IDAHO POWER
An IDACORP Company

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

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IDAHO PUBLIC
UTILITIES COMMISSION

PATRICK A. HARRINGTON
Corporate Secretary

HAND DELIVERED

July 1, 2011

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

Re: In the Matter of the Application of Idaho Power Company for an Order Authorizing up to $450,000,000 Aggregate Principal Amount at any One Time Outstanding of Short-Term Borrowings

Case No. IPC-E-11-12

Dear Ms. Jewell:

Enclosed please find an original and four (4) copies of Idaho Power's application in the above referenced case, including a proposed order for the Commission's consideration. An electronic copy of the proposed order will also be e-mailed to you. Idaho Power will promptly file the $1,000 securities issuance application fee with the Commission in this case.

Please feel free to contact me at 388-2878 or at pharrington@idahopower.com if you have any questions regarding this filing.

Sincerely,

Patrick A. Harrington

c: Steve Keen
Randy Mills
Terri Carlock

Telephone (208) 388-2878, Fax (208) 388-6936
pharrington@idahopower.com

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ORDER AUTHORIZING UP TO $450,000,000 AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING OF SHORT-TERM BORROWINGS	CASE NO. IPC-E-11-12 APPLICATION

IDAHO POWER COMPANY (the "Applicant") hereby applies for an Order of the Idaho Public Utilities Commission (the "Commission") authorizing the Applicant to make up to $450,000,000 aggregate principal amount at any one time outstanding of short-term borrowings as set forth herein, pursuant to Chapter 9, Title 61, Idaho Code, and under Rules 141 through 150 of the Commission's Rules of Procedure (the "Rules").

(1) The Applicant

Applicant is an electric public utility incorporated under the laws of the state of Idaho, engaged principally in the generation, purchase, transmission, distribution and sale of electric energy in an approximately 24,000 square mile area in southern Idaho and eastern Oregon. The principal executive offices of the Applicant are located at 1221 W. Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070; its telephone number is (208) 388-2200.

(2) Description of Securities

Applicant's short-term borrowings hereunder will consist of (1) loans issued by financial and other institutions and evidenced by unsecured notes or other evidence of indebtedness of Applicant and (2) unsecured promissory notes and commercial paper of Applicant to be issued for public or private placement through one or more commercial paper dealers or agents, or directly by

Applicant.

Applicant intends to secure commitments for new unsecured lines of credit, or extensions of existing unsecured lines of credit, for its short-term borrowings hereunder. The unsecured lines of credit may be obtained with several financial or other institutions, directly by the Applicant or through an agent, when and if required by Applicant's then current financial requirements (see paragraph (4) Purpose of Issuance). Each individual line of credit commitment will provide that up to a specific amount at any one time outstanding will be available to Applicant to draw upon for a fee to be determined by a percentage of the credit line available, credit line utilization, compensating balance or combination thereof.

Applicant may also make arrangements for uncommitted credit facilities under which unsecured lines of credit would be offered to Applicant on an "as available" basis and at negotiated interest rates. Such committed and uncommitted borrowings will be evidenced by unsecured promissory notes or other evidence of indebtedness of Applicant. The committed and uncommitted line of credit agreements specifying the terms of Applicant's short-term borrowings will be filed with the Commission as Exhibit A to this Application.

Unsecured promissory notes will be issued and sold by Applicant through one or more commercial paper dealers or agents, or directly by Applicant, up to the limits imposed by applicable statutes, rules or regulations. Each note issued as commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest bearing to be paid at maturity. Each note will have a fixed maturity and will contain no provision for automatic "roll over".

Applicant expects to enter into a new or amended credit agreement in the fall of 2011, providing a committed line of credit from participating banks for short-term borrowings of up to $450,000,000 aggregate principal amount at any one time outstanding, for a period of up to seven years, from October 2011 through October 2018, as further described below (the "Credit Agreement"). Applicant plans to use the Credit Agreement primarily as a backup credit facility to enhance the credit ratings for its commercial paper issuances, but may also borrow directly under the Credit Agreement as it deems necessary or desirable.

(a) Amount of Securities

Applicant's short-term borrowings will not exceed a maximum $450,000,000 aggregate principal amount at any one time outstanding during the term of the Commission's authorization hereunder. Applicant expects that its Credit Agreement will initially authorize Applicant to borrow up to $325,000,000 aggregate principal amount at any one time outstanding, with the option of Applicant to increase the borrowing limit to $450,000,000 during the term of the Credit Agreement. Applicant will provide written notice to the Commission in the event Applicant exercises its right to increase the Credit Agreement borrowing limit above $325,000,000.

(b) Interest Rate

Applicant anticipates that its short-term borrowings hereunder will include interest rates that may be fixed or variable, and that the rates will be based on LIBOR, the applicable prime rate, or other rate established in the borrowing arrangements, and may vary based upon the ratings of Applicant's first mortgage bonds or Applicant's corporate credit rating.

(c) Date of Issue

Applicant requests authority to make short-term borrowings hereunder for a seven (7) year period, from October 1, 2011 through October 1, 2018. Applicant expects that the Credit Agreement will allow borrowings for an initial five (5) year period, from October 2011 through October 2016, with the option of Applicant to extend the borrowing period for two one-year extensions, up to October 2018. Applicant will notify the Commission in writing if it elects to exercise either of the one-year extensions to the Credit Agreement beyond October 2016. In no event will the term of any Applicant short-term borrowings hereunder extend beyond October 1, 2018.

Applicant is requesting authorization to make the short-term borrowings as described in this Application during the seven-year period from October 1, 2011 through October 1, 2018, so long as Applicant maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services, and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc. Applicant requests that if its senior secured debt rating falls below either such rating ("Downgrade"), its short-term borrowing authority will continue for a period of 364 days from the date of the Downgrade ("Continued Authorization Period"), provided that the Applicant:

(1) Promptly notifies the Commission in writing of the Downgrade; and

(2) Files a supplemental application with the Commission within seven (7) days after the Downgrade, requesting a supplemental order ("Supplemental Order") authorizing Applicant to continue to make short-term borrowings and issue commercial paper as provided in the Order, notwithstanding the Downgrade. Until Applicant receives the Supplemental Order, any short-term borrowings made or commercial paper issued by Applicant during the

Continued Authorization Period would become due or mature no later than the final date of the Continued Authorization Period.

(d) Date of Maturity

The proposed short-term borrowings will have maturities of one year or less. Applicant is seeking authorization to make short-term borrowings at any time hereunder so long as the borrowings made or commercial paper issued mature no later than October 1, 2018.

(e) Voting Privileges

Not applicable.

(f) Call or Redemption Provisions

Not applicable.

(g) Sinking Fund or Other Provisions for Secured Payment

Not applicable.

(3) Manner of Issuance

(a) Method of Marketing

Applicant's line of credit arrangements are expected to include one or more lead agents, and a number of additional banks as participating agents. The Credit Agreement would likely include the following fees for the lead agent(s) and participating agents: (1) an up-front arrangement fee payable to the lead agent(s) totaling approximately .15% to .25% of the principal amount committed, (2) up-front agent participation fees payable to all participating agents totaling approximately .25% of the principal amount committed, (3) annual commitment agent facility fees payable to all participating agents equal to approximately .15% to .25% of the principal amount committed, and (4) annual administrative fees payable to the lead agent(s) of approximately $20,000 to $30,000. The principal amount committed for purposes of calculating the agent fees will be $325,000,000, unless the authorized borrowing amount under the Credit Agreement is increased as described above, up to a maximum of $450,000,000. Other expenses relating to the Credit Agreement line of credit facility are estimated to include: Applicant's legal fees of approximately $100,000, agent legal fees of approximately $50,000, and miscellaneous expenses of approximately $25,000.

The above referenced Credit Agreement fees are customary for the market and will offset the agents' costs, including personnel time, travel and administrative costs associated with negotiating and administering the unsecured lines of credit. The Applicant finds these fees are reasonable given the services provided by the agents. With respect to commercial paper issuances, it is expected that the commercial paper dealers or agents will sell such notes at a profit to them of not to exceed 1/8 of 1 percent of the principal amount of each note.

(b) Terms of Sale

See paragraph (3)(a), Method of Marketing.

(c) Underwriting Discounts or Commissions

(A) Reference is made to paragraph (3)(a), Method of Marketing, which specifies the method of payment of fees to the financial or other institutions.

(B) It is expected that the commercial paper dealers or agents will sell such notes at a profit to them of not to exceed 1/8 of 1 percent of the principal amount of each note.

(d) Sales Price

See paragraph (3)(c), Underwriting Discounts or Commissions.

(4) Purpose of Issuance

The net proceeds to be received by the Applicant from the short-term borrowings hereunder will be used to obtain temporary short-term capital for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes.

(5) Statement of Explanation

Applicant believes and alleges the facts set forth in paragraph (4), Purpose of Issuance, disclose that the proposed short-term borrowings are for a lawful object within the corporate purposes of Applicant and compatible with the public interest, and are necessary or appropriate for, or consistent with, the proper performance by Applicant of service as a public utility and will not impair its ability to perform that service.

(6) Financial Statements; Resolutions

Attached to this application as Attachment I are Applicant's financial statements dated as of March 31, 2011, consisting of its (A) Actual and Pro Forma Balance Sheet and Notes to Financial Statements, (B) Statement of Capital Stock and Funded Debt, (C) Commitments and Contingent Liabilities, (D) Statement of Retained Earnings and (E) Statement of Income.

A certified copy of the resolutions of Applicant's Directors authorizing the short-term borrowings with respect to this Application will be filed with the Commission by July 15, 2011, as Attachment II.

