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IDAHO PUBLIC
UTILITIES COMMISSION

Patrick A. Harrington
Corporate Secretary

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

March 8, 2013

Re: In the Matter of the Application of Idaho Power Company for an
Order Authorizing the Issuance and Sale of up to \$500,000,000 of
Applicant's First Mortgage Bonds and Debt Securities

Case No. IPC-E-13 - *05*

Dear Ms. Jewell:

Enclosed herewith for filing with the Commission are an original and four (4) copies of the above-referenced Application, 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 also be submitting its \$1,000 securities application fee to the Commission promptly in this case. Please send ten (10) certified copies of the Order issued in this matter to the undersigned.

If you have any questions regarding this application, please contact me at 388-2878.

Sincerely,

Patrick A. Harrington
Patrick A. Harrington

c: Terri Carlock

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUANCE AND)
SALE OF UP TO \$500,000,000 OF APPLICANT'S)
FIRST MORTGAGE BONDS AND DEBT)
SECURITIES)

CASE NO. IPC-E-13 - *25*

APPLICATION

Idaho Power Company (the "Applicant") hereby applies for an Order from the Idaho Public Utilities Commission (the "Commission") under Title 61, Idaho Code, Chapters 1 and 9, and Chapters 141 through 150 of the Commission's Rules of Practice and Procedure, for authority to issue and sell from time to time (a) up to \$500,000,000 aggregate principal amount of one or more series of Applicant's first mortgage bonds, which may be designated as secured medium-term notes (the "Bonds") and (b) up to \$500,000,000 aggregate principal amount of one or more series of unsecured debt securities of the Applicant (the "Debt Securities"); provided, that the total principal amount of the Bonds and Debt Securities to be issued and sold hereunder shall not exceed \$500,000,000. The Bonds and Debt Securities will be issued publicly pursuant to a shelf registration with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"), or privately pursuant to an exemption from registration under the Act, as set forth herein. Applicant requests authority to issue the Bonds and Debt Securities over a period of two years from the date of the Commission's order approving this transaction.

(a) The Applicant

The 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.

(b) Description of Securities

The Applicant will register the Bonds and Debt Securities with the SEC pursuant to Rule 415 of the Act (the "Shelf Registration"). The Shelf Registration will allow the Applicant to issue and sell one or more series of the Bonds and Debt Securities on a continuous or delayed basis if authorized by the Commission and the other state regulatory commissions having jurisdiction over the Applicant's securities. This will enable the Applicant to take advantage of attractive market conditions efficiently and rapidly. Under the Shelf Registration, the Applicant will be able to issue the Bonds and Debt Securities at different times without the necessity of filing a new registration statement.

The Shelf Registration filing may take the form of (a) a new registration statement filed by the Applicant with the SEC, (b) a new registration statement filed jointly by the Applicant and IDACORP, Inc., the parent company of the Applicant, with the SEC or (c) an amendment to the existing registration statement of IDACORP, Inc. on file with the SEC. The Applicant will determine which approach to use for the filing of the Shelf Registration based upon minimizing the cost to Idaho Power of establishing and maintaining the Shelf Registration and the issuances of securities under the Shelf Registration, and maximizing Idaho Power's flexibility for issuing the Bonds and Debt Securities under the Shelf Registration. A copy of the Shelf Registration will be filed with the Commission as Attachment I to this Application.

BONDS

The Applicant proposes to issue and sell, from time to time, up to \$500,000,000 aggregate principal amount of one or more series of the Bonds pursuant to the Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 between the Applicant and Deutsche Bank Trust Company Americas (formerly Bankers Trust Company) and Stanley Burg, as trustees (or any successor trustees), as supplemented and amended, and as to be further supplemented by one or more supplemental indentures relating to the Bonds (the "Mortgage"). The Applicant may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps, and/or swaptions. The Bonds will be secured equally with the other first mortgage bonds of the Applicant.

After the terms and conditions of the issuance and sale of the Bonds have been determined, Applicant will file a Prospectus Supplement(s) with the SEC if the Bonds are sold publicly, setting forth the series designation, aggregate principal amount of the issue, purchase price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, whether interest rate hedging arrangements will apply to the Bonds, repayment terms, redemption terms, if any, and any other special terms of the Bonds, which terms may be different for each issuance of the Bonds. The Applicant will also file a copy of the Prospectus Supplement with the Commission.

The Bonds may be designated as secured medium-term notes. The medium-term notes could have maturities from nine months to thirty years. Prior to issuing medium-term

notes publicly, the Applicant will file a prospectus supplement with the SEC setting forth the general terms and conditions of the medium-term notes to be issued. Upon each issuance of the medium-term notes pursuant to the Prospectus Supplement, the Applicant will file a Pricing Supplement with the SEC providing a specific description of the terms and conditions of each issuance of the medium-term notes, as described above. Applicant will also file a copy of the Prospectus Supplement and Pricing Supplements with the Commission.

Applicant's outstanding First Mortgage Bonds are currently rated A2 by Moody's Investors Service and A- by Standard & Poor's Ratings Services. If the Bonds are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Bonds are sold privately, it is unlikely that the Bonds will be rated.

DEBT SECURITIES

The Applicant proposes to issue and sell, from time to time, up to \$500,000,000 in aggregate principal amount of one or more series of Debt Securities. The Debt Securities will be unsecured obligations of the Applicant and will be issued under an existing or new unsecured debt indenture of the Applicant. A form of any new indenture will be included as an exhibit to a new or existing registration statement filed by IDACORP, Inc. and/or Applicant under the Act, or by supplement to such registration statement, and will be filed with the Commission as stated above. The Applicant will supplement the indenture in the future to further specify the terms and conditions of each series of Debt Securities. Such amendments will be filed with the SEC and will also be filed with the Commission. The Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps, and/or swaptions.

After the terms and conditions of the issuance and sale of the Debt Securities have been determined, the Applicant will file a Prospectus Supplement(s) with the SEC if the Debt Securities are sold publicly, setting forth the series designation, aggregate principal amount of the issue, purchase price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Debt Securities will be discounted, whether all or a portion of the Debt Securities will be issued in global form, whether the interest rate hedging arrangements will apply to the Debt Securities, repayment terms, redemption terms, if any, and any other special terms of the Debt Securities, which terms may be different for each issuance of the Debt Securities. Applicant will also file a copy of the Prospectus Supplement with the Commission.

Applicant's outstanding unsecured senior debt is currently rated Baa 1 by Moody's investors Service and BBB by Standard & Poor's Ratings Services. If the Debt Securities are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Debt Securities are sold privately, it is unlikely that the Debt Securities will be rated.

(c) Method of Issuance

The Bonds and Debt Securities may be sold by public sale or private placement, directly by the Applicant or through agents designated from time to time or through underwriters or dealers. If any agents of the Applicant or any underwriters are involved in the sale of the Bonds or Debt Securities, the names of such agents or underwriters, the initial price to the public, any applicable commissions or discounts and the net proceeds to the Applicant will be filed with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the name of the agents, the price paid by the agents, any applicable

commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission.

Agents and underwriters may be entitled under agreements entered into with the Applicant to indemnification by the Applicant against certain civil liabilities, including liabilities under the Act.

(d) Purpose of Issuance

The net proceeds to be received by the Applicant from the sale of the Bonds and/or Debt Securities will be used 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. To the extent that the proceeds from the sale of the Bonds and Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

(e) Propriety of Issue

Applicant believes and alleges the facts set forth herein disclose that the proposed issuance and sale of Bonds and Debt Securities are for a lawful object within the corporate purposes of Applicant and compatible with the public interest, 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, and are reasonably necessary or appropriate for such purposes.

(f) Financial Statements; Resolutions

Applicant has filed herewith as Attachment II its financial statements dated as of December 31, 2012 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 transaction with respect to this Application is filed as Attachment III.

(g) Proposed Order

Applicant has filed as Attachment IV a Proposed Order for adoption by the Commission if this Application is granted.

(h) Notice of Application

Notice of this Application will be published in those newspapers in the Applicant's service territory listed in Section 24.19 of the Commission's Rules within seven (7) days after the date hereof.

PRAYER

WHEREFORE, Applicant respectfully requests that the Idaho Public Utilities Commission issue its Order herein authorizing Applicant to issue and sell for the purposes herein set forth up to \$500,000,000 aggregate principal amount of one or more series of its Bonds and up to \$500,000,000 aggregate principal amount of its Debt Securities; provided, that the total principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$500,000,000.

DATED at Boise, Idaho this 8TH day of March, 2013.

IDAHO POWER COMPANY
By: 
Steven R. Keen
Sr. Vice President-Finance
and Treasurer

(CORPORATE SEAL)

ATTEST:

Patrick A. Harrington

Patrick A. Harrington

Secretary

Idaho Power Company

1221 W. Idaho Street

P.O. Box 70

Boise, Idaho 83707-0070

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUANCE AND) CASE NO. IPC-E-13-____
SALE OF UP TO \$500,000,000 OF APPLICANT'S))
FIRST MORTGAGE BONDS AND DEBT) PROPOSED ORDER
SECURITIES)

This matter is before the Commission upon the Application of Idaho Power Company ("Applicant") filed March __, 2013, for authority to issue and sell from time to time (a) up to \$500,000,000 aggregate principal amount of one or more series of Applicant's first mortgage bonds, which may be designated as secured medium-term notes ("Bonds") and (b) up to \$500,000,000 aggregate principal amount of one or more series of unsecured debt securities of the Applicant ("Debt Securities"); provided however, that the total principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$500,000,000. The Commission, having fully considered the Application and attached exhibits, its files and records relating to the Application and the applicable laws and rules, now makes the following:

FINDINGS OF FACT

I.

The Commission has jurisdiction pursuant to Title 61, Idaho Code, Chapters one and nine.

II.

The Applicant is incorporated under the laws of the State of Idaho and is qualified to do business in the states of Oregon, Nevada, Montana and Wyoming in connection with its utility business, with its principal office in Boise, Idaho.

III.

The Applicant seeks authority to issue and sell, from time to time, (a) up to \$500,000,000 aggregate principal amount of one or more series of the Bonds under its Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 as supplemented and amended, and as to be further supplemented and amended ("Mortgage"), and (b) up to \$500,000,000 aggregate principal amount of one or more series of Debt Securities under an unsecured debt indenture of Applicant; provided, that the total principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$500,000,000.

