

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR AN	)	
ORDER AUTHORIZING THE ISSUANCE	)	UF _____
AND SALE OF UP TO \$350,000,000 OF	)	
APPLICANT'S FIRST MORTGAGE BONDS	)	APPLICATION
<u>AND DEBT SECURITIES</u>	)	

Pursuant to ORS Chapter 757 and in accordance with OAR 860-27-025 and 860-27-030, Idaho Power Company (the "Applicant"), hereby applies to the Public Utility Commission of Oregon (the "Commission") for an Order authorizing the issuance and sale from time to time of (a) up to \$350,000,000 aggregate principal amount of one or more series of Applicant's First Mortgage Bonds, which may be designated as secured medium-term notes (the "Bonds") and (b) up to \$350,000,000 aggregate principal amount of one or more series of unsecured debt securities of the Applicant (the "Debt Securities"); provided, that the combined aggregate principal amount of the Bonds and Debt Securities to be issued and sold hereunder shall not exceed \$350,000,000. The Bonds and Debt Securities will be issued publicly pursuant to a shelf registration filed with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"), or privately pursuant to an exemption from registration under the Act, as set forth herein.

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 operations.

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

Steven R. Keen  
Vice President and Treasurer  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707

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

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

J. LaMont Keen	President & Chief Executive Officer
Darrel T. Anderson	Sr. Vice President - Administrative Services and Chief Financial Officer
James C. Miller	Sr. Vice President - Power Supply
Daniel B. Minor	Sr. Vice President - Delivery
Thomas R. Saldin	Sr. Vice President and General Counsel
Lori D. Smith	Vice President of Planning and Chief Risk Officer

John R. Gale	Vice President - Regulatory Affairs
Dennis C. Gribble	Vice President and Chief Information Officer
Steven R. Keen	Vice President and Treasurer
Lisa A. Grow	Vice President - Delivery Engineering and Operations
Warren Kline	Vice President - Customer Service and Regional Operations
Luci K. McDonald	Vice President - Human Resources
Greg W. Panter	Vice President - Public Affairs
Naomi Shankel	Vice President - Audit & Compliance
Patrick A. Harrington	Corporate Secretary

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 a 24,000 square mile area over southern Idaho, and in the counties of Baker, Harney and Malheur 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 September 30, 2007, 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.

(g) The following statement as to funded debt of Applicant is as of September 30, 2007, the date of the balance sheet submitted with this application.

## First Mortgage Bonds

(1) Description	(3) Amount Outstanding
FIRST MORTGAGE BONDS:	
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
6.00 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
5.50 % Series due 2034, dated as of March 26, 2004, due March 15, 2034	50,000,000
5.875%Series due 2034, dated as of August 16, 2004, due August 15, 2034	55,000,000
5.30 % Series due 2035, dated as of August 23, 2005, due August 15, 2035	60,000,000
6.30 % Series due 2037, dated as of June 22, 2007, due June 15, 2037	<u>140,000,000</u>
	925,000,000

(2) Amount authorized - Limited within the maximum of \$1,500,000,000 (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 Fortieth 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) Variable Auction Rate Series 2006 due 2026:

- (1) Description - Pollution Control Revenue Refunding Bonds, Variable Auction Rate Series 2006 due 2026, County of Sweetwater, Wyoming, dated as of October 3, 2006, due July 15, 2026 (secured by First Mortgage Bonds)
- (2) Amount authorized - \$116,300,000
- (3) Amount outstanding - \$116,300,000

- (4) Amount held as reacquired securities - None
- (5) Amount pledged - None
- (6) Amount owned by affiliated corporations - None
- (7) Amount in sinking or other funds – None

For a full statement of the terms and provisions relating to the outstanding Pollution Control Revenue Bonds above referred to, reference is made to (A) copies of Trust Indenture by Port of Morrow, Oregon, to the Bank One Trust Company, N. A., Trustee, and Loan Agreement between Port of Morrow, Oregon and Idaho Power Company, both dated May 17, 2000, under which the Variable Rate Series 2000 bonds were issued, (B) 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) copies of Loan Agreement between Idaho Power Company and Sweetwater County, Wyoming dated October 1, 2006; Trust Indenture between Sweetwater County, Wyoming and Union Bank of California dated October 1, 2006;; Purchase Contract dated October 2, 2006 among Sweetwater County, Wyoming and JP Morgan Securities and Idaho Power Company; Auction Agreement, dated as of October 2, 2006 among Idaho Power Company, Union Bank of California and Deutsche Bank Trust Company; Insurance Agreement, dated as of October 3, 2006 between AMBAC and Idaho Power Company; Broker-Dealer agreements dated October 3, 2006 among the Auction Agent, JP Morgan Securities, Banc of America Securities, Wachovia Bank, Key Banc Capital Markets and Idaho Power Company, under which the Auction Rate Series 2006 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 | First Mortgage Bonds, which may be designated as secured medium-term notes, and Debt Securities  |
| (2) | Amount      | Up to \$350,000,000 Aggregate Principal Amount of one or more series of the Bonds and Debt Securities; provided, that the combined aggregate principal amount of the Bonds and Debt Securities shall not exceed \$350,000,000. |