(7) Proposed Order

Attached to this application as Attachment III is a Proposed Order for consideration by the Commission in this matter.

(8) Notice of Application

Notice of this Application will be published in those newspapers in Applicant's service territory listed in Rule 141(h) of the Rules within seven (7) days after the date hereof.

Applicant will file as Exhibit A hereto copies of the Credit Agreement and other agreements for the committed and uncommitted unsecured lines of credit and other borrowing arrangements hereunder.

PRAYER

WHEREFORE, Applicant respectfully requests that the Idaho Public Utilities Commission issue its Order authorizing Applicant to make up to $450,000,000 aggregate principal amount at any one time outstanding of short-term borrowings, for the period from October 1, 2011 through October 1, 2018, under the terms and conditions and for the purposes set forth in this application.

DATED at Boise, Idaho this 30th day of June, 2011.

IDAHO POWER COMPANY

/s/ Steven R. Keen
Vice President and Treasurer

(CORPORATE SEAL)

ATTEST:

/s/ Patrick A. Harrington
Secretary
Idaho Power Company
1221 W. Idaho Street
P.O. Box 70
Boise, ID 83707-0070

VERIFICATION

I, Steven R. Keen, declare that I am the Vice President, Finance and Treasurer of Idaho Power Company, and am authorized to make this Verification. The application and the attached exhibits were prepared at my direction and were read by me. I know the contents of the Application and the attached exhibits, and they are true, correct and complete to the best of my knowledge and belief.

WITNESS my hand and seal of Idaho Power Company this 30th day of June, 2011.

/s/ Steven R. Keen

SUBSCRIBED AND SWORN to me this 30th day of June, 2011.

(Notary Seal)

AMANDA M. BUTLER
NOTARY PUBLIC
STATE OF IDAHO

Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires: 09/30/2015

ATTACHMENT I(A)

IDAHO POWER COMPANY
BALANCE SHEET
As of March 31, 2011
ASSETS

	Actual	Adjustments	After Adjustments
Electric Plant :			
In service (at original cost)	4,354,553,910	$	$ 4,354,553,910
Accumulated provision for depreciation	(1,633,508,693)		(1,633,508,693)
In service - Net	2,721,045,217		2,721,045,217
Construction work in progress	485,248,838		485,248,838
Held for future use	7,080,816		7,080,816
Electric plant - Net	3,213,374,871		3,213,374,871
Investments and Other Property:			
Nonutility property	2,081,420		2,081,420
Investment in subsidiary companies	73,113,546		73,113,546
Other	30,390,304		30,390,304
Total investments and other property	105,585,270		105,585,270
Current Assets:			
Cash and cash equivalents	91,018,213	450,000,000	541,018,213
Receivables:			
Customer	68,096,582		68,096,582
Allowance for uncollectible accounts	(1,604,840)		(1,604,840)
Notes	238,662		238,662
Related party	14,101,408		14,101,408
Other	13,442,325		13,442,325
Accrued unbilled revenues	41,591,774		41,591,774
Materials and supplies (at average cost)	45,871,129		45,871,129
Fuel stock (at average cost)	33,595,162		33,595,162
Prepayments	8,948,308		8,948,308
Other	810,631		810,631
Total current assets	316,109,354	450,000,000	766,109,354
Deferred Debits:			
American Falls and Milner water rights	20,796,272		20,796,272
Company owned life insurance	26,675,899		26,675,899
Regulatory assets	744,770,296		744,770,296
Other	40,180,758		40,180,758
Total deferred debits	832,423,225		832,423,225
Total	$ 4,467,492,720	$ 450,000,000	$ 4,917,492,720

IDAHO POWER COMPANY
BALANCE SHEET
As of March 31, 2011
CAPITALIZATION AND LIABILITIES

	Common Shares Authorized	Common Shares Outstanding	Actual	Adjustments	After Adjustments
Equity Capital:	50,000,000	39,150,812			
Common stock			$ 97,877,030		$ 97,877,030
Premium on capital stock			688,757,435		688,757,435
Capital stock expense			(2,096,925)		(2,096,925)
Retained earnings			645,153,592		645,153,592
Accummulated other comprehensive income			(8,780,865)		(8,780,865)
Total equity capital			1,420,910,267		1,420,910,267
Long-Term Debt:					
First mortgage bonds			1,295,000,000		1,295,000,000
Pollution control revenue bonds			170,460,000		170,460,000
American Falls bond and Milner note guarantees			26,266,818		26,266,818
Unamortized discount on long-term debt (Dr)			(3,358,167)		(3,358,167)
Total long-term debt			1,488,368,651		1,488,368,651
Current Liabilities:					
Notes payable			-	450,000,000	450,000,000
Accounts payable			62,370,162		62,370,162
Notes and accounts payable to related parties			834,509		834,509
Taxes accrued			19,327,095		19,327,095
Interest accrued			23,947,744		23,947,744
Other			128,971,926		128,971,926
Total current liabilities			235,451,436	450,000,000	685,451,436
Deferred Credits:					-
Deferred income taxes			662,578,055		662,578,055
Regulatory liabilities-other			225,241,431		225,241,431
Other			434,942,880		434,942,880
Total deferred credits			1,322,762,366		1,322,762,366
Total			$ 4,467,492,720	$ 450,000,000	$ 4,917,492,720

ACCOUNT NUMBER	ACCOUNT TITLE	
101	Electric plant in service........................	4,355,008,359.12
102	Electric plant purchased or sold..........	-
105	Electric plant held for future use..........	7,080,816.27
107	Construction work in progress - Electri	485,248,837.80
108	Accumulated provision for depreciatioı	(1,774,007,326.93)
111	Accumulated provision for amortizatioı	(19,125,506.70)
114	Electric plant acquisition adjustment...	(454,449.28)
115	Accumulated provision for amortizatioı	424,152.32
121	Nonutility property..............................	2,081,419.93
122	Accumulated provision for deprecatior	-
1231	Investment in subsidiary companies...	73,113,546.35
124	Other investments.............................	2,309.11
125	Sinking funds......................................	-
128	Other special funds............................	30,016,089.42
131	Cash..	51,243,742.19
134	Other special deposits........................	(0.25)
135	Working funds....................................	44,850.00
136	Temporary cash investments.............	39,729,621.21
141	Notes receivable................................	238,661.94
142	Customer accounts receivable...........	68,096,582.21
143	Other accounts receivable..................	13,442,324.69
144	Accumulated provision for uncollectibl	(1,604,840.00)
145	Intercompany Notes Receivable -IPC	13,701,318.30
146	Accounts receivable from associated (	400,089.85
151	Fuel stock...	33,595,162.00
152	Fuel expense undistributed	-
154	Plant materials and operating supplies	42,240,936.29
1581	Allowance Inventory...........................	-
1582	Allowances Withheld..........................	-
163	Stores expense undistributed.............	3,630,192.70
165	Prepayments......................................	8,948,308.27
171	Interest and dividends receivable........	4,525.29
173	Accrued utility revenues.....................	41,591,773.85
175	Derivative instrument assets.............	1,178,012.23
176	Derivative instrument assets - hedges	-
181	Unamortized debt expense	17,941,875.50
1822	Unrecovered plant and regulatory stuc	-
1823	Other regulatory assets......................	740,247,533.89
183	Preliminary survey and investigation c	466,355.01
184	Clearing accounts..............................	767,106.30
185	Temporary facilities............................	-
186	Miscellaneous deferred debits............	54,181,683.80
188	RD&D	-
189	Unamortized loss on reacquired debt..	14,295,908.42
190	Accumulated deferred income taxes...	176,588,485.60
201	Common stock issued........................	97,877,030.00
204	Preferred stock issued - 4% Preferred	-
2042	Preferred stock issued - 7.68% Series	-
	Preferred stock issued - 8.37% Perpel	-
204305	Preferred stock issued - Flexible aucti	-
204306	Preferred stock issued - 7.07% Series	-
207	Premium on capital stock....................	688,757,435.30
210	Gain on reacquired capital stock - 4%	-
211	OCI..	-
214	Capital stock expense........................	(2,096,924.51)
215	Appropriated retained earnings...........	2,031,670.33
216	Unappropriated retained earnings.......	573,318,128.34
2161	Unappropriated undistributed subsidia	70,650,452.81
2162	Accumulated other comprehensive inc	-
2163	Subsidiary accumulated other compre	-

American Falls and Milner	
186727	14,414,454.22
186734	6,381,818.18
American Falls	20,796,272.00

Company-owned life insurance	
186720	21,191,845.60
186726	5,484,053.13
Company_owr	26,675,899.00

ARO reclass on ELM business uni

ARO amount 159,199,987.91

Regulatory Assets	
Form 3-Q	744,770,296.00
182.3	740,247,533.89
182.319 adjust	4,522,762.11
[redacted]	
	744,770,294.83

Other DD	87,652,929.03
Am Falls/Milne	(20,796,272.00)
COLI	(26,675,899.00)
Net other DD	40,180,758.03

[redacted]