IV.

The Applicant has filed a registration statement for the Bonds and Debt Securities with the Securities and Exchange Commission ("SEC") pursuant to the shelf registration provisions of Rule 415 of the Securities Act of 1933, as amended. This will enable the Applicant to take advantage of attractive market conditions efficiently and rapidly. Under the shelf registration, the Applicant will be able to issue the Bonds and/or Debt Securities at different times without the necessity of filing a new registration statement. The Applicant requests authority to issue the Bonds and/or Debt Securities over a period of two years from the date of this Order.

V.

The Bonds will be issued pursuant to one or more supplemental indentures to the Mortgage and will be secured equally with the other first mortgage bonds of the Applicant. The Applicant may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps, and/or swaptions. The Applicant states that price or

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prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, whether interest rate hedging arrangements will apply to the Bonds, repayment terms, redemption terms, if any, and any other special terms of the Bonds have not yet been determined and may be different for each issuance of the Bonds.

VI.

The Bonds may be designated as secured medium-term notes. The medium-term notes could have maturities from nine months to thirty years. Before issuing medium-term notes publicly, the Applicant will file a Prospectus Supplement with the SEC setting forth the general terms and conditions of the medium-term notes to be issued. Upon each issuance of the medium-term notes pursuant to the Prospectus Supplement, the Applicant will file a Pricing Supplement with the SEC providing a specific description of the terms and conditions of each issuance of the medium-term notes, as described in paragraph V above. The Applicant will also file a copy of the Prospectus Supplement and Pricing Supplements with the Commission.

VII.

The Debt Securities will be unsecured obligations of the Applicant and will be issued under an existing or new unsecured debt indenture of the Applicant. The Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars treasury options, forward starting interest rate swaps, and/or swaptions. The Applicant states that price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest,

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PROPOSED ORDER - 3

whether all or a portion of the Debt Securities will be discounted, whether all or a portion of the Debt Securities will be issued in global form, whether interest rate hedging arrangements will apply to the Debt Securities, repayment terms, redemption terms, if any, and any other special terms of the Debt Securities have not yet been determined and may be different for each issuance of the Debt Securities.

VIII.

Applicant states that the Bonds and/or Debt Securities may be sold by public sale or private placement, directly by the Applicant or through agents designated from time to time or through underwriters or dealers. If any agents of the Applicant or any underwriters are involved in the sale of the Bonds and/or Debt Securities, the names of such agents or underwriters, the initial price to the public (if applicable), any applicable commissions or discounts, and the net proceeds to the Applicant will be filed by the Applicant with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the names of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission.

IX.

The net proceeds to be received by the Applicant from the sale of the Bonds and/or Debt Securities will be used 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. To the extent that the proceeds from the sale of the Bonds or Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

CONCLUSIONS OF LAW

I.

Applicant is incorporated under the State of Idaho and is duly authorized to do business in the states of Oregon, Nevada, Montana and Wyoming in connection with its utility operations.

II.

The Commission has jurisdiction over this Application.

III.

The Commission does not have before it for determination and, therefore, does not determine the effect of the Bonds and/or Debt Securities on rates to be charged by Applicant for electric service to consumers in the State of Idaho.

IV.

The proposed issuance and sale of the Bonds and/or Debt Securities are for a lawful purpose and are within Applicant's corporate powers. The proposed transaction is in the public interest, and a formal hearing on this matter would serve no public purpose.

V.

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

ORDER

IT IS THEREFORE ORDERED that the Application of Idaho Power Company to issue and sell from time to time (a) up to \$500,000,000 aggregate principal amount of one or more series of the Bonds and (b) up to \$500,000,000 aggregate principal amount of one or more series of the Debt Securities in the ways and for the purposes set forth in its Application be, and

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PROPOSED ORDER - 5

the same is hereby granted; provided, that the total principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$500,000,000. This authorization shall be for two years from the date of this order. Applicant may request an extension of this authorization by letter filed with the Commission prior to the expiration of such two-year period.

IT IS FURTHER ORDERED that Applicant notify the Commission by letter within seven (7) days (or as soon as possible, if the required information is not available within seven (7) days) before the issuance of the Bonds and/or Debt Securities of the likely range of interest rates and other terms for the securities, unless, in the case of Bonds, the Bonds are issued as medium-term notes.

IT IS FURTHER ORDERED that Applicant file, as promptly as possible after the issuance of each series of Bonds, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission. If the Applicant issues Bonds designated as medium-term notes, the Applicant's reporting requirements shall consist of filing with the Commission a copy of the Prospectus Supplement for the medium-term notes as filed with the SEC. The Applicant shall also file with the Commission a copy of the Pricing Supplements filed with the SEC, setting forth the specific terms and conditions for each issuance of the medium-term notes.

IT IS FURTHER ORDERED that Applicant file, as promptly as possible after the issuance of each series of Debt Securities, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission.

IT IS FURTHER ORDERED that nothing in this order shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, repurchased, defeased or guaranteed under the provisions of this order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluation, estimates or determination of costs, 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 the issuance of this order does not constitute acceptance of Idaho Power Company's exhibits or other material accompanying this Application for any purpose other than the issuance of this order.

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

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

MACK A. REDFORD, COMMISSIONER

ATTEST:

JEAN D. JEWELL
Commission Secretary

ATTACHMENT II(a)

IDAHO POWER COMPANY
BALANCE SHEET
AS OF DECEMBER 31, 2012

ASSETS

| | Actual | Adjustments | After Adjustments |
|--|-------------------------|-----------------------|-------------------------|
| Electric Plant : | | | |
| In service (at original cost)..... | \$ 4,915,771,669 | | \$ 4,915,771,669 |
| Accumulated provision for depreciation..... | (1,703,158,911) | | (1,703,158,911) |
| In service - Net..... | 3,212,612,758 | | 3,212,612,758 |
| Construction work in progress..... | 298,470,440 | | 298,470,440 |
| Held for future use..... | 7,101,304 | | 7,101,304 |
| Electric plant - Net..... | 3,518,184,502 | | 3,518,184,502 |
| Investments and Other Property: | | | |
| Nonutility property..... | 1,462,166 | | 1,462,166 |
| Investment in subsidiary companies | 93,649,500 | | 93,649,500 |
| Other..... | 33,033,619 | | 33,033,619 |
| Total investments and other property..... | 128,145,285 | | 128,145,285 |
| Current Assets: | | | |
| Cash and cash equivalents..... | 17,251,243 | \$ 500,000,000 | 517,251,243 |
| Receivables: | | | |
| Customer..... | 66,110,553 | | 66,110,553 |
| Other..... | 20,618,028 | | 20,618,028 |
| Accrued unbilled revenues..... | 2,559,830 | | 2,559,830 |
| Materials and supplies (at average cost)..... | 51,448,038 | | 51,448,038 |
| Fuel stock (at average cost)..... | 51,037,172 | | 51,037,172 |
| Prepayments..... | 42,388,239 | | 42,388,239 |
| Taxes receivable..... | 12,688,220 | | 12,688,220 |
| Deferred income taxes..... | 48,774,460 | | 48,774,460 |
| Regulatory assets | 30,077,667 | | 30,077,667 |
| Other..... | 4,949,298 | | 4,949,298 |
| Total current assets..... | 347,902,748 | 500,000,000 | 847,902,748 |
| Deferred Debits: | | | |
| American Falls and Milner water rights..... | 17,909,121 | | 17,909,121 |
| Company owned life insurance..... | 22,646,079 | | 22,646,079 |
| Regulatory assets..... | 1,132,959,702 | | 1,132,959,702 |
| Other..... | 47,963,854 | | 47,963,854 |
| Total deferred debits..... | 1,221,478,756 | | 1,221,478,756 |
| Total..... | \$ 5,215,711,291 | \$ 500,000,000 | \$ 5,715,711,291 |

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

IDAHO POWER COMPANY
BALANCE SHEET
AS OF DECEMBER 31, 2012

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..... | | | 712,257,435 | | 712,257,435 |
| Capital stock expense..... | | | (2,096,924) | | (2,096,924) |
| Retained earnings..... | | | 834,731,757 | | 834,731,757 |
| Accumulated other comprehensive income..... | | | (17,115,669) | | (17,115,669) |
| Total equity capital..... | | | 1,625,653,629 | | 1,625,653,629 |
| Long-Term Debt: | | | | | |
| First mortgage bonds | | | 1,273,936,363 | \$ 500,000,000 | 1,773,936,363 |
| Pollution control revenue bonds | | | 170,460,000 | | 170,460,000 |
| American Falls bond and Milner note guarantees | | | 25,203,182 | | 25,203,182 |
| Unamortized discount on long-term debt (Dr)..... | | | (2,967,860) | | (2,967,860) |
| Total long-term debt..... | | | 1,466,631,685 | 500,000,000 | 1,966,631,685 |
| Current Liabilities: | | | | | |
| Long-term debt due within one year..... | | | 71,063,637 | | 71,063,637 |
| Accounts payable | | | 89,650,962 | | 89,650,962 |
| Notes and accounts payable to related parties..... | | | 252,507 | | 252,507 |
| Interest accrued..... | | | 22,310,601 | | 22,310,601 |
| Accrued compensation..... | | | 42,281,799 | | 42,281,799 |
| Current regulatory liabilities..... | | | 30,276,595 | | 30,276,595 |
| Other..... | | | 23,813,546 | | 23,813,546 |
| Total current liabilities..... | | | 279,649,647 | | 279,649,647 |
| Deferred Credits: | | | | | |
| Regulatory liabilities associated with accumulated deferred investment tax credits | | | 79,896,604 | | 79,896,604 |
| Deferred income taxes..... | | | 1,001,877,358 | | 1,001,877,358 |
| Regulatory liabilities..... | | | 275,465,546 | | 275,465,546 |
| Pension and other postretirement benefits..... | | | 423,408,767 | | 423,408,767 |
| Other..... | | | 63,128,055 | | 63,128,055 |
| Total deferred credits..... | | | 1,843,776,330 | | 1,843,776,330 |
| Total..... | | | \$ 5,215,711,291 | \$ 500,000,000 | \$ 5,715,711,291 |

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

Entry No. 1

| | | | |
|---------------------------|----|-------------|----------------|
| Cash..... | \$ | 500,000,000 | |
| First mortgage bonds..... | | | \$ 500,000,000 |

To record the proposed issuance of first mortgage bonds and receipt of cash

Other

IDAHO POWER COMPANY
CONDENSED NOTES TO FINANCIAL STATEMENTS
As of December 31, 2012

1. MANAGEMENT ESTIMATES

Management makes estimates and assumptions when preparing financial statements in conformity with generally accepted accounting principles (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 that mature within 90 days of the date of acquisition.

