

IDAHO POWER COMPANY
ARTICLES OF AMENDMENT

1. The name of the corporation is Idaho Power Company.
2. Idaho Power Company amended Article 4 of its Restated Articles of Incorporation, as amended, to read as follows:

ARTICLE 4. DIRECTORS. (a) The number of directors constituting the Board of Directors of the Corporation shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by affirmative vote of a majority of the directors, but the number of directors shall be no less than 9 and no greater than 15. The number of directors may be increased or decreased, beyond the limits set forth above, only by an amendment to the Restated Articles of Incorporation of the Corporation pursuant to Article 10 of the Restated Articles of Incorporation of the Corporation.

The Board of Directors shall be divided into three classes as nearly equal in number as may be. The initial term of office of each director in the first class shall expire at the annual meeting of shareholders in 1990; the initial term of office of each director in the second class shall expire at the annual meeting of shareholders in 1991; and the initial term of office of each director in the third class shall expire at the annual meeting of shareholders in 1992. At each annual election commencing at the annual meeting of shareholders in 1990, the successors to the class of directors whose term expires at that time shall be elected to hold office for a term of three years to succeed those whose term expires, so that the term of one class of directors shall expire each year. Each director shall hold office for the term for which he is elected or appointed and until his successor shall be elected and qualified or until his death, or until he shall resign or be removed; provided, however, that no person who will be seventy-two (72) years of age or more on or before the annual meeting shall be nominated to the Board of Directors, and any directors who reach the age of seventy-two (72) shall be automatically retired from the Board.

In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, or his earlier resignation, removal from office or death, (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three

classes of directors so as to maintain such classes as nearly equal in number as may be.

(b) Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a two-thirds vote of the directors then in office, or a sole remaining director, although less than a quorum. Directors chosen to fill vacancies resulting from an increase in the authorized number of directors shall hold office until the next election of directors by the shareholders; directors chosen to fill other vacancies shall hold office for a term expiring at the annual meeting of shareholders at which the term of the class to which they have been elected expires. If one or more directors shall resign from the Board effective as of a future date, such vacancy or vacancies shall be filled pursuant to the provisions hereof, and such new directorship(s) shall become effective when such resignation or resignations shall become effective, and each director so chosen shall hold office as herein provided in the filling of other vacancies.

The remaining sections of Article 4 are unchanged.

- 3. Not applicable.
- 4. The amendment was adopted on January 20, 2005.
- 5. The amendment was duly approved by the shareholder of Idaho Power Company in the manner required by Chapter 1. General Business Corporations of the Idaho Code and by the Idaho Power Company Restated Articles of Incorporation, as amended.

IN WITNESS WHEREOF, the undersigned has signed this Articles of Amendment this 21st day of January, 2005.

IDAHO POWER COMPANY

By: _____
J. LaMont Keen
President & Chief Operating Officer

IDAHO POWER COMPANY
BALANCE SHEET
As of December 31, 2004

ASSETS

	<u>Actual</u>
Electric Plant :	
In service (at original cost).....	\$ 3,324,815,784
Accumulated provision for depreciation.....	(1,316,124,554)
In service - Net.....	<u>2,008,691,230</u>
Construction work in progress.....	151,651,719
Held for future use.....	<u>2,635,709</u>
Electric plant - Net.....	<u>2,162,978,658</u>
Investments and Other Property:	
Nonutility property.....	828,002
Investment in subsidiary companies	36,544,480
Auction rate securities.....	31,650,000
Other.....	<u>28,315,434</u>
Total investments and other property.....	<u>97,337,916</u>
Current Assets:	
Cash and cash equivalents.....	17,652,643
Receivables:	
Customer.....	45,440,589
Allowance for uncollectible accounts.....	(1,363,426)
Notes.....	3,129,440
Employee notes	3,523,205
Related party.....	1,297,952
Other.....	5,253,344
Accrued unbilled revenues.....	33,832,290
Materials and supplies (at average cost).....	26,064,607
Fuel stock (at average cost).....	6,538,240
Prepayments.....	28,448,966
Regulatory assets	<u>5,510,111</u>
Total current assets.....	<u>175,327,961</u>
Deferred Debits:	
American Falls and Milner water rights.....	31,585,000
Company owned life insurance.....	35,765,363
Regulatory assets associated with income taxes.....	338,709,909
Regulatory assets - PCA.....	59,346,631
Regulatory assets - other.....	35,214,177
Employee notes.....	3,746,091
Other.....	<u>40,425,442</u>
Total deferred debits.....	<u>544,792,613</u>
Total.....	<u>\$ 2,980,437,148</u>

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

IDAHO POWER COMPANY
BALANCE SHEET
As of December 31, 2004

CAPITALIZATION AND LIABILITIES

	Common Shares Authorized	Common Shares Outstanding	Actual
Equity Capital:	50,000,000	39,150,812	
Common stock.....			\$ 97,877,030
Preferred stock			
Premium on capital stock.....			483,707,552
Capital stock expense.....			(2,096,925)
Retained earnings.....			340,106,848
Accumulated other comprehensive income.....			(887,774)
			918,706,731
Total equity capital.....			
Long-Term Debt:			
First mortgage bonds			725,000,000
Pollution control revenue bonds			170,460,000
Other long-term debt.....			
American Falls bond and Milner note guarantees			31,585,000
Unamortized discount on long-term debt (Dr).....			(3,135,446)
			923,909,554
Total long-term debt.....			
Current Liabilities:			
Long-term debt due within one year.....			60,000,000
Notes payable.....			-
Accounts payable			74,641,902
Notes and accounts payable to related parties.....			20,748,195
Taxes accrued.....			40,280,158
Interest accrued.....			13,742,553
Deferred income taxes.....			5,509,666
Other.....			18,103,498
			233,025,972
Total current liabilities.....			
Deferred Credits:			
Regulatory liabilities associated with accumulated deferred investment tax credits			66,836,156
Deferred income taxes.....			535,532,016
Regulatory liabilities associated with income taxes			40,447,292
Regulatory liabilities-other.....			168,570,550
Other.....			93,408,877
			904,794,891
Total deferred credits.....			
Total.....			\$ 2,980,437,148

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

Amended Bylaws

of

Idaho Power Company

January 20, 2005

Article 1

Office

Section 1.1. *Principal Office.* The Company shall maintain its principal office in Boise, Idaho.

Section 1.2. *Registered Office.* The Company shall maintain a registered office in the State of Idaho, as required by the Idaho Business Corporation Act (the "Act").

Article 2

Shareholders

Section 2.1. *Annual Meeting of Shareholders.* An annual meeting of the shareholders shall be held on the first Wednesday of May or such other time as may be designated by the Board of Directors.

Section 2.2. *Special Meetings.* A special meeting of the shareholders may be called at any time by the President, a majority of the Board of Directors or the Chairman of the Board. A special meeting of the shareholders also may be called by the holders of not less than twenty percent (20%) of all the shares entitled to vote on any issue proposed to be considered at the proposed special meeting if such holders sign, date and deliver to the Secretary of the Company one (1) or more written demands for the meeting describing the purpose or purposes for which it is to be held. Upon receipt of one (1) or more written demands for such proposed special meeting by the holders of not less than twenty percent (20%) of all the shares entitled to vote on any issue proposed to be considered at the proposed special meeting, the Secretary of the Company shall be responsible for determining whether such demand or demands conform to the requirements of the Act, the Restated Articles of Incorporation and these Bylaws. After making an affirmative determination, the Secretary shall prepare, sign and deliver the notices required for such meeting. The shareholders' demand may suggest a time and place for the meeting but the Board of Directors shall, by resolution, determine the time and place of any such meeting.

Section 2.3. *Place of Meetings.* All meetings of the shareholders shall be held at the Company's principal office or at such other place as shall be designated in the notice of such meetings.

Section 2.4. *Notice of Shareholders' Meeting.* Written notice of the time and place of a meeting of the shareholders shall be mailed to each shareholder entitled to receive notice under the Act: (a) not less than 10 days nor more than 60 days prior to the date of an annual or special meeting of the shareholders; or (b) if applicable, within 30 days after the date on which a shareholder demand satisfying the requirements of Section 2.2 is delivered to the

Secretary of the Company. Every notice of an annual or special meeting of shareholders shall be deemed duly served when the notice is deposited in the United States mail or with a private overnight courier service, with postage prepaid and addressed to the shareholder at the shareholder's address as it appears on the Company's records or if a shareholder shall have filed with the Secretary of the Company a written request that the notice be sent to some other address, then to such other address. If an annual or special shareholders' meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if such new date, time or place is announced at the meeting before adjournment. In any event, if a new record date for the adjourned meeting is or must be determined, notice of the adjourned meeting shall be given to persons who are shareholders as of the new record date.

Section 2.5. *Waiver of Notice.* Any shareholder may waive any required notice of the time, place, and purpose of any meeting of the shareholders by telegram, telecopy, confirmed facsimile, or other writing, either before or after such meeting has been held. Such waiver must be signed by the shareholder entitled to the notice and be delivered to the Company for inclusion in the minutes or filing with the corporate records. The attendance of any shareholder at any shareholders' meeting shall constitute a waiver of: (a) any objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (b) any objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 2.6. *Quorum of Shareholders.* Unless the Restated Articles of Incorporation or the Act provide otherwise, a majority of the outstanding shares entitled to vote on a particular matter at a meeting shall constitute a quorum for purposes of action on that matter at the meeting. A share may be represented at a meeting by the record holder thereof in person or by proxy. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting. Whether or not a quorum is present, the meeting may be adjourned by a majority vote of the shareholders present or represented. At any adjourned meeting where a quorum is present, any business may be transacted that could have been transacted at the meeting originally called.

Section 2.7. *Record Date for Determination of Shareholders.* The Board of Directors shall establish a record date for determining shareholders entitled to notice of a shareholders' meeting, to vote or to take any other action, which date shall not be more than 70 days before the meeting or action requiring a determination of shareholders. A determination of shareholders is effective for any adjournment of the meeting, unless a new record date is or must be set.

Section 2.8. *Shareholders' List for Meeting.* The officer or agent in charge of the stock transfer books for shares of the Company shall prepare an alphabetical list of the names of all shareholders who are entitled to notice of a shareholders' meeting. The list shall be arranged by voting group, and within each voting group by class or series of shares, and show the address of and number of shares held by each shareholder. The list shall be made available for inspection by any shareholder, at least 10 days before the meeting for which the list was prepared and continuing through the meeting, at the Company's principal office or at a place identified in the meeting notice in the city where the meeting will be held. The Company also shall make the list available at the shareholders' meeting, and any shareholder is entitled to inspect the list at any time during the meeting or any adjournment.

Section 2.9. *Transaction of Business at Shareholders' Meetings.*

2.9.1 *Transaction of Business at Annual Meeting.* Business transacted at an annual meeting of shareholders may include all such business as may properly come before the meeting. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders: (a) pursuant to the Company's notice of meeting; (b) by or at the direction of the Board of Directors; or (c) by any shareholder who is a shareholder of record at the time of giving of notice of the meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.9.1.

For nominations or other business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Company and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 120th day prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or after the anniversary date of the preceding year's annual meeting, notice by the shareholder to be timely must be so delivered no later than the close of business on the 10th day following the day on which the public announcement of the date of such meeting is first made by the Company. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth: (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder

giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Company's books, and of such beneficial owner and (ii) the class and number of shares of the Company which are owned beneficially and of record by such shareholder and such beneficial owner.

2.9.2 Transaction of Business at Special Meeting. Business transacted at a special meeting of the shareholders shall be limited to the purposes set forth in the notice of the special meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Company's notice of meeting: (a) by or at the direction of the Board of Directors; or (b) provided that the Board of Directors has determined that the directors shall be elected at such meeting, by any shareholder of the Company who is a shareholder of record at the time of giving of notice of the meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.9.2.

In the event the Company calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons, as the case may be, for election to such position or positions as specified in the Company's notice of meeting, if the shareholder's notice required by this Section 2.9.2 shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth: (a) as to each person whom the shareholder proposes to nominate for election or reelection as director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act and the rules thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, (i) the name and address of such shareholder, as they appear on the Company's books, and of such beneficial owner and (ii) the class and number of shares of the Company which are owned beneficially and of record by such shareholder and such beneficial owner.

2.9.3 General. Only such persons who are nominated in accordance with the procedures set forth in this Section 2.9 shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.9. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.9 and, if any proposed nomination or business is not in compliance with this Section 2.9, to declare that such defective proposal or nomination shall be disregarded, unless otherwise provided by any applicable law.

For purposes of this Section 2.9, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this Section 2.9, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.9. Nothing in this Section 2.9 shall be deemed to affect any rights of: (a) the shareholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act; or (b) the holders of any series of Preferred Stock to elect directors under specified circumstances.

Section 2.10. *Action by Written Consent.* Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of all of the outstanding shares of stock entitled to vote on the matter.

Section 2.11. *Presiding Officer.* The Chairman of the Board shall act as chairman of all meetings of the shareholders. In the absence of the Chairman of the Board, the President, or in his or her absence, any Vice President designated by the Board of Directors shall act as the chairman of the meeting.

Section 2.12. *Procedure.* At each meeting of shareholders, the chairman of the meeting shall fix and announce the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at the meeting and shall determine the order of business and all other matters of procedure. Except to the extent inconsistent with any such rules and regulations as adopted by the Board of Directors, the chairman of the meeting may establish rules, which need not be in writing, to maintain order and safety and for the conduct of the meeting. Without limiting the foregoing, the chairman of the meeting may: (a) determine and declare to the meeting that any business is not properly before the meeting and therefore shall not be considered; (b) restrict attendance at any time to bona fide shareholders of record and their proxies and other persons in attendance at the invitation of the chairman of the meeting; (c) restrict dissemination of solicitation materials and use of audio or visual recording devices at the meeting; (d) adjourn the meeting without a vote of the shareholders, whether or not there is a quorum present; and (e) make rules governing speeches and debate, including time limits and access to microphones.

The chairman of the meeting acts in his or her absolute discretion and his or her rulings are not subject to appeal.

Article 3

Board of Directors

Section 3.1. *Authority.* The Board of Directors shall have the ultimate authority over the conduct and management of the business affairs of the Company.

Section 3.2. *Number.* The number of directors of the Company shall be not less than nine (9) nor more than 15, as determined from time to time by the vote of a majority of the Board of Directors. Unless otherwise provided by the Act, the number of directors may be increased or decreased, beyond the limits set forth above, only by an amendment to these Bylaws. To the extent permitted by the Act, any newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the then existing classes of directors so as to maintain such classes as nearly equal in number as possible. No change in the number of directors shall shorten the term of any director then in office.

Section 3.3. *Term.* Each director shall hold office from the date of his or her election and qualification until his or her successor shall have been duly elected and qualified or until his or her earlier removal, resignation, death or incapacity.

Section 3.4. *Eligibility for Elections.* No person who will be 72 years of age or more on or before an annual meeting shall be nominated to the Board of Directors, and any directors who reach the age of 72 shall be automatically retired from the Board of Directors.

Section 3.5. *Regular Meetings of the Board.* Regular meetings of the Board of Directors may be held at times and places agreed on by a majority of the directors at any meeting of the Board of Directors, and such regular meetings may be held at such times and places without any further notice of the date, time, place or purposes of such regular meetings.

Section 3.6. *Special Meetings of the Board.* Special meetings of the Board of Directors may be called: (a) by, or at the request of, the Chairman of the Board; or (b) by the Secretary of the Company at the written request of a majority of the directors then in office. Special meetings of the Board of Directors may be called on not less than 12 hours notice to each director, given orally or in writing, either personally, by telephone (including by message or by recording device), by facsimile transmission, by telegram or by telex, or on not less than three (3) calendar days' notice to each director given by mail. Notice of the special meeting of the Board of Directors shall specify the date, time and place of the meeting. Actions taken at any such meeting shall not be invalidated because of lack of notice if notice is waived as provided in Section 3.7.

Section 3.7. *Waiver of Notice.* A director may waive any required notice before or after the date and time stated in the notice by written waiver signed by the director entitled to the notice and filed with the minutes or corporate records. In addition, a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to

holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3.8. *Participation by Telecommunication.* Any director may participate in any meeting of the Board of Directors through the use of any means of communication by which all directors participating in the meeting may simultaneously hear each other during the meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 3.9. *Quorum of Directors.* A majority of the directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 3.10. *Action.* If a quorum is present when the vote is taken, the Board of Directors shall take actions pursuant to resolutions adopted by the affirmative vote of: (a) a majority of the directors present at the meeting of the Board of Directors; or (b) such greater number of the directors as may be required by the Restated Articles of Incorporation, these Bylaws or the Act.

Section 3.11. *Action by Unanimous Written Consent.* Any action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 3.12. *Selection of Chairman of the Board and Officers.* The Chairman of the Board shall be selected by and from the members of the Board of Directors. He or she shall conduct all meetings of the Board of Directors and shall perform all duties incident thereto.

The Board of Directors shall also select a President, a Vice President, a Secretary and a Treasurer and such additional Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers and agents as the Board of Directors from time to time may deem advisable. If the Board of Directors wishes it may also elect as an officer of the Company the Chairman of the Board.

Section 3.13. *Powers and Duties of Officers and Agents.* The powers and duties of the officers and agents shall be determined by the Board of Directors and these Bylaws.

Section 3.14. *Delegation of Powers.* For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer to any other officer or director, but no officer or director shall execute, verify or acknowledge any instrument in more than one capacity unless specifically authorized by the Board of Directors.

Section 3.15. *Appointment of Executive Committee.* At the same meeting at which the Board of Directors selects the Chairman of the Board, the Board of Directors shall appoint an Executive Committee consisting of two (2) or more members, who shall serve at the pleasure of the Board of Directors. Such appointments shall be made by a majority of all the directors in office when the action is taken. Unless otherwise provided by the Act or further limited by a resolution of the Board of Directors, the Executive Committee may exercise all of the powers of the Board of Directors.

Section 3.16. *Power to Appoint Additional Committees of the Board.* The Board of Directors shall have the power to designate, by resolution, one (1) or more additional committees and appoint members of the Board of Directors to serve on them. To the extent provided in such resolution, such committees may manage the business and affairs of the Company, unless otherwise provided by the Act. Each committee shall have two (2) or more members, who shall serve at the pleasure of the Board of Directors. A majority of the members of any committee of the Board of Directors will constitute a quorum for any committee action.

Section 3.17. *Compensation.* The Board of Directors may, by resolution, authorize the payment to directors of compensation for the performance of their duties. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefor. The Board of Directors may also, by resolution, authorize the reimbursement of expenses incurred by directors in the performance of their duties.

Section 3.18. *Conflicting Interest Transaction.* Any conflicting interest transaction shall be governed by Section 30-1-860 through 30-1-863 of the Act.

Article 4

Officers

Section 4.1. *General.* The officers of the Company shall consist of a President, a Vice President, a Secretary, a Treasurer and such additional Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers and agents as the Board of Directors from time to time may deem advisable. If the Board of Directors wishes, it may also elect as an officer of the Company the Chairman of the Board. Each such officer shall hold office for such term, if any, as may be established by the Board of Directors or set forth in an employment agreement, if any, or until his or her successor shall have been duly elected and qualified or until his or her earlier resignation, retirement, removal from office, incapacity or death. The Board of Directors may remove any officer or agent at any time, with or without cause, unless otherwise provided by the Act or the Restated Articles of Incorporation. One person may hold two or more offices, except the offices of President and Secretary.

