

**BEFORE THE**

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IDAHO PUBLIC  
UTILITIES COMMISSION

**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-08-10**

**IDAHO POWER COMPANY**

**SMITH, DI  
TESTIMONY**

**EXHIBIT NO. 29**

IDAHO POWER COMPANY  
OTHER OPERATING REVENUES  
For Twelve Months Ended December 31, 2007

Line No	Description	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	Miscellaneous service revenues (451).....	\$ 4,050,513		\$ 4,050,513
	Rent from electric property (454):			
2	Substation equipment.....	6,737,959		6,737,959
3	Transformer & distribution rentals.....	17,330		17,330
4	Station and line rentals.....	2,668,140		2,668,140
5	Cogeneration and small power production.....	522,926		522,926
6	Real estate rents.....	347,397		347,397
7	Dark fiber rents.....	448,639		448,639
8	Joint pole attachments.....	1,663,350		1,663,350
9	Facilities charges.....	6,289,555		6,289,555
10	Overnight park rents.....	339,902		339,902
11	Miscellaneous.....	-		-
12	Total rent from electric property.....	<u>19,035,198</u>	-	<u>19,035,198</u>
	Other electric revenue (456):			
13	Network Services and Other LTF.....	5,240,584		5,240,584
14	Point - to - Point.....	10,988,507		10,988,507
15	Photovoltaic.....	13,687		13,687
16	Antelope.....	73,824		73,824
17	Conservation recovery - Oregon.....	-		-
18	Sierra Pacific Power Company sales.....	66,423		66,423
19	Stand-by service .....	237,222		237,222
20	Transmission services for IES .....	-		-
21	Energy efficiency rider (formerly DSM Rider).....	13,487,460		13,487,460
22	Miscellaneous.....	<u>31,962</u>		<u>31,962</u>
23	Total other electric revenue.....	<u>30,139,669</u>	-	<u>30,139,669</u>
24	Provision for rate refund - OATT Tariff (449).....	<u>(1,075,534)</u>		<u>(1,075,534)</u>
25	Total other operating revenues.....	<u>\$ 52,149,846</u>	\$ -	<u>\$ 52,149,846</u>

IDAHO POWER COMPANY  
OTHER REVENUES AND EXPENSES  
For Twelve Months Ended December 31, 2007

Line No	Program	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
<b>Other Revenues (Acct 415):</b>				
1	Power Solutions.....	\$ 2,148,781		\$2,148,781
2	Hydro Services.....	-		-
3	Water Management Services.....	189,805		189,805
4	Joint Use (Pole) - Idaho.....	332,798		332,798
5	Joint Use (Pole) - Oregon.....	16,891		16,891
6	Total.....	<u>\$ 2,688,275</u>	<u>\$ -</u>	<u>\$2,688,275</u>
<b>Other Expenses (Acct 416):</b>				
7	Power Solutions.....	\$ 1,898,256		\$1,898,256
8	Hydro Services.....	236		236
9	Water Management Services.....	94,354		94,354
10	Joint Use - Idaho.....	51,869		51,869
11	Joint Use - Oregon.....	2,636		2,636
12	Total.....	<u>\$ 2,047,351</u>	<u>\$ -</u>	<u>\$2,047,351</u>

IDAHO POWER COMPANY  
OPERATION AND MAINTENANCE EXPENSES  
For Twelve Months Ended December 31, 2007

LINE NO	FERC ACCOUNT NUMBER	DESCRIPTION	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
Power production expenses:					
Steam power generation -					
Operation -					
1	500	Oper and supv engineering	\$ 1,664,872		\$ 1,664,872
2	501	Fuel	6,840,109		6,840,109
3	502	Steam expenses	2,109,888		2,109,888
4	505	Electric expenses	8,068,234		8,068,234
5	506	Misc steam power expenses	295,774		295,774
6	507	Rents			
7		Total operation	18,978,877	-	18,978,877
Maintenance -					
8	510	Main supv and engineering	2,580,247		2,580,247
9	511	Main of structures	649,264		649,264
10	512	Main of boiler plant	14,630,059		14,630,059
11	513	Main of electric plant	5,685,377		5,685,377
12	514	Main of misc steam plant	5,934,852		5,934,852
13		Total maintenance	29,479,799	-	29,479,799
14		Total steam power generation	48,458,676	-	48,458,676
Hydraulic power generation -					
Operation -					
15	535	Oper supv and engineering	5,235,531		5,235,531
16	536	Water for power	5,057,110		5,057,110
17	537	Hydraulic expenses	9,469,966		9,469,966
18	538	Electric expenses	1,391,453		1,391,453
19	539	Misc hydro pwr gen exp	2,825,559		2,825,559
20	540	Rents	419,652		419,652
21		Total operation	24,399,271	-	24,399,271
Maintenance -					
22	541	Main supv and engineering	1,875,540		1,875,540
23	542	Main of structures	1,281,835		1,281,835
24	543	Main of res,dams,waterwys	541,034		541,034
25	544	Main of electric plant	2,090,274		2,090,274
26	545	Main of misc hydro plant	2,763,207		2,763,207
27		Total maintenance	8,551,890	-	8,551,890
28		Total hydraulic power generation	32,951,161	-	32,951,161
Other power generation -					
Operation -					
29	546	Oper supv and engineering	341,622		341,622
30	547	Fuel -Other general fuel	27,902		27,902
31	547	Facility charge	334,549		334,549
31	547	Fuel	-		-
32	548	Generation expenses	381,996		381,996
33	549	Misc other pwr gen exp	464,825		464,825
34	550	Rents	-		-
35		Total operation	1,550,894	-	1,550,894

IDAHO POWER COMPANY  
 OPERATION AND MAINTENANCE EXPENSES  
 For Twelve Months Ended December 31, 2007

LINE NO	FERC ACCOUNT NUMBER	DESCRIPTION	(1)	(2)	(3)
			Y-T-D Dec 2007	Adjustment	2007 Base
		Other power generation - (continued)			
		Maintenance -			
1	551	Main supv and engineering	\$ -		\$ -
2	552	Main of structures	220,421		220,421
3	553	Main of gen and elec plt	42,703		42,703
4	554	Main misc oth pwr gen plt	645,761		645,761
5		Total maintenance	908,885	-	908,885
6		Total other power generation	2,459,779	-	2,459,779
		Other power supply expenses -			
7	555	Purchased power			
8	556	System cont and load disp	77,489		77,489
9	557	Other expenses	2,452,200		2,452,200
10		Other expenses			
11		Total other power supply expenses	2,529,689	-	2,529,689
12		Total power production expenses	86,399,305	-	86,399,305

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IDAHO POWER COMPANY  
OPERATION AND MAINTENANCE EXPENSES  
For Twelve Months Ended December 31, 2007

LINE NO	FERC ACCOUNT NUMBER	DESCRIPTION	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
		<b>Transmission expenses:</b>			
		Operation -			
1	560	Oper supv and engineering	\$ 2,334,833		\$ 2,334,833
2	561	Load dispatching	3,258,900		3,258,900
3	562	Station expenses	1,748,408		1,748,408
4	563	Overhead line expenses	924,263		924,263
5	564	Underground line expenses	-		-
6	565	Trans of elec by others	10,469,726		10,469,726
7	566	Misc trans expenses	622,227		622,227
8	567	Rents	1,163,462		1,163,462
9		<b>Total operation</b>	<b>20,521,819</b>	<b>-</b>	<b>20,521,819</b>
		Maintenance -			
10	568	Main supv and engineering	442,117		442,117
11	569	Main of structures	452,235		452,235
12	570	Main of station equip	2,899,130		2,899,130
13	571	Main of overhead lines	2,341,428		2,341,428
14	573	Main of misc trans plant	2,526		2,526
15		<b>Total maintenance</b>	<b>6,137,436</b>	<b>-</b>	<b>6,137,436</b>
16		<b>Total transmission expenses</b>	<b>26,659,255</b>	<b>-</b>	<b>26,659,255</b>
		<b>Distribution expenses:</b>			
		Operation -			
17	580	Oper supv and engineering	3,350,727		3,350,727
18	581	Load dispatching	3,049,911		3,049,911
19	582	Station expenses	1,120,906		1,120,906
20	583	Overhead line expenses	3,432,084		3,432,084
21	584	Underground line expenses	2,120,824		2,120,824
22	585	St light and sgnl sys exp	148,817		148,817
23	586	Meter expenses	4,526,255		4,526,255
24	587	Customer install expenses	1,371,291		1,371,291
25	588	Misc distribution exp	5,533,555		5,533,555
26	589	Rents	644,840		644,840
27		<b>Total operation</b>	<b>25,299,210</b>	<b>-</b>	<b>25,299,210</b>
		Maintenance -			
28	590	Main supv and engineering	262,635		262,635
29	591	Main of structures	-		-
30	592	Main of station equip	3,493,145		3,493,145
31	593	Main of overhead lines	12,504,013		12,504,013
32	594	Main of underground lines	1,351,054		1,351,054
33	595	Main of line transformers	169,689		169,689
34	596	Main of st light-sgnl sys	476,928		476,928
35	597	Main of meters	927,906		927,906
36	598	Main of misc dist plant	127,981		127,981
37		<b>Total maintenance</b>	<b>19,313,351</b>	<b>-</b>	<b>19,313,351</b>
38		<b>Total distribution expenses</b>	<b>44,612,561</b>	<b>-</b>	<b>44,612,561</b>

IDAHO POWER COMPANY  
OPERATION AND MAINTENANCE EXPENSES  
For Twelve Months Ended December 31, 2007

LINE NO	FERC ACCOUNT NUMBER	DESCRIPTION	(1)	(2)	(3)
			Y-T-D Actuals Dec 2007	Adjustment	2007 Base
Customer accounts expenses:					
Operation -					
1	901	Supervision	\$ 454,930		\$ 454,930
2	902	Meter reading expenses	5,422,624		5,422,624
3	903	Cust records - collect exp	8,177,910		8,177,910
4	904	Uncollectible accounts	2,009,863		2,009,863
5	905	Misc customer accts exp	336		336
6		Total customer accounts expenses	16,065,663	-	16,065,663
Customer service and informational expenses:					
Operation -					
7	907	Supervision	301,871		301,871
8	908	Customer assistance exp	8,424,016		8,424,016
9	908	Energy efficiency rider	13,487,460		13,487,460
10	909	Info and instruct adv exp	-		-
11	910	Misc cust svc and inf exp	884,228		884,228
12	912	Demo and selling exp	-		-
13		Total customer service and informational expenses	23,097,575	-	23,097,575
Administrative and general expenses:					
Operation -					
14	920	Admin and gen salaries	49,783,914		49,783,914
15	921	Office supplies and exp	17,790,599		17,790,599
16	922	Admin exp transf - cr	(27,708,517)	4,238,191	(23,470,326)
17	923	Outside services employed	11,232,903		11,232,903
18	924	Property insurance	3,159,426		3,159,426
19	925	Injuries and damages	5,448,358		5,448,358
20	926	Emp pensions and benefits	27,872,099	(4,238,191)	23,633,908
21	927	Franchise requirements	1,200		1,200
22	928	Reg commission expenses	6,030,254		6,030,254
23	929	Duplicate charges - cr	-		-
24	930.1	General advertising exp	519,845		519,845
25	930.2	Misc general expenses	3,497,157		3,497,157
26	931	Rents	11,570		11,570
27		Total operation	97,638,808	-	97,638,808
Maintenance -					
28	935	Main of general plant	3,771,715		3,771,715
29		Total maintenance	3,771,715	-	3,771,715
Total administrative and general expenses					
30			101,410,523	-	101,410,523
Total electric operation and maintenance expenses					
31			\$ 298,244,882	\$ -	\$ 298,244,882

(1) Shaded lines represent power supply costs that are normalized.

IDAHO POWER COMPANY  
 OPERATION AND MAINTENANCE EXPENSES  
 PROPERTY INSURANCE - ACCOUNT 924  
 For Twelve Months Ended December 31, 2007

Line No	Description	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
Production - steam:				
1	Bridger plant.....	\$ 563,232		\$ 563,232
2	Boardman plant.....	46,916		46,916
3	Valmy plant.....	<u>427,911</u>		<u>427,911</u>
4	Total production - steam.....	1,038,059	-	1,038,059
All risk:				
5	Blanket fidelity bond.....	70,457		70,457
6	Property "all risk".....	1,883,737		1,883,737
7	Other miscellaneous.....	<u>167,173</u>		<u>167,173</u>
8	Total all risk.....	<u>2,121,367</u>	-	<u>2,121,367</u>
9	Total property insurance.....	<u>\$ 3,159,426</u>	\$ -	<u>\$ 3,159,426</u>

IDAHO POWER COMPANY  
OPERATION AND MAINTENANCE EXPENSES  
REGULATORY COMMISSION EXPENSES - ACCOUNT 928  
For Twelve Months Ended December 31, 2007

Line No	Description	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	FERC administrative assessments and securities (928.101) Capacity.....	\$ 1,603,921		\$1,603,921
2	Generation.....	901,599		901,599
3	Ferc Order #472 - Sales for resale.....	475,388		475,388
4	Miscellaneous Other.....	2,435,147		2,435,147
5	Total (928.101).....	5,416,055	-	5,416,055
6	FERC - Rate Case (928.102).....	20,831		20,831
7	FERC - Oregon Hydro (928.104).....	158,506		158,506
8	Total FERC expense.....	5,595,392	-	5,595,392
	Idaho Public Utilities Commission expense:			
9	Rate case (928.202).....	247,861		247,861
10	Other (928.203).....	2,780		2,780
11	Total IPUC expense.....	250,641	-	250,641
	Oregon Public Utility Commission expense:			
12	Filing Fees (928.301).....	-		-
13	Rate case (928.302).....	644		644
14	Other (928.303).....	183,577		183,577
15	Total OPUC expense.....	184,221	-	184,221
	Nevada Public Service Commission expense:			
16	Other (928.403).....	-		-
17	Total NPSC expense.....	-	-	-
18	Total regulatory commission expenses.....	\$ 6,030,254	\$ -	\$6,030,254

**Idaho Power Company  
Intelliplant Depreciation System  
Depreciation and Amortization Expense  
Twelve Months Ending 12/31/07**