4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Customer receivables are recorded at the invoiced amounts and do not bear interest. A late payment fee of one percent may be assessed on account balances after 30 days. An allowance is recorded for potential uncollectible accounts. The allowance is reviewed periodically and adjusted based upon a combination of historical write-off experience, aging of accounts receivable, and an analysis of specific customer accounts. Adjustments are charged to income. Customer accounts receivable balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

Other receivables, primarily notes receivable from business transactions, are also reviewed for impairment periodically, based upon transaction-specific facts. When it is probable that Idaho Power will be unable to collect all amounts due according to the contractual terms of the agreement, an allowance is established for the estimated uncollectible portion of the receivable and charged to income.

There were no impaired receivables without related allowances at December 31, 2012 and 2011. Once a receivable is determined to be impaired, any further interest income recognized is fully reserved.

5. 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 unless they are designated as normal purchases and normal sales. Idaho Power's physical forward contracts are designated as normal purchases and normal sales with the exception of forward contracts for the purchase of natural gas for use at

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

Idaho Power's natural gas generation facilities. The objective of Idaho Power's 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.

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 year-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 Complex relicensing project. Cash collected under this ratemaking mechanism is not recorded as revenue but is instead recorded as a regulatory liability.

7. 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 2.75 percent in 2012, 2.83 percent in 2011, and 2.84 percent in 2010.

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 2012, 2011, or 2010.

8. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

AFUDC represents the cost of financing construction projects with borrowed funds and equity funds. With one exception, as discussed above for the Hells Canyon Complex relicensing project, 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 total interest expense. Idaho Power's weighted-average monthly AFUDC rates for 2012, 2011, and 2010 were 7.7 percent, 7.8 percent, and 8.0 percent, respectively.

9. INCOME TAXES

Idaho Power accounts 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 (commonly referred to as normalized accounting), 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. In general, deferred income tax expense or benefit for a reporting period is recognized as the change in deferred tax assets and liabilities at the beginning and end of the period. 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 unless Idaho Power's primary regulator, the Idaho Public Utilities Commission (IPUC), orders direct deferral of the effect of the change in tax rates over a longer period of time.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

Consistent with orders and directives of the IPUC, unless contrary to applicable income tax guidance, Idaho Power does not provide deferred income taxes for certain income tax temporary differences and instead recognizes the tax impact currently (commonly referred to as flow-through accounting) for rate making and financial reporting. Therefore, Idaho Power's effective income tax rate is impacted as these differences arise and reverse. 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.

In compliance with the federal income tax requirements for the use of accelerated tax depreciation, Idaho Power provides deferred income taxes related to its plant assets for the difference between income tax depreciation and book depreciation used for financial statement purposes. Deferred income taxes are provided for other temporary differences unless accounted for using flow-through.

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.

10. 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. The following table presents Idaho Power's accumulated other comprehensive loss balance at December 31 (net of tax):

| | 2012 |
|---|-------------|
| Unrealized holding gains on available-for-sale securities | \$ 4,136 |
| Senior Management Security Plan | (21,252) |
| Total | \$ (17,116) |

11. OTHER ACCOUNTING POLICIES

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

12. FINANCING

Credit Facilities

Idaho Power has a \$300 million credit facility which may be used for general corporate purposes and commercial paper backup. Idaho Power's credit facility consists of a revolving line of credit, through the issuance of loans and standby letters of credit, not to exceed the aggregate principal amount at any one time outstanding of \$300 million, including swingline loans in an aggregate principal amount at any time outstanding not to exceed \$30 million. Idaho Power has the right to request an increase in the aggregate principal amount of the facility to \$450 million subject to certain conditions.

The interest rates for any borrowings under the facility is based on either (1) a floating rate that is equal to the highest of the prime rate, federal funds rate plus 0.5 percent, or LIBOR rate plus 1.0 percent, or (2) the LIBOR rate, plus, an applicable margin. The margin is based on Idaho Power's senior unsecured long-term indebtedness credit rating by Moody's Investors Service, Inc., Standard and Poor's Ratings Services, and Fitch Rating Services, Inc., as set forth on a schedule to the credit agreements. Idaho Power pays a facility fee on the commitment based on the company's credit rating for senior unsecured long-term debt securities. While the credit facilities provide for an original maturity date of October 26, 2016, the credit agreements grant Idaho Power the right to request up to two one-year extensions, subject to certain conditions. On October 12, 2012, Idaho Power executed First Extension Agreement with each of the lenders, extending the maturity dates under both agreements to October 26, 2017.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

At December 31, 2012, no amounts were outstanding under Idaho Power's facility. At December 31, 2012, Idaho Power had regulatory authority to incur up to \$450 million principal amount of short-term indebtedness at any one time outstanding. Balances (in thousands of dollars) and interest rates of Idaho Power's short-term borrowings were as follows at December 31:

| | 2012 |
|---------------------------------------|----------|
| Commercial paper balances: | |
| At the end of year | \$ - |
| Average during the year | \$ 3,578 |
| Weighted-average interest rate | |
| At the end of the year | -% |

Long-Term Financing:

In May 2010, Idaho Power registered with the SEC the issuance of 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. In August 2010, Idaho Power issued \$100 million of 3.40% first mortgage bonds, medium-term notes, Series I maturing in August 2020, and \$100 million of 4.85% first mortgage bonds, medium-term notes, Series I maturing in August 2040. On April 13, 2012, Idaho Power issued \$75 million of 2.95% first mortgage bonds, medium-term notes, Series I, maturing on April 1, 2022, and \$75 million of 4.30% first mortgage bonds, medium-term notes, Series I, maturing on April 1, 2042. The first mortgage bonds were issued under Idaho Power's shelf registration statement. As a result of these issuances, as of December 31, 2012, \$150 million remained on Idaho Power's shelf registration for the issuance of first mortgage bonds and debt securities.

In May 2012, Idaho Power used a portion of the net proceeds of the April 2012 sale of first mortgage bonds, medium-term notes to effect the early redemption in full of its \$100 million of 4.75% first mortgage bonds, medium-term notes due November 2012.

Mortgage: As of December 31, 2012, 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 \$1.4 billion of additional first mortgage bonds based on retired first mortgage bonds and total unfunded property additions. 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.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

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 billion 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

As a regulated utility, many of Idaho Power's fundamental business decisions are subject to the approval of governmental agencies, including the prices that Idaho Power is authorized to charge for its electric service. These approvals are a critical factor in determining Idaho Power's results of operations and financial condition.

Regulatory Assets and Liabilities

Regulatory assets represent incurred costs that have been deferred because it is probable they will be recovered through future rates collected from customers. Regulatory liabilities represent obligations to make refunds to customers for previous collections, except for cost of removal (which represents the cost of removing future electric assets). The following table presents a summary of Idaho Power's regulatory assets and liabilities (in thousands of dollars):

| Description | Remaining Amortization Period | Earning a Return (1) | | Total |
|--|-------------------------------|----------------------|----------------------|---------------------|
| | | Earning a Return | Not Earning a Return | |
| Regulatory Assets: | | | | |
| Income taxes | | \$ - | \$ 677,795 | \$ 677,795 |
| Unfunded postretirement benefits (2) | | - | 308,850 | 308,850 |
| Pension expense deferrals | | 50,036 | 14,959 | 64,995 |
| Energy efficiency program costs | | 17,085 | - | 17,085 |
| Power supply costs | Varies | 60,680 | - | 60,680 |
| Fixed cost adjustment | 2013-2014 | 13,418 | - | 13,418 |
| Asset retirement obligations | | - | 15,411 | 15,411 |
| Mark-to-market liabilities | | - | 1,055 | 1,055 |
| Other | 2013-2021 | 1,202 | 2,547 | 3,749 |
| Total | | \$ 142,421 | \$ 1,020,617 | \$ 1,163,038 |
| Regulatory Liabilities: | | | | |
| Income taxes | | \$ - | \$ 55,085 | \$ 55,085 |
| Removal costs | | - | 168,651 | 168,651 |
| Investment tax credits | | - | 79,897 | 79,897 |
| Deferred revenue-AFUDC | | 29,404 | 16,269 | 45,673 |
| Energy efficiency program costs | | 4,130 | - | 4,130 |
| Power supply costs | Varies | 17,778 | - | 17,778 |
| Settlement agreement sharing mechanism | 2013-2014 | 7,151 | - | 7,151 |
| Mark-to-market assets | | - | 4,579 | 4,579 |
| Other | | 2,439 | 256 | 2,695 |
| Total | | \$ 60,902 | \$ 324,737 | \$ 385,639 |

⁽¹⁾ Earning a return includes either interest or a return on the investment as a component of rate base at the allowed rate of return.

⁽²⁾ Represents the unfunded obligation of Idaho Power's pension and postretirement benefit plans.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

Idaho Power's regulatory assets and liabilities are amortized over the period in which they are reflected in customer rates. In the event that recovery of Idaho Power's costs through rates becomes unlikely or uncertain, regulatory accounting would no longer apply to some or all of Idaho Power's operations and the items above may represent stranded investments. If not allowed full recovery of these items, Idaho Power would be required to write off the applicable portion, which could have a significant financial impact.

Power Cost Adjustment Mechanisms and Deferred Power Supply Costs

In both its Idaho and Oregon jurisdictions, Idaho Power's power cost adjustment (PCA) mechanisms address the volatility of power supply costs and provide for annual adjustments to the rates charged to its retail customers. The PCA mechanisms compare Idaho Power's actual and forecast net power supply costs (primarily fuel and purchased power less off-system sales) against net power supply costs currently being recovered in retail rates. Under the PCA mechanisms, certain differences between actual net power supply costs incurred by Idaho Power and the costs included in retail rates are recorded as a deferred charge or credit on the balance sheets for future recovery or refund through retail rates. The power supply costs deferred primarily result from changes in wholesale market prices and transaction volumes, changes in contracted power purchase prices and volumes (including PURPA power purchases), and the levels of hydroelectric and thermal generation.

