



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

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IDAHO PUBLIC UTILITIES COMMISSION

**PATRICK A. HARRINGTON**  
Corporate Secretary

Ms. Jean D. Jewell  
Secretary  
Idaho Public Utilities Commission  
Statehouse  
Boise, Idaho 83720

July 17, 2008

Re: In the Matter of the Application of Idaho Power Company for an Order Authorizing the Issuance and Sale of up to \$350,000,000 of Idaho Power's First Mortgage Bonds and Debt Securities

Case No. IPC-E-07-19

Dear Ms. Jewell:

On July 10, 2008, Idaho Power completed the closing for the issuance of \$120,000,000 of its 6.025% First Mortgage Bonds due 2018, Secured Medium-Term Notes, Series H (the "Notes"). The Notes were issued pursuant to the Commission's authorization in Order No. 30487 in the above referenced case.

Enclosed for filing with the Commission in connection with the issuance of the Notes are five (5) copies of Pricing Supplement No. 1 for the Notes, which includes a detailed description of the terms and conditions of the Notes. Please contact me at 388-2878 if you have any questions regarding this filing.

Sincerely,

Patrick A. Harrington

c: S.R. Keen  
R.L. Mills  
Terri Carlock-IPUC

IPC-E-07-19

Pricing Supplement No. 1 Dated July 7, 2008  
(To Prospectus dated December 18, 2007 and  
Prospectus Supplement dated April 3, 2008)  
relating to First Mortgage Bonds,  
Secured Medium-Term Notes, Series H

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**\$120,000,000**  
**IDAHO POWER COMPANY**  
**6.025% First Mortgage Bonds due 2018**

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Title of Securities:	6.025% First Mortgage Bonds due 2018 (the "Notes")
Principal Amount:	\$120,000,000
Price to Public:	100.000% payable in immediately available funds
Purchasers' Discount:	0.625%
Proceeds to Us after Discount:	99.375%
Interest Rate:	6.025%
Original Issue Date:	July 10, 2008
Original Interest Accrual Date:	July 10, 2008
Interest Payment Dates:	January 15 and July 15, commencing January 15, 2009
Record Dates:	December 31 and June 30
Maturity Date:	July 15, 2018
Redemption:	See "Optional Redemption" below
Form:	Book-Entry

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**JPMorgan**  
**Banc of America Securities LLC**  
**Wachovia Securities**  
**KeyBanc Capital Markets**  
**RBC Capital Markets**  
**Wedbush Morgan Securities Inc.**  
**Wells Fargo Securities**

### **Optional Redemption:**

We may, at our option, redeem the Notes, in whole at any time, or in part from time to time, prior to the maturity date, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed and
- as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal on the Notes to be redeemed and interest thereon (not including any portion of payments of interest accrued as of the date fixed for redemption), discounted to the date fixed for redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 35 basis points,

plus in either case interest accrued and unpaid on the principal amount of the Notes to be redeemed to the date fixed for redemption. We will mail notice of any redemption at least 30 days before the date fixed for redemption to each holder of the Notes to be redeemed.

“Treasury Rate” means, with respect to any date fixed for redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes to be redeemed.

“Comparable Treasury Price” means, with respect to any date fixed for redemption,

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities” or

(2) if such release (or any successor release) is not published or does not contain such prices on such business day, (a) the average of the Reference Treasury Dealer Quotations for such date, after excluding the highest and lowest such Reference Treasury Dealer Quotations for such date, or (b) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all the quotations received.

“Independent Investment Banker” means any one of the Reference Treasury Dealers that we may appoint.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any date fixed for redemption, the average, as determined by the trustee, of the bid and asked

prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third business day preceding the date fixed for redemption.

“Reference Treasury Dealer” means (1) J.P. Morgan Securities Inc., Banc of America Securities LLC and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), in which case we will substitute another Primary Treasury Dealer and (2) any other Primary Treasury Dealers that we may select.

**Terms Agreement:**

We have entered into a terms agreement with the purchasers of the Notes with respect to the Notes. The purchasers are committed to take and pay for all of the Notes if any are purchased. Subject to certain conditions, each purchaser has severally agreed to purchase the principal amount of the Notes indicated in the table below:

<u>Name</u>	<u>Principal Amount of Notes</u>
J.P. Morgan Securities Inc.	\$ 33,000,000
Banc of America Securities LLC	30,000,000
Wachovia Capital Markets, LLC	30,000,000
KeyBanc Capital Markets Inc.	9,000,000
RBC Capital Markets Corporation	6,000,000
Wedbush Morgan Securities Inc.	6,000,000
Wells Fargo Securities, LLC	<u>6,000,000</u>
<u>Total</u>	<u>\$ 120,000,000</u>

The Notes sold by the purchasers to the public will initially be offered at the initial price to the public set forth on the cover of this pricing supplement. Any Notes sold by the purchasers to securities dealers may be sold at a discount from the initial price to the public of up to 0.375% of the principal amount of the Notes. Any such securities dealers may resell any Notes purchased from the purchasers to certain other brokers or dealers at a discount from the initial price to the public of up to 0.250% of the principal amount of the Notes.