Section 4.2. *President.* The President shall have general and active management of the business of the Company and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

Section 4.3. *Vice Presidents.* Each Vice President shall serve under the direction of the President and shall perform such other duties as the Board of Directors shall from time to time direct.

Section 4.4. *Secretary.* The Secretary of the Company shall serve under the direction of the President and shall perform such other duties as the Board of Directors shall from time to time direct, unless otherwise provided by these Bylaws or determined by the Board of Directors. The Secretary shall be responsible for preparing minutes of the directors' and shareholders' meetings and for authenticating records of the Company. The Secretary shall safely keep in his or her custody the seal of the Company and shall have authority to affix the same to all instruments where its use is required. The Secretary shall give all notices required by the Act, these Bylaws or any resolution of the Board of Directors.

Section 4.5. *Treasurer* The Treasurer shall serve under the direction of the President and shall perform such other duties as the Board of Directors shall from time to time direct. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the Company full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies, securities and other valuable effects in the name of the Company in such depositories as may be designated for that purpose by the Board of Directors and shall disburse the funds of the Company as may be ordered by the Board of Directors. The Treasurer shall upon request report to the Board of Directors on the financial condition of the Company.

Section 4.6. *Assistant Secretary and Assistant Treasurer.* The Assistant Secretary, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary. The Assistant Treasurer, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer.

Article 5

Stock and Transfers

Section 5.1. *Certificates for Shares.* Subject to the provisions of Section 5.2, every shareholder shall be entitled to a certificate of the shares to which the shareholder has subscribed, and each certificate shall be signed, either manually or by facsimile, by any two (2) of the following: the Chairman of the Board (if he or she is an officer), the President, the Treasurer and the Secretary. Such certificate may bear the seal of the Company or a facsimile thereof. Each certificate shall state the name of the Company, the number and class of shares

and the designation of the series, if any, that the certificate represents. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

Section 5.2. *Shares Without Certificates.* The Company shall have the power to authorize the issue of some or all of the shares of any or all of its classes or series without certificates. The authorization shall not affect shares already represented by certificates until they are surrendered to the Company. Within, a reasonable time after the issue or transfer of shares without certificates, the Company shall send the shareholder a written statement of the information required on certificates by the Act.

Section 5.3. *Transferable Only on Books of the Company.* Shares of the capital stock of the Company shall be transferred on the books of the Company only by the holder of the shares in person or by an attorney lawfully appointed in writing and upon surrender of the certificates, if any, for the shares. A record shall be made of every such transfer and issue. Whenever any transfer is made for collateral security and not absolutely, the fact shall be so expressed in the entry of such transfer.

Section 5.4. *Stock Ledger.* The Company shall maintain a stock ledger that contains the name and address of each shareholder and the number of shares of each class of the capital stock that the shareholder holds. The stock ledger may be in written form or in any other form that can be converted within a reasonable time into written form for visual inspection.

Section 5.5. *Registered Shareholders.* The Company shall have the right to treat the registered holder of any share of its capital stock as the absolute owner of such share and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not the Company shall have express or other notice thereof, unless otherwise required by any applicable law.

Article 6

Indemnification

Section 6.1. *Defined Terms.* Capitalized terms used in this Article VI that are defined in Section 30-1-850 of the Act shall have the meaning given to such terms under Section 30-1-850 of the Act.

Section 6.2. *Insurance.* The Company shall have the power to purchase and maintain insurance, in such amounts as the Board of Directors may deem appropriate, on behalf of any person who is a Director, Officer, employee or agent against Liability and Expenses in connection with any Proceeding, to the extent permitted under any applicable law.

Section 6.3. *Agreements.* The Company may enter into an indemnification agreement with any Director, Officer, employee or agent, to the extent permitted under any applicable law.

Section 6.4. *Amendments.* Any amendment or repeal of this Article VI shall not be retroactive in effect.

Section 6.5. *Severability.* In case any provision in this Article VI shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances.

Article 7

Amendment of Bylaws

Section 7.1. *Amendment by the Board of Directors.* These Bylaws may be amended, altered, changed, added to, repealed or substituted by the affirmative vote of a majority of the Board of Directors, unless the Restated Articles of Incorporation, these Bylaws or the Act provide otherwise.

Section 7.2. *Amendment by the Shareholders.* Subject to the provisions of Section 7.3, these Bylaws may be amended, altered, changed, added to, repealed or substituted by the affirmative vote of a majority of all shares entitled to vote thereon, if notice of the proposed amendment, alteration, change, addition, repeal or substitution is contained in the notice of the meeting.

Section 7.3. *Amendment of Certain Provisions.* Notwithstanding any other provision of these Bylaws, (i) any amendment, alteration, change, addition, repeal or substitution of this Section 7.3, Section 2.9 or Article III of these Bylaws by the shareholders shall require the affirmative vote of two-thirds of all shares entitled to vote thereon; and (ii) no change of the date for the annual meeting of the shareholders shall be made by the shareholders within the 30-day period preceding the date designated for the annual meeting pursuant to Section 2.1, unless consented to in writing, as provided in Section 2.10, or approved at any meeting of the shareholders by a majority of all shares entitled to vote thereon.

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

I, THOMAS R. SALDIN, the undersigned, Secretary of Idaho Power Company, do hereby certify that the following constitutes a full, true and correct copy of the resolutions adopted at the regular meeting of the Board of Directors on January 20, 2005, relating to authority to enter into short-term borrowings and issue promissory notes, 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 _____ day of March, 2005.

/s/ Thomas R. Saldin
Secretary

(CORPORATE SEAL)

RESOLVED, That for the purpose of providing in part for the Company's ongoing financial requirements during the calendar years 2005 through 2010, unsecured short-term borrowings by the Company are hereby authorized in an aggregate principal amount of not to exceed \$300,000,000 at any one time outstanding, including authorization to renew notes or other evidence of indebtedness with a final maturity no later than December 31, 2011, such borrowings (including renewals thereof), subject to the authority of, or in compliance with procedures of, all governmental agencies having jurisdiction in respect thereof, to be made (1) at such time or times, in such amount or amounts (within the above specified aggregate maximum), for such period or periods, at such rate or rates of interest, upon such other terms and conditions, and to be evidenced by notes or such other evidence of indebtedness in such form or forms as shall be determined by, and (2) under such agreement or agreements or pursuant to such arrangements as shall have been approved by, the Chief Executive Officer, the President, the Chief Financial Officer, or the Treasurer or any Assistant Treasurer, as necessary or appropriate, in view of the Company's financial requirements; and that the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or Assistant Treasurer, are, and each of them hereby is authorized to execute and deliver in the name and on behalf of the Company, all such agreements and arrangement documents, or instruments, and to do or cause to be done all such other things, as may be required or expedient for the purpose of such borrowing, including the determination of a bank or banks to act as issuing and paying agent for any promissory notes or other evidence of

indebtedness of the Company; and that the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or Assistant Treasurer be, and they hereby are authorized and empowered from time to time, to make, execute and deliver in the name and on behalf of the Company, promissory notes or other evidence of indebtedness, not to exceed an aggregate principal amount of \$300,000,000 at any one time outstanding as herein authorized; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and directed to file applications with the Idaho Public Utilities Commission, and such other commissions or regulatory agencies identified by such officers, for any necessary or appropriate authorization in connection with the short-term borrowings in an aggregate principal amount not to exceed \$300,000,000 as determined by the proper officers of the Company to be in the best interest of the Company, and to execute on behalf of the Company and in its name and to cause to be filed with said Commission such amendments, supplements and reports, if any, as they deem necessary or proper in connection with such applications and with any orders issued by the Commission; and be it

FURTHER RESOLVED, That all acts heretofore done and all documents heretofore executed, filed or delivered by the officers of the Company in connection with the proposed short-term borrowings are hereby approved, ratified and confirmed; and that the officers of the Company are hereby authorized and directed to do or cause to be done any and all other acts and things in their judgment that may be necessary or proper or as counsel may advise in order to carry out the purpose of the foregoing resolutions.

RESOLVED, That effective on the date hereof, subject to regulatory approvals, authorizations or consents, Idaho Power Company may issue and sell its promissory notes (commercial paper or similar notes), from time to time (either in physical or electronic book-entry form or otherwise) to such lenders, brokers, dealers or placement agents in commercial paper as the officers of the Company may determine, in principal amounts not to exceed an aggregate of \$300,000,000 at any time outstanding, each such note to be signed by one officer of the Company as hereinafter provided, at such prices and containing such dates, rates, maturities or other terms as the officer or officers executing said notes shall deem appropriate; provided, that no such note shall be for a term of more than 270 days; and be it

FURTHER RESOLVED, That the signature or signatures on said promissory notes may be either the manual or facsimile signature of the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer or any Assistant Treasurer of the Company, or any other officer of the Company designated in writing by any of the foregoing; and be it

FURTHER RESOLVED, That any one of the following officers of the

Company, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Assistant Treasurer be, and each hereby is authorized to execute and deliver on behalf of the Company an agreement with Wells Fargo Bank, Minneapolis, MN, or other financial institution, providing for the safekeeping, completion, countersignature, issuance and payment of the promissory notes of the Company; and be it

FURTHER RESOLVED, That any of the above officers be and each one hereby is authorized to revoke such agreement or execute and deliver, from time to time, such amendments to said agreement as any such officer may deem to be desirable.

COMMITMENTS AND CONTINGENT LIABILITIES

IDAHO POWER COMPANY

Commitments and Contingent Liabilities:

As of December 31, 2004, IPC had agreements to purchase energy from 71 cogeneration and small power production (CSPP) facilities with contracts ranging from one to 30 years. Under these contracts IPC is required to purchase all of the output from the facilities inside the IPC service territory. For projects outside the IPC service territory, IPC is required to purchase the output which IPC has the ability to receive at the facility's requested point of delivery on the IPC system. IPC purchased 677,868 megawatt-hours (MWh) at a cost of \$40 million in 2004 and 654,131 MWh at a cost of \$38 million in 2003.

IPC has agreed to guarantee the performance of reclamation activities at Bridger Coal Company of which Idaho Energy Resources Co., a subsidiary of IPC, owns a one-third interest. This guarantee, which is renewed each December, was \$60 million at December 31, 2004. Bridger Coal Company has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs and expects that the fund will be sufficient to cover all such costs. Because of the existence of the fund, the estimated fair value of this guarantee is minimal.

In August 2003, IE sold its forward book of electricity trading contracts to Sempra Energy Trading. As part of the sale, IE entered into an Indemnity Agreement with Sempra Energy Trading guaranteeing the performance of one of the counterparties. The maximum amount payable by IE under the Indemnity Agreement is \$20 million. The indemnity agreement has been accounted for in accordance with FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," and did not have a significant effect on IDACORP's financial statements.

From time to time IDACORP and IPC are a party to various legal claims, actions and complaints in addition to those discussed below. IDACORP and IPC believe that they have meritorious defenses to all lawsuits and legal proceedings. Although they will vigorously defend against them, they are unable to predict with certainty whether or not they will ultimately be successful. However, based on the companies' evaluation, they believe that the resolution of these matters will not have a material adverse effect on IDACORP's or IPC's consolidated financial positions, results of operations or cash flows.

Legal Proceedings

Alves Dairy: On May 18, 2004, Herculano and Frances Alves, dairy operators from Twin Falls, Idaho, brought suit against IPC in Idaho State District Court, Fifth Judicial District, Twin Falls County. The plaintiffs seek unspecified monetary damages for negligence and nuisance (allegedly allowing electrical current to flow in the earth, injuring the plaintiffs' right to use and enjoy their property and adversely affecting their dairy herd). On July 16, 2004, IPC filed an answer to Mr. and Mrs. Alves' complaint, denying all liability to the plaintiffs, and asserting certain affirmative defenses. The parties have begun discovery in the case. No trial date has been scheduled. On December 14, 2004, IPC filed a motion with the District Court for permission to appeal the court's denial of IPC's Motion to Disqualify the trial judge, for cause. The District Court granted the motion for permissive appeal. On February 16, 2005, IPC filed a motion for permissive appeal with the Idaho Supreme Court. If granted, the Supreme Court will determine whether the District Court properly refused to disqualify the trial judge for cause.

IPC intends to vigorously defend its position in this proceeding and believes this matter, with insurance coverage, will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Public Utility District No. 1 of Grays Harbor County, Washington: On October 15, 2002, Public Utility District No. 1 of Grays Harbor County, Washington (Grays Harbor) filed a lawsuit in the Superior Court of the State of Washington, for the County of Grays Harbor, against IDACORP, IPC and IE. On March 9, 2001, Grays Harbor entered into a 20 Megawatt (MW) purchase transaction with IPC for the purchase of electric power from October 1, 2001 through March 31, 2002, at a rate of \$249 per MWh. In June 2001, with the consent of Grays Harbor, IPC assigned all of its rights and obligations under the contract to IE. In its lawsuit, Grays Harbor alleged that the assignment was void and unenforceable, and sought restitution from IE and IDACORP, or in the alternative, Grays Harbor alleged that the contract should be rescinded or reformed. Grays Harbor sought as damages an amount equal to the difference between \$249 per MWh

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

and the "fair value" of electric power delivered by IE during the period October 1, 2001 through March 31, 2002.

IDACORP, IPC and IE had this action removed from the state court to the U.S. District Court for the Western District of Washington at Tacoma. On November 12, 2002, the companies filed a motion to dismiss Grays Harbor's complaint, asserting that the U.S. District Court lacked jurisdiction because the FERC has exclusive jurisdiction over wholesale power transactions and thus the matter is preempted under the Federal Power Act and barred by the filed-rate doctrine. The court ruled in favor of the companies' motion to dismiss and dismissed the case with prejudice on January 28, 2003. On February 25, 2003, Grays Harbor filed a Notice of Appeal, appealing the final judgment of dismissal to the U.S. Court of Appeals for the Ninth Circuit. On August 10, 2004, the Ninth Circuit affirmed the dismissal of Grays Harbor's complaint, finding that Grays Harbor's claims were preempted by federal law and were barred by the filed-rate doctrine. The court also remanded the case to allow Grays Harbor leave to amend its complaint to seek declaratory relief only as to contract formation, and held that Grays Harbor could seek monetary relief, if at all, only from the FERC, and not from the courts. IDACORP, IPC and IE sought rehearing from the Ninth Circuit arguing that the court erred in granting leave to amend the complaint as such a declaratory relief claim would be preempted and would be barred by the filed-rate doctrine. The Ninth Circuit denied the rehearing request on October 25, 2004 and the decision became final on November 12, 2004. On that same date, the companies took steps to have the case transferred and consolidated with other similar cases arising out the California energy crisis currently pending before the Honorable Robert H. Whaley, sitting by designation in the Southern District of California and presiding over Multidistrict Litigation Docket No. 1405, regarding California Wholesale Electricity Antitrust Litigation. On November 18, 2004, Grays Harbor filed an amended complaint alleging that the contract was formed under circumstances of "mistake" as to an "artificial . . . power shortage." Grays Harbor asks that the contract therefore be declared "unenforceable" and found "unconscionable." On December 23, 2004, the Judicial Panel on Multidistrict Litigation conditionally transferred the case to Judge Whaley. Grays Harbor is opposing transfer, however, and the Judicial Panel on Multidistrict Litigation has yet to finally rule on the transfer. IDACORP, IE and IPC have not responded to the amended complaint as a response is not yet required. The companies plan to file a motion to dismiss the complaint. The companies intend to vigorously defend their position on remand and believe this matter will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

Port of Seattle: On May 21, 2003, the Port of Seattle, a Washington municipal corporation, filed a lawsuit against 20 energy firms, including IPC and IDACORP, in the U.S. District Court for the Western District of Washington at Seattle. The Port of Seattle's complaint alleges fraud and violations of state and federal antitrust laws and the Racketeer Influenced and Corrupt Organizations Act. On December 4, 2003, the Judicial Panel on Multidistrict Litigation transferred the case to the Southern District of California for inclusion with several similar multidistrict actions currently pending before the Honorable Robert H. Whaley.

All defendants, including IPC and IDACORP, moved to dismiss the complaint in lieu of answering it. The motions were based on the ground that the complaint seeks to set alternative electrical rates, which are exclusively within the jurisdiction of the FERC and are barred by the filed-rate doctrine. A hearing on the motion to dismiss was heard on March 26, 2004. On May 28, 2004, the court granted IPC and IDACORP's motion to dismiss. In June 2004, the Port of Seattle appealed the court's decision to the U.S. Court of Appeals for the Ninth Circuit. The appeal has been fully briefed, however no date has yet been set for oral argument. The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

Wah Chang: On May 5, 2004, Wah Chang, a division of TDY Industries, Inc., filed two lawsuits in the U.S. District Court for the District of Oregon against numerous defendants. IDACORP, IE and IPC are named as defendants in one of the lawsuits. The complaints allege violations of federal antitrust laws, violations of the Racketeer Influenced and Corrupt Organizations Act, violations of Oregon antitrust laws and wrongful interference with contracts. Wah Chang's complaint is based on allegations relating to the western energy situation. These allegations include bid rigging, falsely creating congestion and misrepresenting the source and destination of energy. The plaintiff seeks compensatory damages of \$30 million and treble damages.

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

On September 8, 2004, this case was transferred and consolidated with other similar cases currently pending before the Honorable Robert H. Whaley, sitting by designation in the Southern District of California and presiding over Multidistrict Litigation Docket No. 1405, regarding California Wholesale Electricity Antitrust Litigation. IDACORP, IE and IPC have not answered the complaint, as a response is not yet required. The companies, along with the other defendants, subsequently filed a motion to dismiss the complaint, which was heard on January 20, 2005. By order dated February 11, 2005, the court granted the companies' and other defendants' motion to dismiss. The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

City of Tacoma: On June 7, 2004, the City of Tacoma, Washington filed a lawsuit in the U.S. District Court for the Western District of Washington at Tacoma against numerous defendants including IDACORP, IE and IPC. The City of Tacoma's complaint alleges violations of the Sherman Antitrust Act. The claimed antitrust violations are based on allegations of energy market manipulation, false load scheduling and bid rigging and misrepresentation or withholding of energy supply. The plaintiff seeks compensatory damages of not less than \$175 million.