Idaho Jurisdiction Power Cost Adjustment Mechanism: In the Idaho jurisdiction, the annual PCA adjustments consist of (a) a forecast component, based on a forecast of net power supply costs in the coming year as compared to net power supply costs in base rates; and (b) a true-up component, based on the difference between the previous year's actual net power supply costs and the previous year's forecast. The latter 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 Idaho PCA mechanism also includes:

- a cost or benefit sharing ratio that allocates the deviations in net power supply expenses between customers (95 percent) and shareholders (5 percent), with the exception of expenses associated with PURPA power purchases, which are allocated 100 percent to customers;
- a load change adjustment rate (LCAR), which is intended to eliminate recovery of power supply expenses already collected in rates associated with load changes resulting from changing weather conditions, a growing customer base, or changing customer use patterns; and
- third-party transmission expenses (paid to third parties to facilitate wholesale purchases and sales of energy) as a component of net power supply costs for purposes of calculating the PCA.

The table below summarizes Idaho PCA rate adjustments during each of the years ended December 31, 2012, 2011, and 2010.

| Effective Date | \$ Change (millions) | Notes |
|----------------|----------------------|---|
| June 1, 2012 | \$ 43.0 | The PCA rate increase was offset by \$27.1 million to be shared with customers pursuant to the revenue sharing order described below, resulting in a net rate increase of \$15.9 million for these orders. |
| June 1, 2011 | \$ (40.4) | The reduction to Idaho PCA rates was net of \$10.0 million of Idaho Power's energy efficiency rider deferral balance that the IPUC authorized for recovery in Idaho Power's Idaho PCA rates. |
| June 1, 2010 | \$ (146.9) | The IPUC's order was made in conjunction with a January 2010 rate settlement agreement described below. Concurrent with the PCA rate decrease, the IPUC authorized an \$88.7 million increase in base rates, \$63.7 million of which was related to power supply costs. |

Oregon Jurisdiction Power Cost Adjustment Mechanism: Idaho Power's power cost recovery mechanism in Oregon has two components: an annual power cost update (APCU) and a 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

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

upcoming water year. 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 Idaho Power's actual return on equity (ROE) for the year is no greater than 100 basis points below Idaho Power's last authorized ROE. A refund to customers will occur only to the extent that Idaho Power's actual ROE for that year is no less than 100 basis points above Idaho Power's last authorized ROE. Oregon jurisdiction power supply cost changes under the APCU and PCAM during each of the three years ended December 31, 2012, 2011, and 2010 are summarized in the table that follows.

| Year and Mechanism | APCU or PCAM Adjustment |
|--------------------|---|
| 2012 PCAM | Idaho Power estimates that actual net power supply costs were within the deadband, which would result in no deferral. |
| 2012 APCU | A rate increase of \$1.8 million annually took effect June 1, 2012. |
| 2011 PCAM | Actual net power supply costs were below the deadband, which would have resulted in a \$1.5 million deferral. However, Oregon-jurisdiction earnings were below the ROE threshold described above, resulting in no deferral. |
| 2011 APCU | A rate decrease of \$2.2 million annually took effect June 1, 2011. |
| 2010 PCAM | Actual net power supply costs were within the deadband, resulting in no deferral. |
| 2010 APCU | A rate increase of \$2.6 million annually took effect June 1, 2010. |

Idaho Regulatory Matters

2011 Idaho General Rate Case Settlement: On June 1, 2011, Idaho Power filed a general rate case with the IPUC requesting approximately \$82.6 million in additional Idaho jurisdiction annual revenues through base rates. On September 23, 2011, Idaho Power, the IPUC Staff, and other interested parties filed a settlement stipulation with the IPUC resolving most of the key contested issues in the Idaho general rate case, and on December 30, 2011 the IPUC issued an order approving the settlement stipulation. The settlement stipulation approved by the December 2011 order provided for a 7.86 percent authorized rate of return on an Idaho-jurisdiction rate base of approximately \$2.36 billion. The approved settlement stipulation resulted in a 4.07 percent, or \$34.0 million, overall increase in Idaho Power's annual Idaho-jurisdiction base rate revenues, effective January 1, 2012. Neither the order nor the settlement stipulation specified an authorized rate of return on equity and did not impose a moratorium on Idaho Power's filing a general rate case at a future date.

In addition to a base rate increase, the settlement stipulation addressed Idaho Power's calculation of the load change adjustment rate (LCAR) to be applied in Idaho Power's PCA mechanism. The LCAR is intended to eliminate recovery of power supply expenses already collected in rates associated with load changes resulting from changing weather conditions, a growing customer base, or changing customer use patterns. The LCAR adjusts power supply cost recovery within the Idaho-jurisdiction PCA formula upwards or downwards for differences between actual load and the load used in calculating base rates. The settlement stipulation provided for a LCAR of \$18.16 per megawatt-hour, effective January 1, 2012, compared to the rate of \$19.67 per megawatt-hour in effect prior to that date.

January 2010 Idaho Settlement Agreement: In January 2010, the IPUC approved a settlement agreement among Idaho Power, several of Idaho Power's customers, the IPUC Staff, and other interested parties. Significant elements of the settlement agreement included:

- a specified distribution of the reduction in 2010 PCA that would reduce customer rates, provide up to a \$25 million general increase in annual base rates, and reset base power supply costs for the PCA, effective with the June 1, 2010 PCA rate change;

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

- a provision to share with Idaho customers 50 percent of any Idaho-jurisdiction earnings in excess of a 10.5 percent return on equity in any calendar year from 2009 to 2011; and
- a provision to allow the additional amortization of accumulated deferred investment tax credits (ADITC) if Idaho Power's Idaho-jurisdiction rate of return on year-end equity (Idaho ROE) is below 9.5 percent in any calendar year from 2009 to 2011. Idaho Power was permitted to amortize additional ADITC in an amount up to \$45 million over the three-year period, but could use no more than \$15 million in any one year unless there is a carryover. Carryover amounts were added to the \$15 million annual allowance up to a maximum amortization of \$25 million in any one year.

In April 2010, Idaho Power filed its annual application with the IPUC to implement new PCA rates to be effective June 1, 2010 through May 31, 2011, and to change base rates, pursuant to the terms of the January 2010 Idaho settlement agreement. In May 2010, the IPUC issued its order approving a \$146.9 million decrease in the PCA, along with a base rate increase of \$88.7 million, effective June 1, 2010. The \$88.7 million base rate increase reflects a \$63.7 million increase in base power supply costs and a \$25 million increase in base rates.

Because Idaho Power's actual Idaho ROE was between 9.5 and 10.5 percent in 2009 and 2010, the sharing and amortization provisions of the January 2010 settlement agreement were not triggered. However, recognition of income tax benefits in 2011 had a significant impact on Idaho Power's actual Idaho ROE and contributed to the triggering of the sharing mechanism for 2011. In accordance with the terms of the settlement agreement, Idaho Power recorded a \$27.1 million reduction in revenue and regulatory liability in 2011, reflecting 50 percent of Idaho Power's 2011 Idaho-jurisdiction earnings above a 10.5 percent Idaho ROE to be shared with Idaho customers.

December 2011 Idaho Settlement Agreement: The sharing and ADITC amortization provisions of the January 2010 settlement agreement terminated on December 31, 2011. On December 27, 2011, the IPUC issued an order, separate from the general rate case proceeding, approving a settlement stipulation that had been executed by Idaho Power, the IPUC Staff, and one large industrial customer of Idaho Power extending, with modifications, some of the provisions of the January 2010 settlement agreement. The settlement stipulation provided that:

- if Idaho Power's actual Idaho ROE for 2012, 2013, or 2014 is less than 9.5 percent, then Idaho Power may amortize additional ADITC to help achieve a minimum 9.5 percent Idaho ROE in the applicable year. Idaho Power would be permitted to amortize additional ADITC in an aggregate amount up to \$45 million over the three-year period, but could use no more than \$25 million in 2012;
- if Idaho Power's actual Idaho ROE for 2012, 2013, or 2014 exceeds 10.0 percent, the amount of Idaho Power's Idaho-jurisdiction earnings exceeding a 10.0 percent and up to and including a 10.5 percent Idaho ROE for the applicable year would be shared equally between Idaho Power and its Idaho customers in the form of a rate reduction to become effective at the time of the subsequent year's PCA adjustment; and
- if Idaho Power's actual Idaho ROE for 2012, 2013, or 2014 exceeds 10.5 percent, the amount of Idaho Power's Idaho jurisdictional earnings exceeding a 10.5 percent Idaho ROE for the applicable year would be allocated 75 percent to Idaho Power's Idaho customers as a reduction to the pension regulatory asset and 25 percent to Idaho Power.

The December 2011 settlement stipulation provides that the return on year-end equity thresholds (9.5 percent, 10.0 percent, and 10.5 percent) will be automatically adjusted prospectively in the event the IPUC approves a change to Idaho Power's authorized return on equity as part of a general rate case proceeding seeking a rate change effective prior to January 1, 2015. The automatic adjustments would be as follows: (a) the 9.5 percent return on year-end equity trigger in the settlement stipulation would be replaced by the percentage equal to 95 percent of the new authorized return on equity, (b) the 10.0 percent return on year-end equity trigger in the settlement stipulation would be re-established at the new authorized return on equity amount, and (c) the 10.5 percent return on year-end equity trigger in the settlement stipulation would be replaced by the percentage equal to 105 percent of the new authorized return on equity.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

In consideration of these terms, the December 2011 settlement stipulation further provided that Idaho Power would allocate to customers as a reduction to the pension regulatory asset 75 percent of Idaho Power's own share of 2011 Idaho jurisdictional earnings over a 10.5 percent Idaho ROE.

Revenue Sharing Under January 2010 and December 2011 Idaho Settlement Agreements: On May 31, 2012, the IPUC issued an order approving Idaho Power's request to share revenues under the January 2010 and December 2011 settlement agreements. Idaho Power recorded in 2011 a \$27.1 million reduction to revenue for amounts to be refunded to customers and a \$20.3 million pre-tax charge to pension expense and an associated decrease in deferred pension regulatory asset, representing the additional amount to be allocated to Idaho customers (reducing Idaho customers' future obligation). The refund is being applied to the PCA rates in effect from June 1, 2012 to May 31, 2013.