219	Accumulated other comprehensive inc	(8,780,865.34)
221	Bonds - First mortgage........................	1,465,460,000.00
2213	Bonds - Pollution control revenue........	-
222	Reacquired Bonds	-
224	Other long-term debt..........................	26,266,818.18
225	Unamortized premium on long-term de	-
226	Unamortized discount on long-term de	(3,358,167.42)
2282	Accumulated provision for injuries and	1,727,593.00
2283	Accumulated provision for pensions....	273,378,881.61
2284	Accumulated misc oper prov	100,000.00
229	Accumulated provision for rate refunds	24,062,028.21
230	Asset retirement obligation...............	20,744,846.06
231	Notes payable....................................	-
232	Accounts payable...............................	62,370,161.89
233	Notes payable to associated compani	-
234	Accounts payable to associated comp	834,508.65
235	Customer deposits.............................	9,029,991.06
236	Taxes accrued....................................	18,480,434.81
237	Interest accrued - Long-term debt.......	23,947,744.34
2372	Interest accrued - Other liabilities........	-
238	Dividends declared.............................	-
241	Tax collections payable......................	1,783,475.80
242	Miscellaneous current and accrued lia	116,408,434.29
2424	Preferred dividends accrued...............	-
244	Derivative instrument liabilities..........	1,750,025.19
245	Derivative instrument liabilities - hedge	-
252	Customer advances for construction...	22,681,409.72
253	Other deferred credits........................	24,114,760.76
254	Other regulatory liabilities...................	61,518,682.51
255	Accumulated deferred investment tax	68,133,360.15
257	Unamortized gain on reacquired debt.	-
281	Accumulated deferred income taxes -	-
282	Accumulated deferred income taxes -	722,910,491.57
283	Accumulated deferred income taxes -	116,256,049.39

[redacted]

Deferred income taxes

	722,910,491.57
	116,256,049.39
	(176,588,485.60)
	662,578,055.36

Regulatory liabilities

Form 3-Q	66,041,443.00
ARO amount	159199987.9
	225,241,430.91
254	61,518,682.51
Adjustment	4,522,760.49

IDAHO POWER COMPANY
STATEMENT OF ADJUSTING JOURNAL ENTRIES
As of March 31, 2011
Giving Effect to the Proposed issuance of
Short-term notes

Entry No. 1

Cash..	$	450,000,000		
Notes payable..			$	450,000,000

To record the proposed issuance of short-term
notes and the receipt of cash.

IDAHO POWER COMPANY
CONDENSED NOTES TO FINANCIAL STATEMENTS
As of March 31, 2011

1. Management Estimates

Management makes estimates and assumptions when preparing financial statements in conformity with GAAP. These estimates and assumptions include those related to rate regulation, retirement benefits, contingencies, litigation, asset impairment, income taxes, unbilled revenues, and bad debt. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to, among other things, future economic factors that are difficult to predict and are beyond management's control. As a result, actual results could differ from those estimates.

2. Regulation of Utility Operations

Idaho Power's financial statements reflect the effects of the different ratemaking principles followed by the jurisdictions regulating Idaho Power. The application of accounting principles related to regulated operations sometimes results in Idaho Power recording expenses and revenues in a different period than when an unregulated enterprise would. In these instances, the amounts are deferred as regulatory assets or regulatory liabilities on the balance sheet and recorded on the income statement when recovered or returned in rates. Additionally, regulators can impose regulatory liabilities upon a regulated company for amounts previously collected from customers and for amounts that are expected to be refunded to customers. The effects of applying these regulatory accounting principles to Idaho Power's operations are discussed in more detail in Note 13.

3. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid temporary investments with maturity dates at date of acquisition of three months or less.

4. Derivative Financial Instruments

Financial instruments such as commodity futures, forwards, options, and swaps are used to manage exposure to commodity price risk in the electricity and natural gas markets. All derivative instruments are recognized as either assets or liabilities at fair value on the balance sheet. Idaho Power's physical forward contracts qualify for the normal purchases and normal sales exception to derivative accounting requirements with the exception of forward contracts for the purchase of natural gas for use at Idaho Power's natural gas generation facilities. The objective of the risk management program is to mitigate the price risk associated with the purchase and sale of electricity and natural gas. Because of Idaho Power's regulatory accounting mechanisms, Idaho Power records the changes in fair value of derivative instruments related to power supply as regulatory assets or liabilities.

5. Property, Plant and Equipment and Depreciation

The cost of utility plant in service represents the original cost of contracted services, direct labor and material, AFUDC, and indirect charges for engineering, supervision, and similar overhead items. Repair and maintenance costs associated with planned major maintenance are expensed as the costs are incurred, as are maintenance and repairs of property and replacements and renewals of items determined to be less than units of property. For utility property replaced or renewed, the original cost plus removal cost less salvage is charged to accumulated provision for depreciation, while the cost of related replacements and renewals is added to property, plant and equipment.

All utility plant in service is depreciated using the straight-line method at rates approved by regulatory authorities. Annual depreciation provisions as a percent of average depreciable utility plant in service approximated 2.84 percent in 2010, 2.81 percent in 2009, and 2.73 percent in 2008.

Long-lived assets are periodically reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the undiscounted expected future cash flows from an asset is less than the carrying value of the asset, impairment must be recognized in the financial statements. There were no material impairments of these assets in 2010, 2009, or 2008..

6. Revenues
Operating revenues related to Idaho Power's sale of energy are recorded when service is rendered or energy is delivered to customers. Idaho Power accrues estimated unbilled revenues for electric services delivered to customers but not yet billed at period-end. Idaho Power collects franchise fees and similar taxes related to energy consumption. None of these collections are reported on the income statement. Beginning in February 2009, Idaho Power is collecting in base rates a portion of the allowance for funds used during construction (AFUDC) related to its Hells Canyon relicensing project, as discussed in Note 3. Cash collected under this ratemaking mechanism is not recorded as revenue, but is instead recorded as a regulatory liability.

7. Allowance for Funds Used During Construction
AFUDC represents the cost of financing construction projects with borrowed funds and equity funds. With one exception, cash is not realized currently from such allowance, it is realized under the ratemaking process over the service life of the related property through increased revenues resulting from a higher rate base and higher depreciation expense. The component of AFUDC attributable to borrowed funds is included as a reduction to interest expense, while the equity component is included in other income. Idaho Power's weighted-average monthly AFUDC rates for 2010, 2009, and 2008 were 8.0 percent, 6.7 percent, and 5.2 percent, respectively. Idaho Power's reductions to interest expense for AFUDC were $11 million for 2010, $5 million for 2009, and $7 million for 2008. Other income included $17 million, $8 million, and $3 million of AFUDC for 2010, 2009, and 2008, respectively.

8. Income Taxes
IDACORP and Idaho Power account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Consistent with orders and directives of the Idaho Public Utilities Commission (IPUC), the regulatory authority having principal jurisdiction over Idaho Power's Idaho service territory, Idaho Power's deferred income taxes for plant-related items (commonly referred to as normalized accounting) are primarily provided for the difference between income tax depreciation and book depreciation used for financial statement purposes. Unless contrary to applicable income tax guidance, deferred income taxes are not provided for those income tax timing differences where the prescribed regulatory accounting methods direct Idaho Power to recognize the tax impact currently for rate-making and financial reporting. Regulated enterprises are required to recognize such adjustments as regulatory assets or liabilities if it is probable that such amounts will be recovered from or returned to customers in future rates.

The State of Idaho allows a three-percent investment tax credit on qualifying plant additions. Investment tax credits earned on regulated assets are deferred and amortized to income over the estimated service lives of the related properties. Credits earned on non-regulated assets or investments are recognized in the year earned.

9. Comprehensive Income
Comprehensive income includes net income, unrealized holding gains and losses on available-for-sale marketable securities, and amounts related to a deferred compensation plan for certain senior management employees and directors called the Senior Management Security Plan (SMSP).

10. Other Accounting Policies
Debt discount, expense and premium are deferred and being amortized over the terms of the respective debt issues.

11. New Accounting Pronouncements

There are no new accounting pronouncements issued but not yet adopted that are expected to have a material impact on the financial statements of Idaho Power.

12. Financing

Credit Facilities

Idaho Power has a $300 million credit facility that expire on April 25, 2012. Idaho Power may issue commercial paper up to the amounts supported by the credit facilities. Under these facilities the companies pay a facility fee on the commitment, quarterly in arrears, based on the company's rating for senior unsecured long-term debt securities (without third-party credit enhancement) as provided by Moody's Investors Service and Standard & Poor's Ratings Services.

At March 31, 2011, no loans or short-term borrowings were outstanding under Idaho Power's facility. At March 31, 2011, Idaho Power had regulatory authority to incur up to $450 million of short-term indebtedness.

Long-Term Financing: In May 2010, Idaho Power registered with the SEC up to $500 million of first mortgage bonds and debt securities. On June 17, 2010, Idaho Power entered into a selling agency agreement with ten banks named in the agreement in connection with the potential issuance and sale from time to time of up to $500 million aggregate principal amount of first mortgage bonds. As of March 31, 2011, $300 million remained on Idaho Power's shelf registration for the issuance of first mortgage bonds and debt securities.

On March 2, 2011, Idaho Power repaid at maturity $120 million of first mortgage bonds using proceeds from first mortgage bonds issued in August 2010.

Mortgage: As of December 31, 2010, Idaho Power could issue under its Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937, between Idaho Power and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) and R.G. Page, as Trustees (Stanley Burg, successor individual trustee) (Mortgage) approximately $407 million of additional first mortgage bonds based on total unfunded property additions of approximately $679 million. Idaho Power could issue an additional $612 million of first mortgage bonds based on retired first mortgage bonds. These amounts are further limited by the maximum amount of first mortgage bonds set forth in the Mortgage.