On September 8, 2004, this case was transferred and consolidated with other similar cases currently pending before the Honorable Robert H. Whaley, sitting by designation in the Southern District of California and presiding over Multidistrict Litigation Docket No. 1405, regarding California Wholesale Electricity Antitrust Litigation. IDACORP, IE and IPC have not answered the complaint, as a response is not yet required. The companies, along with the other defendants, filed a motion to dismiss the complaint which was taken under submission by the court, without oral argument. By order dated February 11, 2005, the court granted the companies' and other defendants' motion to dismiss. The companies intend to vigorously defend their position in this proceeding and believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

State of California Attorney General: The California Attorney General filed the complaint in this case in the California Superior Court in San Francisco on May 30, 2002. This is one of thirteen virtually identical cases brought by the Attorney General against various sellers of power in the California market, seeking civil penalties pursuant to California's Unfair Competition Law, Business and Professions Code Section 17200. Section 17200 defines unfair competition as any "unlawful, unfair or fraudulent business act or practice" The Attorney General alleges that IPC engaged in unlawful conduct by violating the Federal Power Act in two respects: (1) by failing to file its rates with the FERC and (2) charging unjust and unreasonable rates. The Attorney General alleged that there were "thousands of . . . sales or purchases" for which IPC failed to file its rates, and that IPC charged unjust and unreasonable rates on "thousands of occasions." Pursuant to Business and Professions Code Section 17206, the Attorney General seeks civil penalties of up to \$2,500 for each alleged violation. On June 25, 2002, IPC removed the action to federal court, and on July 25, 2002, the Attorney General filed a motion to remand back to state court. On March 25, 2003, the court denied the Attorney General's motion to remand and granted IPC's motion to dismiss the case based upon grounds of federal preemption and the filed-rate doctrine. On March 28, 2003, the Attorney General filed a Notice of Appeal to the U.S. Court of Appeals for the Ninth Circuit, appealing the court's decision granting IPC's motion to dismiss. Briefing on the appeal was completed in October 2003. On October 12, 2004, the Ninth Circuit unanimously affirmed the order denying remand and dismissing all of the Attorney General's actions, including the action against IPC. The Attorney General did not file a petition for rehearing in the Ninth Circuit and has not sought review from the U.S. Supreme Court. As a result, the Ninth Circuit's October 12, 2004 decision is final.

Wholesale Electricity Antitrust Cases I & II: These cross-actions against IE and IPC emerged from multiple California state court proceedings first initiated in late 2000 against various power generators/marketers by various California municipalities and citizens. Suit was filed against entities including Reliant Energy Services, Inc., Reliant Ormond Beach, L.L.C., Reliant Energy Etiwanda, L.L.C., Reliant Energy Ellwood, L.L.C., Reliant Energy Mandalay, L.L.C. and Reliant Energy Coolwater, L.L.C. (collectively, Reliant); and Duke Energy Trading and Marketing, L.L.C., Duke Energy Morro Bay, L.L.C., Duke Energy Moss Landing, L.L.C., Duke Energy South Bay, L.L.C. and Duke Energy Oakland, L.L.C. (collectively, Duke). While varying in some particulars, these cases made a common claim that Reliant, Duke and certain others (not including IE or IPC) colluded to influence the price of electricity in the

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

California wholesale electricity market. Plaintiffs asserted various claims that the defendants violated the California Antitrust Law (the Cartwright Act), Business and Professions Code Section 16720 and California's Unfair Competition Law, Business and Professions Code Section 17200. Among the acts complained of are bid rigging, information exchanges, withholding of power and other wrongful acts. These actions were subsequently consolidated, resulting in the filing of Plaintiffs' Master Complaint in San Diego Superior Court on March 8, 2002.

On April 22, 2002, more than a year after the initial complaints were filed, two of the original defendants, Duke and Reliant, filed separate cross-complaints against IPC and IE, and approximately 30 other cross-defendants. Duke and Reliant's cross-complaints seek indemnity from IPC, IE and the other cross-defendants for an unspecified share of any amounts they must pay in the underlying suits because, they allege, other market participants like IPC and IE engaged in the same conduct at issue in the Plaintiffs' Master Complaint. Duke and Reliant also seek declaratory relief as to the respective liability and conduct of each of the cross-defendants in the actions alleged in the Plaintiffs' Master Complaint. Reliant also asserted a claim against IPC for alleged violations of the California Unfair Competition Law, Business and Professions Code Section 17200. As a buyer of electricity in California, Reliant seeks the same relief from the cross-defendants, including IPC, as that sought by plaintiffs in the Plaintiffs' Master Complaint as to any power Reliant purchased through the California markets.

Some of the newly added defendants (foreign citizens and federal agencies) removed that litigation to federal court. IPC and IE, together with numerous other defendants added by the cross-complaints, have moved to dismiss these claims, and those motions were heard in September 2002, together with motions to remand the case back to state court filed by the original plaintiffs. On December 13, 2002, the U.S. District Court granted Plaintiffs' Motion to Remand to state court, but did not issue a ruling on IPC and IE's motion to dismiss. The U.S. Court of Appeals for the Ninth Circuit granted certain Defendants and Cross-Defendants' Motions to Stay the Remand Order while they appeal the order. The briefing on the appeal was completed in December 2003. On December 8, 2004, the Ninth Circuit issued its opinion in *California v. NRG Energy, Inc., et al.*, which affirmed the district court's remand of these cases to state court and dismissed certain federal government defendants due to their sovereign immunity from suit. Cross-defendant, Powerex Corp., sought Rehearing En Banc at the Ninth Circuit arguing that while it is a government entity, it is not immune from suit but should be permitted to litigate in federal rather than state court. If the case is returned to state court, the companies, and other cross-defendants, intend to re-file their motions to dismiss in state court, which had been filed in federal court but never ruled upon. The companies believe these matters will not have a material adverse effect on their consolidated financial positions, results of operations or cash flow.

Western Energy Proceedings at the FERC:

California Power Exchange Chargeback:

As a component of IPC's non-utility energy trading in the State of California, IPC, in January 1999, entered into a participation agreement with the California Power Exchange (CalPX), a California non-profit public benefit corporation. The CalPX, at that time, operated a wholesale electricity market in California by acting as a clearinghouse through which electricity was bought and sold. Pursuant to the participation agreement, IPC could sell power to the CalPX under the terms and conditions of the CalPX Tariff. Under the participation agreement, if a participant in the CalPX defaulted on a payment, the other participants were required to pay their allocated share of the default amount to the CalPX. The allocated shares were based upon the level of trading activity, which included both power sales and purchases, of each participant during the preceding three-month period.

On January 18, 2001, the CalPX sent IPC an invoice for \$2 million - a "default share invoice" - as a result of an alleged Southern California Edison payment default of \$215 million for power purchases. IPC made this payment. On January 24, 2001, IPC terminated its participation agreement with the CalPX. On February 8, 2001, the CalPX sent a further invoice for \$5 million, due on February 20, 2001, as a result of alleged payment defaults by Southern California Edison, Pacific Gas and Electric Company and others. However, because the CalPX owed IPC \$11 million for power sold to the CalPX in November and December 2000, IPC did not pay the February 8 invoice. The CalPX later reversed IPC's payment of the January 18, 2001 invoice, but on June 20, 2001 invoiced IPC for an additional \$2 million which the CalPX has not reversed. The CalPX owes IPC \$14 million for power sold in November and December including \$2 million associated

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

with the default share invoice dated June 20, 2001. IPC essentially discontinued energy trading with the CalPX and the California Independent System Operator (Cal ISO) in December 2000.

IPC believes that the default invoices were not proper and that IPC owes no further amounts to the CalPX. IPC has pursued all available remedies in its efforts to collect amounts owed to it by the CalPX. On February 20, 2001, IPC filed a petition with the FERC to intervene in a proceeding that requested the FERC to suspend the use of the CalPX chargeback methodology and provide for further oversight in the CalPX's implementation of its default mitigation procedures.

A preliminary injunction was granted by a federal judge in the U.S. District Court for the Central District of California enjoining the CalPX from declaring any CalPX participant in default under the terms of the CalPX Tariff. On March 9, 2001, the CalPX filed for Chapter 11 protection with the U.S. Bankruptcy Court, Central District of California.

In April 2001, Pacific Gas and Electric Company filed for bankruptcy. The CalPX and the Cal ISO were among the creditors of Pacific Gas and Electric Company. To the extent that Pacific Gas and Electric Company's bankruptcy filing affects the collectibility of the receivables from the CalPX and the Cal ISO, the receivables from these entities are at greater risk.

The FERC issued an order on April 6, 2001 requiring the CalPX to rescind all chargeback actions related to Pacific Gas and Electric Company's and Southern California Edison's liabilities. Shortly after the issuance of that order, the CalPX segregated the CalPX chargeback amounts it had collected in a separate account. The CalPX claims it is awaiting further orders from the FERC and the bankruptcy court before distributing the funds that it collected under its chargeback tariff mechanism. Although certain parties to the California refund proceeding urged the FERC's Presiding Administrative Law Judge to consider the chargeback amounts in his determination of who owes what to whom, in his Certification of Proposed Findings on California Refund Liability, he concluded that the matter already was pending before the FERC for disposition. On October 7, 2004, the FERC issued an order determining that it would not require the disbursement of chargeback funds until the completion of the California refund proceedings. On November 8, 2004, IE, along with a number of other parties, sought rehearing of that order. The FERC has not yet acted on the requests for rehearing.

California Refund:

In April 2001, the FERC issued an order stating that it was establishing price mitigation for sales in the California wholesale electricity market. Subsequently, in a June 19, 2001 order, the FERC expanded that price mitigation plan to the entire western United States electrically interconnected system. That plan included the potential for orders directing electricity sellers into California since October 2, 2000 to refund portions of their spot market sales prices if the FERC determined that those prices were not just and reasonable, and therefore not in compliance with the Federal Power Act. The June 19 order also required all buyers and sellers in the Cal ISO market during the subject time frame to participate in settlement discussions to explore the potential for resolution of these issues without further FERC action. The settlement discussions failed to bring resolution of the refund issue and as a result, the FERC's Chief Administrative Law Judge submitted a Report and Recommendation to the FERC recommending that the FERC adopt the methodology set forth in the report and set for evidentiary hearing an analysis of the Cal ISO's and the CalPX's spot markets to determine what refunds may be due upon application of that methodology.

On July 25, 2001, the FERC issued an order establishing evidentiary hearing procedures related to the scope and methodology for calculating refunds related to transactions in the spot markets operated by the Cal ISO and the CalPX during the period October 2, 2000 through June 20, 2001 (Refund Period).

This case had been complicated by an August 13, 2002 FERC Staff Report which included the recommendation to replace the published California indices for gas prices that the FERC previously established as just and reasonable for calculating a Mitigated Market Clearing Price to calculate refunds with other published indices for producing basin prices plus a transportation allowance. The FERC Staff's recommendation is grounded on speculation that some sellers had an incentive to report exaggerated

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

prices to publishers of the indices, resulting in overstated published index prices. The FERC Staff based its speculation in large part on a statistical correlation analysis of Henry Hub and California prices. IE, in conjunction with others, submitted comments on the FERC Staff recommendation - asserting that the staff's conclusions were incorrect because the staff's correlation study ignored evidence of normal market forces and scarcity that created the pricing variations that the staff observed, rather than improper manipulation of reported prices.

The Administrative Law Judge issued a Certification of Proposed Findings on California Refund Liability on December 12, 2002.

The FERC issued its Order on Proposed Findings on Refund Liability on March 26, 2003. In large part, the FERC affirmed the recommendations of its Administrative Law Judge. However, the FERC changed a component of the formula the Administrative Law Judge was to apply when it adopted findings of its staff that published California spot market prices for gas did not reliably reflect the prices a gas market that had not been manipulated would have produced, despite the fact that many gas buyers paid those amounts. The findings of the Administrative Law Judge, as adjusted by the FERC's March 26, 2003 order, are expected to increase the offsets to amounts still owed by the Cal ISO and the CalPX to the companies. Calculations remain uncertain because the FERC has required the Cal ISO to correct a number of defects in its calculations and because the FERC has stated that if refunds will prevent a seller from recovering its California portfolio costs during the Refund Period, it will provide an opportunity for a cost showing by such a respondent. As a result, IE is unsure of the impact this ruling will have on the refunds due from California. However, as to potential refunds, if any, IE believes its exposure is likely to be offset by amounts due from California entities.

IE, along with a number of other parties, filed an application with the FERC on April 25, 2003 seeking rehearing of the March 26, 2003 order. On October 16, 2003, the FERC issued two orders denying rehearing of most contentions that had been advanced and directing the Cal ISO to prepare its compliance filing calculating revised Mitigated Market Clearing Prices and refund amounts within five months. The Cal ISO has since requested additional time to complete its compliance filings. By order of February 3, 2004, the FERC granted additional time. In a February 10, 2004 report to the FERC, the Cal ISO asserted its belief that it would complete re-running the data and financial clearing of amounts due by August 2004, subject to a number of events that must occur in the interim, including FERC disposition of a number of pending issues. This Cal ISO compliance filing has since been delayed until at least April 2005. The Cal ISO is required to update the FERC on its progress monthly. After receipt of the compliance filing, the FERC will consider cost-based filings from sellers to reduce their refund exposure.

On December 2, 2003, IE petitioned the U.S. Court of Appeals for the Ninth Circuit for review of the FERC's orders, and since that time, dozens of other petitions for review have been filed. The Ninth Circuit consolidated IE's and the other parties' petitions with the petitions for review arising from earlier FERC orders in this proceeding, bringing the total number of consolidated petitions to more than 100. The Ninth Circuit held the appeals in abeyance pending the disposition of the market manipulation claims discussed below and the development of a comprehensive plan to brief this complicated case. Certain parties also sought further rehearing and clarification before the FERC. On September 21, 2004, the Ninth Circuit convened case management proceedings, a procedure reserved to help organize complex cases. On October 22, 2004, the Ninth Circuit severed a subset of the stayed appeals in order that briefing could commence regarding limited issues of: (1) which parties are subject to the FERC's refund jurisdiction under section 201(f) of the Federal Power Act; (2) the temporal scope of refunds under section 206 of the Federal Power Act; and (3) which categories of transactions are subject to refunds. Petitioners and petitioner-intervenors, including IE, filed opening briefs regarding the latter two issues on December 23, 2004. The FERC filed its respondent's brief on January 31, 2005, and petitioners and petitioner-intervenors, including IE, filed their reply briefs on March 1, 2005. Oral argument is scheduled for April 12-13, 2005.

On May 12, 2004, the FERC issued an order clarifying portions of its earlier refund orders and, among other things, denying a proposal made by Duke Energy North America and Duke Energy Trading and Marketing (and supported by IE) to lodge as evidence a contested settlement in a separate complaint proceeding, California Public Utilities Commission (CPUC) v. El Paso et al. The CPUC's complaint alleged that the El Paso companies manipulated California energy markets by withholding pipeline transportation capacity into

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

California in order to drive up natural gas prices immediately before and during the California energy crisis in 2000-2001. The settlement will result in the payment by El Paso of some \$1.69 billion. Duke claimed that the relief afforded by the settlement was duplicative of the remedies imposed by the FERC in its March 26, 2003 order changing the gas cost component of its refund calculation methodology. IE, along with other parties, has sought rehearing of the May 12, 2004 order. On November 23, 2004, the FERC denied rehearing and within the statutory time allowed for petitions, a number of parties, including IE, filed petitions for review of the FERC's order. These petitions have since been consolidated with the larger number of review petitions in connection with the California refund proceeding.

In June 2001, IPC transferred its non-utility wholesale electricity marketing operations to IE. Effective with this transfer, the outstanding receivables and payables with the CalPX and the Cal ISO were assigned from IPC to IE. At December 31, 2004, with respect to the CalPX chargeback and the California refund proceedings discussed above, the CalPX and the Cal ISO owed \$14 million and \$30 million, respectively, for energy sales made to them by IPC in November and December 2000. IE has accrued a reserve of \$42 million against these receivables. This reserve was calculated taking into account the uncertainty of collection given the California energy situation. Based on the reserve recorded as of December 31, 2004, IDACORP believes that the future collectibility of these receivables or any potential refunds ordered by the FERC would not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

On March 20, 2002, the California Attorney General filed a complaint with the FERC against various sellers in the wholesale power market, including IE and IPC, alleging that the FERC's market-based rate requirements violate the Federal Power Act, and, even if the market-based rate requirements are valid, that the quarterly transaction reports filed by sellers do not contain the transaction-specific information mandated by the Federal Power Act and the FERC. The complaint stated that refunds for amounts charged between market-based rates and cost-based rates should be ordered. The FERC denied the challenge to market-based rates and refused to order refunds, but did require sellers, including IE and IPC, to refile their quarterly reports to include transaction-specific data. The Attorney General appealed the FERC's decision to the U.S. Court of Appeals for the Ninth Circuit. The Attorney General contends that the failure of all market-based rate authority sellers of power to have rates on file with the FERC in advance of sales is impermissible. The Ninth Circuit issued its decision on September 9, 2004, concluding that market-based tariffs are permissible under the Federal Power Act, but remanded the matter to the FERC to consider whether the FERC should exercise remedial power (including some form of refunds) when a market participant failed to submit reports that the FERC relies on to confirm the justness and reasonableness of rates charged. Certain parties to the litigation have sought rehearing. The companies cannot predict whether rehearing will be granted or what action the FERC might take if the matter is remanded.

Market Manipulation:

In a November 20, 2002 order, the FERC permitted discovery and the submission of evidence respecting market manipulation by various sellers during the western power crises of 2000 and 2001.

On March 3, 2003, the California Parties (certain investor owned utilities, the California Attorney General, the California Electricity Oversight Board and the CPUC) filed voluminous documentation asserting that a number of wholesale power suppliers, including IE and IPC, had engaged in a variety of forms of conduct that the California Parties contended were impermissible. Although the contentions of the California Parties were contained in more than 11 compact discs of data and testimony, approximately 12,000 pages, IE and IPC were mentioned in limited contexts with the overwhelming majority of the claims of the California Parties relating to the conduct of other parties.

The California Parties urged the FERC to apply the precepts of its earlier decision, to replace actual prices charged in every hour starting May 1, 2000 through the beginning of the existing Refund Period with a Mitigated Market Clearing Price, seeking approximately \$8 billion in refunds to the Cal ISO and the CalPX. On March 20, 2003, numerous parties, including IE and IPC, submitted briefs and responsive testimony.

In its March 26, 2003 order, discussed above in "California Refund," the FERC declined to generically apply its refund determinations to sales by all market participants, although it stated that it reserved the right to

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

provide remedies for the market against parties shown to have engaged in proscribed conduct.