- |     |                       |  |
|-----|-----------------------|--|
| (3) | Interest              | To be determined. See paragraph (i) below. |
| (4) | Date of Issue         | To be determined. See paragraph (i) below. |
| (5) | Redemption Provisions | To be determined. See paragraph (i) below. |
| (6) | Date of Maturity      | To be determined. See paragraph (i) below. |
| (7) | Voting Privileges     | N/A  |

(i) Applicant has filed a Registration Statement for the Bonds and Debt Securities with the SEC in accordance with Rule 415 of the Act. A copy of the Registration Statement is attached hereto as Attachment I. This shelf registration will allow the Applicant to issue and sell one or more series of the Bonds and Debt Securities on a continuous or delayed basis if authorized by the Commission and the other state regulatory commissions having jurisdiction over the Applicant's securities. This will enable the Applicant to take advantage of attractive market conditions efficiently and rapidly. Under a shelf registration, the Applicant will be able to issue the Bonds and Debt Securities at different times without the necessity of filing a new registration statement.

#### Bonds

The Applicant proposes to issue and sell, from time to time, up to \$350,000,000 aggregate principal amount of one or more series of the Bonds pursuant to the Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 between the Applicant and Deutsche Bank Trust Company Americas (formerly Bankers Trust Company) and Stanley Burg, as trustees, as supplemented and amended (the "Mortgage"), and as to be further supplemented by one or more supplemental indentures relating to the Bonds. Applicant may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks,

treasury interest rate caps and/or treasury interest rate collars. The Bonds will be secured equally with the other First Mortgage Bonds of the Applicant.

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

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

The Bonds may be sold by public sale or private placement, directly by the Applicant or through agents designated from time to time or through underwriters or dealers. If



any agents of the Applicant or any underwriters are involved in the sale of the Bonds, the names of such agents or underwriters, the initial price to the public, any applicable commissions or discounts and the net proceeds to the Applicant will be filed with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the name of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission.

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

The Applicant requests authority to issue the Bonds in the form of medium-term notes without additional pre-issuance approval from the Commission so long as (1) the agent commissions for the issuance of the Bonds as medium-term notes fall within the ranges set forth below, (2) the pricing of the Bonds issued as medium-term notes falls within either (a) the spreads over treasuries for the Bonds set forth below or (b) the all-in coupon rates for the Bonds set forth below, and (3) Idaho Power maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services (S&P), and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc. (Moody's).

The Applicant has requested that the pricing of the Bonds fall within either the maximum spreads over treasuries or the maximum all-in coupon rates set forth below. This request is based on current market conditions which are characterized by historically low treasury rates combined with historically high spreads over treasuries. (These conditions have resulted primarily from the sub-prime lending crisis and subsequent repricing of credit risk. Fixed-

income investors have been flocking to the safety of treasuries and demanding higher yields for corporate bonds.)

Under the current credit environment, it is not sufficient to focus on credit spreads alone, since high spreads may be offset by equally low treasury rates, resulting in a moderate to low coupon rate. Since the all-in coupon rate represents the bottom line borrowing cost to the Applicant and its customers, it is a valid measure for pre-issuance approval from the Commission and should be considered in addition to credit spreads when such spreads reach historically high levels. In the event the Applicant issues Bonds or Debt Securities hereunder which exceed the designated spreads over treasuries, but fall below the designated all-in coupon rates, the Applicant will provide a post-issuance report to the Commission describing the prevailing market conditions and explaining the reasons for the high level of spreads over treasuries relative to the all-in coupon rate for the Bonds or Debt Securities.

#### COMMISSIONS

The maximum commission to be paid by the Applicant to an agent(s) for issuance of the Bonds as medium-term notes in a given maturity range is set forth below. If the Bonds issued as medium-term notes are sold directly to agents as principals, then the medium-term notes will be sold at 100% of the principal amount of the notes less a percentage not to exceed the equivalent agent's fee for a security of similar maturity (see maximum commissions below).