FERC Account	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
302	65,088.62	65,088.62	65,088.62	65,087.62	65,088.62	65,088.62
303	599,127.00	607,157.49	623,097.38	632,953.67	631,478.27	638,966.22
<b>Total Amortization Expense</b>	<b>664,215.62</b>	<b>672,246.11</b>	<b>688,186.00</b>	<b>698,041.29</b>	<b>696,566.89</b>	<b>704,054.84</b>
310	384.10	384.10	384.10	384.10	384.10	384.10
311	281,218.08	281,255.87	281,178.80	281,235.21	281,372.77	281,347.98
312	1,198,567.88	1,201,649.49	1,203,260.05	1,202,856.05	1,207,571.34	1,200,741.92
314	354,206.46	354,536.58	348,716.34	348,718.78	349,131.09	345,618.34
315	110,139.78	110,139.78	110,177.93	110,190.05	110,137.87	110,110.67
316	35,067.43	35,037.87	35,409.83	35,434.49	35,169.68	35,158.93
<b>Total Steam Production</b>	<b>1,979,583.73</b>	<b>1,983,003.69</b>	<b>1,979,127.05</b>	<b>1,978,818.68</b>	<b>1,983,766.85</b>	<b>1,973,361.94</b>
331	262,928.68	262,945.55	262,882.58	262,921.40	263,300.66	262,677.57
332	388,807.73	389,620.89	389,649.82	389,666.15	389,679.50	389,880.53
333	285,170.19	285,184.29	285,187.05	285,263.13	285,266.02	285,277.66
334	87,778.79	87,697.20	87,665.40	88,874.01	88,883.46	89,624.16
335	24,122.65	24,118.59	24,119.94	24,125.11	24,254.02	24,285.75
336	11,246.83	11,246.83	11,246.83	11,246.83	11,922.07	11,922.07
<b>Total Hydro Production</b>	<b>1,060,054.87</b>	<b>1,060,813.35</b>	<b>1,060,751.62</b>	<b>1,062,096.63</b>	<b>1,063,305.73</b>	<b>1,063,467.74</b>
341	12,695.46	12,695.50	13,523.99	13,523.99	13,523.99	13,523.99
342	8,302.34	8,302.42	8,890.52	8,890.52	8,890.52	8,890.52
343	71,896.88	71,902.02	134,238.62	98,635.26	98,635.26	104,511.47
344	146,745.16	183,227.09	27,410.35	92,614.05	92,614.05	86,737.65
345	11,502.07	11,502.13	33,999.59	33,999.59	33,999.59	33,999.59
346	3,327.60	3,327.60	5,116.83	5,124.16	5,124.16	5,124.16
<b>Total Other Production</b>	<b>254,469.51</b>	<b>290,956.76</b>	<b>223,179.90</b>	<b>252,787.57</b>	<b>252,787.57</b>	<b>252,787.38</b>
<b>Total Production</b>	<b>3,294,108.11</b>	<b>3,334,773.80</b>	<b>3,263,058.57</b>	<b>3,293,702.88</b>	<b>3,299,860.15</b>	<b>3,289,617.06</b>
352	39,135.92	39,210.15	39,321.07	39,460.08	39,492.61	40,505.89
353	434,312.13	434,889.74	432,995.13	435,560.68	435,607.05	443,494.53
<b>Total Transmission Stations</b>	<b>473,448.05</b>	<b>474,099.89</b>	<b>472,316.20</b>	<b>475,020.76</b>	<b>475,099.66</b>	<b>484,000.42</b>
350	41,888.38	42,041.31	42,009.73	42,160.50	42,171.76	42,179.59
354	200,123.11	200,291.11	200,258.93	200,391.73	200,531.97	200,601.46
355	189,342.01	190,306.94	190,931.26	191,448.28	192,430.34	192,344.30
356	195,987.45	196,208.05	196,500.81	197,050.71	198,025.42	198,441.22
359	283.97	283.97	283.97	283.97	283.97	283.97
<b>Total Transmission Lines</b>	<b>627,624.92</b>	<b>629,129.38</b>	<b>629,984.70</b>	<b>631,335.19</b>	<b>633,443.46</b>	<b>633,850.54</b>
<b>Total Transmission</b>	<b>1,101,072.97</b>	<b>1,103,229.27</b>	<b>1,102,300.90</b>	<b>1,105,355.95</b>	<b>1,108,543.12</b>	<b>1,117,850.96</b>
361	35,003.98	35,000.81	34,996.42	35,003.43	35,014.04	34,970.37
362	195,424.08	195,822.92	195,922.46	195,982.09	196,181.16	195,926.07
<b>Total Distribution Stations</b>	<b>230,428.06</b>	<b>230,823.73</b>	<b>230,918.88</b>	<b>230,985.52</b>	<b>231,195.20</b>	<b>230,896.44</b>
364	595,397.44	597,153.63	597,906.44	601,681.60	603,995.31	606,045.52
365	267,872.65	268,479.26	269,005.80	271,395.29	272,897.52	273,785.53
366	74,173.75	74,664.97	75,276.88	75,539.66	75,564.29	75,845.40
367	369,346.46	370,941.56	373,157.23	373,557.78	375,050.53	375,888.47
368	459,659.09	463,296.81	466,482.78	471,482.22	475,302.06	479,751.38
369	157,662.28	158,574.99	158,825.66	159,405.30	159,836.40	160,321.19
370	178,021.09	179,516.83	182,003.01	183,045.41	184,063.92	182,900.24
371	22,462.82	22,570.47	22,617.05	22,652.75	22,743.85	22,807.17
373	19,489.40	19,560.80	19,483.53	19,592.93	19,603.76	19,487.28
<b>Total Distribution Lines</b>	<b>2,144,084.98</b>	<b>2,154,759.32</b>	<b>2,164,758.38</b>	<b>2,178,352.94</b>	<b>2,189,157.66</b>	<b>2,196,842.18</b>
<b>Total Distribution</b>	<b>2,374,513.04</b>	<b>2,385,583.05</b>	<b>2,395,677.26</b>	<b>2,409,338.46</b>	<b>2,420,352.86</b>	<b>2,427,738.62</b>
390	128,872.39	131,868.78	131,723.96	131,674.71	131,638.85	131,665.17
391	512,994.23	526,506.01	536,623.98	558,264.26	565,817.40	569,740.29
392	98.62	98.62	98.62	98.62	104.33	98.62
393	6,459.02	6,514.08	6,514.08	6,514.08	6,514.08	6,499.82
394	29,239.34	29,381.27	29,880.26	29,949.61	30,388.76	30,474.09
395	53,120.10	53,605.88	53,605.88	53,634.63	53,668.15	53,808.96
396					16.70	16.70
397	229,906.77	229,963.33	230,478.27	230,564.47	230,564.26	234,509.86
398	20,614.01	21,307.35	21,330.03	21,332.10	21,348.84	21,538.07
<b>Total General</b>	<b>981,304.48</b>	<b>999,225.32</b>	<b>1,010,255.08</b>	<b>1,032,032.48</b>	<b>1,040,061.37</b>	<b>1,048,351.58</b>
<b>Total Depreciation Expense</b>	<b>7,750,998.60</b>	<b>7,822,811.44</b>	<b>7,771,291.81</b>	<b>7,841,429.77</b>	<b>7,868,817.50</b>	<b>7,883,558.22</b>
<b>Depreciation on Disallowed Costs</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>
<b>Total Account 403</b>	<b>7,726,306.99</b>	<b>7,798,119.83</b>	<b>7,746,600.20</b>	<b>7,816,738.16</b>	<b>7,844,125.89</b>	<b>7,858,866.61</b>

**Idaho Power Company  
Intelliplant Depreciation System  
Depreciation and Amortization Expense  
Twelve Months Ending 12/31/07**

FERC Account	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	12 Month Total
302	65,087.62	65,087.62	65,088.62	65,087.62	65,088.62	65,087.62	781,058.44
303	640,870.64	645,582.04	655,055.68	655,782.64	489,703.76	494,920.23	7,314,695.02
<b>Total Amortization Expense</b>	<b>705,958.26</b>	<b>710,669.66</b>	<b>720,144.30</b>	<b>720,870.26</b>	<b>554,792.38</b>	<b>560,007.85</b>	<b>8,095,753.46</b>
310	384.10	384.1	384.10	384.10	384.10	384.10	4,609.20
311	282,294.71	282651.29	282,970.82	283,131.99	283,137.59	283,172.80	3,384,967.91
312	1,222,184.92	1,220,405.27	1,235,742.81	1,240,509.88	1,246,006.30	1,253,245.20	14,632,741.11
314	354,438.14	355221.76	355,581.84	356,071.57	358,511.84	359,764.66	4,240,517.40
315	110,231.29	110286.18	110,439.38	110,475.39	110,357.34	110,463.04	1,323,148.70
316	35,158.93	34,619.65	34,399.84	34,194.81	38,132.51	38,511.66	426,295.53
<b>Total Steam Production</b>	<b>2,004,692.09</b>	<b>2,003,568.15</b>	<b>2,019,518.79</b>	<b>2,024,767.74</b>	<b>2,036,529.68</b>	<b>2,045,541.46</b>	<b>24,012,279.85</b>
331	263,440.78	263456.18	263,535.96	263,548.13	283,097.36	284,322.31	3,199,057.16
332	390,044.85	390595.79	390,598.51	390,558.76	390,632.12	390,639.39	4,680,174.04
333	285,832.63	285,832.90	285,887.84	285,888.02	285,738.03	285,738.15	3,426,265.91
334	89,878.34	89597.65	89,801.42	89,860.65	89,875.04	89,875.04	1,069,411.16
335	24,471.58	24635.7	24,635.70	24,820.86	25,088.16	25,092.68	293,770.74
336	11,922.07	11,922.07	11,922.07	11,922.07	11,924.33	11,929.77	140,373.84
<b>Total Hydro Production</b>	<b>1,065,590.25</b>	<b>1,066,040.29</b>	<b>1,066,381.50</b>	<b>1,066,598.49</b>	<b>1,086,355.04</b>	<b>1,087,597.34</b>	<b>12,809,052.85</b>
341	13,523.99	13523.99	13,523.99	13,523.99	13,643.88	13,643.88	160,870.64
342	8,890.52	8890.52	8,890.52	8,890.52	8,890.52	8,890.52	105,509.96
343	104,511.47	104,511.47	104,511.47	104,511.47	104,511.47	104,511.47	1,206,888.33
344	86,737.65	86737.65	86,737.65	86,737.65	86,754.49	86,751.33	1,149,804.77
345	33,999.59	33999.59	33,999.59	33,999.59	33,999.59	33,999.59	363,000.10
346	5,138.60	5,138.60	5,138.60	5,138.60	5,420.68	5,420.68	58,540.27
<b>Total Other Production</b>	<b>252,801.82</b>	<b>252,801.82</b>	<b>252,801.82</b>	<b>252,801.82</b>	<b>253,220.63</b>	<b>253,217.47</b>	<b>3,044,814.07</b>
<b>Total Production</b>	<b>3,323,084.16</b>	<b>3,322,410.26</b>	<b>3,338,702.11</b>	<b>3,344,168.05</b>	<b>3,376,105.35</b>	<b>3,386,356.27</b>	<b>39,865,946.77</b>
352	41,039.70	41400.11	41870.92	42,003.38	42,247.44	41,217.39	486,904.66
353	442,439.88	444714.78	448118.71	451,249.07	458,819.06	461,663.76	5,323,864.51
<b>Total Transmission Stations</b>	<b>483,479.58</b>	<b>486,114.89</b>	<b>489,989.63</b>	<b>493,252.45</b>	<b>501,066.50</b>	<b>502,881.14</b>	<b>5,810,769.17</b>
350	42,178.81	42939.99	42,940.07	42,930.88	43,914.23	43,973.37	511,328.62
354	200,599.49	233936.42	235,325.57	236,458.84	240,149.51	246,541.13	2,595,209.27
355	192,609.08	195,429.61	195,497.81	196,075.73	205,962.09	215,611.45	2,347,988.90
356	198,581.10	209110.39	209,065.74	209,490.72	219,496.73	226,121.65	2,454,077.99
359	283.97	283.97	283.97	283.97	283.97	283.97	3,407.84
<b>Total Transmission Lines</b>	<b>634,252.45</b>	<b>681,700.38</b>	<b>683,113.16</b>	<b>685,240.14</b>	<b>709,806.53</b>	<b>732,531.57</b>	<b>7,912,012.42</b>
<b>Total Transmission</b>	<b>1,117,732.03</b>	<b>1,167,815.27</b>	<b>1,173,102.79</b>	<b>1,178,492.59</b>	<b>1,210,873.03</b>	<b>1,235,412.71</b>	<b>13,722,781.59</b>
361	35499.61	35387.22	36291.16	36,704.56	36,700.39	36,987.76	427,559.75
362	197697.13	197799.47	197822.49	197,181.53	207,039.02	207,379.26	2,380,177.68
<b>Total Distribution Stations</b>	<b>233,196.74</b>	<b>233,186.69</b>	<b>234,113.65</b>	<b>233,886.09</b>	<b>243,739.41</b>	<b>244,367.02</b>	<b>2,807,737.43</b>
364	607,662.68	610188.29	612,485.63	615,790.66	620,222.59	621,194.89	7,289,724.68
365	274,955.47	277251.51	278,712.36	281,116.83	285,610.15	286,838.39	3,307,920.76
366	76,402.20	76,654.10	76,874.80	77,297.91	77,997.99	78,058.15	914,150.10
367	377,178.39	378701.13	380,390.61	381,479.42	385,735.78	387,597.23	4,529,024.59
368	483,263.36	486681.26	491,003.83	495,031.72	500,285.47	502,919.87	5,775,159.87
369	161,320.75	162026.97	162,543.56	163,088.88	164,071.32	164,889.69	1,932,666.99
370	183,601.06	184,306.51	185,756.42	186,567.86	188,268.61	189,293.46	2,207,344.42
371	13,714.62	12505.79	13,226.78	18,349.56	14,643.54	13,757.64	222,052.04
373	19,529.48	19554.97	19,570.43	19,627.47	19,635.02	19,642.48	234,787.55
<b>Total Distribution Lines</b>	<b>2,197,628.01</b>	<b>2,207,870.53</b>	<b>2,220,564.42</b>	<b>2,238,350.31</b>	<b>2,256,270.47</b>	<b>2,264,191.80</b>	<b>26,412,831.00</b>
<b>Total Distribution</b>	<b>2,430,824.75</b>	<b>2,441,057.22</b>	<b>2,454,678.07</b>	<b>2,472,236.40</b>	<b>2,500,009.88</b>	<b>2,508,558.82</b>	<b>29,220,568.43</b>
390	132,678.84	133065.66	133,802.42	135,468.34	136,890.99	137,047.13	1,596,387.24
391	571,332.80	568316.31	569,739.55	569,893.45	616,883.49	621,262.92	6,787,374.69
392	98.62	98.62	98.62	98.62	98.62	98.62	1,189.15
393	6,925.62	7551.29	7,605.75	7,605.75	7,605.75	7,605.75	83,915.07
394	30,474.09	30484.31	30,770.82	30,827.25	30,859.89	31,210.36	363,920.05
395	54,694.82	54920.5	55,073.99	55,832.49	55,629.77	56,478.55	653,873.72
396	16.70	16.70	16.70	497.57	497.57	497.57	1,576.21
397	229,664.78	231690.85	228,855.83	221,583.54	221,706.17	226,270.56	2,745,758.49
398	20,730.88	20875.86	20,849.27	20,814.98	20,779.01	20,887.72	252,208.12
<b>Total General</b>	<b>1,046,617.15</b>	<b>1,046,820.10</b>	<b>1,046,812.75</b>	<b>1,042,411.99</b>	<b>1,090,951.26</b>	<b>1,101,359.18</b>	<b>12,486,202.74</b>
<b>Total Depreciation Expense</b>	<b>7,918,258.09</b>	<b>7,978,102.85</b>	<b>8,013,295.72</b>	<b>8,037,309.03</b>	<b>8,177,939.52</b>	<b>8,231,686.98</b>	<b>95,295,499.63</b>
<b>Depreciation on Disallowed Costs</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(24,691.61)</b>	<b>(296,299.32)</b>
<b>Total Account 403</b>	<b>7,893,566.48</b>	<b>7,953,411.24</b>	<b>7,988,604.11</b>	<b>8,012,617.42</b>	<b>8,153,247.91</b>	<b>8,206,995.37</b>	<b>94,999,200.21</b>

Exhibit No. 29  
Case No. IPC-E-08-10  
L. Smith, IPC  
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IDAHO POWER COMPANY  
 ELECTRIC PLANT/REGULATORY ASSETS - AMORT., ADJUST., GAINS & LOSSES  
 For Twelve Months Ended December 31, 2007

Line No	Acct No	Program	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	406	Amortization of electric plant acquisition adjustment - Prairie Power.....	\$ (22,723)	\$ -	\$ (22,723)
2	411.6	Gain on sale of electric plant.....	-	-	-
3		Total.....	<u>\$ (22,723)</u>	<u>\$ -</u>	<u>\$ (22,723)</u>

IDAHO POWER COMPANY  
 REGULATORY DEBITS AND CREDITS  
 For Twelve Months Ended December 31, 2007

Line No	Program	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
Regulatory Debits (Acct 407.3):				
1	Amortization of Prof Fees-IPUC Order 29505 .....	\$ 21,246	\$ -	\$21,246
2	Total.....	\$ 21,246	\$ -	\$21,246

IDAHO POWER COMPANY  
TAXES OTHER THAN INCOME TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2007

Line No	DESCRIPTION	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
	<b>Federal taxes:</b>			
1	Unemployment	\$ 126,114	\$ (126,114)	\$ -
2	Social Security	10,995,817	(10,995,817)	-
3	Total federal taxes	<u>11,121,931</u>	<u>(11,121,931)</u>	<u>-</u>
	<b>State, county and local taxes:</b>			
	<b>Real and personal property:</b>			
4	Idaho	9,929,792		9,929,792
5	Oregon	2,010,673		2,010,673
6	Montana	93,298		93,298
7	Wyoming	956,616		956,616
8	Nevada	870,048		870,048
9	Shoshone-Bannock	65,908		65,908
10	Total real and personal property	<u>13,926,335</u>	<u>-</u>	<u>13,926,335</u>
11	Kilowatt-hour tax - Idaho	1,490,283		1,490,283
	<b>Licenses:</b>			
12	Wyoming	2,911		2,911
13	Nevada	100		100
14	Shoshone-Bannock	150		150
15	Total licenses	<u>3,161</u>	<u>-</u>	<u>3,161</u>
	<b>Regulatory commission:</b>			
16	Idaho	1,599,171		1,599,171
17	Oregon	109,195		109,195
18	Total regulatory commission	<u>1,708,366</u>	<u>-</u>	<u>1,708,366</u>
	<b>Franchise:</b>			
19	Oregon total franchise	505,272		505,272
20	Unemployment - total state	247,942	(247,942)	-
21	Total state, county and local taxes	<u>17,881,359</u>	<u>(247,942)</u>	<u>17,633,417</u>
22	Total other taxes	29,003,290	(11,369,873)	17,633,417
23	Less: State & Fed P/R Loading Reversal	<u>(11,369,873)</u>	<u>11,369,873</u>	<u>-</u>
24	Net other taxes	<u>\$ 17,633,417</u>	<u>\$ -</u>	<u>\$ 17,633,417</u>