On June 25, 2003, the FERC ordered over 50 entities that participated in the western wholesale power markets between January 1, 2000 and June 20, 2001, including IPC, to show cause why certain trading practices did not constitute gaming or anomalous market behavior in violation of the Cal ISO and the CalPX Tariffs. The Cal ISO was ordered to provide data on each entity's trading practices within 21 days of the order, and each entity was to respond explaining their trading practices within 45 days of receipt of the Cal ISO data. IPC submitted its responses to the show cause orders on September 2 and 4, 2003. On October 16, 2003, IPC reached agreement with the FERC Staff on the two orders commonly referred to as the "gaming" and "partnership" show cause orders. Regarding the gaming order, the FERC Staff determined it had no basis to proceed with allegations of false imports and paper trading and IPC agreed to pay \$83,373 to settle allegations of circular scheduling. IPC believed that it had defenses to the circular scheduling allegation but determined that the cost of settlement was less than the cost of litigation. In the settlement, IPC did not admit any wrongdoing or violation of any law. With respect to the "partnership" order, the FERC Staff submitted a motion to the FERC to dismiss the proceeding because materials submitted by IPC demonstrated that IPC did not use its "parking" and "lending" arrangement with Public Service Company of New Mexico to engage in "gaming" or anomalous market behavior ("partnership"). The "gaming" settlement was approved by the FERC on March 3, 2004. Eight parties have requested rehearing of the FERC's March 3, 2004 order, but the FERC has not yet acted on those requests. The motion to dismiss the "partnership" proceeding was approved by the FERC in an order issued on January 23, 2004 and rehearing of that order was not sought within the time allowed by statute. Some of the California Parties and other parties have petitioned the U.S. Court of Appeals for the Ninth Circuit and the District of Columbia Circuit for review of the FERC's orders initiating the show cause proceedings. Some of the parties contend that the scope of the proceedings initiated by the FERC was too narrow. Other parties contend that the orders initiating the show cause proceedings were impermissible. Under the rules for multidistrict litigation, a lottery was held and although these cases were to be considered in the District of Columbia Circuit by order of February 10, 2005, the District of Columbia Circuit transferred the proceedings to the Ninth Circuit. The FERC had moved the District of Columbia Circuit to dismiss these petitions on the grounds of prematurity and lack of ripeness and finality. The transfer order was issued before a ruling from the District of Columbia Circuit and the motions, if renewed, will be considered by the Ninth Circuit. The company is not able to predict the outcome of the judicial determination of these issues.

On June 25, 2003, the FERC also issued an order instituting an investigation of anomalous bidding behavior and practices in the western wholesale power markets. In this investigation, the FERC was to review evidence of alleged economic withholding of generation. The FERC determined that all bids into the CalPX and the Cal ISO markets for more than \$250 per MWh for the time period May 1, 2000 through October 1, 2000 would be considered prima facie evidence of economic withholding. The FERC Staff issued data requests in this investigation to over 60 market participants including IPC. IPC responded to the FERC's data requests. In a letter dated May 12, 2004, the FERC's Office of Market Oversight and Investigations advised that it was terminating the investigation as to IPC.

Pacific Northwest Refund:

On July 25, 2001, the FERC issued an order establishing another proceeding to explore whether there may have been unjust and unreasonable charges for spot market sales in the Pacific Northwest during the period December 25, 2000 through June 20, 2001. The FERC Administrative Law Judge submitted recommendations and findings to the FERC on September 24, 2001. The Administrative Law Judge found that prices should be governed by the Mobile-Sierra standard of the public interest rather than the just and reasonable standard, that the Pacific Northwest spot markets were competitive and that no refunds should be allowed. Procedurally, the Administrative Law Judge's decision is a recommendation to the commissioners of the FERC. Multiple parties submitted comments to the FERC with respect to the Administrative Law Judge's recommendations. The Administrative Law Judge's recommended findings had been pending before the FERC, when at the request of the City of Tacoma and the Port of Seattle on December 19, 2002, the FERC reopened the proceedings to allow the submission of additional evidence related to alleged manipulation of the power market by Enron and others. As was the case in the California refund proceeding, at the conclusion of the discovery period, parties alleging market manipulation were to submit their claims to the FERC and responses were due on March 20, 2003. Grays Harbor, whose civil litigation claims were dismissed, as noted above, intervened in this FERC proceeding, asserting on March

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

3, 2003 that its six-month forward contract, for which performance has been completed, should be treated as a spot market contract for purposes of the FERC's consideration of refunds and is requesting refunds from IPC of \$5 million. Grays Harbor did not suggest that there was any misconduct by IPC or IE. The companies submitted responsive testimony defending vigorously against Grays Harbor's refund claims.

In addition, the Port of Seattle, the City of Tacoma and the City of Seattle made filings with the FERC on March 3, 2003 claiming that because some market participants drove prices up throughout the west through acts of manipulation, prices for contracts throughout the Pacific Northwest market should be re-set starting in May 2000 using the same factors the FERC would use for California markets. Although the majority of the claims of these parties are generic, they named a number of power market suppliers, including IPC and IE, as having used parking services provided by other parties under FERC-approved tariffs and thus as being candidates for claims of improperly having received congestion revenues from the Cal ISO. On June 25, 2003, after having considered oral argument held earlier in the month, the FERC issued its Order Granting Rehearing, Denying Request to Withdraw Complaint and Terminating Proceeding, in which it terminated the proceeding and denied claims that refunds should be paid. The FERC denied rehearing on November 10, 2003, triggering the right to file for review. The Port of Seattle, the City of Tacoma, the City of Seattle, the California Attorney General, the CPUC and Puget Sound Energy Inc. filed petitions for review in the Ninth Circuit. These petitions have been consolidated. Grays Harbor did not file a petition for review, although it has sought to intervene in the proceedings initiated by the petitions of others. The FERC has certified the record to the Ninth Circuit. On July 21, 2004, the City of Seattle submitted to the Ninth Circuit in the Pacific Northwest refund petition for review a motion requesting leave to offer additional evidence before the FERC in order to try to secure another opportunity for reconsideration by the FERC of its earlier rulings. The evidence that the City of Seattle seeks to introduce before the FERC consists of audio tapes of what purports to be Enron trader conversations containing inflammatory language that have been the subject of coverage in the press. Under Section 313(b) of the Federal Power Act, a court is empowered to direct the introduction of additional evidence if it is material and could not have been introduced during the underlying proceeding. The City of Seattle also requested that the current briefing schedule, which required briefs to be filed by August 5, 2004, be delayed. On September 29, 2004, the Ninth Circuit denied the City of Seattle's motion for leave to adduce evidence, without prejudice to renewing the request for remand in the briefing in the Pacific Northwest refund case. Petitioner's briefs were filed January 14, 2005, Petitioner-intervenors briefs were filed on February 14, 2005 and Respondent's brief is due March 30, 2005 and Respondent-intervenor's briefs and the briefs of any non-aligned intervenors are due April 29, 2005. Petitioner's reply briefs are due 42 days after service of respondent's briefs. Petitioner-intervenors' briefs are due 56 days after service of respondent's briefs. A date for oral argument has not yet been set.

The companies are unable to predict the outcome of these matters.

On July 21, 2004, Californians for Renewable Energy, Inc. (CARE) filed a motion with the FERC in connection with the California Refund proceedings, the Pacific Northwest refund proceedings and the show cause proceedings, both gaming and partnership, including those in which IPC was the respondent. CARE has participated in many of the FERC proceedings dealing with California energy matters, having appointed itself as a representative of low-income communities and other groups that it claims are otherwise not represented. The FERC permitted CARE to participate in the cases as an intervenor. In its current motion, CARE requests that the FERC radically restructure its approach to California and western energy proceedings involving the events of 2000 and 2001 by revoking market-based rate authority from the date of their approvals, replacing market-based rates with cost-of-service rates by requiring refunds back to the date of the orders granting market-based rate authority, revising long-term energy contracts negotiated during 2000 and 2001 (it appears that the contracts that CARE identified do not include any to which IPC is a party), deferring further refund settlements, establishing a direct pass-through refund mechanism for California consumers and having "previously executed settlement agreements rejected." CARE also requested that the FERC revoke market-based rates for those entities identified in the June 25, 2003 show cause orders, which would include IPC. IPC defended itself in response to this motion and is unable to predict how the FERC will respond to CARE's motion. On September 9, 2004, CARE filed a motion to withdraw its July 21, 2004 pleading. By operation of law, the withdrawal was effective September 24, 2004.

Shareholder Lawsuits: On May 26, 2004 and June 22, 2004, respectively, two shareholder lawsuits were filed against IDACORP and certain of its directors and officers. The lawsuits, captioned Powell, et al. v.

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

IDACORP, Inc., et al. and Shorthouse, et al. v. IDACORP, Inc., et al., raise largely similar allegations. The lawsuits are putative class actions brought on behalf of purchasers of IDACORP stock between February 1, 2002 and June 4, 2002, and were filed in the U.S. District Court for the District of Idaho. The named defendants in each suit, in addition to IDACORP, are Jon H. Miller, Jan B. Packwood, J. LaMont Keen and Darrel T. Anderson.

The complaints alleged that, during the purported class period, IDACORP and/or certain of its officers and/or directors made materially false and misleading statements or omissions about the company's financial outlook in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5, thereby causing investors to purchase the company's common stock at artificially inflated prices. More specifically, the complaints alleged that IDACORP failed to disclose and misrepresented the following material adverse facts which were known to defendants or recklessly disregarded by them: (1) IDACORP failed to appreciate the negative impact that lower volatility and reduced pricing spreads in the western wholesale energy market would have on its marketing subsidiary, IE; (2) IDACORP would be forced to limit its origination activities to shorter-term transactions due to increasing regulatory uncertainty and continued deterioration of creditworthy counterparties; (3) IDACORP failed to discount for the fact that IPC may not recover from the lingering effects of the prior year's regional drought and (4) as a result of the foregoing, defendants lacked a reasonable basis for their positive statements about IDACORP and their earnings projections. The Powell complaint also alleged that the defendants' conduct artificially inflated the price of the company's common stock. The actions seek an unspecified amount of damages, as well as other forms of relief. By order dated August 31, 2004, the court consolidated the Powell and Shorthouse cases for pretrial purposes, and ordered the plaintiffs to file a consolidated complaint within 60 days. On November 1, 2004, IDACORP and the directors and officers named above were served with a purported consolidated complaint captioned Powell et al. v. IDACORP, Inc. et al., which was filed in the U.S. District Court for the District of Idaho.

The new complaint alleges that during the class period IDACORP and/or certain of its officers and/or directors made materially false and misleading statements or omissions about its business operations, and specifically the IDACORP Energy financial outlook, in violation of Rule 10b-5, thereby causing investors to purchase IDACORP's common stock at artificially inflated prices. The new complaint alleges that IDACORP failed to disclose and misrepresented the following material adverse facts which were known to it or recklessly disregarded by it: (1) IDACORP falsely inflated the value of energy contracts held by IDACORP Energy in order to report higher revenues and profits; (2) IDACORP permitted IPC to inappropriately grant native load priority for certain energy transactions to IDACORP Energy; (3) IDACORP failed to file 13 ancillary service agreements involving the sale of power for resale in interstate commerce that it was required to file under Section 205 of the Federal Power Act; (4) IDACORP failed to file 1,182 contracts that IPC assigned to IDACORP Energy for the sale of power for resale in interstate commerce that IPC was required to file under Section 203 of the Federal Power Act; (5) IDACORP failed to ensure that IDACORP Energy provided appropriate compensation from IDACORP Energy to IPC for certain affiliated energy transactions; and (6) IDACORP permitted inappropriate sharing of certain energy pricing and transmission information between IPC and IDACORP Energy. These activities allegedly allowed IDACORP Energy to maintain a false perception of continued growth that inflated its earnings. In addition, the new complaint alleges that those earnings press releases, earnings release conference calls, analyst reports and revised earnings guidance releases issued during the class period were false and misleading. The action seeks an unspecified amount of damages, as well as other forms of relief. IDACORP and the other defendants filed a consolidated motion to dismiss on February 9, 2005, which is now pending.

IDACORP and the other defendants intend to defend themselves vigorously against the allegations. The company cannot, however, predict the outcome of these matters.

Powerex: On August 31, 2004, Powerex Corp., the wholly owned power marketing subsidiary of BC Hydro, a Crown Corporation of the province of British Columbia, Canada, filed a lawsuit against IE and IDACORP in the U.S. District Court for the District of Idaho. Powerex Corp. alleges that IE breached an oral and written contract regarding the assignment of transmission capacity for electric power by IE to Powerex Corp. for a fourteen-month period and for intentional interference with Powerex Corp.'s alleged contract with IE. Powerex Corp. seeks unspecified general and special damages. On November 29, 2004, the companies filed an answer to Powerex Corp.'s complaint, denying all liability to the plaintiffs, and

COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

asserting certain affirmative defenses. The companies intend to vigorously defend their position in this proceeding but cannot predict the outcome of this matter.

Other Legal Issues

Idaho Power Company Transmission Line Rights-of-Way Across Fort Hall Indian Reservation: IPC has multiple transmission lines that cross the Shoshone-Bannock Tribes' Fort Hall Indian Reservation near the city of Pocatello in southeastern Idaho. IPC has been working since 1996 to renew four of the right-of-way permits (for five of the transmission lines), which have stated permit expiration dates between 1996 and 2003. IPC filed applications with the U.S. Department of the Interior, Bureau of Indian Affairs, to renew the four rights-of-way for 25 years, including payment of the independently appraised value of the rights-of-way to the tribes (and the tribal allottees who own portions of the rights-of-way). Due to the lack of definitive legal guidelines for valuation of the permit renewals, IPC is in the process of negotiating mutually acceptable renewal terms with the tribes and allottees. The parties are pursuing a possible 23-year renewal of the permits (including all pre-renewal periods) for a total payment of approximately \$7 million to the tribes and allottees. IPC, the tribes and the Bureau of Indian Affairs are currently working through the process of finalizing the agreement, including obtaining the requisite consents from the allottees. The parties hope to obtain the required consents early in 2005. On December 27, 2004, IPC filed an application with the IPUC seeking an accounting order regarding the treatment of this transaction. On February 28, 2005, the IPUC issued an order approving IPC's application procedure.

IDAHO POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND
UNDISTRIBUTED SUBSIDIARY EARNINGS
For the Twelve Months Ended December 31, 2004

Retained Earnings

Retained earnings (at the beginning of period)	\$	320,735,423
Balance transferred from income.....		70,608,121
Dividends received from subsidiary.....		-
Total.....		391,343,544
Dividends:		
Preferred Stock		4,823,248
Common Stock		46,413,448
Total.....		51,236,696
Retained earnings (at end of period).....	\$	340,106,848

Undistributed Subsidiary Earnings

Balance (at beginning of period).....	\$	22,738,561
Equity in earnings for the period.....		8,190,247
Dividends paid (Debit).....		-
Balance (at end of period).....	\$	30,928,808

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

IDAHO POWER COMPANY
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2004

1. Management Estimates:

Management makes estimates and assumptions when preparing financial statements in conformity with accounting principles generally accepted in the United States of America. 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. Property Plant and Equipment:

The cost of utility plant in service represents the original cost of contracted services, direct labor and material, Allowance for Funds Used During Construction (AFDC) and indirect charges for engineering, supervision and similar overhead items. Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property are expensed to operations. Repair and maintenance costs associated with planned major maintenance are recorded as these costs are incurred. 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 2.96 percent in 2004, 2.99 percent in 2003 and 3.00 percent in 2002.

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 as prescribed under Statement of Financial Accounting Standards (SFAS) 144, "Accounting for the Impairment or Disposal of Long-lived Assets." SFAS 144 requires that if the sum of the undiscounted expected future cash flows from an asset is less than the carrying value of the asset, an asset impairment must be recognized in the financial statements.

3. Allowances For Funds Used During Construction:

AFDC represents the cost of financing construction projects with borrowed funds and equity funds. While cash is not realized currently from such allowance, it is realized under the rate-making 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 AFDC attributable to borrowed funds is included as a reduction to interest expense, while the equity component is included in other income. IPC's weighted-average monthly AFDC rates for 2004, 2003 and 2002 were 6.9 percent, 8.3 percent and 4.3 percent, respectively. IPC's reductions to interest expense for AFDC were \$3 million for both 2004 and 2003 and \$2 million for 2002. Other income included \$4 million, \$3 million and \$0.3 million for 2004, 2003 and 2002, respectively.

4. Revenues:

In order to match revenues with associated expenses, IPC accrues unbilled revenues for electric services delivered to customers but not yet billed at month-end. IPC collects franchise fees and similar taxes related to energy consumption. These amounts are recorded as liabilities until paid to the taxing authority. None of these collections are reported on the income statement as revenue or expense.

5. Power Cost Adjustment:

IPC has a Power Cost Adjustment (PCA) mechanism that provides for annual adjustments to the rates charged to its Idaho retail customers. These adjustments are based on forecasts of net power supply costs, which are fuel and purchased power less off-system sales, and the true-up of the prior year's forecast. During the year, 90 percent of the difference between the actual and forecasted costs is deferred with interest. The ending balance of this deferral, called the true-up for the current year's portion and the

NOTES TO FINANCIAL STATEMENTS (Continued)

true-up of the true-up for the prior years' unrecovered portion, is then included in the calculation of the next year's PCA.

6. Income Taxes:

The liability method of computing deferred taxes is used on all temporary differences between the book and tax basis of assets and liabilities and deferred tax assets and liabilities are adjusted for enacted changes in tax laws or rates. Consistent with orders and directives of the Idaho Public Utilities Commission (IPUC), the regulatory authority having principal jurisdiction, IPC's deferred income taxes (commonly referred to as normalized accounting) are provided for the difference between income tax depreciation and straight-line depreciation computed using book lives on coal-fired generation facilities and properties acquired after 1980. On other facilities, deferred income taxes are provided for the difference between accelerated income tax depreciation and straight-line depreciation using tax guideline lives on assets acquired prior to 1981. Deferred income taxes are not provided for those income tax timing differences where the prescribed regulatory accounting methods do not provide for current recovery in rates. 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. See Note 2 for more information.

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.

7. Stock-based Compensation:

Stock-based employee compensation is accounted for under the recognition and measurement principles of Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees," and related interpretations. Grants of performance shares are reflected in net income based on the market value at the award date, or the period-end price for shares not yet vested. Grants of restricted stock are reflected in net income based on the market value on the grant date. No stock-based employee compensation cost is reflected in net income for stock options, as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. IPC has adopted the disclosure only provision of SFAS 123, "Accounting for Stock-Based Compensation."

The following table illustrates the effect on net income if the fair value recognition provisions of SFAS 123 had been applied to stock-based employee compensation:

	2004	2003	2002
	(thousands of dollars)		
Net income, as reported	\$ 70,608	\$ 58,591	\$ 88,920
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	276	(56)	(10)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	977	1,073	1,837
<u>Pro forma net income</u>	<u>\$ 69,907</u>	<u>\$ 57,462</u>	<u>\$ 87,073</u>

For purposes of these pro forma calculations, the estimated fair value of the options, restricted stock and performance shares are amortized to expense over the vesting period. The fair value of the restricted stock and performance shares is the market price of the stock on the date of grant. The fair value of an option award is estimated at the date of grant using a binomial option-pricing model. Expense related to forfeited options is reversed in the period in which the forfeit occurs.

IPC has two stock-based compensation plans, the 2000 Long-Term Incentive and Compensation Plan (LTICP) and the 1994 Restricted Stock Plan (Restricted Stock Plan). These plans are intended to align employee and shareholder objectives related to its long-term growth.

NOTES TO FINANCIAL STATEMENTS (Continued)

The LTICP for officers, key employees and directors permits the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, performance shares and other awards.

The maximum number of shares available under the LTICP is 2,050,000. In 2004, 2003 and 2002, IDACORP granted to IPC employees 110,500, 343,000 and 230,000 stock options, respectively, with an exercise price equal to the market price of IDACORP's stock on the date of grant. In accordance with APB 25, no compensation costs have been recognized for the option awards.