<u>Range of Maturities</u>	<u>Commission (Percentage of Aggregate Principal Amount of Notes Sold)</u>
From 9 months to less than 1 year	.125%
From 1 year to less than 18 months	.150%
From 18 months to less than 2 years	.200%

From 2 years to less than 3 years	.250%
From 3 years to less than 4 years	.350%
From 4 years to less than 5 years	.450%
From 5 years to less than 6 years	.500%
From 6 years to less than 7 years	.550%
From 7 years to less than 10 years	.600%
From 10 years to less than 15 years	.625%
From 15 years to less than 20 years	.675%
20 years and more	.750%

### SPREADS OVER TREASURIES

The costs of issuance of medium-term notes to the Applicant are expected to fall within the spread over the respective U.S. Treasury bond or note as set forth below, where the cost to the Applicant is calculated as the cost to maturity reflecting the coupon on the medium-term note and the appropriate commission:

<u>Maturity</u>		<u>Maximum Spread Over Benchmark Treasury Yield<sup>(1)</sup></u>
<u>Equal to or Greater Than</u>	<u>Less Than</u>	
9 months	2 years	+115 basis points <sup>(2)</sup>
2 years	3 years	+125 basis points
3 years	4 years	+140 basis points
4 years	6 years	+145 basis points
6 years	9 years	+150 basis points
9 years	10 years	+155 basis points
10 years	11 years	+160 basis points
11 years	15 years	+163 basis points

<u>Maturity</u>		<u>Maximum Spread Over Benchmark Treasury Yield<sup>(1)</sup></u>
<u>Equal to or Greater Than</u>	<u>Less Than</u>	
15 years	20 years	+165 basis points
20 years	30 years	+180 basis points

(1) The Benchmark Treasury Yield with respect to any medium-term note maturity range means the yield to maturity of that issue of direct obligations of the United States which, out of all actively traded issues of such obligations with a remaining term to maturity within such note maturity range, is generally considered by dealers in such obligations to be the standard for such obligations, whether federal, state or corporate, with approximately the same remaining terms to maturity. With respect to the issuance of any medium-term note, the Benchmark Treasury Yield shall be determined as of the time the commitment to purchase such note is received by the Applicant and the agents.

(2) Basis point is defined as one-one-hundredth of a percentage point; i.e., 100 basis points equals 1 percent.

ALL-IN COUPON RATES

In the event that the spreads over treasuries for the medium-term notes exceed the maximum spreads set forth above, the all-in annual coupon rates for the medium-term notes will not exceed the following rates:

<u>Medium-Term Note Maturity</u>	<u>Maximum All-in Coupon Rate</u>
Less than 5 years	6.00%
5 years to less than 10 years	6.50%

10 years to less than 20 years	7.00%
20 years to 30 years	7.50%

The all-in rates will include the costs of issuance identified in paragraph (k) below.

#### Debt Securities

The Applicant proposes to issue and sell, from time to time, up to \$350,000,000 in aggregate principal amount of one or more series of Debt Securities. The Debt Securities will be unsecured obligations of the Applicant and will be issued under a new or existing Indenture of the Applicant. A form of any new Indenture will be included in the Registration Statement to be filed with the Commission as Exhibit I. The Applicant will supplement the Indenture in the future to further specify the terms and conditions of each series of Debt Securities. Such amendments will be filed with the SEC and also with the Commission. Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars.

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

any other special terms of the Debt Securities, which terms may be different for each issuance of the Debt Securities.

Applicant's outstanding unsecured senior debt is currently rated Baa1 by Moody's Investors Service, BBB+ by Standard & Poor's Ratings Services, and BBB+ by Fitch, Inc. If the Debt Securities are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Debt Securities are sold privately, the Debt Securities will probably not be rated.

The Applicant requests authority to issue the Debt Securities without additional pre-issuance approval from the Commission so long as the Applicant meets the same requirements for agent commissions, spreads over treasuries or all-in coupon rates, and credit ratings as set forth above for the Bonds.

(j) No fees or commissions (other than attorneys, accountants and similar technical services) will be paid by Applicant, other than the underwriters' or agents' commission or spread, for and in connection with the sale of the Bonds or Debt Securities.