IDAHO POWER COMPANY  
STATEMENT OF INCOME  
FOR IDAHO ENERGY RESOURCES COMPANY  
For Twelve Months Ended December 31, 2007

Line No	Description	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
<b>Income:</b>				
1	Bridger Coal Company - joint venture.....	\$ 5,552,557		\$ 5,552,557
2	Bridger Coal Company - overriding royalties.....	116,512		116,512
3	Interest and dividend income.....	-		-
4	Taxes Other than Income Taxes.....	-		-
5	Total income.....	<u>5,669,069</u>	<u>-</u>	<u>5,669,069</u>
<b>Expenses:</b>				
6	Operation expense.....	117,274		117,274
7	Income taxes.....	689,015		689,015
8	Provision for deferred income taxes.....	-		-
9	Intercompany interest expense.....	839,869		839,869
10	Interest expense.....	-		-
11	Total expenses.....	<u>1,646,158</u>	<u>-</u>	<u>1,646,158</u>
12	Net income from operations.....	4,022,911	-	4,022,911
13	Add: Interest expense from notes payable to parent (Net of Tax)...	545,915	-	545,915
14	Net income (earnings to Idaho Power Company).....	<u>\$ 4,568,826</u>	<u>\$ -</u>	<u>\$ 4,568,826</u>

IDAHO POWER COMPANY  
 ELECTRIC PLANT IN SERVICE (Excluding ARO Entries)  
 For The Thirteen Months Ended December 31, 2007

Line No	Month	(1) Amount	(2) Adjustment	(3) 2007 Base
1	December, 2006.....	\$ 3,579,941,604		\$ 3,579,941,604
2	January, 2007.....	3,606,675,216		3,606,675,216
3	February.....	3,611,533,312		3,611,533,312
4	March.....	3,607,097,897		3,607,097,897
5	April.....	3,621,009,807		3,621,009,807
6	May.....	3,628,093,259		3,628,093,259
7	June.....	3,647,262,730		3,647,262,730
8	July.....	3,674,326,243		3,674,326,243
9	August.....	3,692,295,795		3,692,295,795
10	September.....	3,708,539,029		3,708,539,029
11	October.....	3,763,493,792		3,763,493,792
12	November.....	3,788,785,684		3,788,785,684
13	December.....	3,791,803,211		3,791,803,211
14	Average.....	<u>\$ 3,670,835,198</u>	<u>\$ -</u>	<u>\$ 3,670,835,198</u>

IDAHO POWER COMPANY  
 ACCUMULATED PROVISION FOR DEPRECIATION (Excluding ARO Entries)  
 For The Thirteen Months Ended December 31, 2007

Line No	Month	(1) Amount	(2) Adjustment	(3) 2007 Base
1	December, 2006.....	\$ 1,521,506,472		\$ 1,521,506,472
2	January, 2007.....	1,543,951,403		1,543,951,403
3	February.....	1,546,864,707		1,546,864,707
4	March.....	1,544,162,930		1,544,162,930
5	April.....	1,550,204,229		1,550,204,229
6	May.....	1,552,060,068		1,552,060,068
7	June.....	1,557,845,627		1,557,845,627
8	July.....	1,563,092,282		1,563,092,282
9	August.....	1,569,733,375		1,569,733,375
10	September.....	1,579,677,521		1,579,677,521
11	October.....	1,584,167,575		1,584,167,575
12	November.....	1,589,935,870		1,589,935,870
13	December.....	1,583,145,519		1,583,145,519
14	Average.....	<u>\$ 1,560,488,275</u>	<u>\$ -</u>	<u>\$ 1,560,488,275</u>

IDAHO POWER COMPANY  
 ACCUMULATED PROVISION FOR AMORTIZATION (Excluding ARO Entries)  
 OF ELECTRIC UTILITY PLANT  
 For The Thirteen Months Ended December 31, 2007

No	Month	(1) Amount	(2) Adjustment	(3) 2007 Base
1	December, 2006.....	\$ 38,728,951		\$ 38,728,951
2	January, 2007.....	39,393,167		39,393,167
3	February.....	40,065,413		40,065,413
4	March.....	40,753,599		40,753,599
5	April.....	41,451,640		41,451,640
6	May.....	41,833,758		41,833,758
7	June.....	42,537,813		42,537,813
8	July.....	43,243,771		43,243,771
9	August.....	43,954,441		43,954,441
10	September.....	44,674,585		44,674,585
11	October.....	45,395,455		45,395,455
12	November.....	45,950,247		45,950,247
13	December.....	38,713,478		38,713,478
14	Average.....	<u>\$ 42,053,563</u>	<u>\$ -</u>	<u>\$ 42,053,563</u>

IDAHO POWER COMPANY  
MATERIALS AND SUPPLIES  
For The Thirteen Months Ended December 31, 2007

Line No	Month	(1) Account 154	(2) Account 163	(3) Total	(4) Adjustment	(5) 2007 Base
1	December, 2006.....	\$ 36,762,206	\$ 2,316,011	\$ 39,078,217		\$ 39,078,217
2	January, 2007.....	37,188,946	2,438,101	39,627,047		39,627,047
3	February.....	37,468,605	2,832,312	40,300,917		40,300,917
4	March.....	37,408,425	2,982,454	40,390,879		40,390,879
5	April.....	38,904,856	3,078,433	41,983,289		41,983,289
6	May.....	39,216,570	2,822,244	42,038,814		42,038,814
7	June.....	39,966,911	2,402,715	42,369,626		42,369,626
8	July.....	41,300,329	2,551,072	43,851,401		43,851,401
9	August.....	42,143,281	2,337,858	44,481,139		44,481,139
10	September.....	41,271,709	2,326,469	43,598,178		43,598,178
11	October.....	41,837,507	2,379,769	44,217,276		44,217,276
12	November.....	41,809,862	2,125,820	43,935,682		43,935,682
13	December.....	41,370,751	1,898,952	43,269,703		43,269,703
14	Average	<u>\$ 39,742,304</u>	<u>\$ 2,499,401</u>	<u>\$ 42,241,705</u>	<u>\$ -</u>	<u>\$ 42,241,705</u>

IDAHO POWER COMPANY  
 DEFERRED CONSERVATION PROGRAMS  
 At December 31, 2007

Line No	Program	(1) Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	IDAHO - Deferred Conservation - IPUC Order 27660 / 27722 / 28041.....	<u>\$ 8,106,539</u>		<u>\$ 8,106,539</u>

IDAHO POWER COMPANY  
OTHER DEFERRED PROGRAMS  
At December 31, 2007

Line No	Program	(1) Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
<b>Idaho Public Utilities Commission:</b>				
1	American Falls Bond Refinancing - IPUC Order 25880.....	\$ 1,073,799		\$ 1,073,799
2	2003 Incremental Security Costs - IPUC Order 28975.....	68,794		68,794
3	Intervenor Funding - IPUC Order 30035.....	36,712		36,712
4	Intervenor Funding - IPUC Order 30215.....	7,123		7,123
5	Intervenor Funding - IPUC Order 30267.....	8,769		8,769
6	Intervenor Funding - IPUC Order 30488.....	-		-
7	Intervenor Funding - IPUC Order 30508.....	-		-
<b>Oregon Public Utilities Commission:</b>				
8	Grid West Loans - OPUC Order 06-483.....	60,407		60,407
<b>Federal Energy Regulatory Commission:</b>				
9	Grid West Loans.....	302,117		302,117
10	<b>Total.....</b>	<b>\$ 1,557,721</b>	<b>\$ -</b>	<b>\$ 1,557,721</b>

Idaho Power Company  
Plant Held for Future Use  
At December 31, 2007

Line No.	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
<b>Power Production:</b>			
1	American Falls Power Plant	\$ 104,155	\$ -
2	Oxbow Power Plant Baker	72,543	-
3	Wiley, A J Power Site	8,548	-
4	Total Power Production	<u>185,246</u>	<u>-</u>
<b>Distribution:</b>			
5	Amity Substation	153,751	153,751
6	Beacon Light Substation	465,662	-
7	Boise Mechanical and Electrical Shop	47,000	-
8	BOC Operations Center (BOC)	841,162	768,377
9	Cherry Substation	99,708	-
10	Columbia Station	103,955	103,955
11	Filer Substation	27,813	27,813
12	Hillsdale Substation	173,282	-
13	Kimberly Substation	15,097	15,097
14	Jump Substation	85,864	-
15	Lakeshore Substation	-	-
16	Lansing Substation	57,483	57,483
17	Melba Substation	29,321	29,321
18	Mora Substation	-	-
19	State Substation	121,047	-
20	Ustick Substation	19,670	-
21	Wagner Substation	91,452	91,452
22	Ward Substation	239,840	239,840
23	Total Distribution	<u>2,572,107</u>	<u>1,487,089</u>
<b>Transmission:</b>			
24	Castlerock Transmission Station	4,024	4,024
25	Donnelly McCall Transmission Land R/W	69,262	-
26	Dry Creek Station	29,379	29,379
27	Boise Bench Transmission Station	179,905	179,905
28	Long Valley Transmission Station	22,377	22,377
29	Mayfield Transmission Station	220,052	-
30	Midpoint Transmission Station	73,257	-
31	Shellrock Transmission Station	9,918	-
32	Total Transmission	<u>608,174</u>	<u>235,685</u>
33	Total Plant Held for Future Use	<u>\$3,365,527</u>	<u>\$1,722,774</u>

**IDAHO POWER COMPANY**  
**Deferred Income Tax Balances**  
**At 12/31/2007 and 12/31/2006**

Description	December 31 2007	December 31 2006	Average Bal. (Rounded)
<b>Deferred income taxes applicable to rate base components:</b>			
<b>Account 190:</b>			
Advances for Construction	10,171,997.85	9,211,519.45	9,691,769.00
Emission Allowances	6,920,940.94	12,175,360.92	9,548,151.00
VEBA Payments and accruals	4,056,404.55	3,367,219.91	3,711,812.00
Rate Case Disallowance	3,112,707.91	3,228,546.00	3,170,627.00
Other Employee's LT Deferred Comp	2,590,725.18	2,538,013.78	2,564,369.00
FAS 123R-Stock Based Compensation	1,333,711.47	585,566.87	959,639.00
Post employment Benefits - SFAS 112 -182	1,184,641.05	1,306,629.57	1,245,635.00
Provision for Rate Refunds	937,172.05	479,888.01	708,530.00
Non-VEBA Pension and Benefits	762,810.30	853,340.63	808,075.00
Linden Feeder Deposits	164,403.47	164,403.49	164,403.00
Delivery Accruals	129,130.02	5,692.23	67,411.00
Bonus Deferral	(56,181.86)	0.00	(28,091.00)
American Falls Falling Water Contract	0.00	407,373.42	203,687.00
Restricted stock plan accrual	0.00	160,624.94	80,312.00
City of Eagle	0.00	20,891.19	10,446.00
Total Account 190	<u>31,308,462.93</u>	<u>34,505,070.41</u>	<u>32,906,765.00</u>
<b>Account 281 - Accelerated amortization property:</b>			
Total Account 281 - Accelerated amortization property	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Account 282 - Other property</b>			
Depreciation	(215,117,207.59)	(219,454,280.04)	(217,285,744.00)
FERC jurisdictional - SGM	(7,818,502.00)	(7,818,502.00)	(7,818,502.00)
Valmy capitalized items	(657,266.00)	(733,766.00)	(695,516.00)
Bridger capitalized items	(120,057.00)	(222,457.00)	(171,257.00)
Total Account 282 - Other property	<u>(223,713,032.59)</u>	<u>(228,229,005.04)</u>	<u>(225,971,019.00)</u>
<b>Account 283 - Other</b>			
Conservation Programs - Idaho	(3,169,251.42)	(4,436,948.62)	(3,803,100.00)
IPUC Grid West Loans	(291,547.83)	(364,434.60)	(327,991.00)
Advance coal royalties	(247,769.26)	(287,571.48)	(267,670.00)
FERC Grid West Expense	(118,112.64)	(118,112.65)	(118,113.00)
PS & I Costs - Coal and CHP Plants - Write Off	(100,967.54)	0.00	(50,484.00)
Incremental Security Costs	(26,895.00)	(130,738.76)	(78,817.00)
OPUC Grid West Loans	(23,616.13)	(21,895.94)	(22,756.00)
Intervener Funding Orders	(20,565.53)	0.00	(10,283.00)
Gain/Loss on reacquired debt	0.00	(197,052.48)	(98,526.00)
Professional Fees - IPUC Order 29505	0.00	(8,306.13)	(4,153.00)
FERC jurisdictional - 144a	0.00	163,100.00	81,550.00
Total - Account 283 - Other	<u>(3,998,725.35)</u>	<u>(5,401,960.66)</u>	<u>(4,700,343.00)</u>
Total Accounts (190, 281, 282, 283)	<u>(196,403,295.01)</u>	<u>(199,125,895.29)</u>	<u>(197,764,597.00)</u>

IDAHO POWER COMPANY  
 CUSTOMER ADVANCES FOR CONSTRUCTION  
 For The Thirteen Months Ended December 31, 2007

Line No	Month	(1) Amount	(2) Adjustment	(3) 2007 Base
1	December, 2006.....	\$ 26,085,511		\$ 26,085,511
2	January, 2007.....	26,273,898		26,273,898
3	February.....	26,360,814		26,360,814
4	March.....	27,253,695		27,253,695
5	April.....	28,026,005		28,026,005
6	May.....	29,900,160		29,900,160
7	June.....	29,994,266		29,994,266
8	July.....	29,778,284		29,778,284
9	August.....	29,829,338		29,829,338
10	September.....	29,939,311		29,939,311
11	October.....	29,734,135		29,734,135
12	November.....	29,184,555		29,184,555
13	December.....	33,261,676		33,261,676
14	Average.....	<u>\$ 28,893,973</u>	<u>\$ -</u>	<u>\$ 28,893,973</u>

IDAHO POWER COMPANY  
 IERCo - SUBSIDIARY RATE BASE COMPONENTS  
 For The Thirteen Months Ended December 31, 2007

Line No	Month	(1) Investment	(2) Advance Coal Royalties	(3) Notes Receivable from Subsidiary	(4) Total	(5) Adjustment	(6) 2007 Base
1	December, 2006.....	\$ 51,914,196	\$ 1,773,561	\$ 9,154,480	\$ 62,842,237		\$ 62,842,237
2	January, 2007.....	52,231,854	1,756,012	9,702,099	63,689,965		63,689,965
3	February.....	52,636,773	1,738,033	9,050,018	63,424,824		63,424,824
4	March.....	52,996,795	1,722,218	11,106,191	65,825,204		65,825,204
5	April.....	52,556,768	1,706,503	12,307,227	66,570,498		66,570,498
6	May.....	53,008,590	1,706,503	14,572,021	69,287,114		69,287,114
7	June.....	53,402,994	1,697,388	15,340,440	70,440,822		70,440,822
8	July.....	53,297,888	1,690,119	15,114,983	70,102,990		70,102,990
9	August.....	53,375,571	1,682,727	17,094,521	72,152,819		72,152,819
10	September.....	54,264,298	1,673,185	17,367,457	73,304,940		73,304,940
11	October.....	55,312,211	1,666,915	20,506,765	77,485,891		77,485,891
12	November.....	55,830,059	1,659,508	19,482,954	76,972,521		76,972,521
13	December.....	55,937,107	1,657,049	21,527,626	79,121,782		79,121,782
14	Average.....	<u>\$53,597,316</u>	<u>\$1,702,286</u>	<u>\$14,794,368</u>	<u>\$70,093,970</u>	\$ -	<u>\$70,093,970</u>

**BEFORE THE**

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IDAHO PUBLIC  
UTILITIES COMMISSION

**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-08-10**

**IDAHO POWER COMPANY**

**SMITH, DI  
TESTIMONY**

**EXHIBIT NO. 30**

IDAHO POWER COMPANY  
 DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
 GENERAL ADVERTISING EXPENSE (ACCOUNT 930.1)  
 For Twelve Months Ended December 31, 2007