Idaho Power's 2012 Idaho ROE exceeded 10.5 percent, triggering the sharing mechanism of the December 2011 settlement stipulation. For 2012, Idaho Power recorded a \$7.2 million provision against current revenues, to be refunded to customers through a future rate reduction, and an additional \$14.6 million of pension expense, to benefit Idaho customers by reducing the amount of deferred pension expense that will be collected from customers in the future.

Fixed Cost Adjustment: The fixed cost adjustment (FCA) began as a pilot program for Idaho Power's Idaho residential and small general service customers, with a term from 2007 through 2009. The FCA is 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 is adjusted each year to collect, or refund, the difference between the allowed fixed-cost recovery amount and the actual fixed costs recovered by Idaho Power during the year. In April 2010, the IPUC approved a two-year extension of the FCA pilot program, effective retroactive to January 1, 2010, through December 31, 2011, and in March 2012 the IPUC issued an order approving the FCA as a permanent program. The order also maintained the existing cap on the FCA of no more than 3 percent of base revenue, with any excess deferred for collection in a subsequent year. The IPUC noted in its order, however, that the FCA does not isolate or identify changes in cost recovery associated solely with Idaho Power's energy efficiency programs, and instead responds to all changes in load, and directed Idaho Power to file with the IPUC a proposal to adjust the FCA. On September 28, 2012, Idaho Power submitted a compliance filing and motion to the IPUC requesting that the IPUC approve the FCA methodology used during the pilot program, without change, or an alternative methodology proposed by Idaho Power. On January 31, 2013, the IPUC issued an order stating that the FCA will continue unchanged, but that the IPUC will continue to monitor the FCA results annually.

On May 8, 2012, the IPUC issued an order authorizing Idaho Power to increase its annual FCA collection to \$10.3 million for the period from June 1, 2012 to May 31, 2013. The following table summarizes FCA rate adjustments since inception:

| FCA Year | Period rates in effect | Annual Amount (in millions) |
|----------|---------------------------|--------------------------------|
| 2011 | June 1, 2012-May 31, 2013 | \$10.3 |
| 2010 | June 1, 2011-May 31, 2012 | \$9.3 |
| 2009 | June 1, 2010-May 31, 2011 | \$6.3 |
| 2008 | June 1, 2009-May 31, 2010 | \$2.7 |

As of December 31, 2012, Idaho Power had a \$13.4 million regulatory asset associated with the FCA.

Cost Recovery for Langley Gulch Power Plant: On March 2, 2012, Idaho Power filed an application with the IPUC requesting an increase in annual Idaho-jurisdiction base rates of \$59.9 million for recovery of Idaho Power's investment and associated costs for the Langley Gulch power plant, which became commercially available on June 29, 2012. Idaho Power's application stated that its estimated investment in the plant through June 2012 was approximately \$398 million. After the impact of depreciation, deferred income taxes, amounts currently included in rates, and an Idaho-jurisdictional cost allocation, Idaho Power's application

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

requested a \$336.7 million increase in Idaho-jurisdiction rate base. Idaho Power's requested base rate increase was based on an overall rate of return of 7.86 percent, as authorized by a prior IPUC order. On June 29, 2012, the IPUC issued an order approving a \$58.1 million increase in annual Idaho-jurisdiction base rates, effective July 1, 2012. The order also provided for a \$335.9 million increase in Idaho rate base. Inclusion of the Langley Gulch power plant in Idaho Power's power supply portfolio also resulted in a change in Idaho Power's power supply cost assumptions. Accordingly, in the Langley Gulch order the IPUC also updated Idaho Power's LCAR to \$17.64 per MWh, effective July 1, 2012.

Defined Benefit Pension Plan Contribution Recovery: Idaho Power defers its Idaho-jurisdiction pension expense as a regulatory asset until recovered from Idaho customers. As of December 31, 2012, Idaho Power's deferral balance associated with the Idaho-jurisdiction was \$62.9 million. Deferred pension costs are expected to be amortized to expense to match the revenues received when contributions are recovered through rates. Idaho Power only records a carrying charge on the unrecovered balance of cash contributions. Idaho Power has made substantial contributions to its defined benefit pension plan in recent years. The single largest contribution occurred in September 2010, when Idaho Power elected to make a \$60 million contribution to its defined benefit pension plan, rather than the minimum required funding amount. The amount contributed over the minimum required contribution was intended to bring the defined benefit pension plan to a more funded position, potentially reducing future required contributions and 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 then-current amount of \$5.4 million to approximately \$17.1 million annually. On May 19, 2011, the IPUC approved Idaho Power's application, with new rates effective on June 1, 2011. In September 2011, Idaho Power contributed an additional \$18.5 million to its defined benefit pension plan and during 2012 contributed \$44.3 million.

The order issued by the IPUC pertaining to the December 2011 Idaho settlement agreement described above provided that Idaho Power's allocation to customers of 75 percent of Idaho Power's share of 2011 Idaho ROE over 10.5 percent would be in the form of a \$20.3 million reduction to Idaho Power's pension regulatory asset to reduce the future customer obligation.

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. Typically, a majority of energy efficiency activities are funded through a rider mechanism on customer bills. Program expenditures are reported as an operating expense with an equal amount of revenues recorded in other revenues, resulting in no impact on earnings. The cumulative variance between expenditures and amounts collected through the rider is recorded as a regulatory asset or liability pending future collection from or obligation to customers. In the 2012 PCA filing, \$14.5 million of certain demand response program costs were shifted from the rider mechanism to the PCA mechanism, as these costs are closely related to and directly impact the other power supply costs collected through the PCA.

On March 15, 2012, Idaho Power filed an application with the IPUC requesting an order designating Idaho Power's 2011 demand-side management expenditures of \$42.6 million as prudently incurred. On October 22, 2012 and December 11, 2012, the IPUC issued orders approving as prudently incurred \$42.5 million of demand-side management expenditures, and deferring a portion of Idaho Power's additional requested amount for further review. Of Idaho Power's 2011 demand-side management expenditures, approximately \$36 million were funded through a rider mechanism on customer bills and approximately \$7 million were recorded as a regulatory asset. As of December 31, 2012, the Idaho energy efficiency rider balance was a regulatory liability of \$4.1 million. Idaho Power's previous application filed in March 2011, which was approved by the IPUC in August 2011, designated Idaho Power's 2010 Idaho energy efficiency rider expenditures of approximately \$42 million as prudently incurred expenses. The IPUC also issued an order in November 2010 designating energy efficiency expenditures of \$50.7 million incurred in 2008 and 2009 as prudently incurred and approved for ratemaking purposes.

On October 31, 2012, Idaho Power filed an application with the IPUC requesting authorization to begin amortization and collection of the 2011 portion of the regulatory asset associated with its custom efficiency program (a demand-side resources program) over a four-year period, equal to approximately \$2.9 million per year, including a carrying charge. A decision of the IPUC is pending.

The December 2011 IPUC general rate case settlement order also reset Idaho Power's energy efficiency rider rate at 4.0 percent of the sum of the monthly billed charges for the base rate components, a reduction from the 4.75 percent rider amount in effect prior to that date.

Cost Recovery for Cessation of Boardman Coal-Fired Operations: In December 2010, the Oregon Environmental Quality Commission approved a plan to cease coal-fired operations at the Boardman power plant not later than December 31, 2020. The plan results in increased revenue requirements for Idaho Power related to accelerated depreciation expense, additional plant investments, and decommissioning costs. In response to an application filed by Idaho Power, on February 15, 2012 the IPUC issued an order accepting Idaho Power's regulatory accounting and cost recovery plan associated with the early plant shut-down and approving the establishment of a balancing account whereby incremental costs and benefits associated with the early shut-down will be tracked for recovery in a subsequent proceeding. On May 17, 2012, the IPUC issued an order approving a \$1.5 million annual increase in Idaho-jurisdiction base rates, with new rates effective June 1, 2012. As of December 31, 2012, Idaho Power's net book value in the Boardman plant was \$23.1 million.

Idaho Depreciation Rate Filings: Idaho Power's advanced metering infrastructure (AMI) project provides the means to automatically retrieve and store energy consumption information, eliminating manual meter reading expense. Commencing June 1, 2009, the IPUC approved a rate increase, coincident with a related increase in depreciation expense, allowing Idaho Power to recover the three-year accelerated depreciation of the existing non-AMI metering equipment and to begin earning a return on its AMI investment. On April 27, 2012, the IPUC approved Idaho Power's February 15, 2012 application requesting approval of a \$10.6 million decrease in rates for specified customer classes, effective June 1, 2012, as a result of the removal of accelerated depreciation expense associated with non-AMI metering equipment.

In connection with a depreciation study authorized by Idaho Power and conducted by a third party, on February 15, 2012, Idaho Power filed an application with the IPUC seeking to institute revised depreciation rates for electric plant-in-service, based upon updated service life estimates and net salvage percentages for all plant assets, and adjust Idaho-jurisdiction base rates to reflect the revised depreciation rates. Idaho Power's application requested a \$2.7 million increase in Idaho-jurisdiction base rates. On May 31, 2012, the IPUC issued an order approving a settlement stipulation agreed to by Idaho Power, the IPUC Staff, and a large industrial customer of Idaho Power, which provided for a \$1.3 million annual decrease in Idaho-jurisdiction base rates, effective June 1, 2012.

Oregon Regulatory Matters

2011 Oregon General Rate Case: On July 29, 2011, Idaho Power filed a general rate case and proposed rate schedules with the OPUC. The filing requested a \$5.8 million increase in annual Oregon jurisdictional revenues and an authorized rate of return on equity of 10.5 percent, with an Oregon retail rate base of approximately \$121.9 million. Idaho Power, the OPUC Staff, and other interested parties executed and filed a partial settlement stipulation with the OPUC on February 1, 2012, which resolved all matters in the general rate case other than the prudence of costs associated with pollution control investments at the Jim Bridger coal plant. The OPUC approved the settlement stipulation on February 23, 2012, which provided for a \$1.8 million base rate increase, a return on equity of 9.9 percent, and an overall rate of return of 7.757 percent in the Oregon jurisdiction. New rates in conformity with the settlement stipulation were effective March 1, 2012. The OPUC is conducting a second phase of the proceedings to address the prudence of Idaho Power's pollution control investments at the Jim Bridger plant.