The Mortgage secures all bonds issued under the indenture equally and ratably, without preference, priority, or distinction. First mortgage bonds issued in the future will also be secured by the Mortgage. The lien of the indenture constitutes a first mortgage on all the properties of Idaho Power, subject only to certain limited exceptions including liens for taxes and assessments that are not delinquent and minor excepted encumbrances. Certain of the properties of Idaho Power are subject to easements, leases, contracts, covenants, workmen's compensation awards, and similar encumbrances and minor defects and clouds common to properties. The Mortgage does not create a lien on revenues or profits, or notes or accounts receivable, contracts or choses in action, except as permitted by law during a completed default, securities, or cash, except when pledged, or merchandise or equipment manufactured or acquired for resale. The Mortgage creates a lien on the interest of Idaho Power in property subsequently acquired, other than excepted property, subject to limitations in the case of consolidation, merger, or sale of all or substantially all of the assets of Idaho Power. The Mortgage requires Idaho Power to spend or appropriate 15 percent of its annual gross operating revenues for maintenance, retirement, or amortization of its properties. Idaho Power may, however, anticipate or make up these expenditures or appropriations within the five years that immediately follow or precede a particular year.

On February 17, 2010, Idaho Power entered into the Forty-fifth Supplemental Indenture, dated as of February 1, 2010, to the Mortgage for the purpose of increasing the maximum amount of first mortgage bonds issuable by Idaho Power from $1.5 to $2.0 billion. The amount issuable is also restricted by property, earnings, and other provisions of the Mortgage and supplemental indentures to the Mortgage. Idaho Power may amend the Mortgage and increase this amount without consent of the holders of the first mortgage bonds. The Mortgage requires that Idaho Power's net earnings be at least twice the annual interest requirements on all outstanding debt of equal or prior rank, including the bonds that Idaho Power may propose to issue. Under certain circumstances, the net earnings test does not apply, including the issuance of refunding bonds to retire outstanding bonds that mature in less than two years or that are of an equal or higher interest rate, or prior lien bonds.

13. Regulatory Matters

Recent and Pending Idaho Regulatory Matters

Power Cost Adjustment Application Filing

In both its Idaho and Oregon jurisdictions, Idaho Power has power cost adjustment, or PCA, mechanisms that address the volatility of power supply costs and provide for annual adjustments to the rates charged to its retail customers. The PCA mechanisms track Idaho Power's actual net power supply costs (primarily fuel and purchased power less off-system sales) and compare these amounts to net power supply costs currently being recovered in retail rates. In its Idaho jurisdiction, the annual PCA rate adjustments are based on two components:

- a forecast component, based on a forecast of net power supply costs in the coming year as compared to current net power supply costs included in base rates; and
- a true-up component, based on the difference between the previous year's actual net power supply costs and the previous year's forecast. This component also includes a balancing mechanism so that, over time, the actual collection or refund of authorized true-up dollars matches the amounts authorized. The true-up component is calculated monthly, and interest is applied to the balance.

On May 28, 2010, the IPUC issued an order approving a $146.9 million decrease in Idaho PCA rates, effective June 1, 2010. On April 15, 2011, Idaho Power made its annual PCA filing with the IPUC. In its application, Idaho Power requested a $40.4 million reduction to current Idaho PCA rates, effective for the period from June 1, 2011 to May 31, 2012. The requested reduction reflects lower forecasted power supply costs than last year and includes a $14.5 million refund to customers of the March 31, 2011 true-up balance. The requested reduction to current Idaho PCA rates was net of Idaho Power's additional request in the application to recover in Idaho PCA rates $10.0 million of Idaho Power's energy efficiency rider deferral balance that the IPUC had previously authorized for recovery in Idaho Power's Idaho PCA rates.

Load Change (Formerly "Load Growth") Adjustment Rate Order

The load change adjustment rate (LCAR), (formerly referred to as the "load growth adjustment rate") is an element of the Idaho PCA formula that is intended to minimize the impact of fluctuations in power supply expenses associated with load changes resulting from changing weather conditions, customer base, or customer use patterns. The LCAR recognizes that the power supply expenses recovered through Idaho Power's base rates change as loads increase or decrease. The LCAR adjusts, upwards or downwards, power supply costs Idaho Power recovers through its Idaho PCA for differences between actual load and the load used in calculating base rates. On January 14, 2011, Idaho Power submitted comments to the IPUC in support of a revised methodology submitted by another utility for deriving the LCAR rate. Idaho Power's filing with the IPUC requested a new LCAR rate of $19.36 per MWh, in accordance with the proposed methodology, effective April 1, 2011, representing a 27 percent decrease relative to the then-current LCAR rate.

On March 15, 2011, the IPUC issued an order requiring Idaho Power and the two other utilities involved in the proceeding to modify their LCAR such that it is computed based on the most recent IPUC-approved cost of service results, effective for Idaho PCA calculations beginning on April 1, 2011. Idaho Power began applying the new LCAR rate of $19.36 per MWh on that date.

Fixed Cost Adjustment Mechanism

In March 2007, the IPUC approved the implementation of a fixed cost adjustment (FCA) pilot program for Idaho Power's residential and small general service customers. The FCA is a rate mechanism designed to remove Idaho Power's disincentive to invest in energy efficiency programs by separating (or decoupling) the recovery of fixed costs from the variable kilowatt-hour charge and linking it instead to a set amount per customer. The FCA allows Idaho Power to recover the difference between certain fixed costs recovered in rates and the fixed costs authorized for recovery in Idaho Power's most recent rate case. The initial pilot program began on January 1, 2007 and ended on December 31, 2009. On April 29, 2010, the IPUC approved a two-year extension of the FCA pilot program, effective retroactively, through December 31, 2011.

On March 15, 2011, Idaho Power filed an application with the IPUC requesting authorization to implement revised FCA rates for electric service from June 1, 2011 through May 31, 2012. Idaho Power's application requested an aggregate increase of $3.0 million in FCA rates for the residential and small general service customer classes in its Idaho jurisdiction. As of the date of this report, a determination and order from the IPUC is pending.

Recovery of Contribution to Defined Benefit Pension Plan

In May 2010, the IPUC approved Idaho Power's request to increase rates to allow recovery of a $5.4 million planned cash contribution to its defined benefit pension plan for the 2009 plan year. In September 2010, Idaho Power elected to make a $60 million contribution to its defined benefit pension plan, rather than the minimum required funding amount, to bring the defined benefit pension plan to a more funded position, reduce future required contributions, and reduce Pension Benefit Guaranty Corporation premiums.

On March 15, 2011, Idaho Power filed an application with the IPUC requesting an increase in the amount included in base rates for recovery of the Idaho-allocated portion of Idaho Power's cash contributions to its defined benefit pension plan from the current amount of $5.4 million to approximately $17.1 million annually. Idaho Power's application requested that the revised rates become effective on June 1, 2011. The IPUC has approved processing of the application under modified procedure, which may allow for issuance of an order on or before June 1, 2011.

On October 1, 2010, Idaho Power filed an application with the IPUC requesting an order accepting Idaho Power's 2011 retirement benefits package, but not requesting recovery through rates of additional pension plan contributions. On April 28, 2011, the IPUC issued an order accepting Idaho Power's 2011 retirement benefits package.

Energy Efficiency and Demand Response Programs

Idaho Power has implemented and/or manages a wide range of opportunities for its customers to participate in energy efficiency and demand response programs. On March 15, 2011, Idaho Power filed an application with the IPUC requesting that the IPUC issue an order designating Idaho Power's 2010 Idaho energy efficiency rider expenditures of $42.5 million as prudently incurred expenses. As of the date of this report, a determination and order from the IPUC is pending.

On October 22, 2010, Idaho Power filed an application with the IPUC requesting acceptance of the company's demand-side resources (DSR) business model, which included a request for authorization to (a) move demand response incentive payments out of the energy efficiency rider and into the Idaho PCA on a prospective basis beginning on June 1, 2011, and thus subject to a true-up under the PCA mechanism; (b) establish a regulatory asset for the direct incentive payments associated with Idaho Power's energy efficiency program for large commercial and industrial customers, beginning January 1, 2011, so that Idaho Power may capitalize the direct incentive payments associated with the program, include the costs associated with the program incentive payments in its rate base, and thus earn a rate of return on a portion of its DSR activities; and (c) change the carrying charge on the existing energy efficiency rider balancing account (from the current interest rate of 1.0 percent to Idaho Power's authorized rate of return). On April 1, 2011, the IPUC issued an order stating that certain issues raised in the application are more properly considered in a general rate case proceeding. However, the IPUC noted in its order that Idaho Power's energy efficiency rider balance includes approximately $10 million in expenditures that have been previously approved by the IPUC for recovery, and thus authorized recovery of $10 million of the rider balance in Idaho Power's Idaho PCA rates, beginning June 1, 2011.

Transmission Rate Refunds and Shortfall Filing

In its last two Idaho general rate cases, Idaho Power included an estimate of open access transmission tariff (OATT) revenues from third parties based on a forecasted OATT rate. However, on January 15, 2009, the FERC issued an order that required Idaho Power to reduce its transmission service rates to FERC jurisdictional customers and refund to transmission customers $13.3 million of transmission revenues that Idaho Power had received starting in 2006. This refund resulted in an overstatement of the revenue credits in the Idaho jurisdictional revenue requirement in Idaho Power's general rate cases. On October 30, 2009, the IPUC approved Idaho Power's request for authorization to defer the difference between the revenue credits in the last two general rate cases and the amount of OATT revenues Idaho Power had received since March 2008 and expected to receive through May 2010. Based on actual and projected transmission revenues from March 2008 through May 2010, Idaho Power recorded a $4.7 million regulatory asset in 2009 for future recovery.

On October 13, 2010, Idaho Power refreshed its filing with the IPUC for its deferral related to unrecovered transmission revenues. Termination of a transmission arrangement with PacifiCorp and adjustments to other transmission arrangements allowed Idaho Power to reduce its prior deferral amount to $2.1 million. On February 9, 2011, the IPUC issued an order reducing the deferral amount to $2.1 million, as requested by Idaho Power, but denied Idaho Power's request to begin amortization on January 1, 2012. Idaho Power's January 2010 settlement agreement would not permit potential inclusion of the deferral amount in rates until after January 1, 2012. The IPUC ordered that Idaho Power advise the IPUC when the FERC has issued its order on rehearing, following which Idaho Power may request a commencement date for the amortization period.