Line No	Program	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	General Advertising Expense.....	\$ 519,845	\$ -	\$ 519,845

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
MEMBERSHIPS AND CONTRIBUTIONS  
For the Twelve Months Ended December 31, 2007

Line No	Acct No	Organization	(1)	(2)	(3)	(4)	(5)	(6)
			Actual			Total	Adjustment	2007 Base
			Contributions 100%	Memberships 33.33%	Memberships 100%			
1	537	Oregon Department of Agriculture.....	\$ -	\$ -	\$ 158	\$ 158		\$ 158
2	537	Society for American Archeology.....	-	62	-	62		62
3	539	American Cancer Society.....	500	-	-	500		500
4	539	Cleveland Institute.....	802	-	-	802		802
5	539	Education Direct.....	730	-	-	730		730
6	539	Oregon Department of Agriculture.....	-	-	150	150		150
7	539	Toastmasters.....	-	-	25	25		25
8	541	Halfway.....	500	-	-	500		500
9	562	Toastmasters.....	-	-	44	44		44
10	580	Association of Idaho Cities.....	-	16	-	16		16
11	580	Edison Electric Institute.....	-	316	-	316		316
12	580	Meridian Chamber of Commerce.....	-	15	-	15		15
13	582	Edison Electric Institute.....	-	165	-	165		165
14	588	Donations.....	295	-	-	295		295
15	588	Kimberly High School Girls Donation.....	300	-	-	300		300
16	593	Donation Arbor Day.....	3,500	-	-	3,500		3,500
17	593	Donation Pacific Northwest Intl.....	700	-	-	700		700
18	597	Edison Electric Institute.....	-	444	-	444		444
19	908	Adgear Promotions.....	685	-	-	685		685
20	908	Association of Idaho Cities.....	-	107	-	107		107
21	908	Edison Electric Institute.....	-	108	-	108		108
22	908	Jordan Valley Lions Club.....	-	10	-	10		10
23	908	Rotary Club of Caldwell.....	-	67	-	67		67
24	908	Twin Falls Lions.....	-	100	-	100		100
25	910	Boise Metro Chamber of Commerce.....	105	-	-	105		105
26	910	The Flicks Four.....	25	-	-	25		25
27	921	Associated Tax Payers.....	-	-	90	90		90
28	921	Donation of Golf Balls.....	59	-	-	59		59
29	921	Edison Electric Institute.....	-	4,011	-	4,011		4,011
30	921	Nevada Tax Payers Association.....	-	100	-	100		100
31	921	United Way of Treasure Valley.....	250	-	-	250		250
32	921	WCA.....	500	-	-	500		500
33	921	World at Work.....	-	-	555	555		555
34	930	American Falls Chamber of Commerce.....	-	42	-	42		42
35	930	Associated Tax Payers.....	-	-	21,252	21,252		21,252
36	930	Association of Idaho Cities.....	-	416	-	416		416
37	930	Bingham Economic Development.....	-	-	2,500	2,500		2,500
38	930	Blackfoot Chamber of Commerce.....	-	343	-	343		343
39	930	Blue Lakes Rotary.....	-	120	-	120		120
40	930	Boise Centennial Rotary.....	-	196	-	196		196
41	930	Boise Metro Chamber of Commerce.....	-	7,634	-	7,634		7,634
42	930	Brownlee Crapple Tournament.....	200	-	-	200		200
43	930	Buhl Chamber of Commerce.....	-	107	-	107		107
44	930	Buhl Rotary Club.....	-	62	-	62		62
45	930	Business Plus Inc.....	6,000	-	-	6,000		6,000
46	930	Cambridge Commercial Club.....	-	-	30	30		30
47	930	Castleford Men's Club Dues.....	250	-	-	250		250
48	930	Chamber of Commerce.....	800	3,650	-	4,450		4,450
49	930	Dairy Days.....	500	-	-	500		500
50	930	Donation Economic and Comm.....	500	-	-	500		500
51	930	Donation Winter Carnival.....	1,000	-	-	1,000		1,000
52	930	Eagle Garden City Rotary.....	-	384	-	384		384
53	930	Economic Development Contribution.....	-	-	1,000	1,000		1,000
54	930	Edison Electric Institute.....	-	121,339	-	121,339		121,339
55	930	Garden City Chamber of Commerce.....	-	150	-	150		150
56	930	Gem County Chamber of Commerce.....	-	533	-	533		533
57	930	Halley Chamber of Commerce.....	-	119	-	119		119
58	930	Halley Rotary Club.....	-	384	-	384		384
59	930	Horseshoe Bend Chamber of Commerce.....	-	33	-	33		33
60	930	Idaho Association of Counties.....	-	250	-	250		250

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
MEMBERSHIPS AND CONTRIBUTIONS  
For the Twelve Months Ended December 31, 2007

Line No	Acct No	Organization	(1)	(2)	(3)	(4)	(5)	(6)
			Actual		100%	Total	Adjustment	2007 Base
			Contributions 100%	Memberships 33.33%				
61	930	Idaho City Chamber of Commerce.....	-	50	-	50		50
62	930	Idaho City Lions Club.....	-	33	-	33		33
63	930	Idaho Falls Chamber of Commerce.....	-	69	-	69		69
64	930	Idaho Mining Association.....	-	-	2,640	2,640		2,640
65	930	Jerome Chamber of Commerce.....	150	-	-	279		279
66	930	Kiwanis Club of Eagle.....	-	79	-	79		79
67	930	Kiwanis Club of Les Bois.....	-	201	-	201		201
68	930	Kiwanis Club of Meridian.....	-	219	-	219		219
69	930	Meridian Chamber of Commerce.....	-	27	-	27		27
70	930	Mini-Cassia Chamber of Commerce.....	-	116	-	116		116
71	930	Northwest Chamber of Commerce.....	-	200	-	200		200
72	930	Ontario Chamber of Commerce.....	-	167	-	167		167
73	930	Oregon State Sheriffs Association.....	-	-	50	50		50
74	930	Pocatello Chamber of Commerce.....	-	952	-	952		952
75	930	Rotary Club of Boise.....	-	242	-	242		242
76	930	Rotary Club of Boise - Sunrise.....	-	270	-	270		270
77	930	Rotary Club of Gooding.....	-	217	-	217		217
78	930	Rotary Club of Jerome.....	-	159	-	159		159
79	930	Rotary Club of Nampa.....	-	64	-	64		64
80	930	Rotary Club of Twin Falls.....	-	23	-	23		23
81	930	Snake River Building.....	-	167	-	167		167
82	930	South Dakota Electric Utility.....	-	130	-	130		130
83	930	Sun Valley/Ketchum Chamber of Commerce.....	-	167	-	167		167
84	930	The Conference Board.....	-	-	2,850	2,850		2,850
85	930	Twin Falls Area Chamber of Commerce.....	-	375	-	375		375
86	930	Wyoming Tax Payers Association.....	-	500	-	500		500
87	935	Toastmasters.....	-	-	29	29		29
88		Total.....	\$ 18,351	\$ 145,839	\$ 31,373	\$ 195,563	\$ -	\$ 195,563

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
ADJUSTMENT TO MANAGEMENT EXPENSES  
For Twelve Months Ended December 31, 2007

No	Name	(1) Y-T-D Actuals Dec-07	(2) Adjustment	(3) 2007 Base
1	<b>Darrel Anderson</b>			
2	Total Expenses.....	\$ 12,301.78		
3	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
4	Arid Club.....	-		
5	EEI.....	(4,387.95)		
6	Oregon Direct Charges.....	-		
7	Total.....	<u>7,913.83</u>		
8	Payroll Percentage Allocated to IDACORP.....	0.00%		
9	Net IDACORP Exclusions.....	-		
10	Other Exclusions:			
11	Arid Club (100% Per IPUC Order 29505).....	-		
12	Oregon - Direct Allocation (100%).....	-		
13	EEI (1/3 Per IPUC Order 29505).....	1,462.50		
14	Total Exclusions.....	<u>\$ 1,462.50</u>		\$ 1,462.50
71	<b>Naomi Crafton-Shankel</b>			
72	Total Expenses.....	\$ 2,714.12		
73	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
74	Arid Club.....	-		
75	EEI.....	-		
76	Oregon Direct Charges.....	-		
77	Total.....	<u>2,714.12</u>		
78	Payroll Percentage Allocated to IDACORP.....	1.30%		
79	Net IDACORP Exclusions.....	35.28		
80	Other Exclusions:			
81	Arid Club (100% Per IPUC Order 29505).....	-		
82	Oregon - Direct Allocation (100%).....	-		
83	EEI (1/3 Per IPUC Order 29505).....	-		
84	Total Exclusions.....	<u>\$ 35.28</u>		\$ 35.28
127	<b>John Gale</b>			
128	Total Expenses.....	\$ 20,059.77		
129	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
130	Arid Club.....	-		
131	EEI.....	(4,676.53)		
132	Oregon Direct Charges.....	(237.49)		
133	Total.....	<u>15,145.75</u>		
134	Payroll Percentage Allocated to IDACORP.....	0.00%		
135	Net IDACORP Exclusions.....	-		
136	Other Exclusions:			
137	Arid Club (100% Per IPUC Order 29505).....	-		
138	Oregon - Direct Allocation (100%).....	237.49		
139	EEI (1/3 Per IPUC Order 29505).....	1,558.69		
140	Total Exclusions.....	<u>\$ 1,796.18</u>		\$ 1,796.18

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
ADJUSTMENT TO MANAGEMENT EXPENSES  
For Twelve Months Ended December 31, 2007

No	Name	(1) Y-T-D Actuals Dec-07	(2) Adjustment	(3) 2007 Base
15	<b>Dennis Gribble</b>			
16	Total Expenses.....	\$ 15,705.26		
17	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
18	Arid Club.....	-		
19	EEI.....	(1,270.71)		
20	Oregon Direct Charges.....	-		
21	Total.....	14,434.55		
22	Payroll Percentage Allocated to IDACORP.....	2.20%		
23	Net IDACORP Exclusions.....	317.56		
24	Other Exclusions:			
25	Arid Club (100% Per IPUC Order 29505).....	-		
26	Oregon - Direct Allocation (100%).....	-		
27	EEI (1/3 Per IPUC Order 29505).....	423.53		
28	Total Exclusions.....	\$ 741.09		\$ 741.09
183	<b>Lisa Grow</b>			
184	Total Expenses.....	\$ 3,318.72		
185	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
186	Arid Club.....	-		
187	EEI.....	-		
188	Oregon Direct Charges.....	-		
189	Total.....	3,318.72		
190	Payroll Percentage Allocated to IDACORP.....	0.00%		
191	Net IDACORP Exclusions.....	-		
192	Other Exclusions:			
193	Arid Club (100% Per IPUC Order 29505).....	-		
194	Oregon - Direct Allocation (100%).....	-		
195	EEI (1/3 Per IPUC Order 29505).....	-		
196	Total Exclusions.....	\$ -		\$ -
141	<b>Patrick Harrington</b>			
142	Total Expenses.....	\$ 4,701.39		
143	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
144	Arid Club.....	-		
145	EEI.....	-		
146	Oregon Direct Charges.....	-		
147	Total.....	4,701.39		
148	Payroll Percentage Allocated to IDACORP.....	21.60%		
149	Net IDACORP Exclusions.....	1,015.50		
150	Other Exclusions:			
151	Arid Club (100% Per IPUC Order 29505).....	-		
152	Oregon - Direct Allocation (100%).....	-		
153	EEI (1/3 Per IPUC Order 29505).....	-		
154	Total Exclusions.....	\$ 1,015.50		\$ 1,015.50

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
ADJUSTMENT TO MANAGEMENT EXPENSES  
For Twelve Months Ended December 31, 2007

No	Name	(1) Y-T-D Actuals Dec-07	(2) Adjustment	(3) 2007 Base
43	<b>LaMont Keen</b>			
44	Total Expenses.....	\$ 23,956.54		
45	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
46	Arid Club.....	-		
47	EEI.....	(7,807.43)		
48	Oregon Direct Charges.....	-		
49	Total.....	<u>16,149.11</u>		
50	Payroll Percentage Allocated to IDACORP.....	17.40%		
51	Net IDACORP Exclusions.....	<u>2,809.95</u>		
52	Other Exclusions:			
53	Arid Club (100% Per IPUC Order 29505).....	-		
54	Oregon - Direct Allocation (100%).....	-		
55	EEI (1/3 Per IPUC Order 29505).....	2,602.22		
56	Total Exclusions.....	<u>\$ 5,412.17</u>		\$ 5,412.17
29	<b>Steve Keen</b>			
30	Total Expenses.....	\$ 5,552.22		
31	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
32	Arid Club.....	-		
33	EEI.....	(2,208.47)		
34	Oregon Direct Charges.....	-		
35	Total.....	<u>3,343.75</u>		
36	Payroll Percentage Allocated to IDACORP.....	8.50%		
37	Net IDACORP Exclusions.....	<u>284.22</u>		
38	Other Exclusions:			
39	Arid Club (100% Per IPUC Order 29505).....	-		
40	Oregon - Direct Allocation (100%).....	-		
41	EEI (1/3 Per IPUC Order 29505).....	736.08		
42	Total Exclusions.....	<u>\$ 1,020.30</u>		\$ 1,020.30
197	<b>Warren Kline</b>			
198	Total Expenses.....	\$ 4,505.14		
199	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
200	Arid Club.....	-		
201	EEI.....	-		
202	Oregon Direct Charges.....	-		
203	Total.....	<u>4,505.14</u>		
204	Payroll Percentage Allocated to IDACORP.....	0.00%		
205	Net IDACORP Exclusions.....	-		
206	Other Exclusions:			
207	Arid Club (100% Per IPUC Order 29505).....	-		
208	Oregon - Direct Allocation (100%).....	-		
209	EEI (1/3 Per IPUC Order 29505).....	-		
210	Total Exclusions.....	<u>\$ -</u>	\$ -	\$ -

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
ADJUSTMENT TO MANAGEMENT EXPENSES  
For Twelve Months Ended December 31, 2007

No	Name	(1) Y-T-D Actuals Dec-07	(2) Adjustment	(3) 2007 Base
99	<b>Luci McDonald</b>			
100	Total Expenses.....	\$ 5,700.23		
101	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
102	Arid Club.....	-		
103	EEI.....	-		
104	Oregon Direct Charges.....	-		
105	Total.....	5,700.23		
106	Payroll Percentage Allocated to IDACORP.....	0.90%		
107	Net IDACORP Exclusions.....	51.30		
108	Other Exclusions:			
109	Arid Club (100% Per IPUC Order 29505).....	-		
110	Oregon - Direct Allocation (100%).....	-		
111	EEI (1/3 Per IPUC Order 29505).....	-		
112	Total Exclusions.....	\$ 51.30		\$ 51.30
155	<b>James Miller</b>			
156	Total Expenses.....	\$ 10,496.17		
157	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
158	Arid Club.....	-		
159	EEI.....	(2,584.76)		
160	Oregon Direct Charges.....	-		
161	Total.....	7,911.41		
162	Payroll Percentage Allocated to IDACORP.....	0.00%		
163	Net IDACORP Exclusions.....	-		
164	Other Exclusions:			
165	Arid Club (100% Per IPUC Order 29505).....	-		
166	Oregon - Direct Allocation (100%).....	-		
167	EEI (1/3 Per IPUC Order 29505).....	861.50		
168	Total Exclusions.....	\$ 861.50		\$ 861.50
169	<b>Dan Minor</b>			
170	Total Expenses.....	\$ 6,852.65		
171	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
172	Arid Club.....	-		
173	EEI.....	-		
174	Oregon Direct Charges.....	(98.04)		
175	Total.....	6,754.61		
176	Payroll Percentage Allocated to IDACORP.....	0.00%		
177	Net IDACORP Exclusions.....	-		
178	Other Exclusions:			
179	Arid Club (100% Per IPUC Order 29505).....	-		
180	Oregon - Direct Allocation (100%).....	98.04		
181	EEI (1/3 Per IPUC Order 29505).....	-		
182	Total Exclusions.....	\$ 98.04		\$ 98.04

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
ADJUSTMENT TO MANAGEMENT EXPENSES  
For Twelve Months Ended December 31, 2007