UnionBanc Investment Services LLC, a Financial Industry Regulatory Authority member and subsidiary of Union Bank of California, N.A., is being paid a referral fee by Wedbush Morgan Securities Inc.

**Interest Payment Dates:**

We will make interest payments on the Notes on January 15 and July 15 of each year, commencing January 15, 2009 and at maturity. The record date for the January 15 payment of interest will be December 31 and the record date for the July 15 payment of interest will be June 30.

**Use of Proceeds:**

The purchasers will pay the net proceeds from the sale of the Notes to us in immediately available funds. After our receipt of the net proceeds, the Notes will be credited to the purchasers' Depository Trust Company accounts free of payment. We will use the net proceeds from the sale of the Notes to repay a portion of our short-term debt. If we do not use the proceeds immediately, we may temporarily invest them in short-term investments.

**PROSPECTUS SUPPLEMENT**  
**To Prospectus dated December 18, 2007**  
**\$350,000,000**  
**Idaho Power Company**  
**First Mortgage Bonds,**  
**Secured Medium-Term Notes, Series H**

This prospectus supplement may be used to offer and sell the notes only if accompanied by the accompanying prospectus.

Idaho Power Company may use this prospectus supplement to offer from time to time its first mortgage bonds, secured medium-term notes, series H.

*Terms of Sale*

The following terms may apply to the notes which we may sell at one or more times. We will include final terms for each note you purchase in a pricing supplement.

- Mature 9 months to 30 years from date of issue
- Fixed interest rate
- Interest payable on March 1 and September 1
- Held in book-entry form by The Depository Trust Company
- Settlement in immediately available funds
- May be subject to mandatory redemption or redemption at our option
- Minimum denominations of \$1,000 increased in multiples of \$1,000

**You should review carefully the risk factors that we have disclosed in our public filings under the Securities Exchange Act of 1934, as amended, before purchasing the notes.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

We may sell the notes directly or indirectly through one or more agents or dealers, including the agents listed below. The agents are not required to sell any specified number or amount of notes. The agents will use their reasonable best efforts to sell the notes offered.

If we sell the notes at 100% of their principal amount, we will receive between \$347,375,000 and \$349,125,000 of the proceeds from the sale of the notes, after paying the agents' commissions of between \$875,000 and \$2,625,000.

**Banc of America Securities LLC**  
**BNY Capital Markets, Inc.**  
**JPMorgan**  
**KeyBanc Capital Markets**  
**Lazard Capital Markets**  
**Piper Jaffray**  
**RBC Capital Markets**  
**SunTrust Robinson Humphrey**  
**Wachovia Securities**  
**Wedbush Morgan Securities Inc.**  
**Wells Fargo Securities**

**Prospectus Supplement dated April 3, 2008**

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. We have not, and the agents have not, authorized anyone else to provide you with different information. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate as of any date other than the date on the front cover of each document. We are not making an offer of these notes in any state where the offer is not permitted.

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## DESCRIPTION OF THE NOTES

### General

You should read the following information, which summarizes certain terms of the notes, in conjunction with the statements under “Description of the First Mortgage Bonds” in the accompanying prospectus. We are issuing these notes as part of a series of first mortgage bonds under our Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937, as amended and supplemented. Please also refer to the indenture, which was filed as an exhibit to the registration statement of which this prospectus supplement forms a part.

The indenture limits the aggregate principal amount of first mortgage bonds at any one time outstanding to \$1.5 billion. We may amend the indenture and increase this amount without consent of the holders of first mortgage bonds.

We are offering the notes on a continuing basis. For each note we offer and sell, we will prepare a pricing supplement to this prospectus supplement and the accompanying prospectus. The pricing supplement will include the specific terms of the note to which it relates and may include modifications of or additions to the more general terms described in this prospectus supplement and the accompanying prospectus.

The pricing supplement relating to a note will contain the following important information:

- purchase price of the notes, which may be a percentage of the aggregate principal amount
- issue date
- maturity date
- interest rate
- interest accrual date
- redemption provisions, if any, and
- other material terms not inconsistent with the indenture.

The following information applies to the notes that we are offering, unless we specify otherwise in the pricing supplement.

Except as we discuss below, we will issue each note in book-entry form and not certificated form. The depository for book-entry notes will initially be The Depository Trust Company.