Recent and Pending Oregon Regulatory Matters

Oregon Power Cost Adjustment Mechanism Filings

Idaho Power's Oregon PCA mechanism has two components: the annual power cost update (APCU) and the power cost adjustment mechanism (PCAM).

The APCU allows Idaho Power to reestablish its Oregon base net power supply costs annually, separate from a general rate case, and to forecast net power supply costs for the upcoming water year. The APCU has two components: the "October Update," Idaho Power's calculation of estimated normalized net power supply expenses for the following April through March test period, and the "March Forecast," Idaho Power's forecast of expected net power supply expenses for the same test period, updated for a number of variables including the most recent stream flow data and future wholesale electric prices. On March 23, 2011, Idaho Power filed the March Forecast of the APCU with the Oregon Public Utility Commission (OPUC). If approved as filed, the APCU would result in an approximately $0.9 million annual decrease in amounts collected through Oregon jurisdiction customer rates.

The PCAM is a true-up filed annually in February. The filing calculates the deviation between actual net power supply expenses incurred for the preceding calendar year and the net power supply expenses recovered through the APCU for the same period. Under the PCAM, Idaho Power is subject to a portion of the business risk or benefit associated with this deviation through application of an asymmetrical deadband (or range of deviations) within which Idaho Power absorbs cost increases or decreases. For deviations in actual power supply costs outside of the deadband, the PCAM provides for 90%/10% sharing of costs and benefits between customers and Idaho Power. However, collection by Idaho Power will occur only to the extent that it results in Idaho Power's actual return on equity (ROE) for the year being no greater than 100 basis points below Idaho Power's last authorized ROE. A refund to customers will occur only to the extent that it results in Idaho Power's actual ROE for that year being no less than 100 basis points above Idaho Power's last authorized ROE. On February 28, 2011, Idaho Power submitted its 2010 PCAM true-up, stating that actual net power supply costs were within the deadband, resulting in no request for a deferral.

ATTACHMENT I(B)

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT

IDAHO POWER COMPANY

The following statement as to each class of the capital stock of applicant is as of March 31, 2011, the date of the balance sheet submitted with this application:

Common Stock

(1) Description - Common Stock, $2.50 par value; 1 vote per share
(2) Amount authorized - 50,000,000 shares ($125,000,000 par value)
(3) Amount outstanding - 39,150,812 shares
(4) Amount held as reacquired securities - None
(5) Amount pledged by applicant - None
(6) Amount owned by affiliated corporations – All
(7) Amount held in any fund - None

Applicant's Common Stock is held by IDACORP, Inc., the holding company of Idaho Power Company. IDACORP, Inc.'s Common Stock is registered (Pursuant to Section 12(b) of the Securities Exchange Act of 1934) and is listed on the New York stock exchange.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

The following statement as to funded debt of applicant is as of March 31, 2011, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
4.75 % Series due 2012, dated as of Nov 15, 2002, due Nov 15, 2012	100,000,000
4.25 % Series due 2013, dated as of May 13, 2003, due October 1, 2013	70,000,000
6 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
5.50 % Series due 2034, dated as of March 26, 2004, due March 15, 2034	50,000,000
5.875%Series due 2034, dated as of August 16, 2004, due August 15, 2034	55,000,000
5.30 % Series due 2035, dated as of August 23, 2005, due August 15, 2035	60,000,000
6.30 % Series due 2037, dated as of June 22, 2007 due June 15, 2037	140,000,000
6.25 % Series due 2037, dated as of Oct 18, 2007, due October 15, 2037	100,000,000
6.025% Series due 2018, dated as of July 10, 2008, due Jul 15, 2018	120,000,000
6.15 % Series due 2019, dated as of March 30, 2009, due April 1, 2019	100,000,000
4.50 % Series due 2020, dated as of Nov 20, 2009, due March 30, 2020	130,000,000
3.40 % Series due 2020, dated as of Aug 30, 2010, due Nov 1, 2020	100,000,000
4.85 % Series due 2040, dated as of Aug 30, 2010, due Aug 15, 2040	100,000,000
	1,295,000,000

(2) Amount authorized - Limited within the maximum of $2,000,000,000 (or such other maximum amount as may be fixed by supplemental indenture) and by property, earnings, and other provisions of the Mortgage.
(4) Amount held as reacquired securities - None
(5) Amount pledged - None
(6) Amount owned by affiliated corporations - None
(7) Amount of sinking or other funds - None

For a full statement of the terms and provisions relating to the respective Series and amounts of applicant's outstanding First Mortgage Bonds above referred to, reference is made to the Mortgage and Deed of Trust dated as of October 1, 1937, and First to Forty-sixth Supplemental Indentures thereto, by Idaho Power Company to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) and R. G. Page (Stanley Burg, successor individual trustee), Trustees, presently on file with the Commission, under which said bonds were issued.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(A) Variable Rate Series 2000 due 2027:
  (1) Description - Pollution Control Revenue Bonds, Variable Rate Series due 2027, Port of Morrow, Oregon, dated as of May 17, 2000, due February 1, 2027.
  (2) Amount authorized - $4,360,000
  (3) Amount outstanding - $4,360,000
  (4) Amount held as reacquired securities - None
  (5) Amount pledged - None
  (6) Amount owned by affiliated corporations - None
  (7) Amount in sinking or other funds - None

(B) 5.15% Series due 2024:
  (1) Description - Pollution Control Revenue Refunding Bonds, 5.15% Series 2003 due 2024, County of Humboldt, Nevada, dated as of October 22, 2003, reoffered on August 20, 2009, due December 1, 2024 (secured by First Mortgage Bonds)
  (2) Amount authorized - $49,800,000
  (3) Amount outstanding - $49,800,000
  (4) Amount held as reacquired securities - None
  (5) Amount pledged - None
  (6) Amount owned by affiliated corporations - None
  (7) Amount in sinking or other funds - None

(C) 5.25% Series due 2026:
  (1) Description - Pollution Control Revenue Bonds, 5.25% Series 2006 due 2026, County of Sweetwater, Wyoming, dated as of October 1, 2006, reoffered on August 20, 2009, due July 15, 2026
  (2) Amount authorized - $116,300,000
  (3) Amount outstanding - $116,300,000
  (4) Amount held as reacquired securities - None
  (5) Amount pledged - None
  (6) Amount owned by affiliated corporations - None
  (7) Amount in sinking or other funds - None

For a full statement of the terms and provisions relating to the outstanding Pollution Control Revenue Bonds above referred to, reference is made to (A) copies of Trust Indenture by Port of Morrow, Oregon, to the Bank One Trust Company, N. A., Trustee, and Loan Agreement between Port of Morrow, Oregon and Idaho Power Company, both dated May 17, 2000, under which the Variable Rate Series 2000 bonds were issued, (B); Conformed Trust Indenture between Humboldt County, Nevada and Union Bank N.A., Trustee dated October 1, 2003 as amended and supplemented by a First Supplemental Trust Indenture, dated August 20, 2009, and Loan Agreement between Idaho Power Company and Humboldt County, Nevada dated October 1, 2003under which the 5.15% Series 2003 bonds were reoffered, and (C) Conformed Trust Indenture between Sweetwater County, Wyoming, and Union Bank , N.A., Trustee, as amended and supplemented by a First Supplemental Trust Indenture dated August 20, 2009, and Loan Agreements between Idaho Power Company and Sweetwater County, Wyoming, dated October 1, 2006 under which the 5.25% Series 2006 bonds were reoffered.

ATTACHMENT I(C)

COMMITMENTS AND CONTINGENCIES:

COMMITMENTS:

Guarantees

Idaho Power has agreed to guarantee a portion of the performance of reclamation activities and obligations at BCC, of which IERCo owns a one-third interest. This guarantee, which is renewed each December, was $63 million at March 31, 2011, representing IERCo's one-third share of the total reclamation obligation of $189 million. BCC has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs. BCC continually assesses the adequacy of the reclamation trust fund and its estimate of future reclamation costs. To ensure that the reclamation trust fund maintains adequate reserves, BCC has the ability to add a per-ton surcharge to coal sales. Starting in 2010, BCC began applying a nominal surcharge to coal sales in order to maintain adequate reserves in the reclamation trust fund. Because of the existence of the fund and the ability to apply a per-ton surcharge, the estimated fair value of this guarantee is minimal.

Idaho Power enters into financial agreements and power purchase and sale agreements that include indemnification provisions relating to various forms of claims or liabilities that may arise from the transactions contemplated by these agreements. Generally, a maximum obligation is not explicitly stated in the indemnification provisions and, therefore, the overall maximum amount of the obligation under such indemnifications cannot be reasonably estimated. Idaho Power periodically evaluates the likelihood of incurring costs under such indemnities based on their historical experience and the evaluation of the specific indemnities. As of March 31, 2011, management believes the likelihood is remote that Idaho Power would be required to perform under such indemnification provisions or otherwise incur any significant losses with respect to such indemnification obligations. Idaho Power has not recorded any liability on its condensed balance sheets with respect to these indemnification obligations.

CONTINGENCIES:

Idaho Power have in the past and expect in the future to become involved in various claims, controversies, disputes, and other contingent matters, including the items described in this Note. Some of these claims, controversies, disputes, and other contingent matters involve litigation or other contested proceedings. Idaho Power intends to vigorously protect and defend their interests and pursue their rights. However, no assurance can be given as to the ultimate outcome of any particular matter because litigation and other contested proceedings are inherently subject to numerous uncertainties. For matters that affect Idaho Power's operations, Idaho Power intends to seek, to the extent permissible and appropriate, recovery of incurred costs through the ratemaking process.