No	Name	(1) Y-T-D Actuals Dec-07	(2) Adjustment	(3) 2007 Base
113	<b>Greg Panter</b>			
114	Total Expenses.....	\$ 774.56		
115	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
116	Arid Club.....	-		
117	EEI.....	-		
118	Oregon Direct Charges.....	-		
119	Total.....	774.56		
120	Payroll Percentage Allocated to IDACORP.....	100.00%		
121	Net IDACORP Exclusions.....	774.56		
122	Other Exclusions:			
123	Arid Club (100% Per IPUC Order 29505).....	-		
124	Oregon - Direct Allocation (100%).....	-		
125	EEI (1/3 Per IPUC Order 29505).....	-		
126	Total Exclusions.....	\$ 774.56		\$ 774.56
57	<b>Thomas Saldin</b>			
58	Total Expenses.....	\$ 6,236.39		
59	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
60	Arid Club.....	-		
61	EEI.....	(4,118.40)		
62	Oregon Direct Charges.....	-		
63	Total.....	2,117.99		
64	Payroll Percentage Allocated to IDACORP.....	2.80%		
65	Net IDACORP Exclusions.....	59.30		
66	Other Exclusions:			
67	Arid Club (100% Per IPUC Order 29505).....	-		
68	Oregon - Direct Allocation (100%).....	-		
69	EEI (1/3 Per IPUC Order 29505).....	1,372.66		
70	Total Exclusions.....	\$ 1,431.96		\$ 1,431.96
85	<b>Loxi Smith</b>			
86	Total Expenses.....	\$ 26,082.84		
87	IDACORP Exclusions Requiring Special Treatment (Listed Below):			
88	Arid Club.....	-		
89	EEI.....	(5,252.66)		
90	Oregon Direct Charges.....	-		
91	Total.....	\$20,830.18		
92	Payroll Percentage Allocated to IDACORP.....	0.00%		
93	Net IDACORP Exclusions.....	-		
94	Other Exclusions:			
95	Arid Club (100% Per IPUC Order 29505).....	-		
96	Oregon - Direct Allocation (100%).....	-		
97	EEI (1/3 Per IPUC Order 29505).....	1,750.71		
98	Total Exclusions.....	\$ 1,750.71		\$ 1,750.71
211	Total Reduction to Officer's Expenses.....	\$ 16,451.09	\$ -	\$ 16,451.09

IDAHO POWER COMPANY  
DEDUCTIONS FROM OPERATION AND MAINTENANCE EXPENSES  
OTHER EXCLUSIONS  
For The Twelve Months Ended December 31, 2007

	(1) Y-T-D Actuals Dec 2007	(2) Adjustment	(3) 2007 Base
1	535.....	\$ 780	\$ 780
2	536.....	206	206
3	537.....	521	521
4	539.....	384	384
5	542.....	77	77
6	544.....	49	49
7	545.....	81	81
8	546.....	105	105
9	557.....	1,240	1,240
10	560.....	166	166
11	561.....	43	43
12	562.....	185	185
13	568.....	97	97
14	570.....	220	220
15	571.....	300	300
16	580.....	1,594	1,594
17	582.....	1,153	1,153
18	583.....	207	207
19	584.....	605	605
20	586.....	6	6
21	587.....	129	129
22	588.....	681	681
23	592.....	461	461
24	593.....	124	124
25	594.....	70	70
26	901.....	13	13
27	902.....	104	104
28	907.....	35	35
29	908.....	786	786
30	910.....	468	468
31	921.....	5,368	5,368
32	923.....	198	198
33	926.....	2,218	2,218
34	935.....	1	1
35	Total.....	<u>\$ 18,675</u>	<u>\$ 18,675</u>

**BEFORE THE**

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IDAHO PUBLIC  
UTILITIES COMMISSION

**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-08-10**

**IDAHO POWER COMPANY**

**SMITH, DI  
TESTIMONY**

**EXHIBIT NO. 31**

**Idaho Power Company  
Summary of Adjustments to 2007  
Operating Expenses**

(1)

<u>Line No.</u>	<u>Source Page</u>		<u>Amount</u>
1	A	Operating Payroll - Annualizing Adjustment	\$ 2,593,733
2	A	Incentive	(\$ 3,838,832)
3	A	2009 Salary Structure Adjustment	<u>3,019,804</u>
4		<b>Total Adjustments</b>	<u><u>\$1,774,705</u></u>

Idaho Power Company  
Detail of Adjustments to 2007  
Operating Expenses

Source Page A  
(1)

Line No.	Source Page		Amount
1) Operating Payroll (Various accts)			
1	5	ST Payroll 2007	\$ 130,757,895
2	5	Annualized Payroll Growth Factor	6.50% 8,501,976
3		Forecasted 2008 ST Payroll	<u>139,259,871</u>
4	5	Forecasted December 2008 ST Payroll	10,995,625
5		Annualized December 2008 (Dec times 13)	142,943,119
6		Gross Adjustment to 2008	3,683,248
7	3	Add payroll tax @	8.46% 311,666
8		Total adjustment including payroll tax	<u>3,994,914</u>
9	1	Operating percent	64.93%
10		Adjustment to Operating Expense	<u>\$ 2,593,733</u>
2) Incentive Expense (920 account)			
11		Annualized December 2008 ST Payroll	\$ 142,943,119
12	1	Plus: 2007 Overtime Payroll	8,679,963
13	2	Less: 2007 Officer Payroll	3,462,963
14	5	Times Annualized Payroll Growth Factor	6.50% 3,688,128
15		Total Payroll Excl Officers	<u>147,934,954</u>
16		Normalized Incentive Rate	4.00%
17		Normalized Incentive	<u>5,917,398</u>
18	3	Payroll Tax on Normalized Incentive @	8.46% 500,713
19		Normalized Incentive Including Payroll Tax	<u>6,418,111</u>
20	4	Less: 2007 Accrual plus Tax	9,423,443
21	6	Times Annualized A&G Growth Factor	9.41% 10,309,981
22		Gross Adjustment	<u>(3,891,870)</u>
23	4	Times incentive operating percent	98.64%
24		Adjustment to Operating Expense for Incentive	<u>\$ (3,838,832)</u>
3) 2009 Operating Payroll SSA (Various accts)			
25	1	Annualized December 2008	\$ 142,943,119
26		Estimated 2009 SSA	3.00% 4,288,294
27	3	Plus Payroll Tax @	8.46% 362,863
28	1	Gross Increase Including Payroll Tax	<u>4,651,156</u>
29		Operating percent	64.93%
30		Adjustment to Operating Expense	<u>\$ 3,019,804</u>

**Idaho Power Company  
Depreciation Expense**

Account	Account Description	Annualized Depreciation Expense	Forecasted Depreciation Expense	Annualizing Adjustment	Reserve Adjustment
301	Organization				
302	Franchises and Consents	781,063.44	781,063.44		
303	Miscellaneous Intangible Plant	6,565,595.84	5,749,532.26	816,063.38	408,031.69
<b>TOTAL INTANGIBLE PLANT</b>		<b>7,346,659.08</b>	<b>6,530,595.70</b>	<b>816,063.38</b>	<b>408,031.69</b>
310	Land and Land Rights	3,678.60	4,218.65	(540.05)	(270.03)
311	Structures and Improvements	2,260,623.96	2,920,483.04	(659,859.08)	(329,929.54)
312	Boiler Plant Equipment	11,833,983.84	13,718,479.64	(1,884,495.80)	(942,247.90)
314	Turbogenerator Units	3,455,264.28	3,957,025.46	(501,761.18)	(250,880.59)
315	Accessory electric Equipment	776,871.60	828,270.59	(51,398.99)	(25,699.50)
316	Misc Power Plant Equipment	493,977.96	290,793.77	203,184.19	101,592.10
<b>TOTAL STEAM PRODUCTION PLANT</b>		<b>18,824,400.24</b>	<b>21,719,271.15</b>	<b>(2,894,870.91)</b>	<b>(1,447,435.48)</b>
330	Land and Land Rights				
331	Structures and Improvements	3,882,556.68	3,570,897.63	311,659.05	155,829.53
332	Reservoirs, Dams, Waterways	5,689,555.92	5,116,358.93	573,196.99	286,588.50
333	Waterwheel, Turbines, Generato	3,669,768.48	3,527,165.89	142,602.59	71,301.29
334	Accessory Electric Equipment	1,235,111.40	1,146,014.78	89,096.62	44,548.31
335	Misc Power Plant Equipment	374,375.28	334,276.64	40,098.64	20,049.32
336	Roads, Railroads and Bridges	146,556.96	146,032.45	524.51	262.26
<b>TOTAL HYDRO PRODUCTION PLANT</b>		<b>14,997,924.72</b>	<b>13,840,746.32</b>	<b>1,157,178.40</b>	<b>578,589.21</b>
340	LAND AND LAND RIGHTS				
341	Structures and Improvements	283,877.76	235,449.09	48,428.67	24,214.34
342	Fuel Holders, Producers, Acces	164,802.72	144,584.06	20,218.66	10,109.33
343	Prime Movers	2,545,990.56	2,111,330.96	434,659.60	217,329.80
344	Generators	1,483,030.56	1,172,667.34	310,363.22	155,181.61
345	Accessory Electric Equipment	1,668,444.36	1,063,062.17	605,382.19	302,691.10
346	Misc Power Plant Equipment	87,067.92	85,340.20	1,727.72	863.86
<b>TOTAL OTHER PRODUCTION PLANT</b>		<b>6,233,213.88</b>	<b>4,812,433.82</b>	<b>1,420,780.06</b>	<b>710,390.04</b>
350	Land and Land Rights	470,713.88	490,038.21	(19,324.53)	(9,662.26)
352	Structures and Improvements	742,387.44	606,528.10	135,859.34	67,929.67
353	Station Equipment	5,933,291.40	5,685,015.17	248,276.23	124,138.12
354	Towers and Fixtures	2,582,958.60	2,825,375.54	(242,416.94)	(121,208.47)
355	Poles and Fixtures	2,834,474.76	2,699,228.67	135,246.09	67,623.05
358	Overhead Conductors, Devices	2,786,607.60	2,758,541.01	28,066.59	14,033.29
359	Roads and Trails	3,132.60	3,288.56	(155.96)	(77.98)
<b>TOTAL TRANSMISSION PLANT</b>		<b>15,353,566.08</b>	<b>15,068,015.28</b>	<b>285,550.82</b>	<b>142,775.42</b>
360	Land and Land Rights				
361	Structures and Improvements	445,570.80	439,680.15	5,890.65	2,945.33
362	Station Equipment	3,100,949.28	2,719,036.52	381,912.76	190,956.38
<b>TOTAL SUBSTATION EQUIPMENT</b>		<b>3,546,520.08</b>	<b>3,158,716.67</b>	<b>387,803.41</b>	<b>193,901.71</b>
364	Poles, Towers and Fixtures	7,092,672.72	7,335,064.39	(242,391.67)	(121,195.84)
365	Overhead Conductors, Devices	3,304,504.32	3,400,464.47	(95,960.15)	(47,980.08)
366	Underground Conduit	929,997.00	936,306.75	(6,309.75)	(3,154.87)
367	Underground Conductors, Device	3,484,734.36	4,192,639.68	(707,905.32)	(353,952.66)
368	Line Transformers	6,064,161.24	6,086,015.80	(21,854.56)	(10,927.28)
369	Services	1,705,061.28	1,874,543.54	(169,482.26)	(84,741.13)
370	Meters	4,023,057.12	3,015,376.54	1,007,680.58	503,840.29
371	Installations, Cust Premises	25,964.16	177,430.87	(151,466.71)	(75,733.36)
373	Street Lighting, Signal System	170,508.72	209,651.71	(39,142.99)	(19,571.50)
<b>TOTAL DISTRIBUTION LINES</b>		<b>26,800,660.92</b>	<b>27,227,493.75</b>	<b>(426,832.83)</b>	<b>(213,416.43)</b>
389	Land and Land Rights				
390	Structures and Improvements	1,643,106.72	1,655,739.88	(12,633.16)	(6,316.58)
391	Office Furniture, Equipment	8,407,251.24	7,941,489.97	465,761.27	232,880.64
392	Transportation Equipment	2,163,173.16	2,192,774.57		(14,800.71)
393	Stores Equipment	62,374.68	78,213.49	(15,838.81)	(7,919.41)
394	Tools, Shop, Garage Equipment	228,119.04	326,506.31	(98,387.27)	(49,193.64)
395	Laboratory Equipment	593,134.68	651,086.30	(57,951.62)	(28,976.81)
396	Power Operated Equipment	621,497.28	608,114.73	13,382.55	6,691.28
397	Communication Equipment	2,063,745.48	2,666,301.88	(602,556.40)	(301,278.20)
398	Miscellaneous Equipment	335,291.52	288,331.72	46,959.80	23,479.90
<b>TOTAL GENERAL EQUIPMENT PLANT</b>		<b>16,117,693.80</b>	<b>16,408,558.65</b>	<b>(274,864.19)</b>	<b>(145,432.53)</b>
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>		<b>109,220,638.80</b>	<b>108,765,831.52</b>	<b>471,026.14</b>	<b>227,403.65</b>
	Amortization of Disallowed Costs	(296,299.32)	(296,299.32)		
<b>TOTAL DEPRECIATION &amp; AMORTIZATION</b>		<b>108,924,339.48</b>	<b>108,469,532.20</b>	<b>471,026.14</b>	<b>227,403.65</b>

**Idaho Power Company  
Major Plant Additions Annualized for 2008**

Line No.	Project Type	Project ID	Description	(1) In Service Date	(2) Annualized Plant	(3) Adjustment for Plant Est to Close 2008	(4) Net Annualizing Adjustments	(5) Annual Composite Property Tax Rate	(6) Annual Composite Property Tax	(7) Annual Insurance Rate Per \$100	(8) Annual Insurance Expense
<b>Stations:</b>											
1	12	TKK0401	Cambridge-Council-McCall 138 kV Upgrade	May, 2008	\$ 351,115	\$ 216,071	\$ 135,044	0.360%	\$ 486	\$ 0.0427	\$ 58
2	32	JNSC0701	Caribou Cap Bank	November, 2008	7,874,493	1,211,460	6,663,032				
3	BHPR0601	Danskin Additional Peaker - NUG	March, 2008	979,961	753,816	226,145					
4	DNPR0701	Danskin Additional Peaker - NUG	March, 2008	1,473,431	1,133,408	340,023					
5	ENPR0702	Elmore County Upgrades	July, 2008	4,281,068	1,975,877	2,305,191					
6	HRDD0601	Danskin Additional Peaker - NUG	November, 2008	4,946,257	760,963	4,185,295					
7	HWY0701	500 kV Projects	November, 2008	3,390,249	521,577	2,868,672					
8	HRT0201	Cambridge-Council-McCall 138 kV Upgrade	March, 2008	529	407	122					
9	JUMP0301	Cambridge-Council-McCall 138 kV Upgrade	March, 2008	22,300	17,154	5,146					
10	MLCK0601	Mill Creek	June, 2008	3,612,184	1,945,022	1,667,162					
11	STRY0201	Cambridge-Council-McCall 138 kV Upgrade	March, 2008	5,331	4,101	1,230					
12	32	Total			26,585,802	8,323,785	18,262,017	0.360%	65,743	\$ 0.0427	7,798
<b>Lines:</b>											
13	T4260503	NW Twin Falls Station and Lines	March, 2008	1,408,994	1,083,842	325,152					
14	T4380701	HSDL lines & station	July, 2008	1,092,797	504,368	588,429					
15	T4700301	Cambridge-Council-McCall 138 kV Upgrade	March, 2008	(74,714)	(57,472)	(17,242)					
16	T4700501	Cambridge-Council-McCall 138 kV Upgrade	December, 2008	7,109,802	546,908	6,562,894					
17	T4700301	LKFK lines & station	March, 2008	(261,415)	(201,089)	(60,327)					
18	T7110701	Danskin Additional Peaker - NUG	December, 2008	277,661	21,359	256,303					
19	T7230601	Danskin Additional Peaker - NUG	December, 2008	16,531,143	1,274,626	15,256,516					
20	T7240601	Danskin Additional Peaker - NUG	March, 2008	3,440,340	2,646,416	793,925					
21	T9190501	Elmore County Upgrades	April, 2008	1,684,708	1,173,259	521,448					
22	33	Total		31,219,315	6,989,216	24,230,099		0.360%	87,228	\$ 0.0427	10,346
<b>Distributions:</b>											
23	HSDL0201	HSDL lines & station	September, 2008	2,438,208	750,218	1,687,990					
24	MCAL0503	LKFK lines & station	November, 2008	2,284,944	351,530	1,933,414					
25	NMS0501	Cambridge-Council-McCall 138 kV Upgrade	October, 2008	1,629,371	376,009	1,253,362					
26	POLN0601	NW Twin Falls Station and Lines	July, 2008	2,716,190	1,253,626	1,462,564					
27	TKK0401	Cambridge-Council-McCall 138 kV Upgrade	August, 2008	601,853	231,482	370,371					
28	41	Total		9,670,566	2,962,864	6,707,702		0.410%	27,502	\$ 0.0427	2,864
<b>Lines:</b>											
29	ELMR0701	Danskin Additional Peaker - NUG	July, 2008	753,384	347,716	405,668					
30	HSDL0701	HSDL lines & station	July, 2008	245,039	113,095	131,944					
31	HSDL0702	HSDL lines & station	August, 2008	154,277	59,336	94,938					
32	HSDL0703	HSDL lines & station	July, 2008	205,977	95,066	110,911					
33	MORA0701	Danskin Additional Peaker - NUG	June, 2008	240,511	129,508	111,005					
34	MORA0703	Danskin Additional Peaker - NUG	November, 2008	95,943	14,760	81,183					
35	VAR10603	Cambridge-Council-McCall 138 kV Upgrade	December, 2008	1,012,925	77,917	935,008					
36	43	Total		2,708,055	837,397	1,870,657		0.410%	7,670	\$ 0.0427	799
<b>Communication Equipment:</b>											
37	62	BHPR0602	Danskin Additional Peaker - NUG	March, 2008	62,573	48,133	14,440				
38	CDRL0605	Danskin Additional Peaker - NUG	March, 2008	31,362	24,125	7,237					
39	CDDC0601	Danskin Additional Peaker - NUG	March, 2008	1,754	1,349	405					
40	ENPR0602	Danskin Additional Peaker - NUG	March, 2008	82,226	63,251	18,975					
41	ELMR0601	Elmore County Upgrades	March, 2008	27,784	21,372	6,412					
42	MEM0602	Danskin Additional Peaker - NUG	March, 2008	7,884	6,065	1,819					
43	MORA0602	Danskin Additional Peaker - NUG	March, 2008	28,432	21,871	6,561					
44	RFSN0601	Elmore County Upgrades	March, 2008	27,279	20,984	6,295					
45	T4380603	Danskin Additional Peaker - NUG	June, 2008	218,116	117,447	100,669					
46	T7230701	Danskin Additional Peaker - NUG	December, 2008	926,816	71,294	855,523					
47	62	Total		1,414,227	395,890	1,018,337		0.410%	4,175	\$ 0.0427	435
<b>Intangible Plant:</b>											
48	11	A00500013	Mobile Workforce Mgmt	June, 2008	4,866,175	2,620,248	2,245,927				
49	11	Total			4,866,175	2,620,248	2,245,927				
50	50	Total			76,835,255	22,345,472	54,489,783		0.410%	9,208	23,259
<b>Power Supply:</b>											
<b>Thermal:</b>											
21	B00809250	Unit 4 Low NOx Burners	June, 2008	3,224,061	1,736,033	1,488,028					
B00809251	Unit 4 Reheater Replacement	June, 2008	2,709,880	1,459,166	1,250,714						
B00809267	Spare GSU	August, 2008	2,000,000	769,231	1,230,769						

