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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

2013 MAR -8 PM 4:17

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.

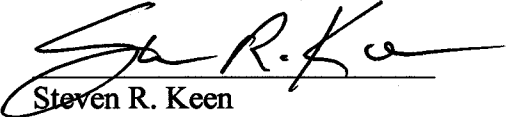
(h) Notice of Application

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

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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

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