Western Energy Proceedings at the FERC

In this report, the term "western energy situation" is used to refer to the California energy crisis that occurred during 2000 and 2001, and the energy shortages, high prices, and blackouts in the western United States. High prices for electricity in California and in western wholesale markets during 2000 and 2001 caused numerous purchasers of electricity in those markets to initiate proceedings seeking refunds or other forms of relief and the FERC to initiate its own investigations. Some of these proceedings (referred to in this report as the western energy proceedings) remain pending before the FERC or on appeal to the United States Court of Appeals for the Ninth Circuit (Ninth Circuit).

There are more than 200 petitions pending in the Ninth Circuit for review of numerous FERC orders regarding the western energy situation. Decisions in these appeals may have implications with respect to other pending cases, including those to which Idaho Power or IE are parties. Idaho Power and IE intend to vigorously defend their positions in these proceedings but are unable to predict the outcome of these matters. Except as to the matters described below under "Pacific Northwest Refund," Idaho Power and IE believe that settlement releases they have obtained that are described below under "California Refund" will restrict potential claims that might result from the disposition of the pending Ninth Circuit review petitions and that these matters will not have a material adverse effect on their consolidated financial positions, results of operations, or cash flows.

California Refund: This proceeding originated with an effort by agencies of the State of California and investor-owned utilities in California to obtain refunds for a portion of the spot market sales from sellers of electricity into California markets from October 2, 2000 through June 20, 2001. The FERC has issued numerous orders establishing price mitigation plans for sales in the California wholesale electricity market, including the methodology for determining refunds. IE and numerous other parties have petitioned the Ninth Circuit for review of the FERC's orders on California refunds. As additional FERC orders have been issued, further petitions for review have been filed before the Ninth Circuit, which from time to time has identified discrete cases that can proceed to briefing and decision while it stayed action on the other consolidated cases.

On May 22, 2006, the FERC approved an offer of settlement between and among IE and Idaho Power, the California Parties (consisting of Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, the California Public Utilities Commission, the California Electricity Oversight Board, the California Department of Water Resources (CDWR), and the California Attorney General) and additional parties that elected to be bound by the settlement. The settlement disposed of matters encompassed by the California refund proceeding, as well as market manipulation claims and investigations relating to the western energy situation among and between the parties agreeing to be bound by it. Although many market participants agreed to be bound by the settlement, other market participants, representing a small minority of potential refund claims, initially elected not to be bound by the settlement. From time to time, as the California Parties have reached settlements with those other market participants, they have elected to opt into the IE-Idaho Power-California Parties' settlement. The settlement provided for approximately $23.7 million of IE's and Idaho Power's estimated $36 million rights to accounts receivable from the California Independent System Operator (Cal ISO) and the California Power Exchange (CalPX) to be assigned to an escrow account for refunds and for an additional $1.5 million of accounts receivable to be retained by the CalPX until the conclusion of the litigation. The additional $1.5 million of accounts receivable retained by the CalPX is available to fund the claims of non-settling parties if they prevail in the remaining litigation of the California refund proceeding and the balance in the escrow account is insufficient, after distribution to settling parties, to satisfy the claims of the litigants. Any additional amounts owed to non-settling parties would be funded by other amounts owed to IE and Idaho Power by the Cal ISO and CalPX, or directly by IE and Idaho Power, and any excess funds remaining in the escrow and the amounts retained by the CalPX at the end of the case would be returned to IE and Idaho Power. The remaining IE and Idaho Power receivables were paid to IE and Idaho Power under the settlement.

In an August 2006 decision, the Ninth Circuit ruled that all transactions that occurred within the CalPX and the Cal ISO markets from October 2, 2000 to June 21, 2001 were proper subjects of the refund proceeding. In that decision the Ninth Circuit refused to expand the proceedings into the bilateral market, required the FERC to consider claims that some market participants had violated governing tariff obligations at an earlier date than the refund effective date, and expanded the scope of the refund proceeding to include transactions within the CalPX and Cal ISO markets outside the limited 24-hour spot market and energy exchange transactions. Parts of the decision exposed sellers to increased claims for potential refunds. The Ninth Circuit issued its mandate on April 15, 2009, thereby officially returning the cases to the FERC for further action consistent with the court's decision.

On November 19, 2009, the FERC issued an order to implement the Ninth Circuit's remand. The remand order established a trial-type hearing in which participants will be permitted to submit information regarding (i) specified tariff violations committed by any public utility seller from January 1, 2000 to October 2, 2000 resulting in a transaction that set a market clearing price for the trading period when the violation occurred, and (ii) claims for refunds for multi-day transactions and energy exchange transactions entered into during the refund period (October 2, 2000 to June 21, 2001). Numerous parties, including IE and Idaho Power, filed motions to clarify the FERC's order and responses to these motions. In response to a solicitation from the FERC, on September 22, 2010 IE and Idaho Power, along with a number of other parties, submitted comments to the FERC regarding the scope of the proceedings. Although IE and Idaho Power are unable to predict when or how the FERC will rule on these motions and the later comments, the effect of the remand order for IE and Idaho Power is confined to the minority of market participants that are not bound by the IE-

Idaho Power-California Parties' settlement described above. IE and Idaho Power believe the remanded proceedings will not have a material adverse effect on their consolidated financial positions, results of operations, or cash flows.

In 2005, the FERC established a framework for sellers wanting to demonstrate that the generally applicable FERC refund methodology interfered with the recovery of costs. IE and Idaho Power made such a cost filing, which was rejected by the FERC. On June 18, 2009, FERC issued an order stating that it was not ruling on IE's and Idaho Power's request for rehearing of the cost filing rejection because their request had been withdrawn in connection with the IE-Idaho Power-California Parties' settlement. On May 18, 2010, in response to further pleadings by IE and Idaho Power, FERC reconsidered its earlier refusal to consider the request for rehearing but denied rehearing. On June 18, 2009, in a separate order, the FERC ruled that only net refund recipients were responsible for the costs associated with cost filings. On June 25, 2010, IE and Idaho Power filed a petition for review of the pertinent FERC orders in the Ninth Circuit. Until the Cal ISO completes its refund calculations, it is uncertain whether there are any parties who are not bound by the California refund settlement that might be affected by the cost filing and the review of its rejection. IE and Idaho Power are unable to predict how or when the Cal ISO's refund calculations will be completed and how or when the Ninth Circuit might rule, but the direct effect of any such calculations and ruling is confined to obligations of IE and Idaho Power to the small minority of claims of market participants that are not bound by the settlement. Accordingly, IE and Idaho Power believe this matter will not have a material adverse effect on their consolidated financial positions, results of operations, or cash flows.

Pacific Northwest Refund: On July 25, 2001, the FERC issued an order establishing a proceeding separate from the California refund proceeding to determine whether there may have been unjust and unreasonable charges for spot market sales in the Pacific Northwest during the period December 25, 2000 through June 20, 2001, because the spot market in the Pacific Northwest was affected by the dysfunction in the California market. In 2003, the FERC terminated the proceeding and declined to order refunds, but in 2007 the Ninth Circuit issued an opinion, in *Port of Seattle, Washington v. FERC,* remanding to the FERC the orders that declined to require refunds. The Ninth Circuit's opinion instructed the FERC to consider whether evidence of market manipulation would have altered the agency's conclusions about refunds and directed the FERC to include sales originating in the Pacific Northwest to the CDWR in the scope of proceeding. The Ninth Circuit officially returned the case to the FERC on April 16, 2009. On September 4, 2009, IE and Idaho Power joined with a number of other parties in a joint petition for a writ of certiorari to the U.S. Supreme Court, which was denied on January 11, 2010.

In several separate filings, the California Parties - which no longer include the California Electricity Oversight Board - and the City of Tacoma, Washington (Tacoma) and the Port of Seattle, Washington (Port of Seattle) asked the FERC to reorganize and restructure the case in different ways to enable them to pursue claims, as asserted by the California Parties, that all spot market sales in the Cal ISO and CalPX markets and sales to CDWR made in the Pacific Northwest, and, as asserted by Tacoma and Port of Seattle, other sales in the Pacific Northwest, from January 1, 2000 through June 20, 2001, should be subject to refund and repriced, because market manipulation and tariff violations affected spot market prices. Their requests would expand the scope of the refund period in the Pacific Northwest proceeding from the December 25, 2000 through June 20, 2001 period previously considered by the FERC. On May 22, 2009, the California Parties filed a motion with the FERC to sever claims regarding sales originating in the Pacific Northwest to CDWR from the remainder of the Pacific Northwest proceedings and to consolidate their claims regarding these sales with ongoing proceedings in cases that IE and Idaho Power have settled, as well as with a new complaint filed on May 22, 2009 by the California Attorney General against parties with whom the California Parties have not settled (Brown Complaint). IE and Idaho Power, along with a number of other parties, filed their opposition to the motion of the California Parties. Many other parties also filed responses to the motion of the California Parties. Tacoma and the Port of Seattle jointly filed a motion on August 4, 2009 with the FERC in connection with the California refund proceeding, the *Lockyer* remand pending before the FERC (involving claims of failure to file quarterly transaction reports with the FERC, from which IE and Idaho Power previously were dismissed), the Brown Complaint, and the Pacific Northwest refund remand proceeding. The Tacoma and the Port of Seattle motion asks the FERC to require refunds from all sellers in the Pacific Northwest spot markets for the expanded period (January 1, 2000 through June 20, 2001). IE and Idaho Power joined with a number of other sellers in the Pacific Northwest markets during 2000 and 2001 in opposing the motion of Tacoma and the Port of Seattle. On April 19, 2010, the California Parties filed a motion with the FERC renewing the requests contained in their May 22, 2009 motion and on May 3, 2010, IE and Idaho Power joined with a number of other parties opposing the renewal request. On July 21, 2010, the Port of Seattle and Tacoma once again filed a motion requesting that the FERC either summarily dispose of the case or set it for hearing, and the California Parties, answering a pleading in the Brown Complaint, renewed their request for consolidation. On March 25, 2011 the California Parties filed another motion requesting that the FERC take action on the Ninth Circuit remand of the Pacific Northwest Refund case, the Ninth Circuit remand described above under *California Refund*, the Brown Complaint, and the *Lockyer* remand, and repeating their earlier requests for summary FERC action or reorganization of the cases. On April 11, 2011, IE and Idaho Power joined with a number of other parties opposing the request for summary action and reorganization of the cases. As of the date of this report, the FERC has not acted on the Ninth Circuit remand or the motions.