Idaho Power Company  
Major Plant Additions Annualized for 2008

Line No.	Project ID	Description	(1) In Service Date	(2) Annualized Plant	(3) Adjustment for Plant Est to Close 2008	(4) Net Annualizing Adjustments	(5) Annual Composite Property Tax Rate	(6) Annual Composite Property Tax	(7) Annual Insurance Rate Per \$100	(8) Annual Insurance Expense
54	B00700261	Evaporation Pond Liners	December, 2008	3,972,054	305,543	3,666,511	0.360%	27,490	\$ 0.0427	3,261
55	21 Total			11,905,995	4,269,972	7,636,023	0.360%	27,490	\$ 0.0427	3,261
56	26	Hydro: 26 B00500333 Compliance - Lower Malad Fish Passage	February, 2008	2,778,500	2,351,039	427,462	0.360%	1,539	\$ 0.0427	183
57	26 Total			2,778,500	2,351,039	427,462	0.360%	1,539	\$ 0.0427	183
58	24	Other: 24 B00600419 BMFR - Refurbish Row 1 and 2 Blades and Vanes	November, 2008	7,045,426	1,083,912	5,961,515	0.360%	85,321	\$ 0.0427	10,120
59	24	B00500297 Evander Andrews Power Complex	April, 2008	57,650,861	39,912,135	17,738,726	0.360%	85,321	\$ 0.0427	10,120
60	24 Total			64,696,287	40,996,046	23,700,241	0.360%	85,321	\$ 0.0427	10,120
61	24 Total			29,380,783	47,617,058	31,763,725	0.360%	114,343	\$ 0.0427	13,563
<b>Corporate Administration Support:</b>										
<b>General Land and Buildings:</b>										
62	51	MCall Op Cntr - Building	December, 2008	3,943,750	303,365	3,640,385	0.410%	17,309	\$ 0.0427	1,803
63	51	Land - Star Op Center	February, 2008	2,518,835	1,937,565	581,270	0.410%	17,309	\$ 0.0427	1,803
64	51 Total			6,462,585	2,240,931	4,221,654	0.410%	17,309	\$ 0.0427	1,803
<b>Data/Word Processing Equipment:</b>										
65	58	MainFrame Upgrade	January, 2008	2,238,657	2,066,453	172,204	0.410%	3,330	\$ 0.0427	347
66	58	Enterprise Storage	April, 2008	2,079,724	1,439,809	639,915	0.410%	3,330	\$ 0.0427	347
67	58 Total			4,318,381	3,506,262	812,119	0.410%	3,330	\$ 0.0427	347
68	58 Total			10,780,966	5,747,192	5,033,774	0.410%	20,638	\$ 0.0427	2,149
69	Total			\$ 166,977,004	\$ 75,209,722	\$ 91,767,282		\$ 337,000		\$ 38,971

5 of 6

Idaho Power Company  
 Operation and Maintenance Reduction for Known Spending Containment  
 For Twelve Months Ended December 31, 2008

Line No.	(1) Y-T-D Actuals Dec 2007	(2) Normalizing Adjustments	(3) Other Adjustments	(3) 2007 Base	(4) 2007 Actuals	(5) Methodologies 3 Year Compounding	(6) 5 Year Compounding	(7) Fixed \$ Adjustments	(8) Normalizing Adjustments	(9) Annualizing and Other Adj.	(9) Test Year 2008
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (901,000)	\$ (901,000)
2	-	-	-	-	-	-	-	-	-	(1,321,000)	(1,321,000)
3	-	-	-	-	-	-	-	-	-	(1,447,000)	(1,447,000)
4	-	-	-	-	-	-	-	-	-	(165,000)	(165,000)
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,834,000)	\$ (3,834,000)

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**EXHIBIT NO. 33**

**IDAHO POWER COMPANY**  
**Methodology Summary**  
**2008 Test Year**

LINE NO	Description	(1) FERC ACCOUNT NUMBER	(2) Methodology	(3) Growth Percentage
<b>Cost of Service Components</b>				
<b>Other Operating Revenues</b>				
1	Miscellaneous Service Revenues	451	3 Year Compounded	-13.990%
2	Rent from Electric Property			
3	Substation equipment	454	Known and Measurable	-
4	transformer & distribution rentals	454	2007 Actual	-
5	Station and line rentals	454	Known and Measurable	-
6	Cogeneration and small power production	454	3 Year Compounded	3.810%
7	Real estate rents	454	3 Year Compounded	1.910%
8	Dark fiber rents	454	3 Year Compounded	0.070%
9	Joint pole attachments	454	3 Year Compounded	7.040%
10	Facilities charges	454	3 Year Compounded	2.500%
11	Overnight park rents	454	3 Year Compounded	15.990%
<b>Other Electric Revenues</b>				
12	Net Work Service and Other Long Term Firm	456	Known and Measurable	-
13	Point-to-Point	456	Known and Measurable	-
14	Photovoltaic	456	3 Year Compounded	-22.900%
15	Antelope	456	2007 Actual	-
16	Sierra Pacific Power Company sales	456	3 Year Compounded	4.730%
17	Stand-by service	456	3 Year Compounded	32.510%
18	Energy Efficiency Rider	456	Removed in its entirety	-
19	Miscellaneous	456	3 Year Compounded	-2.840%
	Provision for rate refund - OATT Tariff	449	Removed in its entirety	-
<b>Other Revenues and Expenses</b>				
<b>Other Revenues</b>				
20	Power Solutions	415	Known and Measurable	-
21	Hydro Services	415	2007 Actual	-
22	Water Management Services	415	2007 Actual	-
23	Joint Use (Pole) - Idaho	415	2007 Actual	-
24	Joint Use (Pole) - Oregon	415	2007 Actual	-
<b>Other Expenses</b>				
25	Power Solutions	416	Known and Measurable	-
26	Hydro Services	416	2007 Actual	-
27	Water Management Services	416	2007 Actual	-
28	Joint Use (Pole) - Idaho	416	2007 Actual	-
29	Joint Use (Pole) - Oregon	416	2007 Actual	-
<b>Operations and Maintenance Expenses</b>				
<b>Power production expenses</b>				
30	Steam power generation(excluding account 501)	500-514	5 Year Compounded	7.140%
31	Fuel expense	501	Normalized	-
32	Hydraulic power generation	535-545	5 Year Compounded	8.030%
33	Other power generation(excluding 547)	546-554	5 Year Compounded	11.760%
34	Fuel expense	547	Normalized	-
<b>Other power supply expenses</b>				
35	Purchased power	555	Normalized	-
36	System control and load dispatch	556	5 Year Compounded	11.760%
37	Other expenses(excluding PCA expense)	557	5 Year Compounded	11.760%
38	Transmission expenses(excluding account 565)	560-573	5 Year Compounded	3.980%
39	Operation - transmission of electricity by others	565	2007 Actual	-
40	Distribution expenses	580-598	5 Year Compounded	0.700%
41	Customer account, service and information expenses	901-912	5 Year Compounded	0.060%
42	Administrative and general expenses(excluding account 908, 924, 928 & 930.1)	920-935	5 Year Compounded	9.410%
43	Energy Efficiency Rider	908	Removed in its entirety	-
44	Property Insurance	924	2007 Actual	-
45	Regulatory commission expenses	928	5 Year Compounded	9.410%
46	General Advertising	930.1	Removed in its entirety	-
<b>Depreciation and Amortization Expense</b>				
47	Depreciation	403	Known and Measurable	-
48	Amortization	404	Known and Measurable	-
<b>Electric Plant/Regulatory Assets - AMORT, Adj, Gains &amp; Losses</b>				
49	Amortization of electric plant acquisition adjustment-Prairie Power	406	2007 Actual	-
50	Gain on sale of electric plant	411.6	Known and Measurable	-
51	Regulatory Debits and Credits	407.3	Known and Measurable	-
<b>Taxes Other Than Income</b>				
52	Real and personal property	408.1	Known and Measurable	-
53	Kilowatt-hour tax - Idaho	408.1	Normalized	-
<b>Licenses</b>				
54	Wyoming	408.1	3 Year Compounded	-2.210%
55	Nevada	408.1	3 Year Compounded	-35.000%
56	Shoshone-Bannock	408.1	2007 Actual	-
<b>Regulatory commission</b>				
57	Idaho	408.1	Known and Measurable	-
58	Oregon	408.1	3 Year Compounded	4.660%
59	Franchise tax - Oregon	408.1	3 Year Compounded	2.400%
60	Idaho Energy Resources Statement of Income	418.1/419	Known and Measurable	-
<b>Rate Base Components</b>				
<b>Electric Plant-In-Service</b>				
61	Projects > \$2 million	101	Known and Measurable	-
62	Projects < \$2 million	101	5 Year Compounded	6.000%
<b>Accumulated Reserve for Depreciation and Amortization</b>				
63	Depreciation reserve	108	Known and Measurable	-
64	Amortization reserve	111	Known and Measurable	-
<b>Materials and Supplies</b>				
65	Plant materials and operating supplies	154	3 Year Compounded	16.380%
66	Stores expense undistributed	163	3 Year Compounded	4.310%
67	Deferred Conservation Programs	182.3	Known and Measurable	-

IDAHO POWER COMPANY  
Methodology Summary  
2008 Test Year

LINE NO	Description	(1) FERC ACCOUNT NUMBER	(2) Methodology	(3) Growth Percentage
68	Other Deferred Programs(excluding FERC Grid West Expense)	182.3/186.722/186.770	Known and Measurable	-
69	Grid West loans - FERC	182.3	2007 Actual	-
70	Plant Held for Future Use(excluding Lakeshore Substation)	105	2007 Actual	-
71	Lakeshore Substation	105	Known and Measurable	-
72	Deferred Income Taxes	190/282/283	Known and Measurable	-
73	Customer Advances For Construction	252	Known and Measurable	-
74	IBRCO-Subsidiary Rate Base Components	123.1/186/145	Known and Measurable	-

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**CASE NO. IPC-E-08-10**

**IDAHO POWER COMPANY**

**SMITH, DI  
TESTIMONY**

**EXHIBIT NO. 34**

# METHODOLOGY MANUAL

## 2008 RATE CASE

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## METHODOLOGY MANUAL 2008 RATE CASE

Purpose of Methodology Manual - The purpose of the Methodology Manual is to provide a reference document that provides supporting detail for the methodologies and multipliers that have been used to set the values contained in the Company's proposed 2008 Test Year. These values were provided to Idaho Power Company (IPC) witness Schwendiman for appropriate application to the Uniform System of Accounts for determination of revenue requirement in the 2008 test year. The manual includes: (1) a description of the methodologies in developing the Jurisdictional Separations Study; (2) a definition of the formula used for compounding annual growth rates; 3) a brief explanation of current conditions driving certain increases; and (4) for each major cost of service and rate base component, a description of the three digit account number specified in the uniform system of accounts adopted by the Commission and the FERC and the method applied in developing the 2008 Test Year.

Overview of Current Conditions - Overall, IPC labor, materials, and purchased service cost elements for cost of service and rate base components increased during the three- and five-year time horizons of 2005-07 and 2003-07 respectively.

- Due to an aging of the IPC workforce, IPC has experienced a sharp increase in employee retirements over the last five years which is expected to continue in the future. IPC retirements have caused increased advertising, recruiting and hiring activities. Additionally, significant training lead time has necessitated backfilling some critical positions in advance of the incumbent's retirement date to ensure adequate knowledge transfer.
- IPC is experiencing a cycle of heavy infrastructure investment needed to address continued customer growth, peak demand growth, and aging plant and equipment.
- Regulatory compliance: The Sarbanes-Oxley Act resulted in new control and review processes requiring additional staffing, auditing of those controls by both internal and external auditors, consulting services, and software changes resulting from implementation of the controls and processes. Though in effect all through the 2003-07 time period, FERC's Standards of Conduct (SOC), gained a heightened sense of urgency with the possibility of \$1 million penalties per day per incident beginning with the passage of the Energy Policy Act of 2005. Mandatory electric system reliability as dictated by the North American Electric Reliability Council (NERC) and the Western Electricity Coordinating Council (WECC) required increased staffing to ensure that compliance planning, controlling, monitoring and reporting requirements were met. Recent legislation and regulations from the Internal Revenue Service and Securities and Exchange Commission have required the use of consultants to review and amend compensation plans and documents, proxy statements, and communications.

Methodologies – The updates from 2007 data to IPC's proposed 2008 Rate Case test year were developed using three methodologies:

- 1) Carryforward of 2007 actual activity and amounts;
- 2) Known and measurable adjustments based on 2008 known account factors;

Known and measurable adjustments are based on known factors for 2008 that relate to a particular account item being projected. Examples of known account factors projected for this methodology in developing the test year include 2008 known billing, volume, and contract terms, discontinued services, anticipated levels of economic activity, and existing regulatory commission orders.

- 3) Application of a three-year or five-year compound annual growth rate (CAGR) to the 2007 actual activity and amounts.

The formula for the CAGR:

$$\text{CAGR} = \left( \frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\left( \frac{1}{\# \text{ of years}} \right)} - 1$$

## COST OF SERVICE COMPONENTS

### OTHER OPERATING REVENUES FERC Accounts 451-456

Description – Account 451 includes revenues for all miscellaneous services and charges billed to customers who are not specifically provided for in other accounts. This includes fees for changing, connecting or disconnecting services, and profit on maintenance or installations on customers' premises. Miscellaneous service revenues include continuous service reversion charges, field visit charges, return trip charges, returned check fees, service connection charges, service establishment charges, and application and processing fees collected for new permits, new leases or requests for easement relinquishments. Account 454 includes rents received for the use by others of land, buildings, and other property devoted to electric operations by IPC such as joint pole attachments, facilities charges, and line and substation rents. Account 456 includes revenues derived from electric operations not includable in other revenue accounts. For example, compensation for minor services provided for others such as engineering, and revenues from transmission of electricity of others over transmission facilities of IPC such as network and point-to-point wheeling.