Stock option transactions are summarized as follows:

	2004		2003		2002	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding beginning of year	889,800	\$ 32.50	594,000	\$ 38.33	364,000	\$ 37.59
Granted	110,500	31.21	343,000	22.95	230,000	39.50
Exercised	(4,200)	22.92	-	-	-	-
Forfeited	(40,500)	32.27	(47,200)	36.42	-	-
Outstanding end of year	955,600	\$ 32.41	889,800	\$ 32.50	594,000	\$ 38.33
Exercisable	374,800	\$ 35.43	211,600	\$ 37.84	100,800	\$ 37.10

The following table summarizes information about stock options outstanding at December 31, 2004:

Exercise Price Ranges	Outstanding		Weighted average remaining contractual life	Exercisable	
	Number of shares	Weighted average exercise price		Number of shares	Weighted average exercise price
\$22.92 - \$31.21	428,800	\$ 24.98	8.80 years	64,000	\$ 22.95
\$35.81 - \$40.31	526,800	\$ 38.45	6.29 years	310,800	\$ 38.00

Restricted stock and performance share awards are compensatory awards and IPC accrues compensation expense, which is charged to operations, based upon the market value of the granted shares. For 2004, 2003 and 2002, total compensation accrued under the Restricted Stock Plan was less than \$1 million annually.

The following table summarizes restricted stock activity:

	2004	2003	2002
Shares outstanding - beginning of year	80,454	77,192	58,024
Shares granted	61,806	41,945	38,752
Shares forfeited	(24,014)	(1,889)	(132)
Shares issued	-	(36,794)	(19,452)
Shares outstanding - end of year	118,246	80,454	77,192
Weighted average fair value of current year stock grants on grant date	\$ 31.21	\$ 22.95	\$ 38.64

8. Cash and Cash Equivalents:

NOTES TO FINANCIAL STATEMENTS (Continued)

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

9. 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 market. The objective of the risk management program is to mitigate the risk associated with the purchase and sale of electricity and natural gas as well as to optimize energy marketing portfolios. The accounting for derivative financial instruments that are used to manage risk is in accordance with the concepts established by SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended.

10. Regulation of Utility Operations:

IPC follows SFAS 71, "Accounting for the Effects of Certain Types of Regulation," and its financial statements reflect the effects of the different rate-making principles followed by the jurisdictions regulating IPC. The economic effects of regulation can result in regulated companies recording costs that have been, or are expected to be, allowed in the rate-making process in a period different from the period in which the costs would be charged to expense by an unregulated enterprise. When this occurs, costs are deferred as regulatory assets on the balance sheet and recorded as expenses in the periods when those same amounts are reflected 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.

11. Comprehensive Income:

Comprehensive income includes net income, unrealized holding gains and losses on marketable securities, IPC's proportionate share of unrealized holding gains and losses on marketable securities held by an equity investee and the changes in additional minimum liability under a deferred compensation plan for certain senior management employees and directors. The following table presents IPC's accumulated other comprehensive loss balance at December 31:

	2004	2003
	(thousands of dollars)	
Unrealized holding gains on securities	\$ 4,538	\$ 3,676
Minimum pension liability adjustment	(5,426)	(6,306)
Total	\$ (888)	\$ (2,630)

12. New Accounting Pronouncements:

SFAS 151: In November 2004, the FASB issued SFAS 151, "Inventory Costs," which clarifies the accounting for certain inventory-related costs. SFAS 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005, and is not expected to have a material effect on IPC's financial statements.

SFAS 153: In December 2004, the FASB issued SFAS 153, "Exchanges of Nonmonetary Assets," which amends existing guidance on accounting for nonmonetary transactions. SFAS 153 is effective for exchanges occurring in fiscal periods beginning after June 15, 2005, and is not expected to have a material effect on IPC's financial statements.

SFAS 123(R): In December 2004, the FASB issued SFAS 123 (revised 2004), "Share-Based Payments," which revises SFAS 123 and supersedes APB 25 and its related implementation guidance. SFAS 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS 123(R) focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions.

Under the provisions of SFAS 123(R), the fair value of all stock options must be reported as an expense on the financial statements. IPC currently applies the measurement provisions of APB 25

NOTES TO FINANCIAL STATEMENTS (Continued)

and the disclosure-only provisions of SFAS 123. SFAS 123(R) also changes other measurement, timing and disclosure rules relating to share-based payments.

SFAS 123(R) is effective for most public entities as of the beginning of the first interim or annual reporting period beginning after June 15, 2005. IPC expects to adopt SFAS 123(R) on July 1, 2005, and adoption is expected to decrease IPC's pre-tax income by approximately \$0.6 million in 2005.

13. Other Accounting Policies:

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

14. Reclassifications:

Certain items previously reported for years prior to 2004 have been reclassified to conform to the current year's presentation. Net income and shareholders' equity were not affected by these reclassifications.

15. Preferred Stock of IPC:

The number of shares of IPC preferred stock outstanding at December 31 were as follows:

	Shares Outstanding at December 31,	
	2004	2003
Preferred stock:		
Cumulative, \$100 par value:		
4% preferred stock (authorized 215,000 shares)	-	123,664
Serial preferred stock, 7.68% Series (authorized 150,000 shares)	-	150,000
Serial preferred stock, cumulative, without par value, total of 3,000,000 shares authorized:		
7.07% Series, \$100 stated value (authorized 250,000 shares)	-	250,000
Total	-	523,664

On September 20, 2004, IPC redeemed all of its outstanding preferred stock for \$54 million using proceeds from the issuance of first mortgage bonds. This amount includes \$2 million of premium that was recorded as preferred dividends on the Consolidated Statements of Income. The redemption price was \$104 per share for the 122,989 shares of 4% preferred stock, \$102.97 per share for the 150,000 shares of 7.68% preferred stock and \$103.18 per share for the 250,000 shares of 7.07% preferred stock, plus accumulated and unpaid dividends.

During 2003 IPC reacquired and retired 10,263 shares of 4% preferred stock.

16. Financing:

On October 22, 2003, Humboldt County, Nevada issued, for the benefit of IPC, \$49.8 million Pollution Control Revenue Refunding Bonds (Idaho Power Company Project) Series 2003 due December 1, 2024. IPC borrowed the proceeds from the issuance pursuant to a Loan Agreement with Humboldt County and is responsible for payment of principal, premium, if any, and interest on the bonds. The bonds are secured, as to principal and interest, by IPC first mortgage bonds and as to principal and interest when due, by an insurance policy issued by Ambac Assurance Corporation. The bonds were issued in an auction rate mode under which the interest rate is reset every 35 days. The initial auction rate was set at 0.95 percent. At December 31, 2004, the auction rate was 1.85 percent. Proceeds from this issuance together with other funds provided by IPC were used to redeem the outstanding \$49.8 million Pollution Control Revenue Bonds (Idaho Power Company Project) 8.3% Series 1984 due 2014, on December 1, 2003, at 103 percent.

On March 14, 2003, IPC filed a \$300 million shelf registration statement that could be used for first mortgage bonds (including medium-term notes), unsecured debt and preferred stock. On May 8, 2003, IPC issued \$140 million of secured medium-term notes in two series: \$70 million First Mortgage Bonds 4.25% Series due 2013 and \$70 million First Mortgage Bonds 5.50% Series due 2033. Proceeds were used to pay down IPC short-term borrowings incurred from the payment at maturity of \$80 million First Mortgage Bonds 6.40% Series due 2003 and the early redemption of \$80

NOTES TO FINANCIAL STATEMENTS (Continued)

million First Mortgage Bonds 7.50% Series due 2023, on May 1, 2003. On March 26, 2004, IPC issued \$50 million First Mortgage Bonds 5.50% Series due 2034. Proceeds were used to reduce short-term borrowings and replace short-term investments, which were used on March 15, 2004 to pay at maturity the \$50 million First Mortgage Bonds 8% Series due 2004. On August 16, 2004, IPC issued \$55 million First Mortgage Bonds 5.875% Series due 2034. On September 20, 2004, the proceeds of this issuance were used to redeem all of IPC's outstanding preferred stock. At December 31, 2004, \$55 million remained available to be issued on this shelf registration statement.

On January 19, 2005, IPC filed a \$245 million shelf registration statement that could be used for first mortgage bonds (including medium-term notes) and debt securities.

On August 17, 2004, IPC redeemed all \$1 million of its Rural Electrification Administration notes.

At December 31, 2004 and 2003, the overall effective cost of all of IPC's outstanding debt was 5.69 percent and 5.71 percent, respectively.

The amount of first mortgage bonds issuable by IPC is limited to a maximum of \$1.1 billion and by property, earnings and other provisions of the mortgage and supplemental indentures thereto. IPC may amend the indenture and increase this amount without consent of the holders of the first mortgage bonds. Substantially all of the electric utility plant is subject to the lien of the mortgage. As of December 31, 2004, IPC could issue under the mortgage approximately \$699 million of additional first mortgage bonds based on unfunded property additions and \$392 million of additional first mortgage bonds based on retired first mortgage bonds. At December 31, 2004, unfunded property additions, which consist of electric property, were approximately \$1.1 billion.

At December 31, 2004, IPC had regulatory authority to incur up to \$250 million of short-term indebtedness. IPC has a \$200 million credit facility that expires on March 16, 2007. Under this facility IPC pays a facility fee on the commitment, quarterly in arrears, based on its rating for senior unsecured long-term debt securities without third-party credit enhancement as provided by Moody's and S&P. IPC's commercial paper may be issued up to the amounts supported by the bank credit facilities. There was no commercial paper outstanding at December 31, 2004 or 2003.

17. Fair Value of Financial Instruments:

The estimated fair value of IPC's financial instruments has been determined using available market information and appropriate valuation methodologies. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash and cash equivalents, customer and other receivables, notes payable, accounts payable, interest accrued and taxes accrued are reported at their carrying value as these are a reasonable estimate of their fair value. The estimated fair values for notes receivable, long-term debt and investments is based upon quoted market prices of the same or similar issues or discounted cash flow analyses as appropriate.

	December 31, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(thousands of dollars)			
Assets:				
Notes receivable	\$ 8,946	\$ 8,877	\$ 10,145	\$ 10,159
Investments	53,155	53,155	22,438	22,438
Liabilities:				
Long-term debt	\$ 987,045	\$ 1,008,369	\$ 933,150	\$ 957,399

18. Benefit Plans:

Pension Plans

IPC has a noncontributory defined benefit pension plan covering most employees. The benefits under the plan are based on years of service and the employee's final average earnings. IPC's

NOTES TO FINANCIAL STATEMENTS (Continued)

policy is to fund, with an independent corporate trustee, at least the minimum required under the Employee Retirement Income Security Act of 1974 (ERISA) but not more than the maximum amount deductible for income tax purposes. IPC was not required to contribute to the plan in 2004, 2003 or 2002, and does not expect to make a contribution in 2005. The market-related value of assets for the plan is equal to market value.

In addition, IPC has a nonqualified, deferred compensation plan for certain senior management employees and directors. This plan was financed by purchasing life insurance policies and investments in marketable securities, all of which are held by a trustee. The cash value of the policies and investments exceed the projected benefit obligation of the plan but do not qualify as plan assets in the actuarial computation of the funded status.

IPC uses a December 31 measurement date for its plans.

The following table summarizes the changes in benefit obligations and plan assets of these plans:

	Pension Plan		Deferred Compensation Plan	
	2004	2003	2004	2003
	(thousands of dollars)			
Change in benefit obligation:				
Benefit obligation at January 1	\$ 339,121	\$ 294,881	\$ 38,870	\$ 35,792
Service cost	11,809	10,173	1,358	1,212
Interest cost	20,437	19,463	2,312	2,414
Actuarial loss (gain)	16,626	27,420	(1,225)	1,786
Benefits paid	(13,660)	(13,345)	(2,670)	(2,369)
Plan amendments	-	529	-	35
Benefit obligation at December 31	374,333	339,121	38,645	38,870
Change in plan assets:				
Fair value at January 1	335,229	282,531	-	-
Actual return on plan assets	34,648	66,043	-	-
Employer contributions	-	-	-	-
Benefit payments	(13,660)	(13,345)	-	-
Fair value at December 31	356,217	335,229	-	-
Funded status	(18,116)	(3,892)	(38,645)	(38,870)
Unrecognized actuarial loss	28,491	18,577	11,443	13,547
Unrecognized prior service cost	5,889	6,660	1,372	1,010
Unrecognized net transition liability	(126)	(389)	310	923
Net amount recognized	\$ 16,138	\$ 20,956	\$ (25,520)	\$ (23,390)
Amounts recognized in the statement of financial position consist of:				
Prepaid (accrued) pension cost	\$ 16,138	\$ 20,956	\$ (36,110)	\$ (35,676)
Intangible asset	-	-	1,682	1,933
Accumulated other comprehensive income	-	-	8,908	10,353
Net amount recognized	\$ 16,138	\$ 20,956	\$ (25,520)	\$ (23,390)
Accumulated benefit obligation	\$ 316,498	\$ 284,910	\$ 36,110	\$ 35,676

The following table shows the components of net periodic benefit cost for these plans:

	Pension Plan			Deferred Compensation Plan		
	2004	2003	2002	2004	2003	2002
	(thousands of dollars)					

NOTES TO FINANCIAL STATEMENTS (Continued)

Service cost	\$ 11,809	\$ 10,173	\$ 9,548	\$ 1,358	\$ 1,212	\$ 944
Interest cost	20,437	19,463	18,684	2,312	2,414	2,108
Expected return on assets	(27,935)	(23,445)	(28,797)	-	-	-
Recognized net actuarial loss	-	361	-	878	744	498
Amortization of prior service cost	770	729	729	(361)	(345)	(353)
Amortization of transition asset	(263)	(263)	(263)	613	613	613
Net periodic pension cost (benefit)	\$ 4,818	\$ 7,018	\$ (99)	\$ 4,800	\$ 4,638	\$ 3,810

Changes in the Deferred Compensation Plan minimum liability increased other comprehensive income by \$1 million in 2004 and decreased other comprehensive income by \$1 million and \$3 million in 2003 and 2002, respectively.

The following table summarizes the expected future benefit payments of these plans:

	2005	2006	2007	2008	2009	2010-2014
Pension Plan	\$ 13,846	\$ 14,277	\$ 14,996	\$ 16,018	\$ 17,244	\$ 110,833
Deferred Compensation Plan	\$ 2,296	\$ 2,345	\$ 2,461	\$ 2,551	\$ 2,721	\$ 15,041

Plan Asset Allocations: IPC's pension plan and postretirement benefit plan weighted average asset allocations at December 31, 2004 and 2003, by asset category are as follows:

Asset Category	Pension Plan		Postretirement Benefits	
	2004	2003	2004	2003
Equity securities	69%	69%	-%	-%
Debt securities	21	21	3	2
Real estate	9	9	-	-
Other (a)	1	1	97	98
Total	100%	100%	100%	100%

(a) The postretirement benefit plan assets are primarily life insurance contracts.

Pension Asset Allocation Policy: The target allocations for the portfolio by asset class are as follows:

Large-Cap Growth Stocks	12%	International Growth Stocks	7%
Large-Cap Core Stocks	12%	International Value Stocks	7%
Large-Cap Value Stocks	12%	Intermediate-Term Bonds	13%
Small-Cap Growth Stocks	7%	Short-Term Bonds	10%
Small-Cap Value Stocks	7%	Core Real Estate	9%
Cash and Cash Equivalents	3%	Venture Capital	1%

Assets are rebalanced as necessary to keep the portfolio close to target allocations.

The plan's principal investment objective is to maximize total return (defined as the sum of realized interest and dividend income and realized and unrealized gain or loss in market price) consistent with prudent parameters of risk and the liability profile of the portfolio. Emphasis is placed on preservation and growth of capital along with adequacy of cash flow sufficient to fund current and future payments to

NOTES TO FINANCIAL STATEMENTS (Continued)

pensioners.

There are three major goals in IPC's asset allocation process:

- Determine if the investments have the potential to earn the rate of return assumed in the actuarial liability calculations.
- Match the cash flow needs of the plan. IPC sets cash allocations sufficient to cover the current year benefit payments and bond allocations sufficient to cover at least five years of benefit payments. IPC then utilizes growth instruments (equities, real estate, venture capital) to fund the longer-term liabilities of the plan.
- Maintain a prudent risk profile consistent with ERISA fiduciary standards. The baseline risk measure is a 60 percent S&P 500 stocks and a 40 percent Lehman Aggregate bond portfolio.

Allowable plan investments include stocks and stock funds, investment-grade bonds and bond funds, core real estate funds, private equity funds, and cash and cash equivalents. With the exception of real estate holdings and private equity, investments must be readily marketable so that an entire holding can be disposed of quickly with only a minor effect upon market price. Uncovered options, short sales, margin purchases, letter stock and commodities are prohibited.

Rate-of-return projections for plan assets are based on historical real returns adjusted for inflation for each asset class, based on a recognized index established for the asset class being measured. Historical real returns are then adjusted to include an inflation premium based on the current inflation environment. IPC currently uses a three percent inflation assumption in the asset modeling process.

IPC's asset modeling process also utilizes historical market returns to measure the portfolio's exposure to a "worst-case" market scenario, to determine how much performance could vary from the expected "average" performance over various time periods. This "worst-case" modeling, in addition to cash flow matching and diversification by asset class and investment style, provides the basis for managing the risk associated with investing portfolio assets.

Postretirement Benefits

IPC maintains a defined benefit postretirement plan (consisting of health care and death benefits) that covers all employees who were enrolled in the active group plan at the time of retirement as well as their spouses and qualifying dependents. Effective January 1, 2003, IPC amended its postretirement benefit plan. The amendment affects all employees who retire after December 31, 2002, limiting their postretirement benefit to a fixed amount. This amendment will limit the growth of IPC's future obligations under this plan.

The net periodic postretirement benefit cost was as follows (in thousands of dollars):

	2004	2003	2002
Service cost	\$ 1,400	\$ 1,207	\$ 927
Interest cost	3,974	4,017	3,648
Expected return on plan assets	(2,294)	(1,930)	(2,320)

NOTES TO FINANCIAL STATEMENTS (Continued)

Amortization of unrecognized transition obligation	2,040	2,040	2,040
Amortization of prior service cost	(523)	(563)	(563)
Recognized actuarial loss	1,489	1,402	487
Net periodic postretirement benefit cost	\$ 6,086	\$ 6,173	\$ 4,219

The following table summarizes the changes in benefit obligation and plan assets (in thousands of dollars):

	2004	2003
Change in accumulated benefit obligation:		
Benefit obligation at January 1	\$ 67,090	\$ 57,267
Service cost	1,400	1,207
Interest cost	3,974	4,017
Actuarial loss	2,201	8,780
Benefits paid	(3,997)	(4,181)
Plan Amendments	437	-
Benefit obligation at December 31	71,105	67,090
Change in plan assets:		
Fair value of plan assets at January 1	26,603	22,522
Actual return on plan assets	2,301	4,081
Employer contributions	4,577	3,961
Benefits paid	(3,758)	(3,961)
Fair value of plan assets at December 31	29,723	26,603
Funded status	(41,382)	(40,487)
Unrecognized prior service cost	(4,087)	(5,047)
Unrecognized actuarial loss	24,559	23,854
Unrecognized transition obligation	16,320	18,360
Accrued benefit obligations included with other deferred credits	\$ (4,590)	\$ (3,320)

The assumed health care cost trend rate used to measure the expected cost of benefits covered by the plan was 6.75 percent in 2004 and 2003. A one-percentage point change in the assumed health care cost trend rate would have the following effect (in thousands of dollars):

	1-Percentage-Point	
	increase	decrease
Effect on total of cost components	\$ 220	\$ (170)
Effect on accumulated postretirement benefit obligation	\$ 1,996	\$ (1,625)

The following table sets forth the weighted-average assumptions used at the end of each year to determine benefit obligations for all IPC-sponsored pension and postretirement benefits plans:

	Pension Benefits		Postretirement Benefits	
	2004	2003	2004	2003

NOTES TO FINANCIAL STATEMENTS (Continued)

Discount rate	5.75%	6.15%	5.75%	6.15%
Expected long-term rate of return on assets	8.5	8.5	8.5	8.5
Rate of compensation increase	4.5	4.5	-	-
Medical trend rate	-	-	6.75	6.75
Expected working lifetime (years)	-	-	11	12

The following table sets forth the weighted-average assumptions used for the end of each year to determine net periodic benefit cost for all IPC-sponsored pension and postretirement benefit plans:

	Pension Benefits		Postretirement Benefits	
	2004	2003	2004	2003
Discount rate	6.15%	6.75%	6.15%	6.75%
Expected long-term rate of return on assets	8.5	8.5	8.5	8.5
Rate of compensation increase	4.5	4.5	-	-
Medical trend rate	-	-	6.75	6.75
Expected working lifetime (years)	-	-	11	12

FSP FAS 106-1 and FSP FAS 106-2

In January and May 2004, the FASB released FSP FAS 106-1 and FSP FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003."