You can buy the notes in denominations of \$1,000 or any larger amount equally divisible by \$1,000. The notes will mature from nine months to 30 years from the date of issue.

Unless we specify otherwise in a pricing supplement and make additional related disclosure, we will not offer the notes to United States alien holders. You are a United States alien holder if you are, for United States federal income tax purposes:

- a nonresident alien individual



- a foreign corporation
- a foreign partnership or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a note.

### Interest and Payment on the Notes

Each note will bear interest at a fixed rate stated on the face of the note. Interest will be computed on the basis of a 360-day year of twelve 30-day months. We will make interest payments to noteholders on March 1 and September 1 of each year or on the interest payment dates specified in the pricing supplement, and at maturity or upon earlier redemption.

If any interest payment date, redemption date or maturity date does not fall upon a business day, we will make the payment on the next business day. A business day is any day, other than a Saturday or Sunday, on which banks in The City of New York are not required or authorized by law to close. If we pay or provide for payment on the next business day, no interest will accrue on those amounts for the period from and after the interest payment date, redemption date or maturity date, as the case may be, to the next business day.

We will make payments of principal, premium, if any, and interest in respect of the notes in immediately available funds. We will make payments on book-entry notes to Cede & Co., the partnership nominee of The Depository Trust Company.

The record date for the March 1 payment will be February 15, and the record date for the September 1 payment will be August 15. If we change the interest payment dates, we will indicate in the pricing supplement the new record dates. In order to receive interest payments on a note, you must hold the note on the applicable record date, whether or not the record date is a business day. We will begin paying interest on the first interest payment date after the notes have been issued, provided that the notes are issued before the applicable record date.

### Redemption of the Notes

The notes may be subject to redemption, either mandatory or at our option, before they mature. The pricing supplement will indicate whether or not a note is subject to redemption and the terms of redemption, if any. If we decide to redeem the notes, you will receive at least 30 days' notice.

### Tax Defeasance

Under current United States federal income tax law, defeasance under the indenture should be treated as a taxable exchange of the notes to be defeased for an interest in the defeasance trust. Accordingly, you would recognize gain or loss equal to the difference between your cost or other tax basis of the notes and the fair market value of your interest in the defeasance trust. You would thereafter be required to include in income your share of the income, gain or loss of the defeasance trust, which could be a different amount and includible in income at different times than would be the case in the absence of defeasance under the indenture. You should consult your own tax advisors as to the specific potential consequences to you of defeasance under the indenture.

## SUPPLEMENTAL PLAN OF DISTRIBUTION

We are offering the notes on a continuing basis through the agents listed on the cover, each of which has agreed to use to its reasonable best efforts to solicit purchases of the notes.

We have the right to accept offers to purchase notes and may reject any proposed purchase of the notes. The agents may also reject any offer to purchase notes. We will pay the agents a commission on any notes sold through the agents. The commission will range from 0.125% to 0.750% of the principal amount of the notes depending on the maturity of the notes.

We may also sell notes to the agents who will purchase the notes as principal for their own accounts. Any such sale will be made at a discount to be agreed upon at the time of sale. Any notes the agents purchase as principal may be resold at the market price or at other prices determined by the agents at the time of resale.

The agents may resell any notes they purchase to other brokers or dealers at a discount which may include all or part of the discount the agents received from us. The agents will purchase the notes at a price equal to 100% of the principal amount less a discount. Unless otherwise stated, the discount will equal the applicable commission on an agency sale of notes of the same maturity.

We may sell notes directly to investors on our own behalf in those jurisdictions where we are authorized to do so. We will not pay any commissions on sales made directly by us.

We may sell notes through agents other than the agents listed on the cover subject to certain conditions described in the selling agency agreement that we have entered into with the agents listed on the cover. The commission applicable to agency sales through any other agents will be the same as that applicable to agency sales through the agents listed on the cover.

The agents, whether acting as agent or as principal, may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended. We have agreed to indemnify each agent against certain liabilities, including liabilities under the Securities Act, or to contribute to payments made in respect of such liabilities. We have also agreed to reimburse the agents for certain of the agents' expenses, including the reasonable fees and expenses of their counsel.

The agents may sell to dealers who may resell to investors and the agents may pay all or part of the discount or commission they receive from us to the dealers. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act of 1933. Any discounts or commissions that an agent receives in purchasing a note as principal and reselling such note, and any profit on the resale of such note by the agent, may be deemed to be underwriters' discounts or commissions under the Securities Act of 1933.

Payment of the purchase price of the notes must be made in immediately available funds.

In addition to offering the notes through the agents described in this prospectus supplement, we may sell other debt securities. Under certain circumstances, the sale of other