Methods to Update to 2008 Levels – Accounts 451 through 456 used a combination of the methodologies for projecting 2008 amounts depending on the nature of the specific account activity being forecast.

- Account 451 used a three-year CAGR applied to 2007 actual revenues resulting in a reduction of 13.99%. The decline is attributable to slower customer growth anticipated in 2008.
- Account 454 used each of the three methodologies described above depending on the type of 2008 rent to be projected:
  - Transformer rentals were projected to be the same in 2008 as 2007 actual amounts.
  - Substation equipment rentals and station and line rentals were projected for 2008 based on known billing conditions for the governing transmission service agreement and the specific type of facilities being rented. The decline in anticipated facilities rents is due to both billing rates, which are updated annually and generally decrease unless new transmission facilities are being added under the contract, and the expiration of the Seattle City Light agreement at the end of 2007.
  - The remaining 454 rents were determined based on application of the calculated three-year CAGR for the specific type of rent to 2007 actual amounts. The resulting three-year CAGR increases by rent type are: cogeneration and small power production (3.81%), real estate (1.91%), dark fiber (.07%), pole attachments (7.04%), facilities charges (2.5%), and overnight parking (15.99%).
- Account 456 used each of the three methodologies described above depending on the type of 2008 revenue to be projected:
  - Revenues related to the Antelope substation were projected for 2008 to be the same as the 2007 actual amounts.
  - Network service and point-to-point wheeling revenues were based on actual 2007 customers and kW respectively, at the expected formula-based FERC rate.
  - The remaining 456 revenues were determined based on application of the calculated three-year CAGR for the specific type of revenue to 2007 actual amounts. The resulting three-year CAGR by revenue type are: photovoltaic station service (-22.90%), Sierra Pacific usage charge (4.73%), stand-by service (32.51%), and miscellaneous (-2.84%).

**OTHER REVENUES AND EXPENSES**  
**FERC Accounts 415-416 (excluding 415.002 and 416.002)**

*Description* – Accounts 415 through 416 include respectively, all revenues derived from the sale of merchandise and jobbing or contract work, and all expenses incurred in such activities. For IPC, jobbing and contract work revenues and expenses include activities related to Idaho Power Solutions (IPS), water management services, and joint pole use.

*Methods to Update to 2008 Levels* – 2007 actual amounts for the 415 and 416 Accounts were used for 2008 projected amounts with the exception of IPS. 2007 actual activity reduced for services that are no longer being performed by IPS became the known and measurable adjustments for 2008 amounts. The reduction stems from the fact that IPS is no longer providing substation services or engineering construction services at Mountain Home Air Force Base which was the bulk of its revenues.

**OPERATIONS AND MAINTENANCE EXPENSES**  
**FERC Accounts 500 – 900**

IPC's 2008 operation and maintenance (O&M) expenses were developed by applying a five-year CAGR to its 2007 actual O&M amounts. In arriving at the decision to use the five-year CAGR, IPC projected the 2008 amounts using both a three- and five-year CAGR. The five-year CAGR was chosen because it was more reflective of expected spending requirements, and was determined at the following summary O&M account levels:

- Steam Power Generation
- Hydraulic Power Generation
- Other Power Generation
- Transmission Expenses
- Distribution Expenses
- Customer Accounting Expenses
- Customer Services and Information Expenses
- Administrative and General Expenses

IPC identified certain exceptions to the application of the five-year CAGR methodology for purposes of the 2008 Rate Case filing. Those exceptions include fuel expense, purchased power which is normalized, and property insurance, third party transmission, demand-side management, and incentive expense as discussed below.

**STEAM POWER GENERATION**  
**FERC Accounts 500-515 (excluding 501 Fuel)**

*Description* - Accounts 500 through 515 include the labor, materials and expenses incurred to operate and maintain prime movers, generators and their auxiliary apparatus, switch gear and other electric equipment used in steam power

generation. Additionally, the labor and expenses incurred in the general supervision and direction of maintenance of steam generation facilities are included in these accounts.

Method to Update to 2008 Levels - The five-year CAGR for steam power O&M expenses was 7.14%. The increases were driven by rising commodity and consumables prices for items such as steel, concrete, chemicals and petroleum products. Also, escalating regional demand for the craftsman labor pool has contributed to increasing costs of maintenance work and contracts at the plants. Maintenance activities, particularly at the North Valmy plant, have expanded in an effort to lessen unplanned outages. IPC's thermal power plants were constructed in the 1970s and 1980s. Continued focus on maintenance at these aging plants is critical to sustaining current production levels.

## **HYDRAULIC POWER GENERATION FERC Accounts 535-545**

Description - Accounts 535 through 545 include the labor, materials used and expenses incurred to operate and maintain hydraulic works including structures, reservoirs, dams, waterways, generators, roads and bridges, and expenses directly related to the hydroelectric development outside the generating station including fish and wildlife and recreational facilities. These accounts also include the labor and expenses incurred in the general supervision and direction of maintenance of hydraulic power generating stations, rents of property of others used, occupied or operated in connection with hydraulic power generation, including amounts payable to the United States for the occupancy of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, and power houses.

Method to Update to 2008 Levels - The five-year CAGR for hydroelectric power O&M expenses was 8.03%. Compliance activities were a significant driver for the increase. IPC received from the FERC new 30-year operating licenses for the Bliss, Lower Salmon, Upper Salmon, Shoshone Falls, and C.J. Strike projects in 2004 and a 30-year license for the Malad project in 2005. The licenses require IPC to implement protection, mitigation and enhancement (PM&E) measures relating to federally listed threatened and endangered snail species near the projects, minimum stream flows, spring habitat enhancements, recreational facility enhancements and protection measures for white sturgeon. The PM&E measures came in the form of license articles which IPC is fully engaged in implementing over the term of the new licenses.

IPC also experienced rising costs in order to comply with various federal regulations and industry standards that have been implemented or enhanced by such organizations as the FERC, WECC and NERC. In addition to plant modification and corrective work, activities such as monitoring, stream flow gauging, inspections, and reporting have increased. As most of IPC's hydroelectric projects were constructed in the mid-20<sup>th</sup> century, the Company follows prudent maintenance practices. For these aging facilities that require increasing care. Hydroelectric operating and maintenance costs have been impacted by rising commodity and consumables prices for items such as steel, concrete, chemicals, and petroleum products.

## **OTHER POWER GENERATION**

### **FERC Accounts 546-557 (excluding 547 Fuel and 555 Purchased Power)**

Description - Accounts 546 through 554 include the operation labor, materials used and expenses incurred in operating and maintaining prime movers, generators and electric equipment in other power generating stations. Labor and expenses incurred in the general supervision and direction of maintenance of other power generating stations are also included in these accounts. Account 556 includes labor and expenses incurred in load dispatching activities for system control. System control activities include the production and dispatching of electricity. Account 557 includes production expenses incurred directly in connection with the purchase of electricity which are not specifically provided for in other production expense accounts.

Method to Update to 2008 Levels - The five-year CAGR for other power generation O&M expenses was 11.76%, which is primarily attributed to the addition of the Bennett Mountain power plant that was placed in service in 2005. Production from IPC's combustion turbine plants has increased yearly since 2003. As a result, non-fuel variable expenses have increased for items such as lube oil, air filters, thermocouples, and natural gas consumed to operate pre-heaters.

Additional staffing was added due to the addition of gas procurement activities, compliance activities and department workload, and the need for additional backup coverage on certain critical department tasks, primarily energy scheduling.

## **TRANSMISSION EXPENSES**

### **FERC Accounts 560-573 (excluding 565 Transmission of Electricity by Others)**

Description - Accounts 560 through 573 include the operation labor, materials used and expenses incurred in the system planning, operation, executing the reliability coordination function, monitoring assessing and operating the power system and individual transmission facilities in real-time to maintain safe and reliable operation of the transmission system specified by NERC. Additional activities include: processing the hourly, daily, weekly and monthly transmission service requests using an automated system such as an Open Access Same-Time Information System (OASIS); billing to transmission owners for system control and dispatching service; and conducting transmission services studies for proposed transmission interconnections and generation interconnection with the transmission system. These accounts include the labor, materials used and expenses incurred in the operation of transmission substations, switching stations, and transmission lines. The use of transmission facilities owned by others, and rents of property used, occupied or operated in connection with the transmission system are also part of this account. The accounts also include the labor, materials used and expenses incurred in the maintenance of structures, computer hardware and software, communication equipment, miscellaneous transmission plant, station equipment, and transmission plant serving the transmission function.

Method to Update to 2008 Levels - The five-year CAGR for transmission O&M expenses was 3.98%. Together with a general rise in material and purchased

services costs, additional infrastructure has resulted in increased labor and other expenses to maintain and operate the system. Since 2003, IPC has added 92 transmission line miles and five transmission substations, representing an increase of 2% and 11% respectively. Furthermore, as a transmission provider, IPC is subject to mandatory and enforceable reliability standards issued from FERC, NERC and WECC. These compliance standards continue to increase in volume and complexity, and have had the consequence of increasing transmission O&M costs.

## **DISTRIBUTION EXPENSES**

### **FERC Accounts 580-598**

*Description* - Accounts 580 through 598 include labor, materials used and expenses incurred in the general supervision and direction of the operation of the distribution system such as station operation, overhead and underground line operation, meter department operation of customer meters and associated equipment, load dispatching operations, work on customer installations, and inspecting premises. Also included in these accounts are the labor, materials used and expenses incurred in the general supervision and direction of the maintenance of the distribution system including: maintenance of structures, distribution plant, overhead distribution line facilities, underground distribution line facilities, distribution line transformers, meters, and meter testing equipment.

*Method to Update to 2008 Levels* - The five-year CAGR for distribution O&M expense was .70%.

## **CUSTOMER ACCOUNTING AND CUSTOMER SERVICES AND INFORMATION EXPENSES**

### **FERC Accounts 901-905, and 907-912**

*Description* - Accounts 901 through 905 include the labor, materials used and expenses incurred in the general direction and supervision of customer accounting and collecting activities including: reading customer meters, work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. These accounts also include the accounting for losses from uncollectible utility revenues. Accounts 907 through 912 include the labor and expenses incurred in customer service and informational activities to encourage safe and efficient use of the utility's service, to encourage conservation of the utility's service and answer specific inquiries as to proper use of the service and equipment utilizing the service.

*Method to Update to 2008 Levels* - The five-year CAGR for customer accounting and customer services and information O&M expenses was .06%.

## **ADMINISTRATION AND GENERAL EXPENSES (A&G)**

### **FERC Accounts 920-935 (excluding 924 Property)**

*Description* - Accounts 920 through 935 include activities undertaken in connection with the utility's general and administrative operations that are assignable to specific

administrative or general departments and are not specifically provided for in other accounts. A&G accounts include: (1) compensation of officers, executives, and other employees of the utility which are properly chargeable to utility operations but not chargeable directly to a particular operating function, (2) office supplies and expenses, (3) fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function, (4) insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations, (5) payments for employee accident, sickness, hospital and death benefits or insurance, (6) payments to municipal or other governmental authorities, (7) the cost of materials, supplies and services furnished to such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, (8) expenses incurred by the utility in connection with formal cases before regulatory commissions or other regulatory bodies, (9) regulatory fees assessed against the utility, (10) commission expenses, (11) payments made to the United States for the administration of the Federal Power Act, (12) materials used and expenses incurred in advertising and related activities, (13) rents properly includable in operating expenses for the property of others used, occupied or operated in connection with customer accounts, customer service and informational, sales and general and administrative functions of the utility, and (14) operation and maintenance of transportation equipment and the maintenance of utility property which is not chargeable directly to a particular operating function.

Method to Update to 2008 Levels - The five-year CAGR for A&G O&M expenses was 9.41%. Coupled with a general rise in materials and purchased service costs, customer growth and mandatory compliance activities increased and contributed to growth in A&G labor. As already described, the Sarbanes-Oxley Act resulted in new control and review processes requiring additional staffing, auditing of those controls by both internal and external auditors, consulting services, and software changes resulting from implementation of the controls and processes. In order to fully comply with FERC's SOC mandates, software changes were required to restrict access to transmission data by Energy Affiliate (EA) employees, changes to company buildings were required to restrict the physical access of EA employees, and compliance training and education was developed and implemented for all employees. Finally, mandatory electric system reliability as dictated by NERC and WECC required increased corporate governance staff to ensure compliance requirements were being met. In addition to the increases in O&M labor arising from customer growth and compliance activities, additional labor support costs such as administrative, building and maintenance, and information technology were necessary.

**O&M: Exceptions to Five-Year CAGR Methodology  
FERC Accounts 924, 565, 908.131, and 920.001**

- For Account 924, property insurance premiums for 2008 are assumed to be at the 2007 actual amount. Although insurance premium renewals occur during the May to July time period, and insured property values have increased 8.6% from 2007, IPC projects that its premium will remain comparable to the actual 2007 amount given the current competitive status in the property insurance market.

- For Account 565 Third Party Transmission, actual amounts from 2007 are carried forward for the 2008 test year.
- For Account 908.131, Demand-Side Management (DSM) is excluded as per Idaho Public Utilities Commission's (IPUC's) Order No. 30189.
- For Account 920.001, incentives are based on a normalized incentive target rate.

**DEPRECIATION AND AMORTIZATION EXPENSE**  
**FERC Accounts 403 and 404**

Description – Account 403 includes depreciation expense for all classes of depreciable electric plant in service except such depreciation expense as is chargeable to clearing accounts or to Account 416 Costs and Expenses of Merchandising, Jobbing and Contract Work. Account 404 includes amortization charges applicable to amounts included in the electric plant accounts for limited-term franchises, licenses, patent rights, limited-term interest in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account are such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility.

Method to Update to 2008 Levels – Depreciation and amortization rates were applied to the monthly estimated plant balances (see the Account 101 discussion in the Rate Base Components section). The accrual rates authorized by IPUC Order No. 29363 were used for the months January through July of 2008, whereas the rates from the depreciation study filed in Case No. IPC-E-08-06 were used for the remainder of the projected year. Several FERC plant accounts have sub-accounts for which sub-account composite rates were calculated using the depreciation study from Case No. IPC-E-08-06. The amount of the depreciation accrual that is not posted to Account 403 is for FERC plant accounts 392 Transportation Equipment, 396 Power Operated Equipment, and \$264,000 from 397 Communication Equipment which is allocated from a clearing account to O&M or plant. The Account 397 Communication Equipment amount was calculated using the actual 397.300 accrual for February 2008.

**ELECTRIC PLANT/REGULATORY ASSETS –**  
**AMORTIZATION, ADJUSTMENTS, GAINS AND LOSSES**  
**FERC Accounts 406 and 411.6**

Description – Account 406 is debited or credited, as the case may be, with amounts includable in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in Account 114 Electric Plant Acquisition Adjustments. Account 411.6 includes, as approved by the Commission, amounts relating to gains from the disposition of future use utility plant including amounts which were previously recorded in and transferred from Account 105 Electric Plant Held for Future Use.

Methods to Update to 2008 Levels –

- Account 406 projected 2008 amounts are based on 2007 actual amounts. The Prairie Power acquisition adjustment represents the amortization of Account 114 over 233 months at \$1,894 per month, and will be fully amortized in August 2012.
- Account 411.6 forecasted gain of \$10,158 is based upon the actual sale of 2.38 acres of Jump substation land in 2008.

**REGULATORY DEBITS AND CREDITS**  
**FERC Account 407.3**

Description – Account 407.3 is debited, when appropriate, with the amounts credited to Account 254, Other Regulatory Liabilities, to record regulatory liabilities imposed on the utility by the ratemaking actions of regulatory agencies. This account is also debited, when appropriate, with the amounts credited to Account 182.3, Other Regulatory Assets, concurrent with the recovery of such amounts in rates.

Methods to Update to 2008 Levels – The amortization of professional fees per IPUC Order No. 29505 in the amount of \$21,246 has been excluded from the cost of service.

**TAXES OTHER THAN INCOME TAXES**  
**FERC Account 408.1**

Description – Account 408.1 includes those taxes other than income taxes which relate to utility operating income. This account is maintained so as to allow ready identification of the various classes of taxes relating to utility operation, plant leased to others, and other operating income.

Method to Update to 2008 Levels – 2008 projected Taxes Other Than Income Taxes were based on a combination of known and measurable adjustments arising from facts of particular account activity, and application of a three-year CAGR to other account activity.