IE and Idaho Power intend to vigorously defend their positions in these proceedings but are unable to predict the outcome of these matters or estimate the impact these matters may have on their consolidated financial positions, results of operations, or cash flows.

Sierra Club Lawsuit and EPA Notice of Violation - Boardman

In September 2008, the Sierra Club and four other non-profit corporations filed a complaint against Portland General Electric Company (PGE) in the U.S. District Court for the District of Oregon alleging opacity permit limit and Clean Air Act (CAA) violations at the Boardman coal-fired plant located in Morrow County, Oregon. The complaint sought, in addition to injunctive remedies, civil penalties of up to $32,500 per day per violation, and reimbursement of plaintiffs' costs of litigation, including reasonable attorneys' fees. Trial for the matter is scheduled for December 2011. Idaho Power is not a party to this proceeding but has a 10 percent ownership interest in the Boardman plant. PGE owns 65 percent of the plant and is the operator of the plant.

In September 2010, the U.S. Environmental Protection Agency (EPA) issued a Notice of Violation to PGE, alleging that PGE had violated the New Source Performance Standards (NSPS) and operating permit requirements under the CAA, as a result of modifications made to the plant in 1998 and 2004. The Notice of Violation states the maximum civil penalties the EPA is authorized to impose under the CAA for violations of the NSPS (which range from $25,000 to $37,500 per day), but does not impose any penalties or specify the amount of any proposed penalties with respect to the alleged violations.

Idaho Power continues to monitor the status of these matters but is unable to predict their outcome or what effect these matters may have on its consolidated financial position, results of operations, or cash flows.

Water Rights - Snake River Basin Adjudication

Idaho Power holds water rights, acquired under applicable state law, for its hydroelectric projects. In addition, Idaho Power holds water rights for domestic, irrigation, commercial, and other necessary purposes related to project lands and other holdings within the states of Idaho and Oregon. Idaho Power's water rights for power generation are, to varying degrees, subordinated to future upstream appropriations for irrigation and other authorized consumptive uses.

Over time increased irrigation development and other consumptive uses within the Snake River watershed led to a reduction in flows of the Snake River. In the late 1970's and early 1980's these reduced flows resulted in a conflict between the exercise of Idaho Power's water rights at certain hydroelectric projects on the Snake River and upstream consumptive diversions. The Swan Falls Agreement, signed by Idaho Power and the State of Idaho on October 25, 1984, resolved the conflict and provided a level of protection for Idaho Power's hydropower water rights at specified projects on the Snake River through the establishment of minimum stream flows and an administrative process governing future development of water rights that may affect those minimum stream flows. In 1987, Congress enacted legislation directing the FERC to issue an order approving the Swan Falls settlement together with a finding that the agreement was neither inconsistent with the terms and conditions of Idaho Power's project licenses nor the Federal Power Act. The FERC entered an order implementing the legislation on March 25, 1988.

The Swan Falls Agreement provided that the resolution and recognition of Idaho Power's water rights together with the State Water Plan provided a sound comprehensive plan for management of the Snake

River watershed. The Swan Falls Agreement also recognized, however, that in order to effectively manage the waters of the Snake River basin, a general adjudication to determine the nature, extent, and priority of the rights of all water uses in the basin was necessary. Consistent with that recognition, in 1987 the State of Idaho initiated the Snake River Basin Adjudication (SRBA), and pursuant to the commencement order issued by the SRBA court that same year, all claimants to water rights within the basin were required to file water right claims in the SRBA. Idaho Power has filed claims to its water rights and has been actively participating in the SRBA since its commencement. Questions concerning the effect of the Swan Falls Agreement on Idaho Power's water right claims, including the nature and extent of the subordination of Idaho Power's rights to upstream uses, resulted in the filing of litigation in the SRBA in 2007 between Idaho Power and the State of Idaho. This litigation was resolved by the Framework Reaffirming the Swan Falls Settlement (Framework) signed by Idaho Power and the State of Idaho on March 25, 2009. In that Framework, the parties acknowledged that the effective management of Idaho's water resources remains critical to the public interest of the State of Idaho by sustaining economic growth, maintaining reasonable electric rates, protecting and preserving existing water rights, and protecting water quality and environmental values. The Framework further provided that the State of Idaho and Idaho Power would cooperate in exploring approaches to resolve issues of mutual concern relating to the management of Idaho's water resources. Idaho Power continues to work with the State of Idaho and other interested parties on these issues.

One such issue involves the management of the Eastern Snake Plain Aquifer (ESPA), a large underground aquifer in southeastern Idaho that is hydrologically connected to the Snake River. House Concurrent Resolution No. 28, adopted by the Idaho Legislature in 2007, directed the Idaho Water Resource Board to pursue the development of a comprehensive management plan for the ESPA, to include measures that would enhance aquifer levels, springs, and river flows on the eastern Snake River plain to the benefit of both agricultural development and hydropower generation. In May of 2007, the Idaho Water Resource Board appointed an advisory committee, charged with the responsibility of developing a management plan for the ESPA. Idaho Power was a member of that committee. In January 2009, the Idaho Water Resource Board, based on the committee's recommendations, adopted a Comprehensive Aquifer Management Plan (CAMP) for the ESPA. The Idaho Legislature approved the CAMP that same year. Idaho Power is a member of the CAMP Implementation Committee, and is currently working with the Idaho Water Resource Board, other stakeholders, and the Idaho Legislature in implementing the provisions of the CAMP management plan.

Idaho Power also continues its active participation in the SRBA in seeking to ensure that its water rights are protected and that the operation of its hydroelectric projects is not adversely impacted. While Idaho Power cannot predict the outcome, Idaho Power does not currently anticipate any materially adverse modification of its water rights as a result of the SRBA process.

U.S. Bureau of Reclamation Proceedings

Idaho Power filed a complaint on October 15, 2007, and an amended complaint on September 30, 2008, in the U.S. District Court of Federal Claims in Washington, D.C. against the U.S. Bureau of Reclamation (USBR). The complaint relates to a 1923 spaceholder contract right for storage and delivery of water to Idaho Power from American Falls Reservoir, a USBR storage reservoir on the Snake River. In the complaint, Idaho Power alleged that the USBR breached the contract by the failure to implement certain contract provisions relating to secondary storage capacity and claimed damages for the lost generation resulting from reduced flows downstream of the reservoir, and requested a prospective declaration of the rights and obligations of the parties under the 1923 contract. The USBR claimed that the referenced provisions of the 1923 contract were abrogated or amended by subsequent contracts associated with the 1976 rebuild of American Falls Reservoir and that the provisions of the 1923 contract no longer apply. The water rights for, and the operation of, American Falls Reservoir are also the subject of litigation in the SRBA, described above. During the pendency of the proceedings, Idaho Power worked with the USBR and Idaho interests (including the State of Idaho and upstream water users) in an effort to resolve the contested contract issues that are common to both the SRBA and the pending federal case with the USBR. These efforts were focused on a recognition in state policy and the Idaho State Water Plan that will promote more efficient operation of the upper Snake River reservoir system to optimize the use of Snake River flows for hydroelectric generation downstream while recognizing and protecting in-reservoir spaceholder contract rights. These discussions resulted in a resolution passed by the Idaho Water Resource Board in March 2011 that established a standing committee, referred to as the Upper Snake River Advisory Committee (USRAC). The USRAC is comprised of a member of the Idaho Water Resource Board, representatives of Idaho Power, the USBR, and the Committee of Nine, a committee comprised of upstream water users that hold USBR contract rights to reservoir space that advises the State of Idaho and the USBR on reservoir operations. The USRAC is tasked with collaboratively working to identify and implement measures to optimize the operation and management of the reservoir system above Milner Dam to benefit existing and future beneficial uses, including hydropower below Milner Dam. This collaborative process will include a review of existing water bank and rental pool procedures to encourage and facilitate opportunities for the rental, acquisition and transfer of reservoir storage water and water rights for beneficial uses, including hydropower. The passage of the resolution and establishment of the USRAC has effectively resolved the critical issues outstanding in the pending litigation pertaining to the 1923 contract. While Idaho Power is unable to predict the ultimate impact of the collaborative process, it does not currently expect the outcome of the process will have a material adverse effect on its financial position, results of operations, or cash flows.

Other Legal Proceedings

IDACORP and Idaho Power are parties to legal claims, actions, and proceedings in addition to those discussed above. Resolution of any of these matters will take time and the companies cannot predict the outcome of any of these proceedings. However, the companies currently believe that resolution of these matters will not have a material adverse effect on their consolidated financial positions, results of operations, or cash flows.

