



An IDACORP Company

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

BARTON L. KLINE
Senior Attorney

April 28, 2006

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

IDAHO PUBLIC UTILITIES COMMISSION
APR 28 2006 PM 4:13

Re: Case No. IPC-E-05-26
Reply Comments of Idaho Power Company

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Reply Comments 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

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PUBLIC UTILITIES COMMISSION

Attorney for Idaho Power Company

Express Mail Address

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

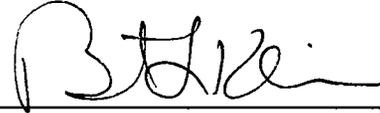
IN THE MATTER OF THE)	
INVESTIGATION OF APPROPRIATE)	CASE NO. IPC-E-05-26
RATEMAKING TREATMENT OF)	
IDAHO POWER COMPANY'S SO2)	REPLY COMMENTS OF
ALLOWANCE SALE PROCEEDS.)	IDAHO POWER
_____)	

COMES NOW, Idaho Power Company ("Idaho Power" or "Company") and hereby replies to the Comments of the Commission Staff and the United States Department of Energy ("DOE") filed on April 24, 2006 and April 21, 2006 respectively.

Idaho Power's Reply Comments are limited to addressing the recommendation made by both the Staff and DOE that the Commission accept the Stipulation with the clarification that the net-of-tax credit of \$42.1 million described in the Stipulation will be grossed-up to recognize the tax savings that will accrue when the \$42.1 million credit is actually provided to customers through the PCA. Idaho Power concurs it is appropriate to recognize the offsetting tax benefit to determine the amount

to be returned to customers when the \$42.1 million in deferred proceeds from the sale of surplus SO2 allowances are returned to customers. Idaho Power agrees with Staff and DOE that the Commission should provide that clarification in the final order.

Respectfully submitted this 28th day of April, 2006.



BARTON L. KLINE
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th day of April, 2006, I served a true and correct copy of the within and foregoing REPLY COMMENTS OF IDAHO POWER COMPANY upon the following named parties by the method indicated below, and addressed to the following:

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