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Act) was signed into law in December 2003 and establishes a prescription drug benefit, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare's prescription drug coverage.

FSP FAS 106-2 provides guidance on accounting for the effects of the Medicare Act for employers that sponsor postretirement health care plans that provide prescription drug benefits and requires those employers to provide certain disclosures regarding the effect of the federal subsidy provided by the Medicare Act. Under FSP FAS 106-1, IDACORP and IPC elected to defer accounting for the effects of the Medicare Act. This deferral remained in effect until the appropriate effective date of FSP FAS 106-2.

FSP FAS 106-2 was effective for the first interim or annual period beginning after June 15, 2004. However, for entities that did not recognize a significant impact, delayed recognition of the effects of the Medicare Act until the next regularly scheduled measurement date following the issuance of FSP FAS 106-2 was required.

The measures of accumulated postretirement benefit obligation and net periodic benefit cost do not reflect any amount associated with the subsidy, because IDACORP and IPC initially determined that the effect of the Medicare Act would not be material. Regulations published on January 28, 2005 provide more flexibility in determining actuarial equivalence to Medicare of the benefits provided by the plan than was initially estimated by IDACORP's and IPC's actuaries. Based on these new regulations, IDACORP and IPC estimate that the accumulated postretirement benefit obligation as of January 1, 2005 will be reduced by \$6 million, and 2005 periodic postretirement benefit cost will decrease by \$1 million.

Employee Savings Plan

IPC has an Employee Savings Plan that complies with Section 401(k) of the Internal Revenue Code and covers substantially all employees. IPC matches specified percentages of employee contributions to the plan. Matching contributions amounted to \$3 million in both 2004 and 2003 and \$4 million in 2002.

NOTES TO FINANCIAL STATEMENTS (Continued)

Postemployment Benefits

IPC provides certain benefits to former or inactive employees, their beneficiaries and covered dependents after employment but before retirement. These benefits include salary continuation, health care and life insurance for those employees found to be disabled under IPC's disability plans and health care for surviving spouses and dependents. IPC accrues a liability for such benefits. In accordance with an IPUC order, the portion of the liability attributable to regulated activities in Idaho as of December 31, 1993, was deferred as a regulatory asset, and amortized over a ten-year period, which ended in January 2005.

The following table summarizes postemployment benefit amounts included in IDACORP and IPC's consolidated balance sheets at December 31 (in thousands of dollars):

	2004	2003
Included with regulatory assets	\$ 31	\$ 403
Included with other deferred credits	\$ 3,924	\$ 4,079

19. Property Plant and Equipment and Jointly-Owned Projects:

The following table presents the major classifications of IPC's utility plant in service, annual depreciation provisions as a percent of average depreciable balance and accumulated provision for depreciation for the years 2004 and 2003 (in thousands of dollars):

	2004		2003	
	Balance	Avg Rate	Balance	Avg Rate
Production	\$ 1,482,517	2.51%	\$ 1,456,954	2.62%
Transmission	560,303	2.18	526,887	2.21
Distribution	992,248	2.59	952,979	3.25
General and Other	289,748	10.02	283,408	6.51
Total in service	3,324,816	2.96%	3,220,228	2.99%
Accumulated provision for depreciation	(1,316,125)		(1,239,604)	
In service - net	\$ 2,008,691		\$ 1,980,624	

IPC has interests in three jointly-owned generating facilities. Under the joint operating agreements, each participating utility is responsible for financing its share of construction, operating and leasing costs. IPC's proportionate share of direct operation and maintenance expenses applicable to the projects is included in the Consolidated Statements of Income. These facilities, and the extent of IPC's participation, were as follows at December 31, 2004 (in thousands of dollars):

Name of Plant	Location	Utility Plant In Service	Construction Work in Progress	Accumulated Provision for Depreciation	%	MW
Jim Bridger Units 1-4	Rock Springs, WY	\$ 442,367	\$ 4,310	\$ 255,229	33	707
Boardman	Boardman, OR	66,116	1,277	44,275	10	55
Valmy Units 1 and 2	Winnemucca, NV	310,917	889	184,025	50	261

IPC's wholly owned subsidiary, Idaho Energy Resources Co., is a joint venturer in Bridger Coal Company, which operates the mine supplying coal to the Jim Bridger generating plant. Coal purchased by IPC from the joint venture amounted to \$47 million in 2004 and \$44 million in both 2003 and 2002.

IPC has contracts to purchase the energy from four Public Utilities Regulatory Policy Act of 1978 (PURPA) Qualified Facilities that are 50 percent owned by Ida-West. Power purchased from these facilities

NOTES TO FINANCIAL STATEMENTS (Continued)

amounted to \$7 million, annually in 2004, 2003 and 2002.

20. Regulatory Issues:

General Rate Case

Idaho: IPC filed its Idaho general rate case with the IPUC on October 16, 2003. IPC originally requested approximately \$86 million annually in additional revenue, an average 17.7 percent increase to base rates. On rebuttal, IPC lowered its overall requested increase to \$70 million annually, an average of 14.5 percent. The IPUC approved an increase of \$25 million in IPC's electric rates, an average of 5.2 percent, in an order issued on May 25, 2004. The rate increase became effective on June 1, 2004.

In the order, the IPUC approved a return on equity of 10.25 percent, compared to the 11.2 percent IPC requested, an overall rate of return of 7.9 percent, compared to the 8.3 percent requested by IPC. The IPUC reduced the \$1.55 billion in rate base requested for IPC's Idaho jurisdiction to \$1.52 billion.

Additionally, the IPUC approved higher rates for residential and small-commercial customers during the summer months to encourage conservation. The 12.6 percent higher summer rate applies to monthly usage over 300 kilowatt-hours. The IPUC also ordered time-of-use rates to be phased in for industrial customers, asked IPC to submit a proposal for a conservation program for industrial customers and ordered increased low-income weatherization funding of \$1 million annually.

The IPUC also noted two other issues to be addressed in separate proceedings and potentially handled in workshops instead of formal hearings. These issues are: (1) investigating approaches to removing financial disincentives to IPC for investing in cost effective energy efficiency and clean distributed generation and (2) investigating various cost of service issues raised in the general rate case, including those associated with load growth. During the year, initial workshops were held on both issues.

The IPUC disallowed several costs in the Idaho general rate case order, including \$12 million annually related to the determination of IPC's income tax expense, \$8 million of incentive payments capitalized in prior years and \$1 million of capitalized pension expense. On June 15, 2004, IPC filed with the IPUC a petition for reconsideration of these and other items. On July 13, 2004, the IPUC granted this petition in part, agreeing to reconsider the issue relating to the determination of IPC's income tax expense and, in light of the IPUC Staff's computational errors, ordering rates increased by approximately \$3 million on or before August 1, 2004. IPC recorded an impairment of assets of \$9 million related to the disallowed incentive payments and the disallowed capitalized pension expenses.

On September 28, 2004, the IPUC issued separate orders approving two Settlement Agreements entered into on August 16, 2004 between IPC and the IPUC Staff.

Settlement No. 1, approved by the IPUC in Order No. 29601, relates to the calculation of IPC's taxes for purposes of test year income tax expense. In the Idaho general rate case order, the IPUC adopted the use of a historic five-year average income tax rate to calculate IPC's income tax expense. Settlement No. 1 approved the modification of the general rate case order to utilize IPC's statutory income tax rates to compute test year income tax expense. As a result, IPC will compute and record monthly during the period June 1, 2004 through May 31, 2005 a regulatory asset (with interest accrued at a rate of one percent per annum) of approximately \$12 million. Rates will increase on June 1, 2005 to reflect the ongoing impact of the tax expense. Approximately \$7 million of this amount was recorded in 2004 as other operating revenue. Settlement No. 1 allows IPC to continue its compliance with the normalization provisions of the Internal Revenue Code of 1986, as amended, and associated Treasury Regulations, and will allow IPC to continue to receive the benefits of accelerated depreciation.

Settlement No. 2, approved by the IPUC in Order No. 29600, resolved outstanding issues related to: (1) an unplanned outage at one of the two units of the North Valmy Steam Electric Generating Plant

NOTES TO FINANCIAL STATEMENTS (Continued)

(Valmy) in the summer of 2003, (2) a matter relating to the expense adjustment rate for growth component of the PCA and (3) regulatory accounting issues related to a tax accounting method change in 2002. In Settlement No. 2, IPC and the IPUC Staff agreed that the IPUC will not examine the cost of replacement power and a possible PCA adjustment resulting from the Valmy outage, and the expense adjustment rate for growth component of the PCA will continue at its existing value until IPC's next general rate case. In September 2004, as a result of the order, IPC established a regulatory liability of \$19 million with a charge to PCA expense. A monthly credit of approximately \$804,000 will be included in the PCA from June 2004 through May 2006, which will reduce this regulatory liability. Also in September 2004, IPC reversed a \$16 million regulatory tax liability by reducing income tax expense. This regulatory tax liability was established in 2002 when IPC changed its tax accounting method for capitalized overhead costs.

The final result of IPC's general rate case was a \$40 million increase to the base Idaho jurisdictional revenue requirement, comprised of \$25 million in the initial order, \$3 million related to computational errors and \$12 million in the order approving Settlement No. 1.

On March 2, 2005, IPC made a rate filing with the IPUC to include the investment associated with the construction of the Bennett Mountain Power Plant in Idaho retail rates.

Oregon: On September 21, 2004, IPC filed an application with the OPUC to increase general rates an average of 17.5 percent or approximately \$4 million annually. IPC's filing includes a request to introduce summer and non-summer rates similar to proposals that were approved in the Idaho general rate case. IPC has not filed for a change to its overall rates in Oregon since 1995.

On October 19, 2004, the OPUC suspended IPC's request for a period of time not to exceed nine months from October 20, 2004 to investigate the propriety and reasonableness of the request. A pre-hearing conference and public meeting was held on November 18, 2004. The hearing schedule called for a settlement conference, which began on February 14, 2005 and an evidentiary hearing to begin on May 23, 2005. IPC is unable to predict what rate relief the OPUC will grant.

Deferred Power Supply Costs

IPC's deferred net power supply costs consisted of the following at December 31 (in thousands of dollars):

	2004	2003
Oregon deferral	\$ 12,047	\$ 13,620
Idaho PCA current year net power supply cost deferrals:		
Deferral for 2004-2005 rate year	-	44,664
Deferral for 2005-2006 rate year	22,778	-
Irrigation Lost Revenues	13,290	-
Idaho PCA true-up awaiting recovery:		
Remaining true-up authorized May 2003	-	13,646
Remaining true-up authorized May 2004	11,415	-
Total deferral	\$ 59,530	\$ 71,930

Idaho: IPC has a PCA mechanism that provides for annual adjustments to the rates charged to its Idaho retail customers. These adjustments are based on forecasts of net power supply costs, which are fuel and purchased power less off-system sales, and the true-up of the prior year's forecast. During the year, 90 percent of the difference between the actual and forecasted costs is deferred with interest. The ending balance of this deferral, called the true-up for the current year's portion and the true-up of the true-up for the prior years' unrecovered portions, is then included in the calculation of the next year's PCA.

On April 15, 2004, IPC filed its 2004-2005 PCA with the IPUC requesting recovery of \$71 million above base rates and a proposed effective date of June 1, 2004. On May 25, 2004, the IPUC issued Order No. 29506 approving IPC's filing with additional instructions for IPC and the IPUC Staff to examine the cost of replacement power attributable to the unplanned outage at the Valmy plant in

NOTES TO FINANCIAL STATEMENTS (Continued)

2003. Based on the order approving Settlement No. 2, discussed above, the IPUC will not examine the costs related to this outage.

On May 15, 2003, the IPUC issued Order No. 29243 approving IPC's 2003-2004 PCA filing, with a small adjustment to the original filing. As approved, IPC's rates were adjusted to collect \$81 million above 1993 base rates.

On April 15, 2002, the IPUC issued Order No. 28992 disallowing recovery of \$12 million of lost revenues resulting from the Irrigation Load Reduction Program that was in place in 2001. IPC believed that this IPUC order was inconsistent with Order No. 28699, dated May 25, 2001, that allowed recovery of such costs, and IPC filed a Petition for Reconsideration on May 2, 2002. On August 29, 2002, the IPUC issued Order No. 29103 denying the Petition for Reconsideration. As a result of this order, approximately \$12 million was expensed in September 2002. IPC believed it was entitled to recover this amount and argued its position before the Idaho Supreme Court on December 5, 2003. On March 30, 2004, the Idaho Supreme Court set aside the IPUC denial of the recovery of lost revenues and remanded the matter to the IPUC to determine the amount of lost revenues to be recovered. On December 29, 2004, the IPUC issued Order No. 29669 allowing IPC to recover \$12 million in lost revenues and \$2 million in interest. The recovery will be included as part of IPC's annual PCA beginning June 1, 2005.

Oregon: On March 2, 2005 IPC file for an accounting order to defer net power supply costs for the period of March 1, 2005 through February 28, 2006 in anticipation of the low water conditions IPC is currently experiencing. The net system power supply costs included in this filing was \$169 million. IPC is proposing to use the same methodology for this deferral filing that was accepted in 2002 for Oregon's share of IPC's 2001 net power supply expenses.

IPC is also recovering calendar year 2001 excess power supply costs applicable to the Oregon jurisdiction. In two separate 2001 orders, the OPUC approved rate increases totaling six percent, which was the maximum annual rate of recovery allowed under Oregon state law at that time. These increases were recovering approximately \$2 million annually. During the 2003 Oregon legislative session, the maximum annual rate of recovery was raised to ten percent under certain circumstances. IPC requested and received authority to increase the surcharge to ten percent. As a result of the increased recovery rate, which became effective on April 9, 2004, IPC will recover approximately \$3 million annually.

Wind Down of Energy Marketing

IDACORP announced in 2002 that IE would wind down its energy marketing operations. In connection with the wind down, certain matters were identified that required resolution with the FERC, the IPUC and the OPUC. These matters were resolved in all three jurisdictions.

Idaho: In an IPUC proceeding that began in May 2001, IPC, the IPUC staff and several interested customer groups worked cooperatively to determine the appropriate compensation IE should provide to IPC for certain transactions between the affiliates. The IPUC has issued several orders since then regarding these matters. Order No. 28852 issued on September 28, 2001 covered the time period prior to February 2001. Order No. 29026 covered the time period from March 2001 through March 2002. The IPUC also approved IPC's ongoing hedging and risk management strategies in Order No. 29102 issued on August 28, 2002. This order formalized IPC's agreement to implement a number of changes to its existing practices for managing risk and initiating hedging purchases and sales. The \$5.8 million in benefits related to the FERC settlement were included in the 2003-2004 PCA and credited to Idaho retail customers in accordance with the PCA methodology. The parties to the proceeding have executed a settlement agreement providing that an additional \$5.5 million be flowed through the PCA mechanism to the Idaho retail customers from April 2003 through December 2005. This agreement was filed with the IPUC on February 17, 2004 and approved on March 15, 2004.

Oregon: Following IPC's settlement with the IPUC on issues related to IPC's past relationship with IE, IPC approached the OPUC to settle the issue of fair compensation to Oregon customers related to the terminated Electricity Supply Management Services Agreement between IPC and IE, as well as any other issues relating to transactions between IPC and IE. On October 4, 2004, IPC filed a

NOTES TO FINANCIAL STATEMENTS (Continued)

petition with the OPUC requesting an accounting order approving a settlement stipulation and authorizing IPC to credit its existing deferral balance of excess power supply costs. In the proposed settlement, IPC agrees to continue the \$7,700 monthly credit to customers that began in July 2001 through December 2005, and to reduce the existing excess power supply cost deferral balance by a one time credit of \$100,000 on January 1, 2005. The OPUC issued Order No. 04-683 approving this settlement on November 22, 2004.

Regulatory Assets and Liabilities

The following is a breakdown of IPC's regulatory assets and liabilities (in thousands of dollars):

	2004		2003	
	Assets	Liabilities	Assets	Liabilities
Income taxes	\$ 344,220	\$ 40,447	\$ 330,833	\$ 41,024
Conservation	17,836	5,205	21,108	5,288
Employee benefits	76	-	993	-
PCA deferral and amortization	34,193	-	58,310	-
Oregon deferral and amortization	12,047	-	13,620	-
Derivatives	-	-	125	-
Asset retirement obligations	8,372	147,700	6,456	142,595
Deferred investment tax credits	-	66,836	-	67,789
IPUC settlement order	7,119	13,671	-	-
Irrigation lost revenues	13,290	-	-	-
BPA settlement	-	1,833	-	1,735
Incremental security costs	813	-	1,076	-
OPUC settlement	-	100	-	-
Other	815	149	1,508	93
Total	\$ 438,781	\$ 275,941	\$ 434,029	\$ 258,524

The regulatory assets related to income taxes and asset retirement obligations do not earn a current return on investment.

In the event that recovery of costs through rates becomes unlikely or uncertain, SFAS 71 would no longer apply. If IPC were to discontinue application of SFAS 71 for some or all of its operations, then these items may represent stranded investments. If IPC is not allowed recovery of these investments, it would be required to write off the applicable portion of regulatory assets and the financial effects could be significant.

FERC Market-Based Rate Authority

IPC has FERC-approved market-based rate authority, which permits IPC to sell electric energy at market-based rates rather than cost-based rates. The FERC requires periodic reviews of the conditions under which this market-based rate authority is granted to ensure that the rates charged thereunder are just and reasonable. On April 14, 2004, the FERC issued an order commencing a market power analysis of all companies with market-based rate authority; including IPC. In September 2004, IPC filed a revision of its previously approved (October 9, 2003) market power analysis, which it supplemented in September and October. On March 3, 2005, the FERC issued an order accepting IPC's market power analysis. IPC is required to file another market power analysis on or before March 3, 2008.