Cost Recovery for Langley Gulch Power Plant: On March 9, 2012, Idaho Power filed an application with the OPUC requesting an annual increase in Oregon jurisdiction revenues of \$3.0 million for inclusion of the Langley Gulch power plant in Idaho Power's Oregon rate base. On September 20, 2012, the OPUC issued an order approving an approximately \$3.0 million increase in annual Oregon jurisdiction base rates effective October 1, 2012.

CONDENSED NOTES TO FINANCIAL STATEMENTS (Continued)

Federal Regulatory Matters - Open Access Transmission Tariff Rates

In 2006, Idaho Power moved from a fixed rate to a formula rate for transmission service provided under its open access transmission tariff (OATT), which allows transmission rates to be updated annually based on financial and operational data Idaho Power files with the FERC. Idaho Power's OATT rates submitted to the FERC in Idaho Power's four most recent annual OATT Final Informational Filings were as follows:

| Applicable Period | OATT Rate (per kW-year)(1) |
|---------------------------------------|-----------------------------------|
| October 1, 2012 to September 30, 2013 | \$21.32 |
| October 1, 2011 to September 30, 2012 | \$19.79 |
| October 1, 2010 to September 30, 2011 | \$19.60 |
| October 1, 2009 to September 30, 2010 | \$15.83 |

⁽¹⁾ In September 2010, Idaho Power made corrections to its OATT rates for the period beginning October 1, 2007 through September 30, 2010, which resulted in the issuance of a \$0.5 million refund to transmission customers.

Idaho Power's most recent OATT filing was based on a net annual transmission revenue requirement of \$108.4 million.

ATTACHMENT II(b)

**STATEMENT OF CAPITAL STOCK AND FUNDED DEBT
IDAHO POWER COMPANY
December 31, 2012**

The following statement as to each class of the capital stock of applicant is as of December 31, 2012, 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
 December 31, 2012

The following statement as to funded debt of applicant is as of December 31, 2012, the date of the balance sheet submitted with this application.

First Mortgage Bonds

| (1) Description | (3) Amount Outstanding |
|--|------------------------------|
| FIRST MORTGAGE BONDS: | |
| 4.25 % Series due 2013, dated as of May 13, 2003, due October 1, 2013 | 70,000,000 |
| 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 |
| 2.95 % Series due 2022, dated as of April 13, 2012, due April 1, 2022 | 75,000,000 |
| 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 October 18, 2007, due October 15, 2037 | 100,000,000 |
| 4.85 % Series due 2040, dated as of Aug 30, 2010, due Aug 15, 2040 | 100,000,000 |
| 4.30 % Series due 2042, dated as of April 13, 2012, due April 1, 2042 | 75,000,000 |
| | 1,345,000,000 |

(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
December 31, 2012

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 2003 due 2024:

- (1) Description - Pollution Control Revenue Refunding Bonds, 5.15 Series 2003 due 2024, County of Humboldt, Nevada, dated as of 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 2006 due 2026:

- (1) Description - Pollution Control Revenue Bonds, 5.25% Series 2006 due 2026, County of Sweetwater, Wyoming, dated as of 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, 2003 under 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 II(c)

COMMITMENTS AND CONTINGENT LIABILITIES
 IDAHO POWER COMPANY
 DECEMBER 31, 2012

COMMITMENTS

Purchase Obligations

At December 31, 2012, Idaho Power had the following long-term commitments relating to purchases of energy, capacity, transmission rights, and fuel (in thousands of dollars):

| | 2013 | 2014 | 2015 | 2016 | 2017 | Thereafter |
|-----------------------------------|------------|------------|------------|------------|------------|--------------|
| Cogeneration and power production | \$ 170,939 | \$ 182,123 | \$ 187,151 | \$ 189,880 | \$ 188,734 | \$ 2,938,582 |
| Power and transmission rights | 6,408 | 5,035 | 4,320 | 3,992 | 2,840 | 4,743 |
| Fuel | 73,627 | 63,236 | 56,942 | 9,418 | 9,317 | 94,849 |

As of December 31, 2012, Idaho Power had 779 MW nameplate capacity of PURPA-related projects on-line, with an additional 52 MW nameplate capacity of projects projected to be on-line by the end of 2014. The power purchase contracts for these projects have terms ranging from one to 35 years. During 2012, Idaho Power purchased 1,961,208 megawatt-hours (MWh) from these projects at a cost of \$118 million, resulting in a blended price of \$59.98 per MWh. Idaho Power purchased 1,495,108 MWh at a cost of \$90 million in 2011, and 910,429 MWh at a cost of \$55 million in 2010.

In addition, Idaho Power has the following long-term commitments for lease guarantees, equipment, maintenance and services, and industry related fees (in thousand of dollars):

| | 2013 | 2014 | 2015 | 2016 | 2017 | Thereafter |
|--|----------|----------|----------|----------|--------|------------|
| Operating leases | \$ 1,888 | \$ 2,116 | \$ 2,123 | \$ 1,243 | \$ 955 | \$ 15,741 |
| Equipment, maintenance, and service agreements | 35,233 | 9,483 | 5,464 | 4,277 | 4,484 | 21,176 |
| FERC and other industry-related fees | 13,789 | 11,066 | 11,066 | 7,472 | 7,472 | 37,361 |

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 \$66 million at December 31, 2012, representing IERCo's one-third share of BCC's total reclamation obligation of \$199 million. BCC has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs. As of December 31, 2012, the value of the reclamation trust fund totaled \$72 million. During 2012 the reclamation trust fund distributed approximately \$20 million for reclamation activity costs associated with the BCC surface mine. BCC periodically 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, all of which are made to the Jim Bridger plant. 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

COMMITMENTS AND CONTINGENT LIABILITIES (continued)
IDAHO POWER COMPANY
DECEMBER 31, 2012

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 indemnification provisions cannot be reasonably estimated. Idaho Power periodically evaluates the likelihood of incurring costs under such indemnities based on its historical experience and the evaluation of the specific indemnities. As of December 31, 2012, 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 consolidated balance sheets with respect to these indemnification obligations.

CONTINGENCIES

Idaho Power has in the past and expects in the future to become involved in various claims, controversies, disputes, and other contingent matters, including the items described below. Some of these claims, controversies, disputes, and other contingent matters involve litigation and regulatory or other contested proceedings. The ultimate resolution and outcome of litigation and regulatory proceedings is inherently difficult to determine, particularly where (a) the remedies or penalties sought are indeterminate, (b) the proceedings are in the early stages or the substantive issues have not been well developed, or (c) the matters involve complex or novel legal theories or a large number of parties. In accordance with applicable accounting guidance, Idaho Power establishes an accrual for legal proceedings when those matters proceed to a stage where they present loss contingencies that are both probable and reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. Idaho Power monitors those matters for developments that could affect the likelihood of a loss and the accrued amount, if any, thereof, and adjust the amount as appropriate. If the loss contingency at issue is not both probable and reasonably estimable, Idaho Power does not establish an accrual and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. As of the date of this report, Idaho Power's accruals for loss contingencies are not material to its financial statements as a whole; however, future accruals could be material in a given period. Idaho Power's determination is based on currently available information, and estimates presented in financial statements and other financial disclosures involve significant judgment and may be subject to significant uncertainty. As available information changes, the matters for which Idaho Power is able to estimate the loss may change, and the estimates themselves may change. Idaho Power intends to seek, to the extent permissible and appropriate, recovery of incurred costs through the ratemaking process.

Western Energy Proceedings

High prices for electricity, energy shortages, and blackouts 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 remain pending before the FERC or are on appeal to the United States Court of Appeals for the Ninth Circuit. Idaho Power believes that settlement releases they have obtained will restrict potential claims that might result from the disposition of pending petitions and predict that these matters will not have a material adverse effect on its results of operations or financial condition. However, the settlements and associated FERC orders have not fully eliminated the potential for so-called "ripple claims," which involve potential claims for refunds from an upstream seller of power based on a finding that its downstream buyer was liable

COMMITMENTS AND CONTINGENT LIABILITIES (continued)
IDAHO POWER COMPANY
DECEMBER 31, 2012

for refunds as a seller of power during the relevant period. The FERC characterized these ripple claims as "speculative." However, the FERC refused to dismiss Idaho Power and IESCo from the proceedings in the Pacific Northwest and refused to approve a settlement that provided for waivers of all claims in those proceedings, despite only limited objections from two market participants. Idaho Power has petitioned for review of the FERC's decision. Based on its evaluation of the merits of such claims and the inability to estimate any potential exposure should the claims ultimately have merit, Idaho Power has no remaining amount accrued for financial statement purposes relating to the western energy proceedings. To the extent the availability of any ripple claims materializes, Idaho Power will continue to vigorously defend its position in the proceedings.

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 1970s and early 1980s 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 in March 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 rights 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 rights 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

COMMITMENTS AND CONTINGENT LIABILITIES (continued)
IDAHO POWER COMPANY
DECEMBER 31, 2012

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 continues to work with the Idaho Water Resource Board, other stakeholders, and the Idaho Legislature in exploring opportunities for implementation 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, as of the date of this report Idaho Power does not anticipate any material modification of its water rights as a result of the SRBA process.

Other Proceedings

Idaho Power is party to legal claims and legal and regulatory actions and proceedings in the ordinary course of business that are in addition to those discussed above and, as noted above, records an accrual for associated loss contingencies when they are probable and reasonably estimable. As of the date of this report the companies believe that resolution of those matters will not have a material adverse effect on its consolidated financial statements. Idaho Power is also actively monitoring various environmental regulations that may have a significant impact on its future operations. Given uncertainties regarding the outcome, timing, and compliance plans for these environmental matters, Idaho Power is unable to determine the financial impact of these regulations but does believe that future capital investment for infrastructure and modifications to its electric generating facilities to comply with these regulations could be significant.

