior Order. As described above, Idaho Power is concerned about the second ordering

paragraph set out above. The ordering language below is added to describe what will happen in the event that Idaho Power's first mortgage bond ratings fall below investment grade. Should such a downgrade occur, Idaho Power's authority set out in Order No. 29736 will not automatically terminate provided that Idaho Power complies with the conditions and process set forth below.

ORDER

IT IS HEREBY ORDERED that Idaho Power's Request for Clarification is granted.

IT IS FURTHER ORDERED that if the Company's first mortgage bond ratings fall below the investment grade levels referenced in said ordering paragraph (the "Downgrade"), Idaho Power's authority to incur short-term borrowings and issue commercial paper as provided in this Order will not terminate, but instead such authority will continue for a period of 364 days from the date of the Downgrade (the "Continued Authorization Period") provided that Idaho Power:

- (1) Promptly notifies the Commission in writing of the Downgrade; and
- (2) Files a supplemental application with the Commission within seven (7) days after the Downgrade, requesting a supplemental order ("Supplemental Order") authorizing Idaho Power to continue to incur short-term borrowing and issue commercial paper as provided in the Order, notwithstanding the Downgrade. Until Idaho Power receives the Supplemental Order, any short-term borrowings incurred or commercial paper issued by Idaho Power during the Continued Authorization Period will become due or mature no later than the final date of the Continued Authorization Period.

IT IS FURTHER ORDERED that all other terms and conditions in Order No. 29736 remain in effect.

THIS IS A FINAL ORDER. Any person interested in the Order (or in issues decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order and in Case No. IPC-E-05-4. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* §§ 61-626 and 62-619.

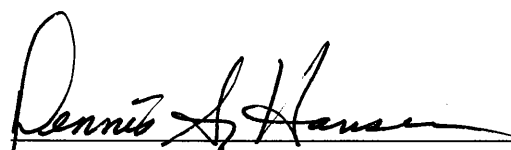
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 6th
day of May 2005.



PAUL KJELLANDER, PRESIDENT

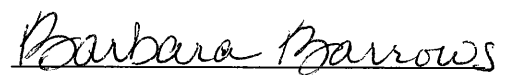


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Barbara Barrows
Assistant Commission Secretary

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