21. Investments:

The following table summarizes IPC's investments as of December 31 (in thousands of dollars):

	2004	2003
IPC Investments:		
Auction rate securities (available-for-sale)	\$ 31,650	\$ -
Equity method investment	25,028	25,576

NOTES TO FINANCIAL STATEMENTS (Continued)

Available-for-sale equity securities	21,505	22,438
Executive deferred compensation	6,002	617
Other investments	808	14
Total IPC investments	\$ 84,993	\$ 48,645

Equity Method Investments

IPC, through its subsidiary Idaho Energy Resources Co., is a 33 percent owner of Bridger Coal Company, which supplies coal to the Jim Bridger generating plant owned in part by IPC.

The following table presents IPC's earnings of unconsolidated equity-method investments (in thousands of dollars):

	2004	2003	2002
Bridger Coal Company (IPC)	\$ 12,313	\$ 11,336	\$ 12,065

Investments in Debt and Equity Securities

Investments in debt and equity securities are accounted for in accordance with SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities." Those investments classified as available-for-sale securities are reported at fair value, using either specific identification or average cost to determine the cost for computing gains or losses. Any unrealized gains or losses on available-for-sale securities are included in other comprehensive income.

IPC held \$32 million of auction rate securities at December 31, 2004. Auction rate securities are long-term instruments whose interest rates or dividends are reset at specific frequencies. The typical reset periods are either 28 or 35 days. The rates or dividends are reset via a Dutch auction. The original maturities of these securities at the time of issuance ranged from 2007 to 2042.

The following table summarizes investments in debt and equity securities (in thousands of dollars):

	2004			2003		
	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Available-for-sale securities (IPC)	\$ 2,530	\$ 256	\$ 53,155	\$ 2,665	\$ 276	\$ 22,438

The following table summarizes sales of available-for-sale securities (in thousands of dollars):

	2004	2003	2002
Proceeds from sales	\$ 266,331	\$ 14,040	\$ 6,815
Gross realized gains from sales	2,044	1,046	365
Gross realized losses from sales	634	1,169	1,953

Additionally, these investments are evaluated to determine whether they have experienced a decline in market value that is considered other-than-temporary. IPC analyzes securities in loss positions as of the end of each reporting period. Any security with an unrealized loss of more than 20 percent is evaluated for other-than-temporary impairment. A security will generally be written down to market value if it has an unrealized loss of 20 percent or more for more than nine months. If additional information is available that indicates a security is other-than-temporarily impaired, it will be written down prior to the nine-month time period. In the alternative, if a security has been impaired for more than nine months but available information indicates that the impairment is temporary, the security will not be written down. IPC recognized other-than-temporary impairments of \$0.6 million and \$1 million in 2003 and 2002, respectively. For 2004, it was determined there were no other-than-

NOTES TO FINANCIAL STATEMENTS (Continued)

temporary declines in market value.

The following table summarizes information regarding securities that were in an unrealized loss position at the end of each year, but for which no other-than-temporary impairment was recognized (in thousands of dollars).

	Aggregate Unrealized Loss	Aggregate Related Fair Value	Aggregate Unrealized Loss	Aggregate Related Fair Value
	Less than 12 months		12 months or longer	
2004:				
Available for sale equity securities	\$ 181	\$ 2,934	\$ 75	\$ 362
2003:				
Available for sale equity securities	\$ 200	\$ 2,577	\$ 76	\$ 359

The available-for-sale equity securities in unrealized loss positions are diversified investments in common stock of various companies used to fund IPC's Senior Management Security Plan. At December 31, 2004, ten available-for-sale securities were in an unrealized loss position. At December 31, 2003, seven available-for-sale securities were in an unrealized loss position. All unrealized losses were less than 20 percent. IPC has the ability and intent to hold the equity securities for a reasonable period of time sufficient for a forecasted recovery of fair value and do not consider these investments to be other-than-temporarily impaired at December 31, 2004 or 2003.

22. Asset Retirement Obligations:

On January 1, 2003, IPC adopted SFAS 143, "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. An obligation may result from the acquisition, construction, development or the normal operation of a long-lived asset. SFAS 143 requires an entity to record the fair value of a liability for an asset retirement obligation (ARO) in the period in which it is incurred. When the liability is initially recorded, the entity increases the carrying amount of the related long-lived asset to reflect the future retirement cost. Over time, the liability is accreted to its present value and paid, and the capitalized cost is depreciated over the useful life of the related asset. If, at the end of the asset's life, the recorded liability differs from the actual obligations paid, a gain or loss would be recognized at that time. As a rate-regulated entity, IPC records regulatory assets and liabilities instead of accretion, depreciation and gains or losses. This treatment was approved by Order No. 29414 from the IPUC. The regulatory assets recorded under this order do not earn a return on investment.

IPC performed detailed assessments of the applicability and implications of SFAS 143 and identified AROs related to two of IPC's jointly owned coal-fired generation facilities and IPC's transmission and distribution facilities. Upon adoption, IPC recorded an ARO of \$7 million, fixed assets of \$2 million, accumulated depreciation of \$1 million and a regulatory asset of \$6 million. These amounts do not include an amount for the transmission and distribution facilities, because, based on the indeterminate life of these assets, an ARO calculation cannot be made.

The regulated operations of IPC also collect removal costs in rates for certain assets that do not have associated AROs. The adoption of SFAS 143 required IPC to redesignate these removal costs as regulatory liabilities. As of December 31, 2004, IPC had \$148 million of such costs recorded as regulatory liabilities on its Consolidated Balance Sheet.

An ARO also exists for the reclamation of the Bridger Coal mine property, which is leased by Bridger Coal Company, an equity-method investee of IPC. As Bridger Coal Company has a March 31 fiscal year end, it adopted SFAS 143 on April 1, 2003. Upon adoption of SFAS 143, IPC did not record a net change in its investment in Bridger Coal Company, as Bridger Coal Company also is applying regulatory accounting, recording regulatory assets and liabilities instead of accretion, depreciation

NOTES TO FINANCIAL STATEMENTS (Continued)

and gains or losses.

The following table presents the changes in the aggregate carrying amount of AROs (in thousands of dollars):

	2004	2003
Balance at beginning of year	\$ 7,140	\$ -
Amount recorded on adoption	-	6,743
Accretion expense	421	397
Revisions in estimated cash flows	1,727	-
Balance at end of year	\$ 9,288	\$ 7,140

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AN ORDER) UF _____
AUTHORIZING UP TO \$300,000,000)
AGGREGATE PRINCIPAL AMOUNT AT) APPLICATION
ANY ONE TIME OUTSTANDING OF)
SHORT-TERM BORROWINGS)
_____)

IDAHO POWER COMPANY (the “Applicant”) hereby applies for an Order of the Public Utility Commission of Oregon (the “Commission”) authorizing Applicant to incur up to \$300,000,000 aggregate principal amount at any one time outstanding of short-term borrowings as set forth herein. This Application is filed pursuant to ORS Chapter 757 and OAR 860-27-0030.

The Application of Idaho Power Company respectfully alleges:

(a) The exact name of Applicant and the address of its principal business office are: Idaho Power Company, 1221 W. Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070.

(b) The Applicant was incorporated under the laws of the State of Maine on May 6, 1915, and migrated its state of incorporation from the State of Maine to the State of Idaho effective June 30, 1989. It is qualified as a foreign corporation to do business in the States of Oregon, Nevada, Montana and Wyoming in connection with its utility business.

(c) The name and address of the persons authorized on behalf of Applicant to receive notices and communications in respect to this Application are:

Dennis C. Gribble
Vice President and Treasurer

Idaho Power Company
P.O. Box 70
Boise, ID 83707

Patrick A. Harrington
Attorney
Idaho Power Company
P.O. Box 70
Boise, ID 83707

(d) The names, titles and address of the principal officers of the Applicant are as follows:

Jan B. Packwood	Chief Executive Officer
J. LaMont Keen	President & Chief Operating Officer
Darrel T. Anderson	Senior Vice President - Administrative Services and Chief Financial Officer
James C. Miller	Senior Vice President - Power Supply
Dan B. Minor	Senior Vice President – Delivery
Thomas R. Saldin	Sr. Vice President, General Counsel & Secretary
John R. Gale	Vice President - Regulatory Affairs
Dennis C. Gribble	Vice President and Treasurer
A. Bryan Kearney	Vice President & Chief Information Officer
Luci K. McDonald	Vice President - Human Resources
Greg W. Panter	Vice President - Public Affairs
Lori D. Smith	Vice President - Finance and Chief Risk Officer

The address of all of the above officers is:

1221 W. Idaho Street
P. O. Box 70
Boise, ID 83707-0070

(e) The Applicant is an electric public utility engaged principally in the generation, purchase, transmission, distribution and sale of electric energy in an approximately 24,000 square mile area over southern Idaho and in the counties of Baker, Malheur and Harney in eastern Oregon. A map showing Applicant's service territory is on file with the Commission as Exhibit H to Applicant's application in Case No. UF-4063.

(f) The following statement as to each class of the capital stock of Applicant is as of December 31, 2004, 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 and Pacific stock exchanges.

Preferred Stock

On September 20, 2004, IPC redeemed all of its outstanding preferred stock for \$54 million using proceeds from the issuance of first mortgage bonds. This amount includes \$2 million of premium that was recorded as preferred dividends on the Consolidated Statements of Income. The redemption price was \$104 per share for the 122,989 shares of 4% preferred stock, \$103.18 per share for the 250,000 shares of 7.07% preferred stock and \$102.97 per share for the 150,000 shares of 7.68% preferred stock, plus accumulated and unpaid dividends.

(g) The following statement as to funded debt of Applicant is as of December 31, 2004, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) <u>Description</u>	(3) <u>Amount Outstanding</u>
FIRST MORTGAGE BONDS:	
5.83 % Series due 2005, dated as of Sep 9, 1998, due Sep 9, 2005	60,000,000
7.38 % Series due 2007, dated as of Dec 1, 2000, due Dec 1, 2007	80,000,000
7.20 % Series due 2009, dated as of Nov 23, 1999, due Dec 1, 2009	80,000,000
6.60 % Series due 2011, dated as of Mar 2, 2001, due Mar 2, 2011	120,000,000
4.75 % Series due 2012, dated as of Nov 15, 2002, due Nov 15, 2012	100,000,000
4.25 % Series due 2013, dated as of May 13, 2003, due October 1, 2013	70,000,000
6 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
5.50 % Series due 2034, dated as of March 26, 2004, due March 15, 2034	50,000,000
5.875%Series due 2034, dated as of August 16, 2004, due August 15, 2034	55,000,000
	<u>785,000,000</u>

- (2) Amount authorized - Limited within the maximum of \$1,100,000,000 (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 Thirty-Ninth 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.

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) Variable Auction Rate Series 2003 due 2024:

- (1) Description - Pollution Control Revenue Refunding Bonds, Variable Auction Rate Series 2003 due 2024, County of Humboldt, Nevada, dated as of October 22, 2003 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) 6.05% Series 1996A due 2026:

- (1) Description - Pollution Control Revenue Bonds, 6.05% Series 1996A due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026
- (2) Amount authorized - \$68,100,000
- (3) Amount outstanding - \$68,100,000
- (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

(D) Variable Rate Series 1996B due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996B Series due 2026, County of Sweetwater, Wyoming, dated

as of July 15, 1996, due July 15, 2026.

- (2) Amount authorized - \$24,200,000
- (3) Amount outstanding - \$24,200,000
- (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

(E) Variable Rate Series 1996C due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996C Series due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026.
- (2) Amount authorized - \$24,000,000
- (3) Amount outstanding - \$24,000,000
- (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) copies of Loan Agreement between Idaho Power Company and Humboldt County, Nevada dated October 1, 2003; Trust Indenture between Humboldt County, Nevada and Union Bank of California dated October 1, 2003; Escrow Agreement between Humboldt County, Nevada and Bank One Trust Company and Idaho Power Company dated October 1, 2003; Purchase Contract dated October 21, 2003 among Humboldt County, Nevada and Bankers Trust Company; Auction Agreement, dated as of October 22, 2003 among Idaho Power Company, Union Bank of California and Deutsche Bank Trust Company; Insurance Agreement, dated as of October 1, 2003 between AMBAC and Idaho Power Company; Broker-Dealer agreements dated October 22, 2003 among the Auction Agent, Banc One Capital Markets, Banc of America Securities and Idaho Power Company, under which the Auction Rate Series 2003 bonds were issued, and (C) (D) (E) copies of Indentures of Trust by Sweetwater County, Wyoming, to the First National Bank of Chicago, Trustee, and Loan Agreements between Idaho Power Company and Sweetwater County, Wyoming, all dated July 15, 1996, under which the 6.05% Series 1996A bonds, Variable Rate Series 1996B bonds and Variable Rate Series 1996C bonds were issued.

- (h) A description of the securities proposed to be authorized and issued, and

for which this Application is made, is as follows:

(1) Description

The securities will consist of loans issued by financial and other institutions and evidenced by unsecured notes or other evidence of indebtedness; and unsecured promissory notes to be issued for public or private placement by Applicant through one or more commercial paper dealers or agents, or directly by Applicant.

(2) Amount

The securities proposed to be issued by the Applicant hereunder will not exceed a total of \$300 million aggregate principal amount at any one time outstanding.

(3) Interest Rate

Applicant anticipates said borrowings will provide that the interest rates may be fixed or variable during the term of said loans, and that the rates will be based on LIBOR, the applicable prime rate, or other rate established in the borrowing arrangements, and may vary based upon the ratings of Applicant's first mortgage bonds.

(4) Date of Issue

The proposed borrowings may be issued by the Applicant during the period from April 25, 2005 through March 31, 2010. Applicant is requesting authorization to make the short-term borrowings as described in this application during such period, so long as Applicant maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services, and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc.

(5) Redemption Provisions

Not applicable.

(6) Date of Maturity

The proposed borrowings will have varying maturities, with a maximum maturity of up to five years. In no event will any borrowing have a final maturity beyond March 31, 2010.

(7) Voting Privileges

Not applicable.

(i) Applicant intends to secure new commitments for unsecured Lines of Credit, or extensions of existing commitments for unsecured Lines of Credit, during the period from April 25, 2005 through March 31, 2010. The unsecured Lines of Credit may be obtained with several financial or other institutions, directly by the Applicant or through an agent, when and if required by Applicant's then current financial requirements (see Paragraph (I) Purpose of Issuance). Each individual Line of Credit Commitment will provide that up to a specific amount at any one time outstanding will be available to Applicant to draw upon for a fee to be determined by a percentage of the credit line available, credit line utilization, compensating balance or combination thereof.

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

Unsecured promissory notes will be issued and sold by Applicant through one or more commercial paper dealers or agents, or directly by Applicant. Each note issued as

commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest bearing to be paid at maturity. Each note will have a fixed maturity and will contain no provision for automatic “roll over”.

(j) Applicant’s Line of Credit arrangements are expected to include one or more lead agents, and a number of additional banks as participating agents. Reference is made to paragraphs (i) and (k), which specify the method of payment of fees to the financial or other institutions pursuant to the Line of Credit arrangements. With respect to commercial paper issuances, it is expected that the commercial paper dealers or agents will sell such notes at a profit to them of not to exceed 1/8 of 1 percent of the principal amount of each note.

(k) A new unsecured Line of Credit syndicated facility would likely include the following fees for the lead agent(s) and participating agents in the Line of Credit facility: an up-front arrangement fee payable to the lead agent(s) totaling approximately \$150,000; up-front agent participation fees payable to all participating agents totaling approximately \$150,000; annual agent facility fees payable to all participating agents totaling approximately \$250,000 per year; and annual administrative fees payable to the lead agent(s) of approximately \$15,000 per year. Other expenses relating to the Line of Credit facility are estimated to include: Applicant’s legal fees of \$10,000, agent legal fees of \$10,000, and miscellaneous expenses of \$10,000. An extension of any existing Line of Credit syndicated facility would likely involve similar fees. The Line of Credit agent(s) fees are customary in the market and will offset the agents’ costs, including personnel time, travel and administrative costs associated with negotiating and

administering the unsecured Lines of Credit. The Applicant finds these fees are not unreasonable given the services provided by the agents.

(l) The purposes for which the short-term borrowings are proposed to be incurred by Applicant as provided herein are for the acquisition of utility property, the construction, extension or improvement of utility facilities, the improvement or maintenance of service, the discharge or lawful refunding of obligations which were incurred for utility purposes (such as higher cost debt or preferred stock) or the reimbursement of Applicant's treasury for funds used for the foregoing purposes, all as permitted under ORS 757.415(1). If the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of the utility purposes above.

(m) Applications with respect to Applicant's short-term borrowing authorizations have been filed with the Idaho Public Utilities Commission and the Public Service Commission of Wyoming. No Federal Energy Regulatory Commission or other state regulatory commission approval is required. No registration statement filing with the Securities and Exchange Commission is required.

(n) Applicant alleges that the refunding transactions described in this Application are (A) for a lawful object, within the corporate purposes of the Applicant as described in paragraph (1) above, and (B) compatible with the public interest. The short-term borrowings and the use of proceeds thereof as described in paragraph (1) above are (C) necessary and appropriate for and consistent with the proper performance by Applicant of service as a public utility, (D) will not impair Applicant's ability to perform that service, and (E) are reasonably necessary or appropriate for such purposes.

(o) Applicant is incorporated under the laws of the State of Idaho and is qualified to do business as a foreign corporation in the States of Oregon, Nevada, Montana and Wyoming for its utility operations. Applicant holds municipal franchises in approximately 80 incorporated cities in which it distributes electrical energy in the States of Idaho and Oregon, and such franchises or permits in or from the counties in which Applicant operates, and certificates of public convenience and necessity from state regulatory authorities as are required. This Application will not result in the capitalization of the right to be a corporation, or of any franchise, permit or contract for consolidation, merger or lease in excess of the amount (exclusive of any tax or annual charge) actually paid as the consideration for such right, franchise, permit or contract.

PRAYER

WHEREFORE, Applicant respectfully requests that the Public Utility Commission of Oregon issue its Order authorizing Applicant to incur up to \$300,000,000 aggregate principal amount at any one time outstanding of short-term borrowings, under the terms and conditions and for the purposes set forth in this application.

DATED at Boise, Idaho this ____ day of March, 2005.

IDAHO POWER COMPANY

By: /s/ Dennis C. Gribble
Vice President and Treasurer

(Corporate Seal)

ATTEST:

 /s/ Thomas R. Salin
Secretary
Idaho Power Company
1221 W. Idaho Street
P.O. Box 70
Boise, Idaho 83707-0070

STATE OF IDAHO)
) ss.
County of Ada)

Dennis C. Gribble, being first duly sworn, deposes and says:

That I am the Vice President and Treasurer of Idaho Power Company, Applicant in the above-entitled proceeding; that I have read the foregoing Application and know the contents thereof; and that the same are true to the best of my knowledge and belief.

 /s/ Dennis C. Gribble

SUBSCRIBED AND SWORN to before me this ____ day of March, 2005.