- Real and Personal Property Taxes - Property taxes are not amenable to the three-year CAGR assumption due to tax anomalies in the Idaho jurisdiction. In 2005, Idaho property taxes were \$13,171,228, compared to \$10,270,559 and \$9,929,792 in 2006 and 2007, respectively. The 2006 decrease is a result of Idaho legislative tax changes, while the 2007 decrease is a result of changing the *situs* of the Bennett Mountain plant. The methodology used to project property taxes for the 2008 Rate Case is similar to the estimation process used for establishing the annual property tax accrual for IPC financial statements. Property taxes are estimated using both an appraisal and levy methodology. For the appraisal methodology, actual appraisal data is used to the extent known, and each state's historical appraisal methodologies and trends are used

in determining the appraisal amount. For the tax levy methodology, the state's historical levy data and local government budget policy is used to estimate levies. Because of different states' property tax years, the period to be projected varies: Idaho, Wyoming, and Montana were estimated for all 2008 as those bills are not received until the end of the calendar year; Oregon and Nevada required estimates for the last half of 2008 as split-year states; and the Shoshone-Bannock tax represented the actual 2008 amount billed.

- Idaho kWh Taxes - kWh taxes were projected based on normalized hydro conditions and normalized consumption.
- Regulatory Commission Fees - For IPC, the calculated three-year CAGR for Idaho regulatory fees resulted in a negative growth rate of 2.2% due to the formulaic manner in which the IPUC allocates its approved budget to utilities based on pro rata utility revenues and thus is not indicative of future trend factors. Therefore, actual Idaho regulatory commission fees for 2007 were increased by the expected 8.1% increase in the total governor approved IPUC budget from \$4,738,700 in 2007 to \$5,122,560 in 2008. Oregon regulatory fees were increased 4.66% based on a three-year CAGR.
- Licenses - The three-year CAGR for licenses were -2.21%, -35.00%, and 0.00% for Wyoming, Nevada, and Shoshone-Bannock respectively.
- Franchises - The three-year CAGR for Oregon franchise taxes was 2.40%.

<b>IDAHO ENERGY RESOURCES CO. (IERCO) COST OF SERVICE COMPONENTS FERC Accounts 418.1 and 419</b>
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Description – Account 418.1 includes the utility's equity in the earnings or losses of subsidiary companies for the year. Account 419 includes interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

Method to Update to 2008 Levels – IPC owns 100% of Idaho Energy Resource Company (IERCO) which has a one-third joint venture interest in Bridger Coal Company (BCC), a mine that supplies coal to the Jim Bridger plant. PacifiCorp, Inc. owns the remaining two-thirds interest and is the mine's operating partner. As a one-third owner in BCC, IERCO is entitled to 33% of the BCC net income and cash flows. IPC's projected 2008 cost of service for IERCO is based on PacifiCorp, Inc.'s projected activity for the BCC mine.

IERCO overriding royalties are determined by the location and lease under which BCC is mining. The three leases are with BLM, Union Pacific Railroad, and State of Wyoming, and each lease pays at a different rate. The overriding royalty was granted to BCC from IERCO who in turn received them from IPC as advance royalties in the past. Coal royalty payments have no impact on IERCO's net income

as revenue is recognized when paid by BCC, and expense recognized when remitted to IPC.

Income taxes are calculated at the federal tax rate of 35% as Wyoming has no state income tax. Taxes are accrued and paid during the calendar year. A favorable 2006 IRS ruling allows IERCO to take a depletion deduction for calculating taxable income. For the 2008 projection, the depletion adjustment has been assumed to be \$2,000,000 resulting in a \$700,000 reduction to income tax expense.

As discussed in the Rate Base Components section that follows, IERCO maintains an intercompany note with IPC that accrues interest monthly at IPC's short-term borrowing rate. For purposes of the Cost of Service Component of IERCO, the intercompany interest expense net of income tax is added back to increase IERCO's net income.

## **RATE BASE COMPONENTS**

### **ELECTRIC PLANT IN SERVICE FERC Account 101**

*Description* – This account includes the original cost of electric plant that is included in Accounts 301 to 399 (referred to herein as plant accounts). It is described as being owned and used by the utility in its electric utility operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. The cost of additions to and betterments of property leased from others, which are includable in this account, are recorded in subdivisions separate and distinct from those relating to owned property.

*Method to Update to 2008 Levels* – The methodologies used for plant additions and retirements are described below.

#### **Closes to Account 101 - Account 107 Construction Work in Process (CWIP)**

Projected CWIP expenditures were closed to plant depending on the magnitude of the project's expected capital expenditures. Projects in year-end 2007 CWIP and projected 2008 capital expenditure amounts were segregated into pools of greater than and less than \$2 million. This stratification determined how the CWIP amounts will be closed to CWIP project type. The allocation of all CWIP project type closes as described below to FERC plant accounts 301 through 399 followed the same methodology as presented in the 2007 Rate Case (Case No. IPC-E-07-08).

- **Capital Projects with Total Expenditures in Excess of \$2 Million** - Large projects with total costs in excess of \$2 million were determined to be known and measurable adjustments for 2008. These projects' capital account balances, expenditures, and closes to plant were reviewed by business unit managers familiar with the projects. Actual capital expenditures in CWIP as of year-end

2007 plus expected future capital expenditures were used to calculate the amount that would close to plant by year-end 2008. The Allowance for Funds Used During Construction (AFUDC) was calculated on the CWIP balances at the average actual AFUDC rate applied during 2007 of 7.19%. A three-year AFUDC average rate was calculated, but the resulting 7.73% was considered excessive given current market rate conditions.

The total amounts for the plant additions in the pool of over \$2 million in capital expenditures were then allocated to the CWIP project types based on the particular project's nature.

- Capital Projects with Total Expenditures Less Than \$2 Million - For smaller projects with total capital expenditures less than \$2 million, anticipated 2008 plant closings were based on a five-year CAGR of 6% applied to actual 2007 CWIP closes to plant for similar projects. The 2003-07 analysis of historical CWIP closings to plant for projects under \$2 million excluded vehicles. IPC determined that the five-year CAGR was the most appropriate method to use to project 2008 plant additions because the method smoothes out fluctuations between years. Other methodologies that IPC considered to estimate this pool of plant additions but produced unreasonably low or high plant additions included: exponential growth, linear regression, and percentage growth methods.

The total amounts for the plant additions in the pool of under \$2 million in capital expenditures were then allocated to the CWIP project types based on a three-year historical average.

Vehicle plant additions were projected separately based on the current projection of 2008 vehicle purchases.

Actual final closings from CWIP Account 107 to Plant Account 101 were analyzed for the three-year period 2005 through 2007. The 2005-07 time frame was selected due to the change from in-plant accounting in 2004 which impacted FERC Plant Accounts 368 Transformers and 370 Meters. Final closing amounts in the PassPort work order system were used as opposed to pre-closure amounts. Final closes represent the "as built" property units after the construction and work order has been completed and reconciled, whereas pre-closes are based on work order estimates and may not be reflective of the final close amount. For each CWIP project type, the percentage allocation to FERC plant accounts 301 through 399 was determined by the ratio of the three-year historical plant account closing for that CWIP project.

### **Retirements from Account 101**

Retirements were analyzed for the three-year period 2005 through 2007. Retirements by FERC plant account were determined and compared to the closings by FERC plant account for the same period. Retirements by FERC plant account were estimated by calculating the historical percentage of retirements to additions for the three-year period.

Other methodologies used for retirements for discrete FERC plant accounts:

- Because FERC plant accounts 340 through 346, Other Production, for the Danskin and Bennett Mountain generation plants are new, there was not enough historical information to determine the retirement percentage. For Danskin and Bennett Mountain, IPC estimated retirements of plant for 2008 are based on projected 2008 work at these plants.
- The following FERC plant accounts have known retirement dates based on vintage layers, and were not estimated:
  - 302 Software
  - 303 Franchises and Consents
  - 391 Furniture
  - 393 Stores Equipment
  - 394 Shop Tools
  - 395 Laboratory Equipment
  - 397 Communication Equipment
  - 398 Miscellaneous Equipment

<b>ACCUMULATED RESERVE FOR DEPRECIATION AND AMORTIZATION FERC Accounts 108 and 111</b>
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Description – Account 108 is credited for amounts charged to Account 403 Depreciation Expense, or to clearing accounts for current depreciation expense for electric plant in service. At the time of retirement of depreciable electric utility plant, this account is charged with the book cost of the property retired and cost of removal, and then credited with the salvage value and any other amounts recovered such as insurance. When retirement, costs of removal and salvage are originally entered in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made for general ledger and balance sheet purposes as a single composite provision for depreciation. For purposes of analysis, however, each utility shall maintain subsidiary records in which this account is segregated according to the functional classification of electric plant in service. Account 111 is credited with amounts charged to Account 404 Amortization of Limited-Term Electric Plant for the current amortization of limited-term electric plant investments.

Method to Update to 2008 Levels – The year-end 2007 accumulated depreciation and amortization account balances were rolled forward using the estimated accrual, retirements, salvage and removal costs. See Account 403 and 404 in the Cost of Service Components section for discussion with respect to the depreciation and amortization accrual calculation, and Account 101 in the Rate Base Components section for discussion of the method of determining retirements. The three-year average salvage, removal costs, and retirement amounts were then calculated. The salvage and removal averages as a percentage of the retirement average were used to estimate monthly salvage and removal costs. Those amounts were allocated to

the transmission and distribution FERC plant accounts in their respective ratio to estimated retirements.

**MATERIALS AND SUPPLIES**  
**FERC Accounts 154 and 163**

Description – Account 154 includes the cost of materials purchased primarily for use in the utility business for construction, operation and maintenance purposes. Materials and supplies issued are credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the method of inventory accounting. Account 163 includes the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies. This account is cleared by adding to the cost of materials and supplies issued a suitable loading charge which distributes the expense equitably over stores issues. The balance in the account at the close of the year shall not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies.

Method to Update to 2008 Levels - Accounts 154 and 163 used a three-year CAGR applied to 2007 actual balances resulting in an increase of 16.38% and 4.31% respectively. IPC chose a three- rather than the five-year CAGR due to the change related to in-plant accounting for transformers and meters in 2004.

**OTHER DEFERRED PROGRAMS**  
**FERC Accounts 182.3 and 186**

Description – This account includes the amounts of regulatory assets not includable in other accounts, resulting from the ratemaking actions of regulatory agencies.

Methods to Update to 2008 Levels –

- Account 182.360 - Deferred Conservation Programs – IPUC Order Nos. 27660, 27722, and 28041 - This account is amortized at \$270,217 per month or \$3,242,604 annually and will be fully amortized by July 2010.
- Accounts 186.722 and 186.770 – American Falls Bond Refinancing – IPUC Order No. 25880 - These deferred costs are financing costs related to American Falls Bond issuances. The total monthly amortization of these two bonds is \$5,212 per month or \$62,551 per year. These deferrals will be fully amortized by 2025.
- Account 182.364 – Incremental Security Costs – IPUC Order No. 28975 – These deferred costs are incremental costs incurred during 2003 arising from the events of September 11, 2001. The monthly amortization is \$5,732 or \$68,793, per year. The cost is being amortized over five years and will be fully amortized by December 31, 2008.

- Account 182.368 - Intervenor Funding – IPUC Order No. 30035 - This intervenor funding is related to the 2005 Rate Case No. IPC-E-05-28. Recovery of this amount was included in the 2007 Rate Case No. IPC-E-07-08, and therefore the balance has been removed. The amortization began March 2008.
- Account 182.307 – Intervenor Funding – IPUC Order No. 30215 - This intervenor funding is related to the Load Growth Adjustment Rate filing. Recovery of this amount was included in the 2007 Rate Case No. IPC-E-07-08, and therefore the balance has been removed. The amortization began March 2008.
- Account 182.308 – Intervenor Funding – IPUC Order No. 30267 - This intervenor funding is related to the Fixed Cost Adjustment filing. Recovery of this amount was included in the 2007 Rate Case No. IPC-E-07-08, and therefore the balance has been removed. The amortization began March 2008.
- Account 182.369 - Grid West Loans – OPUC Order No. 06-483 - The ratemaking treatment for the Oregon portion of the Grid West loans was deferred for a ratemaking procedure. The amortization period is to be determined at that time. IPC is currently accruing interest on the Oregon portion at Oregon’s authorized rate of return of 7.83% per annum. Assuming no ratemaking procedure occurs in 2008, the accrued balance at December 31, 2008 including interest will be \$64,995.
- Account 182.304 - Grid West Loans – FERC Portion - The 2008 amount includes the FERC portion of the Grid West loan and incremental costs. The FERC order reflecting recovery of these costs went into effect May 2008, and will be recovered over a five-year period.

<p><b>PLANT HELD FOR FUTURE USE</b>  <b>FERC Account 105</b></p>
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Description – This account includes the original cost of electric plant owned and held for future use in electric service under a definite plan for such use, and includes: (1) property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and (2) property previously used by the utility in service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service.

Method to Update to 2008 Levels - 2007 actual amounts for the Account 105 were used for 2008 projected amounts with one exception: inclusion of the Lakeshore substation for \$183,577 which will be acquired in 2008.

**CUSTOMER ADVANCES FOR CONSTRUCTION (CAC)  
FERC Account 252**

*Description* – Account 252 includes advances by customers for construction which are to be partially or wholly refunded. When a customer is refunded the entire amount to which he or she is entitled according to the agreement or rule under which the advance was made, any remaining balance is credited to the appropriate plant account.

*Method to Update to 2008 Levels* – A dollar cost per customer was calculated by taking the sum of the customer additions for the five-year period from 2003 through 2007, and dividing that into the 2007 Account 252 balance excluding the 2007 network upgrade deposits of \$4,198,825. This dollar cost per customer was then applied to the sum of the customer additions for the projected five-year period from 2004 through 2008, and combined with the 2008 network upgrade deposit balance of \$8,265,360. Network upgrade deposits are generator interconnection deposits to upgrade existing facilities in order to connect the generator and are partially refundable.

**IDAHO ENERGY RESOURCES CO. (IERCO) RATE BASE COMPONENTS  
FERC Accounts 123.1, 186, and 145**

*Description* – Account 123.1 includes the cost of investments in securities issued or assumed by subsidiary companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement plus the equity in undistributed earnings or losses of such subsidiary companies since acquisition. This account is credited with any dividends declared by such subsidiaries. This account is maintained in such a manner as to show separately for each subsidiary: the cost of such investments in the securities of the subsidiary at the time of acquisition; the amount of equity in the subsidiary's undistributed net earnings or net losses since acquisition; and advances or loans to such subsidiary. Account 145 represents notes receivable from associated companies. Account 186 includes all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process or amortization and items the proper final disposition of which is uncertain.

*Method to Update to 2008 Levels* – IPC's projected 2008 investment in IERCO is based on expected activity for 2008 at the BCC mine that supplies coal to the Jim Bridger thermal plant. As a one-third owner in BCC, IERCO is entitled to 33% of the BCC net income and cash flows.

- Account 123.1 Investment in BCC – IERCO's investment in BCC is accounted for using the equity method. BCC income and IERCO capital contributions to BCC increase the investment balance, while BCC dividend distributions to IERCO reduce the investment balance. The IERCO 2008 investment balance is projected to increase \$3,849,606 from the year-end 2007 balance to \$57,446,922. See the IERCO Cost of Service Component section for further discussion of BCC revenues.

- Account 186 BCC Overriding Coal Royalties – Overriding royalties are determined by the location and lease under which BCC is mining. The overriding royalty was granted to BCC from IERCO who in turn received them from IPC as advance royalties in the past. Although coal royalty payments have no impact on IERCO's net income because revenue is recognized when paid by BCC and expense recognized when remitted back to IPC, the payment flow serves to reduce the Account 186 balance. Projected 2008 advance coal royalties are expected to reduce the 2007 year-end balance of \$1,702,286 by \$118,173 to \$1,584,113.
- Account 145 IERCO Intercompany Note – The intercompany note is the funding mechanism whereby IERCO not only receives distributions from, and makes capital contributions to BBC, but also pays income taxes and dividends to IPC. The intercompany note activity is based on the 2008 BCC operating and investing cash budgets. As no excess cash is projected by BCC in 2008, IERCO has no scheduled dividend for IPC. The intercompany note increases \$1,232,141 from \$21,527,626 at year-end 2007 to \$22,759,767 at year-end 2008. Interest on the intercompany note is based on IPC's short-term borrowing rates and accrues monthly. The average interest rate used for 2008 is 3.2%.