



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

BARTON L. KLINE
Senior Attorney

December 9, 2005

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

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IDAHO PUBLIC
UTILITIES COMMISSION
DEC 9 4:37 PM

Re: Case No. IPC-E-05-26
Initial Report of Proceeds From SO2 Allowance Sales

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Initial Report of Proceeds from SO2 Allowance Sales regarding the above-described case.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Barton L. Kline

BLK:jb
Enclosures

BARTON L. KLINE ISB #1526
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
Phone: (208) 388-2682
FAX: (208) 388-6936

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UTILITIES COMMISSION

Attorneys for Idaho Power Company

Express Mail Address

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
INVESTIGATION OF APPROPRIATE)	CASE NO. IPC-E-05-26
RATEMAKING TREATMENT OF)	
IDAHO POWER COMPANY'S SO2)	INITIAL REPORT OF PROCEEDS
ALLOWANCE SALE PROCEEDS.)	FROM SO2 ALLOWANCE SALES
_____)	

As provided in Order No. 29852 issued in Case No. IPC-E-05-20, Idaho Power Company herewith files its initial report of the receipt of proceeds from the sale of SO2 emission allowances.

The Company has received the proceeds from the sale of 60,000 SO2 emission allowances. The total net proceeds amount is \$57,055,000. Net proceeds are total amounts received less broker's fees of \$20,000.

The accounting entries used to record the initial sales are as follows:

(1)

To record the sale of emission allowances and establishing a reserve for the Idaho (94.1%) and Oregon (4.8%) portion in A/C 254 with the FERC portion (1.1%) recognized immediately in A/C 411.8

143 Other Accounts Receivable 699 X00001 999 143900	\$XXX.XX
254 Other Regulatory Liabilities 699 X00001 999 254409	\$XXX.XX
411.8 Gains for Disposition of Allowances 699 X00001 999 411.804	XXX.XX

(2)

To record the receipt of cash from the sale of emission allowances.

131 Cash 699X0001 999 131000	\$XXX.XX
143 Other Accounts Receivable 699 X00001 999 143900	\$XXX.XX

(3)

To record the payment of associated fees to sell emission allowances.

The fees will be allocated with the same percentages as the sale of emission allowances (Idaho (94.1%) and Oregon (4.8%) portion in A/C 254 with the FERC portion (1.1% in A/C 411.8).

254 Other Regulatory Liabilities 699 X00001 999 254409	\$XXX.XX
411.8 Gains for Disposition of Allowances 699 X00001 999 411.804	XXX.XX
131 Cash 699X0001 999 131000	\$XXX.XX

Upon receipt of the net sale proceeds, current taxes will be accrued in account 236 Taxes Accrued. The accrued taxes will be remitted to federal and state authorities in the next appropriate tax payment period following the sale transactions(s). Because recognition of the sales is being deferred to a reserve account (account 254) for financial accounting purposes, appropriate deferred taxes (account 190 Accumulated Deferred Income Taxes) will be accrued for these amounts placed in the reserve account. The amount available (after payment of associated fees) for final disposition will not exceed 100 percent of the after-tax proceeds (this excludes the amounts accrued in separate accounts for the carrying/interest charge). The deferred taxes will reverse as the 254-account balance is recognized.

Dated this 9th day of December, 2005.



BARTON L. KLINE
Attorney for Idaho Power Company