ATTACHMENT II(d)

IDAHO POWER COMPANY
Statement of Retained Earnings
and
Undistributed Subsidiary Earnings
For the Twelve Months Ended December 31, 2012

Retained Earnings

| | |
|--|----------------|
| Retained earnings (at the beginning of period) | 659,237,261 |
| Balance transferred from income..... | 162,017,314 |
| Dividends received from subsidiary..... | - |
| Total..... | 821,254,575 |
| Dividends: | |
| Common Stock | 68,739,968 |
| Total..... | 68,739,968 |
| Retained earnings (at end of period)..... | \$ 752,514,607 |

Undistributed Subsidiary Earnings

| | |
|--|---------------|
| Balance (at beginning of period)..... | 76,066,425 |
| Equity in earnings for the period..... | 6,150,725 |
| Dividends paid (Debit)..... | - |
| Balance (at end of period)..... | \$ 82,217,150 |

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

ATTACHMENT II(e)

IDAHO POWER COMPANY
STATEMENT OF INCOME
For the Twelve Months Ended December 31, 2012

| | Actual |
|---|----------------|
| Operating Revenues..... | 1,076,725,226 |
| Operating Expenses: | |
| Purchased power..... | 196,935,118 |
| Fuel expense..... | 159,413,313 |
| Power cost adjustment..... | (61,089,733) |
| Other operation and maintenance expense..... | 349,033,253 |
| Energy efficiency programs..... | 27,299,917 |
| Depreciation expense..... | 116,430,966 |
| Amortization of limited-term electric plant..... | 7,510,069 |
| Taxes other than income taxes..... | 30,488,808 |
| Income taxes - Federal..... | (14,482,226) |
| Income taxes - Other..... | 1,007,613 |
| Provision for deferred income taxes..... | 239,208,729 |
| Provision for deferred income taxes - Credit..... | (200,111,787) |
| Investment tax credit adjustment..... | 9,056,202 |
| Total operating expenses..... | 860,700,242 |
| Operating Income..... | 216,024,984 |
| Other Income and Deductions: | |
| Allowance for equity funds used during construction..... | 22,433,417 |
| Earnings of unconsolidated equity method investments..... | 6,150,725 |
| Income taxes - Other income and deductions..... | 1,906,663 |
| Other - Net..... | (4,918,225) |
| Net other income and deductions..... | 25,572,580 |
| Income Before Interest Charges..... | 241,597,564 |
| Interest Charges: | |
| Interest on first mortgage bonds..... | 70,214,375 |
| Interest on other long-term debt..... | 8,707,682 |
| Interest on short-term debt..... | 838,554 |
| Amortization of debt premium, discount and expense, net..... | 2,578,766 |
| Other interest expense..... | 3,019,553 |
| Total interest charges..... | 85,358,929 |
| Allowance for borrowed funds used during construction - Credit..... | 11,929,405 |
| Net interest charges..... | 73,429,525 |
| Net Income..... | \$ 168,168,039 |

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

ATTACHMENT III

STATE OF IDAHO)
COUNTY OF ADA) ss.
CITY OF BOISE)

I, Patrick A. Harrington, the undersigned, Corporate Secretary of Idaho Power Company, do hereby certify that the following constitutes a full, true and correct copy of resolutions adopted by the Board of Directors of the Company at the board meeting held on February 22, 2013, relating to authorization to issue and sell up to \$500 million aggregate principal amount of first mortgage bonds and/or debt securities, and that said resolutions have not been amended or rescinded and are in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of March, 2013.

(CORPORATE SEAL)


/s/ Patrick A. Harrington
Corporate Secretary.

Filing of Applications for Authority with State Public Utility Commissions

RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and empowered to make, execute and file, in the name and on behalf of Idaho Power Company, such applications and other documents and any amendments or supplements to such applications and documents with the state regulatory authorities having jurisdiction over Idaho Power Company and/or its securities as may be necessary to obtain an exemption from competitive bidding requirements and to facilitate the creation, issuance, sale and delivery by Idaho Power Company in one or more series from time to time of (i) first mortgage bonds ("First Mortgage Bonds") in an aggregate principal amount not exceeding \$500,000,000 and (ii) unsecured debt securities ("Debt Securities," and with the First Mortgage Bonds, collectively referred to as the "Securities") in an aggregate principal amount not exceeding \$500,000,000; *provided, however*, that the total principal amount of Securities shall not, in the aggregate, exceed \$500,000,000, and to enter into swap or hedging arrangements with respect to any Securities; and be it

Authorization of Filing of Registration Statement or Amendment for Idaho Power Company First Mortgage Bonds and Debt Securities

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized to prepare and file with the Securities and Exchange Commission one or more registration statements (each including a prospectus) and any amendments (including post-effective amendments) or supplements thereto; a joint registration statement (including a prospectus) with IDACORP, Inc., and any amendments (including post-effective amendments) or supplements thereto; or one or more post-effective amendments to any existing registration statement of IDACORP, Inc., for the registration under the Securities Act of 1933, as amended, of an indeterminate amount of the Securities, for qualification under the Trust

Indenture Act of 1939, as amended, of Idaho Power Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as heretofore supplemented and as it is proposed to be further supplemented by a supplemental indenture or indentures, and for qualification under the Trust Indenture Act of 1939, as amended, of an indenture of Idaho Power Company relating to the Debt Securities, as it is proposed to be supplemented by a supplemental indenture or indentures; and be it

FURTHER RESOLVED, that, if the officers of Idaho Power Company, or any of them, deem it in the best interests of Idaho Power Company, the preparation and filing with the Securities and Exchange Commission, in accordance with the Securities Act of 1933, as amended, and in conformity with the rules and regulations thereunder, of a Rule 462(b) registration statement (the "Rule 462(b) Registration Statement") relating to the issuance and sale of the Securities, together with any such additions to, changes in or deletions from the Rule 462(b) Registration Statement as such officers, or any of them, may deem necessary or advisable (the signing of the Rule 462(b) Registration Statement to be conclusive evidence that such officer or officers consider such registration statement or such additions, changes or deletions necessary or advisable), are hereby authorized and approved; and be it

Appointment of Agents for Service of Process and Powers of Attorney for Registration Statements

FURTHER RESOLVED, that J. LaMont Keen, Darrel T. Anderson and Rex Blackburn each be, and each hereby each is, appointed and designated as agent for service of process with respect to said registration statement or registration statements (including all amendments thereto) and any Rule 462(b) Registration Statement with all the powers provided in the rules and regulations of the Securities and Exchange Commission with respect to agents for service or process; and be it

FURTHER RESOLVED, that J. LaMont Keen, Darrel T. Anderson, Rex Blackburn, Brian R. Buckham, Andrew Bor, and Andrew Moore be, and they hereby are, appointed and designated as the persons duly authorized to receive communications and notices from the Securities and Exchange Commission with respect to said registration statement or registration statements; and be it

FURTHER RESOLVED, that Idaho Power Company hereby appoints J. LaMont Keen, Darrel T. Anderson, and Kenneth W. Petersen, and each of them severally, as the true and lawful attorney and attorneys of Idaho Power Company with full power to act with or without the others and with full power of substitution and re-substitution to execute said registration statement or registration statements and any amendment or amendments thereto (including post-effective amendments and registration statements filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended), for and on behalf of Idaho Power Company; and that each officer and director of Idaho Power Company executing said registration statement or registration statements and any amendment or amendments thereto (including post-effective amendments and registration statements filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended) on behalf of Idaho Power Company be, and he or she hereby is, authorized to appoint J. LaMont Keen, Darrel T. Anderson, Kenneth W. Petersen, and any agent named for service in said registration statement, and each of them severally, his or her true and lawful attorney or attorneys with power to act with or without the other and with full power of substitution and re-substitution, to execute in his or her name, place and stead, in his or her capacity as an officer or director of Idaho

Power Company, such registration statement and any amendment or amendments thereto (including post-effective amendments and registration statements filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended), and all instruments necessary or incidental in connection therewith, and to file the same with the Securities and Exchange Commission, with full power and authority to each of said attorneys to do and perform, in the name and on behalf of the said officers or directors, or any of them, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person; and be it

Blue Sky Authorization

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and empowered to take, in the name and on behalf of Idaho Power Company, any and all action which they may deem necessary or desirable in order to effect the registration or qualification of the Securities for offer and sale under the securities or Blue Sky laws of any of the states or territories of the United States of America and the District of Columbia, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports, agreements, resolutions and other papers, documents and instruments that may be required or appropriate under such laws, and to take any and all other action which may be deemed by them to be necessary or desirable in order to maintain such registration or qualification for as long as they deem it to be in the best interests of Idaho Power Company; and be it

Authorization to Offer and Sell Securities and Execute Selling Arrangements

FURTHER RESOLVED, that upon obtaining the necessary regulatory authorizations, and upon effectiveness of the registration statement under the Securities Act of 1933, and, if applicable, the relevant indenture becoming qualified under the Trust Indenture Act of 1939, as amended, the officers of Idaho Power Company be, and they hereby are, authorized to issue and sell, or cause to be issued and sold, all or any portion of the Securities either pursuant to competitive bidding, negotiated underwriting, private sale, through agents, directly to an agent at a negotiated discount or directly to purchasers, upon such terms and conditions and at a price or prices as are established by the Board of Directors by these resolutions or may hereafter be established by the Board of Directors or the Executive Committee of this Board of Directors; and be it

FURTHER RESOLVED, that the President, any Vice President or the Treasurer of Idaho Power Company be, and each of them hereby is, authorized to enter into an Underwriting Agreement, a Purchase Agreement, a Selling Agency Agreement and/or a Distribution Agreement (or the substantial equivalent of any of the foregoing) in the form or forms to be approved by the Board of Directors or the Executive Committee of this Board of Directors, with such underwriters, purchasers and/or sales agents as the Board of Directors or the Executive Committee of this Board of Directors shall determine for the sale by Idaho Power Company of the Securities and to enter into swap or hedging arrangements with respect to any First Mortgage Bonds or Debt Securities; and be it

Creation of New Series of First Mortgage Bond and Delegation to Executive Committee

FURTHER RESOLVED, that there hereby are created five new series of First Mortgage Bonds, under Idaho Power Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, each to be designated "First Mortgage Bonds, _____ Series due _____" or "First Mortgage Bonds, Secured Medium-Term Notes,