ATTACHMENT I(D)

IDAHO POWER COMPANY
Statement of Retained Earnings
and
Undistributed Subsidiary Earnings
For the Twelve Months Ended March 31, 2011

Retained Earnings

Retained earnings (at the beginning of period)		488,641,185
Balance transferred from income		144,508,232
Dividends received from subsidiary		-
Total		633,149,417
Dividends:		
Common Stock		58,646,278
Total		58,646,278
Retained earnings (at end of period)	$	574,503,139

Undistributed Subsidiary Earnings

Balance (at beginning of period)		62,898,011
Equity in earnings for the period		7,752,442
Dividends paid (Debit)		-
Balance (at end of period)	$	70,650,453

ATTACHMENT I(E)

IDAHO POWER COMPANY
STATEMENT OF INCOME
For the Twelve Months Ended March 31, 2011

	Actual
Operating Revenues	1,031,379,609
Operating Expenses:	
Purchased power	141,877,544
Fuel	152,387,782
Power cost adjustment	34,208,516
Other operation and maintenance expense	344,490,463
Depreciation expense	109,967,689
Amortization of limited-term electric plant	6,833,878
Taxes other than income taxes	25,576,852
Income taxes - Federal	(12,138,520)
Income taxes - Other	1,645,569
Provision for deferred income taxes	127,935,844
Provision for deferred income taxes - Credit	(101,255,378)
Investment tax credit adjustment	(1,854,405)
Total operating expenses	829,675,834
Operating Income	201,703,775
Other Income and Deductions:	
Allowance for equity funds used during construction	18,221,558
Income taxes	2,723,330
Other - Net	4,280,831
Net other income and deductions	25,225,719
Income Before Interest Charges	226,929,494
Interest Charges:	
Interest on first mortgage bonds	73,153,667
Interest on other long-term debt	8,742,315
Interest on short-term debt	430,414
Amortization of debt premium, discount and expense - Net	2,468,974
Other interest expense	1,570,576
Total interest charges	86,365,946
Allowance for borrowed funds used during construction - Credit	11,697,126
Net interest charges	74,668,820
Net Income	152,260,674

The accompanying Notes to Financial Statements are an integral part of this statement

ATTACHMENT II

[Board resolutions authorizing Applicant's short-term borrowings as described in this application will be filed in this case by July 15, 2011]

ATTACHMENT III

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ORDER AUTHORIZING UP TO $450,000,000 AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING OF SHORT-TERM BORROWINGS	)	CASE NO. IPC-E-11-12 PROPOSED ORDER

On ____________, 2011 Idaho Power Company ("Idaho Power" or "Company"), a public utility headquartered in Boise, Idaho, providing retail electric service in southern Idaho and eastern Oregon, filed with this Commission its Application pursuant to Chapter 9, Title 61 of the Idaho Code and Rules 141 through 150 of the Commission's Rules of Procedure, requesting an Order authorizing Idaho Power to make up to $450,000,000 aggregate principal amount of short-term borrowings at any one time outstanding. The Commission hereby adopts its Findings of Fact, Conclusions of Law and Order approving the Application.

FINDINGS OF FACT

I

Idaho Power was incorporated on May 6, 1915 and migrated its state of incorporation to the state of Idaho on June 30, 1989 and is duly qualified to do business in the state of Idaho. Idaho Power's principal office is located in Boise, Idaho.

II

Idaho Power requests authorization to make short-term borrowings of up to $450,000,000 aggregate principal amount at any one time outstanding for a period from October 1, 2011 through October 1, 2018. Idaho Power states that its short-term borrowings will consist of (1) loans issued by financial and other institutions and evidenced by unsecured notes or other evidence of indebtedness of the Company and (2) unsecured promissory notes and commercial paper of the Company to be issued for public or private placement through one or more commercial paper dealers or agents, or directly by the Company.

III

Idaho Power intends to secure commitments for new unsecured lines of credit, or extensions of existing unsecured lines of credit, for its short-term borrowings. The unsecured lines of credit may be obtained with several financial or other institutions, directly by the Company or through an agent, when and if required by the Company's then current financial requirements. Each individual line of credit commitment will provide that up to a specific amount at any one time outstanding will be available to the Company to draw upon for a fee to be determined by a percentage of the credit line available, credit line utilization, compensating balance or combination thereof.

Idaho Power may also make arrangements for uncommitted credit facilities under which unsecured lines of credit would be offered to the Company on an "as available" basis and at negotiated interest rates. Such committed and uncommitted borrowings will be evidenced by the Company's unsecured promissory notes or other evidence of indebtedness.

Unsecured promissory notes will be issued and sold by Idaho Power through one or more commercial paper dealers or agents, or directly by the Company, up to the limits imposed by applicable statutes, rules or regulations. Each note issued as commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest bearing to be paid at maturity. Each note will have a fixed maturity and will contain no provision for automatic "roll over".

IV

Idaho Power plans to enter into a new credit agreement in October of 2011, which will provide a committed line of credit for short-term borrowings from participating banks. The Company expects that the credit agreement will initially authorize short-term borrowings of up to $325,000,000 aggregate principal amount at any one time outstanding, with the option of the Company to increase the borrowing limit to $450,000,000 during the term of the credit agreement. Idaho Power further expects that the credit agreement will have an initial term of five years, from October 2011 to October 2016, with the option of the Company to extend the term for two one-year extensions, up to October 2018. Idaho Power will provide written notice to the Commission in the event that the Company elects to increase the short-term borrowing limit under the credit agreement above $325,000,000, or extend the term of the credit agreement beyond October 2016.

Idaho Power states that its short-term borrowings will have maturities of one year or less. All short-term borrowings under the Company's application will mature no later than October 1, 2018.

V

Idaho Power's line of credit arrangements are expected to include one or more lead agents, and a number of additional banks as participating agents. The Company's proposed new credit agreement would likely include the following fees for the lead agent(s) and participating agents: (1) an up-front arrangement fee payable to the lead agent(s) totaling approximately .15% to .25% of the principal amount committed, (2) up-front agent participation fees payable to all participating agents totaling approximately .25% of the principal amount committed, (3) annual commitment facility fees payable to all participating agents equal to approximately .15% to .25% of the principal amount committed, and (4) annual administrative fees payable to the lead agent(s) of approximately $20,000 to $30,000. The principal amount committed for purposes of calculating the agent fees will be $325,000,000, unless the authorized borrowing amount under the credit agreement is increased as described above, up to a maximum of $450,000,000. Other expenses relating to the credit agreement are estimated to include: Idaho Power outside legal fees of approximately $100,000, agent legal fees of approximately $50,000, and miscellaneous expenses of approximately $25,000.

Idaho Power states that the above referenced Credit Agreement fees are customary in the market and will offset the agents' costs, including personnel time, travel and administrative costs associated with negotiating and administering the credit agreement. With respect to commercial paper issuances, Idaho Power expects that the commercial paper dealers or agents will sell such notes at a profit to them of not to exceed 1/8 of 1 percent of the principal amount of each note.

VI

Idaho Power states the purpose for which the proposed short-term borrowings will be made and promissory notes, commercial paper or other evidence of indebtedness issued, is to obtain temporary short-term capital for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes.

VII

Idaho Power requests authorization to make the short-term borrowings as described in its application during said seven-year period, so long as the Company maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services, and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc. Idaho Power requests that if its senior secured debt rating falls below either such rating ("Downgrade"), its short-term borrowing authority would continue for a period of 364 days from the date of the Downgrade ("Continued Authorization Period"), provided that the Company:

(1) Promptly notifies the Commission in writing of the Downgrade; and

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

CONCLUSIONS OF LAW

Idaho Power is an electrical corporation within the definition of *Idaho Code* § 61-119 and is a public utility within the definition of *Idaho Code* § 61-129.

The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* § 61-901 *et seq*., and the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedures, IDAPA 31.01.01.141-150.

The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utility Law of the state of Idaho and are compatible with the public interest. However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

All fees have been paid by Idaho Power in accordance with *Idaho Code* § 61-905.

O R D E R

IT IS THEREFORE ORDERED that Idaho Power Company is granted authority to make up to $450,000,000 aggregate principal amount at any one time outstanding of short-term borrowings, for the period of October 1, 2011 through October 1, 2018, under the terms and conditions and for the purposes set forth in the Company's application and this Order.

IT IS FURTHER ORDERED that this authorization will remain in place from October 1, 2011 to October 1, 2018, provided that the Company maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services, and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc. If Idaho Power's senior secured debt rating falls below either such rating ("Downgrade"), the Company's authority to incur short-term borrowings and issue commercial paper as provided in this Order will *not* terminate, but instead such authority will continue for a period of 364 days from the date of the Downgrade ("Continued Authorization Period"), provided that Idaho Power:

(1) Promptly notifies the Commission in writing of the Downgrade; and

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

Subject to the foregoing ordering paragraph regarding a Downgrade, no additional authorization is required to carry out this transaction and no Supplemental Order will be issued.

IT IS FURTHER ORDERED that Idaho Power file, as soon as available, final exhibits as set forth in its Application.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, utility capital structure, service, accounts, evaluation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Title 61, Chapter 9, *Idaho Code*, or any act or deed done or performed in connection therewith shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of said Title 61, Chapter 9, *Idaho Code*.

DONE BY ORDER of the Idaho Public Utilities Commission at Boise, Idaho this _____ day of ______________, 2011.

____
PAUL KJELLANDER, President

____
MACK A. REDFORD, Commissioner

____
MARSHA H. SMITH, Commissioner

ATTEST:

____
Jean D. Jewell
Commission Secretary