Notary Public for Idaho
Residing at Boise, Idaho
My Commission Expires:_____

EXHIBITS

Exhibit A. A copy of Applicant's Articles of Incorporation has heretofore been filed with the Commission in Case No. UF 4181, reference to which is hereby made. A

copy of the January 20, 2005 Articles of Amendment for Applicant's Articles of Incorporation is attached hereto as Exhibit A.

Exhibit B. A certified copy of Applicant's By-laws, as amended January 20, 2005, is attached hereto as Exhibit B.

Exhibit C. A certified copy of resolutions of the Board of Directors authorizing the transaction with respect to which this Application is made is attached hereto as Exhibit C.

Exhibit D-1. Copies of Mortgage and Deed of Trust, including First Supplemental Indenture, are on file with the Commission in Case UF-795; Second Supplemental Indenture in Case UF-1102; Third Supplemental Indenture in Case UF-1247; Fourth Supplemental Indenture in Case UF-1351; Fifth Supplemental Indenture in Case UF-1467; Sixth Supplemental Indenture in Case UF-1608; Seventh Supplemental Indenture of Case UF-2000; Eighth and Ninth Supplemental Indentures in Case UF-2068; Tenth Supplemental Indenture in Case UF-2146; Eleventh Supplemental Indenture in Case UF-2159; Twelfth Supplemental Indenture in Case UF-2188; Thirteenth Supplemental Indenture in Case UF-2253; Fourteenth Supplemental Indenture in Case UF-2304; Fifteenth Supplemental Indenture in Case UF-2466; Sixteenth Supplemental Indenture in Case UF-2545; Seventeenth Supplemental Indenture in Case UF-2596; Eighteenth Supplemental Indenture in Case UF-2944; Nineteenth Supplemental Indenture in Case UF-3063; Twentieth Supplemental Indenture and Twenty-first Supplemental Indentures in Case UF-3110; Twenty-second Supplemental Indenture in Case UF-3274; Twenty-third Supplemental Indenture in Case UF-3457; and Twenty-fourth Supplemental Indenture in Case UF-3614; Twenty-fifth Supplemental Indenture in Case UF-3758; Twenty-sixth

Supplemental Indenture in Case UF-3782; Twenty-seventh Supplemental Indenture in Case UF-3947; Twenty-eighth Supplemental Indenture in Case UF-4022; Twenty-ninth Supplemental Indenture in Case UF-4014; Thirtieth Supplemental Indenture in Case UF-4033; Thirty-first Supplemental Indenture in Case UF-4033; Thirty-second Supplemental Indenture in Case UF-4053; Thirty-third Supplemental Indenture in Case No. UF-4088; and Thirty-fourth Supplemental Indenture in Case No. UF-4111, reference to which is hereby made.

Exhibit D-2. A copy of Guaranty Agreement between Idaho Power Company and U.S. Bank of Idaho, successor to The Idaho First National Bank, as Trustee, for \$21,055,000 of Bonds under and pursuant to Indenture relating to \$21,055,000 American Falls Replacement Dam Bonds of American Falls Reservoir district, Idaho, has heretofore been filed with the Commission in Case NO. UF-4028, reference to which is hereby made.

Exhibit D-3. A copy of the Equipment Lease and Sublease Agreement between Idaho Power Company and Sweetwater County, Wyoming, dated September 1, 1973, has heretofore been filed with the Commission in Case No. UF-3013, reference to which is hereby made.

Exhibit D-4. A copy of the Applicant's Guaranty Agreement representing a one-third contingent liability for lease charges for certain equipment leased to the Bridger Coal Company, in connection with the operation of the Company's Jim Bridger Plant, along with an Order dated July 30, 1974, from the Federal Power Commission waiving jurisdiction over this transaction, has heretofore been filed with the Commission in Case NO. UF-2977, reference to which is hereby made.

Exhibit D-5. A copy of Applicant's Guaranty Agreement, dated April 1, 1977, guaranteeing payment of the principal and interest on \$24,000,000 of Pollution Control Revenue Bonds issued by Sweetwater County, Wyoming, for certain pollution control facilities installed on the Jim Bridger coal-fired steam electric generating plant, has heretofore been filed with the Commission in Case No. UF-3321, reference to which is hereby made.

Exhibit D-6. A copy of Applicant's Guaranty Agreement, dated August 17, 1978, guaranteeing payment of the principal and interest on \$4,360,000 of Pollution Control Revenue bonds issued by the Port of Morrow Oregon, for certain pollution control facilities installed on the Boardman coal-fired steam electric generating plant, has heretofore been filed with the Commission in Case No. UF-3450, reference to which is hereby made.

Exhibit D-7. A copy of the Participation Agreement which includes as exhibits the Facilities Agreement and the Assumption and Option Agreement along with copies of the Bargain and Sale Deed, Bill of Sale and Assignment, and the Amendment to the Agreement for Construction, Ownership and Operation of the Number One Boardman Station on Carty Reservoir, as supplemented, with respect to the sale and leaseback of the Coal Handling Facilities at the Number One Boardman Station has heretofore been filed with the Commission in Docket No, UF-ES79-55, reference to which is hereby made.

Exhibit D-8. A copy of Applicant's Loan Agreement, dated December 1, 1984, providing for payment of the principal and interest on \$49,800,000 of Pollution Control Revenue Bonds issued by Humboldt County, Nevada, for certain pollution control facilities installed on the Valmy Coal-Fired Steam Electric Generating Plant, has heretofore been filed with the Commission in Case No. UF-3947, reference to which is hereby made. A copy of the

Agreement dated May 20, 1986, among Applicant, Goldman, Sachs & Co., Kidder, Peabody & Co. and Banker's Trust Company, and the Pledge Agreement, dated May 1, 1986, between Applicant and Morgan Guaranty Trust Company of New York, providing for the offering of said Pollution Control Revenue Bonds, and the fixing of the interest rate thereon, have heretofore been filed with the Commission in Case No. UF-3947, reference to which is hereby made.

Exhibit D-9. A copy of Applicant's Guaranty Agreement, dated February 10, 1992, guaranteeing payment of the principal and interest on \$11, 700,000 of Notes issued by Milner Dam, Inc., for construction of the Milner Dam in Twin Falls County, Idaho, has heretofore been filed with the Commission in Case No. UF-4063, reference to which is hereby made.

Exhibit D-10. A copy of Applicant's Assumption Agreement, dated May 1, 1992, providing for Applicant's assumption of certain Rural Electrification Administration notes, in the combined principal amount outstanding of approximately \$1.9 million, has heretofore been filed with the Commission in Case No. 4072.

Exhibit D-11. A copy of Applicant's Loan Agreements regarding Applicant's payments to Sweetwater County, Wyoming, as Issuer of the Pollution Control Revenue Bonds, Series 1996A-C, dated as of July 15, 1996, with respect to the Jim Bridger Coal-Fired Steam Electric Generating Plant, have heretofore been filed with the Commission in Case No. UF-4144, reference to which is hereby made. A copy of the Contract of Purchase, dated July 25, 1996, among Applicant, Goldman, Sachs & Co., and Morgan Stanley & Co. Incorporated, providing for the offering of said Pollution Control Revenue Bonds, has also heretofore been filed with the Commission in Case No. UF 4144.

Exhibit E. Balance Sheet of Applicant with supporting fixed capital or plant schedules as of December 31, 2004.

Exhibit F. Statement of Applicant's Commitments and Contingent Liabilities as December 31, 2004.

Exhibit G. Income Statement of Applicant for the 12 months ended December 31, 2004.

Exhibit H. Statement of Retained Earnings of Applicant for the 12 months ended December 31, 2004.

Exhibit I. No registration statement filing with the Securities and Exchange Commission is required.

Exhibit J. Copies of the proposed agreements for the committed and uncommitted unsecured Lines of Credit and other agreements evidencing the borrowing arrangements will be filed with the Commission as soon as available.

Exhibit K. See Exhibit J above.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR AN ORDER)	UF _____
AUTHORIZING UP TO \$300,000,000)	
AGGREGATE PRINCIPAL AMOUNT AT)	PROPOSED ORDER
ANY ONE TIME OUTSTANDING OF)	
SHORT-TERM BORROWINGS)	
_____)	

On March ____, 2005, Idaho Power Company (“Idaho Power” or “Company”) filed an application with the Public Utility Commission of Oregon pursuant to ORS Chapter 757 and OAR 860-27-0030, requesting authority to incur up to \$300,000,000 aggregate principal amount at any one time outstanding of short-term borrowings.

At its _____, 2005 public meeting, the Commission decided to grant the application. Based on the application and the Commission’s records, the Commission makes the following:

FINDINGS OF FACT

Jurisdiction

Idaho Power is an Idaho corporation qualified to transact business in the state of Oregon. Its utility function consists of the generation, purchase, transmission, distribution and sale of electric energy.

Idaho Power proposes, subject to the approval of the Commission, to secure commitments for unsecured Lines of Credit for up to five years with several financial and other institutions. Each Line of Credit commitment will provide that up to a specific amount at any one time outstanding will be available to Idaho Power to draw upon for a fee to be determined either by a percentage of the credit line available, credit line utilization, compensating balance or

combination thereof. In the case of a syndicated facility, Idaho Power will pay up-front arrangement fees and participation fees, and annual facility fees based on a percentage of each banks' commitment, as set forth in Idaho Power's application. Idaho Power may also make arrangements for uncommitted credit facilities under which unsecured Lines of Credit would be offered to Idaho Power on an "as available" basis and at negotiated interest rates. Such committed and uncommitted borrowings will be evidenced by unsecured promissory notes or other evidence of indebtedness.

In addition, unsecured promissory notes will be issued and sold by Idaho Power through one or more commercial paper dealers or agents or directly by Idaho Power. Each note issued as commercial paper will be either discounted at the rate prevailing at the time of issuance for commercial paper of comparable quality and maturity or will be interest-bearing to be paid at maturity. Each such note will have a fixed maturity and contain no provision for automatic "roll over".

The proposed borrowings may be issued by Idaho Power during the period from April 25, 2005 through March 31, 2010. The proposed borrowings may have varying maturities, with a maximum maturity of up to five years. In no event will any borrowing have a final maturity beyond March 31, 2010. Idaho Power requests authorization to make the short-term borrowings as described in its application from April 25, 2005 through March 31, 2010, so long as the Company maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services, and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc.

No fees or commissions (other than for attorneys, accountants and similar technical services) will be paid by the Company, other than the agents' fees for and in connection with the short-term borrowings.

The purposes for which securities are proposed to be issued by Idaho Power in this matter are the acquisition of utility property, the construction, extension or improvement of utility facilities, the improvement or maintenance of service, the discharge or lawful refunding of obligations which were incurred for utility purposes (such as higher cost debt or preferred stock) or the reimbursement of Idaho Power's treasury for funds used for the foregoing purposes, all as permitted under ORS 757.415(1). If the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of the utility purposes above.

OPINION

This transaction is governed by ORS 757.415. That statute provides:

- (1) A public utility may issue [notes and other forms of indebtedness] for the following purposes and no others . . . :
 - (a) The acquisition of property, or the construction, completion, extension or improvement of its facilities.
 - (b) The improvement or maintenance of its service.
 - (c) The discharge or lawful refunding of its obligations.
 - (d) The reimbursement of money actually expended from income or from any other money in the treasury of the public utility not secured by or obtained from the issue of stock or bonds, notes or other evidences of indebtedness, or securities of such public utility,

for any of the purposes listed in paragraphs (a) to (c) of this subsection except the maintenance of service and replacements, in cases where Idaho Power has kept its accounts and vouchers for such expenditures in such manner as to enable the commission to ascertain the amount of money so expended and the purposes for which such expenditures were made.

(e) ****

(2) [Idaho Power] shall secure from the commission . . . an order . . . stating:

(a) The amount of the issue and the purposes to which the . . . proceeds . . . are to be applied; and

(b) In the opinion of the commission, the [proceeds] reasonably [are] required for the purposes specified in the order and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by Idaho Power of service as a public utility, and will not impair its ability to perform that service; and

(c) Except as otherwise permitted in the order in the case of [short-term borrowings], such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

When an application involves refunding of obligations, Idaho Power also must show that the original borrowings were made for a permissible purpose. *Pacific Power and Light Co.*, UF 3749, Order No. 81-745 at 5.

This Application requests that Idaho Power be allowed to incur short-term borrowing obligations. The request is reasonable, and will allow Idaho Power to obtain temporary, interim capital to finance the Company's ongoing operations.

The Commission concludes that the Application should be approved. Idaho Power is authorized to enter into the transactions referenced in its Application relating to short-term borrowings. Idaho Power need not obtain additional pre-issuance approval from the Commission to commence the short-term borrowing transactions.

The proposed transaction is compatible with the public interest, consistent with the proper performance of Idaho Power's public utility service, and will not impair the Company's ability to perform its public utility service.

For ratemaking purposes, the Commission reserves judgment on the reasonableness of Idaho Power's capital costs and capital structure. In its next rate proceeding, Idaho Power will be required to show that its capital costs and structure are just and reasonable. ORS 757.210.

Restriction On Use Of Proceeds

ORS 469.599 provides that the Commission may not authorize the issuance of bonds to finance a nuclear-fueled thermal power plant in Oregon unless construction has been authorized by the Energy Facility Siting Council.

CONCLUSIONS OF LAW

IT IS ORDERED That:

Idaho Power is granted authority during the period from April 25, 2005 to and including March 31, 2010, to make short-term borrowings and to issue unsecured notes (including renewal notes), for the purposes herein set forth, in an amount not to exceed \$300,000,000 aggregate principal amount at any one time outstanding, with maturities of up to five years, but with no final maturity beyond March 31, 2010. Idaho Power is further authorized to the extent permissible under applicable governmental statutes and regulations to substitute commercial paper borrowings for the Lines of Credit, or other borrowing arrangements, up to the limit of \$300,000,000 aggregate principal amount at any one time outstanding.

Idaho Power need not obtain additional pre-issuance approval from the Commission to enter into the short-term borrowings described in its Application.

Idaho Power shall file, as soon as available, copies of the proposed agreements for the committed unsecured Lines of Credit and other agreements evidencing the borrowing arrangements will be filed with the Commission as soon as available.

Made, entered, and effective _____.

BY THE COMMISSION:

Nancy Towslee
Commission Secretary

IDAHO POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND
UNDISTRIBUTED SUBSIDIARY EARNINGS
For the Twelve Months Ended December 31, 2004

Retained Earnings

Retained earnings (at the beginning of period)	\$	320,735,423
Balance transferred from income.....		70,608,121
Dividends received from subsidiary.....		<u> -</u>
Total.....		<u>391,343,544</u>
Dividends:		
Preferred Stock		4,823,248
Common Stock		<u>46,413,448</u>
Total.....		<u>51,236,696</u>
Retained earnings (at end of period).....	\$	<u>340,106,848</u>

Undistributed Subsidiary Earnings

Balance (at beginning of period).....	\$	22,738,561
Equity in earnings for the period.....		8,190,247
Dividends paid (Debit).....		<u> -</u>
Balance (at end of period).....	\$	<u>30,928,808</u>

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

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT

IDAHO POWER COMPANY

The following statement as to each class of the capital stock of applicant is as of December 31, 2004, 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 and Pacific stock exchanges.

4% Preferred Stock

On September 20, 2004, IPC redeemed all of its outstanding preferred stock for \$54 million using proceeds from the issuance of first mortgage bonds. This amount includes \$2 million of premium that was recorded as preferred dividends on the Consolidated Statements of Income. The redemption price was \$104 per share for the 122,989 shares of 4% preferred stock, \$103.18 per share for the 250,000 shares of 7.07% preferred stock and \$102.97 per share for the 150,000 shares of 7.68% preferred stock, plus accumulated and unpaid dividends.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

The following statement as to funded debt of applicant is as of December 31, 2004, the date of the balance sheet submitted with this application.

First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
5.83 % Series due 2005, dated as of Sep 9, 1998, due Sep 9, 2005	60,000,000
7.38 % Series due 2007, dated as of Dec 1, 2000, due Dec 1, 2007	80,000,000
7.20 % Series due 2009, dated as of Nov 23, 1999, due Dec 1, 2009	80,000,000
6.60 % Series due 2011, dated as of Mar 2, 2001, due Mar 2, 2011	120,000,000
4.75 % Series due 2012, dated as of Nov 15, 2002, due Nov 15, 2012	100,000,000
4.25 % Series due 2013, dated as of May 13, 2003, due October 1, 2013	70,000,000
6 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
5.50 % Series due 2034, dated as of March 26, 2004, due March 15, 2034	50,000,000
5.875%Series due 2034, dated as of August 16, 2004, due August 15, 2034	55,000,000
	785,000,000

- (2) Amount authorized - Limited within the maximum of \$1,100,000,000 (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 Thirty-Ninth Supplemental Indentures thereto, by Idaho Power Company to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) and R. G. Page (Stanley Burg, successor individual trustee), Trustees, presently on file with the Commission, under which said bonds were issued.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(A) Variable Rate Series 2000 due 2027:

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

(B) Variable Auction Rate Series 2003 due 2024:

- (1) Description - Pollution Control Revenue Refunding Bonds, Variable Auction Rate Series 2003 due 2024, County of Humboldt, Nevada, dated as of October 22, 2003 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) 6.05% Series 1996A due 2026:

- (1) Description - Pollution Control Revenue Bonds, 6.05% Series 1996A due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026
- (2) Amount authorized - \$68,100,000
- (3) Amount outstanding - \$68,100,000
- (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

(D) Variable Rate Series 1996B due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996B Series due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026.
- (2) Amount authorized - \$24,200,000
- (3) Amount outstanding - \$24,200,000
- (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

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(E) Variable Rate Series 1996C due 2026:

- (1) Description - Pollution Control Revenue Bonds, Variable Rate 1996C Series due 2026, County of Sweetwater, Wyoming, dated as of July 15, 1996, due July 15, 2026.
- (2) Amount authorized - \$24,000,000
- (3) Amount outstanding - \$24,000,000
- (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) copies of Loan Agreement between Idaho Power Company and Humboldt County, Nevada dated October 1, 2003; Trust Indenture between Humboldt County, Nevada and Union Bank of California dated October 1, 2003; Escrow Agreement between Humboldt County, Nevada and Bank One Trust Company and Idaho Power Company dated October 1, 2003; Purchase Contract dated October 21, 2003 among Humboldt County, Nevada and Bankers Trust Company; Auction Agreement, dated as of October 22, 2003 among Idaho Power Company, Union Bank of California and Deutsche Bank Trust Company; Insurance Agreement, dated as of October 1, 2003 between AMBAC and Idaho Power Company; Broker-Dealer agreements dated October 22, 2003 among the Auction Agent, Banc One Capital Markets, Banc of America Securities and Idaho Power Company, under which the Auction Rate Series 2003 bonds were issued, and (C) (D) (E) copies of Indentures of Trust by Sweetwater County, Wyoming, to the First National Bank of Chicago, Trustee, and Loan Agreements between Idaho Power Company and Sweetwater County, Wyoming, all dated July 15, 1996, under which the 6.05% Series 1996A bonds, Variable Rate Series 1996B bonds and Variable Rate Series 1996C bonds were issued.