Series _____", and the issuance by Idaho Power Company of not to exceed \$500,000,000 in aggregate principal amount of such five series of First Mortgage Bonds is hereby authorized and that, pursuant to the provisions of Idaho Power Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, the officers of Idaho Power Company be, and they hereby are, authorized to execute under the seal of Idaho Power Company and to deliver to Deutsche Bank Trust Company Americas as Corporate Trustee under said Mortgage, or such other Corporate Trustee as shall be authorized or approved by the Executive Committee of this Board of Directors, First Mortgage Bonds in a total aggregate principal amount not to exceed \$500,000,000, in fully registered form in denominations of \$1,000 and any multiple or multiples thereof; that this Board of Directors hereby determines that all of the First Mortgage Bonds of each such series shall mature on the date or dates and shall bear interest at the rate or rates and be payable on the date or dates provided in the Supplemental Indenture providing for the creation of such series or, if Secured Medium-Term Notes, Series , this Board of Directors hereby determines that such First Mortgage Bonds to be issued from time to time shall (i) bear interest at such rate or rates (which may be fixed or variable), (ii) mature on such date or dates from nine (9) months to thirty (30) years from the date of issue, (iii) contain such provisions with respect to the redemption thereof prior to maturity, and the dates and prices associated therewith, as may be appropriate upon due consideration of current market conditions and Idaho Power Company's general financing plan, and (iv) have such other terms and provisions, all as may be determined from time to time by the President, any Vice President or the Treasurer of Idaho Power Company and as shall be set forth or referred to in, and confirmed by, written order or orders for the authentication and delivery of the First Mortgage Bonds of such series under Idaho Power Company's Mortgage and Deed of Trust, as heretofore supplemented, and each such written order shall conclusively establish the determination by the Board of Directors of the terms of the principal amount of the First Mortgage Bonds of such series subject to such written order, both principal and interest to be payable at the office or agency of Idaho Power Company in the Borough of Manhattan, The City of New York, and at the option of Idaho Power Company, interest on each said First Mortgage Bond may also be payable at the office of Idaho Power Company in Boise, Idaho, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts; and that such First Mortgage Bonds shall be otherwise redeemable, registrable, transferable and exchangeable as otherwise contemplated in the form established by the Board of Directors or the Executive Committee of this Board of Directors; and that such First Mortgage Bonds shall contain such other terms as the Board of Directors or the Executive Committee of this Board of Directors shall approve, such approval to be conclusively evidenced by the actions of the Board of Directors or the Executive Committee of this Board of Directors in setting the terms of each such series of First Mortgage Bonds and by the execution and delivery thereof by the officers executing the same; and be it

FURTHER RESOLVED, that Deutsche Bank Trust Company Americas, or such other corporate trustee as shall be appointed or approved by the Executive Committee of this Board of Directors be, and it hereby is, requested, upon fulfillment of the requirements specified in Article V, VI and/or VII of said Mortgage, to authenticate said First Mortgage Bonds, and deliver the same promptly, in accordance with the written order or orders of Idaho Power Company signed by the President or any Vice President, and by the Treasurer or any Assistant Treasurer of Idaho Power Company; and be it

FURTHER RESOLVED, that the Executive Committee be, and it hereby is, authorized to approve one or more Supplemental Indenture(s), supplemental to Idaho Power Company's Mortgage and Deed of Trust dated as of October 1, 1937; and that the officers of Idaho Power Company be, and they hereby are, authorized and directed to execute and

deliver, on behalf of Idaho Power Company, said Supplemental Indenture(s) with such terms therein as the Executive Committee or the officers executing the same may approve, their approval of any such terms and/or changes to be conclusively evidenced by the actions of the Executive Committee in setting the terms of each such series of First Mortgage Bonds or by the execution and delivery thereof by the officers of Idaho Power Company; and be it

Recording of Supplemental Indentures for First Mortgage Bonds

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and directed to record and file or cause to be recorded and filed such Supplemental Indenture(s), when executed, in such offices as in their judgment may be necessary or appropriate in order to carry out the purposes of the foregoing resolutions; and be it

Approval of Form of First Mortgage Bond

FURTHER RESOLVED, that the Executive Committee be, and it hereby is, authorized to adopt and approve a form of First Mortgage Bond substantially as provided and set forth in Idaho Power Company's Mortgage and Deed of Trust, dated as of October 1, 1937, with such changes thereto as the Executive Committee or the officers of Idaho Power Company executing the same may approve, such approval to be conclusively evidenced by the actions of the Executive Committee in setting the terms of said First Mortgage Bonds or by the execution and delivery thereof by the officers of Idaho Power Company; and, until definitive bonds are ready for delivery, the officers of Idaho Power Company be, and they hereby are, authorized in their discretion to execute and deliver to Deutsche Bank Trust Company Americas, as Corporate Trustee, or such other Corporate Trustee appointed or approved by the Executive Committee of this Board of Directors, and such Corporate Trustee be, and it hereby is, requested to authenticate and deliver a temporary bond or temporary bonds in substantially the form approved by the Executive Committee of this Board of Directors; and be it

FURTHER RESOLVED, that if any officer of Idaho Power Company who signs, or whose facsimile signature appears upon, said First Mortgage Bond, ceases to be an officer of Idaho Power Company prior to the issuance of said First Mortgage Bonds, said First Mortgage Bonds so signed or bearing such facsimile shall nevertheless be valid; and be it

FURTHER RESOLVED, that upon all said First Mortgage Bonds the signature of the President or a Vice President of Idaho Power Company, the signature of the Secretary or an Assistant Secretary of Idaho Power Company and the seal of Idaho Power Company may be facsimile; and that any such facsimile signature of any such officer of Idaho Power Company appearing on said First Mortgage Bonds is hereby approved and adopted as a signature of such officer of Idaho Power Company, and any such facsimile seal of Idaho Power Company appearing on said First Mortgage Bonds is hereby approved and adopted as a seal of Idaho Power Company; and be it

Appointment of Trustee for First Mortgage Bonds

FURTHER RESOLVED, that in respect of said First Mortgage Bonds, Deutsche Bank Trust Company Americas be, or such other Corporate Trustee appointed or approved by the Executive Committee of this Board of Directors be, and hereby is, appointed agent of Idaho Power Company (1) in respect of the payment of the principal of, and interest (and

premium, if any) on, said First Mortgage Bonds, (2) in respect of the registration, transfer and exchange of said First Mortgage Bonds, and (3) upon which notices, presentations and demands to or upon Idaho Power Company in respect of said First Mortgage Bonds, and in respect of Idaho Power Company's said Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, may be given or made; and be it

Appointment of Counsel and Engineer Pursuant to Mortgage for First Mortgage Bonds

FURTHER RESOLVED, that Rex Blackburn be, and he hereby is, appointed Counsel, under the Mortgage, to render any opinions of counsel required thereunder, and Lisa A. Grow, or in her absence Newell V. Porter, be, and each of them hereby is, appointed Engineer, under the Mortgage, to make, execute and deliver any Engineer's Certificate required thereunder, said appointments to remain in effect until the Corporate Trustee receives written notice to the contrary; and be it

Further Authority as to First Mortgage Bonds

FURTHER RESOLVED, that the Executive Committee and the officers of Idaho Power Company be, and they hereby are, authorized to take such actions, for and on behalf of Idaho Power Company, relating to the authentication, creation, issuance, sale and delivery of said First Mortgage Bonds, the execution and delivery of one or more Supplemental Indentures as hereinabove provided and the recording and filing of such completed Supplemental Indentures in such offices as they may deem necessary or desirable, including, without limitation, the determination of the interest rate and the insertion thereof in the form of said First Mortgage Bonds and, at their option, in the Supplemental Indenture creating such series; and be it

Further Authority as to Debt Securities

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and empowered to execute and deliver on behalf of Idaho Power Company one or more indentures providing for the issuance of Debt Securities by Idaho Power Company, including supplements to any indenture, with such trustee or trustees as they may appoint, such indenture or indentures, or supplement or supplements, to be in such form or forms and bear such date or dates as may be approved by the officers of Idaho Power Company executing the same, such approval to be conclusively evidenced by the execution of said indenture or indentures or supplement or supplements; and be it

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and empowered to appoint any agent, trustee or registrar necessary or appropriate in connection with the issuance or sale of the Debt Securities; and be it

FURTHER RESOLVED, that the trustee appointed in connection with the issuance or sale of the Debt Securities be, and it hereby is, requested, upon fulfillment of the requirements specified in said indenture, to authenticate said Debt Securities, and deliver the same promptly, in accordance with the written order or orders of Idaho Power Company signed by the President or any Vice President, and by the Treasurer or any Assistant Treasurer of Idaho Power Company; and be it

FURTHER RESOLVED, that the officers of Idaho Power Company be, and they hereby are, authorized and empowered to execute the Debt Securities in temporary or definitive form, under manual or facsimile signature, and under the facsimile seal of Idaho Power Company attested by the manual or facsimile signature of the Secretary; and be it

FURTHER RESOLVED, that the Executive Committee and the officers of Idaho Power Company be, and they hereby are, authorized to take such actions, for and on behalf of Idaho Power Company, relating to the authentication, creation, issuance, sale and delivery of said Debt Securities, the execution and delivery of the indenture and one or more supplemental indentures as hereinabove provided, including, without limitation, the determination of the interest rate and the insertion thereof in the form of said Debt Securities and, at their option, in the supplemental indenture creating such series; and be it

Listing of the Securities

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation, to make application to the New York Stock Exchange (or any other exchange) for the listing of any of the Securities as they (or any one of them) may deem necessary or desirable; and J. LaMont Keen, Darrel T. Anderson and Rex Blackburn be, and each of them hereby is, authorized to sign said applications and other necessary agreements, statements or documents in conformity with the rules and regulation of any such exchange; and J. LaMont Keen, Darrel T. Anderson and Rex Blackburn, and any legal counsel authorized by any of them, be, and each of them hereby is, authorized to appear before any such exchange, or any department, division or committee thereof, in connection with any application made by the Corporation for the listing of any such Securities; and be it

General Authority for Further Actions

FURTHER RESOLVED, that the Executive Committee and the officers of Idaho Power Company be, and they hereby are, authorized and empowered in the name and on behalf of Idaho Power Company to do or cause to be done any and all other acts and things as they may deem necessary or desirable to consummate the transactions set forth in and contemplated by these resolutions with full power to act in the premises, and that all actions of the Executive Committee and the officers of Idaho Power Company taken pursuant to and in furtherance of the purposes of these resolutions be, and they hereby are, established as actions of this Board of Directors.