(k) A verified statement showing both in total amount and per unit the price to the public, underwriting spread or commissions, and net proceeds to the Applicant from the sale of the Bonds and/or Debt Securities to be issued will be furnished as soon as available. Applicant estimates that its expenses in connection with the proposed issuance \$350,000,000 of Bonds and/or Debt Securities, exclusive of underwriting spread or commission, will be as follows:

Securities and Exchange Commission Fees	\$50,000
Regulatory Agency Fees	5,000
Company's and Underwriter's Counsel Fees	1,500,000

Accounting Fees	25,000
Printing and Engraving Fees	40,000
Rating Agency Fees	550,000
Miscellaneous Costs	<u>25,000</u>
TOTAL	<u>\$2,195,000</u>

(l) The purposes for which securities are proposed to be issued 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 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 this transaction have also 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. A Registration Statement is to be filed with the SEC and will be filed with the Commission hereunder as Exhibit I.

(n) Applicant alleges that the issuance of the Bonds or Debt Securities as described in this Application are (A) for a lawful object, within the corporate purposes of the Applicant as described in paragraph (l) above, and (B) compatible with the public interest. The use of proceeds thereof as described in paragraph (l) 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.

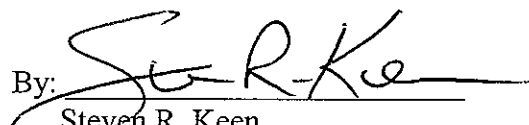
(o) Applicant is incorporated under the laws of the State of Idaho and is qualified to do business as a foreign corporation in the States of Oregon, Nevada, Montana and Wyoming in connection with its utility operations. Applicant holds municipal franchises in approximately 80 incorporated cities in which 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 herein authorizing Applicant to issue and sell for the purposes herein set forth up to \$350,000,000 aggregate principal amount of one or more series of its Bonds and/or up to \$350,000,000 aggregate principal amount of one or more series of its Debt Securities; provided, that the total principal amount of the Bonds and Debt Securities shall not exceed \$350,000,000.

DATED at Boise, Idaho this 12<sup>th</sup> day of December, 2007.

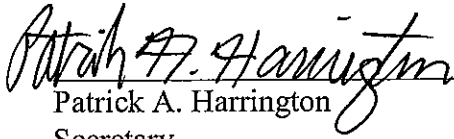
IDAHO POWER COMPANY

By:   
Steven R. Keen  
Vice President and Treasurer



(Corporate Seal)

ATTEST:



Patrick A. Harrington

Secretary

Idaho Power Company

1221 W. Idaho Street

P.O. Box 70

Boise, Idaho 83707-0070

## EXHIBITS

**Exhibit A.** A copy of Applicant's Restated Articles of Incorporation, as amended, has heretofore been filed with the Commission in Case UF 4214, reference to which is hereby made.

**Exhibit B.** A copy of Applicant's By-laws, as amended, has heretofore been filed with the Commission in Case UF 4214, reference to which is hereby made.

**Exhibit C.** Certified copy of resolutions of Applicant's Board of Directors dated September 20, 2007 authorizing the transaction with respect to which this Application is made is attached hereto.

**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 UF 4088; Thirty-fourth Supplemental Indenture in Case UF 4111; Thirty-fifth Supplemental Indenture in Case UF 4175; Thirty-sixth Supplemental Indenture in Case UF 4181; Thirty-seventh Supplemental Indenture in Case UF 4196; Thirty-ninth Supplemental Indenture in Case UF 4200; Fortieth Supplemental Indenture in Case UF 4211; and Forty-first Supplemental Indenture in Case UF 4227, reference to all of which is hereby made.

**Exhibit D-2.** Copy of the Applicant's Guaranty Agreement, dated April 1, 2000, with Bank One Trust Company, N.A., as Trustee, for \$19,885,000 of Bonds under and pursuant to the Indenture relating to the \$19,885,000 American Falls Replacement Dam Refunding Bonds, Series 2000, of the American Falls Reservoir District, Idaho, has heretofore been filed with the Commission in Case UF 4169, reference to which is hereby made.

**Exhibit D-3.** 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 Applicant'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 UF 2977, reference to which is hereby made.

**Exhibit D-4.** A copy of the Applicant's Loan Agreement, dated as of May 1, 2000, regarding payment of the principal and interest on \$4,360,000 Pollution Control Revenue Refunding Bonds issued by the Port of Morrow Oregon, for certain pollution control and sewage or solid waste disposal facilities installed on the Boardman coal-fired steam electric generating plant, has heretofore been filed with the Commission in Case UF 4169, reference to which is hereby made.

**Exhibit D-5.** 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-6.** A copy of the Applicant's Loan Agreements regarding the Applicant's payments to Sweetwater County, Wyoming, as Issuer of the \$116,300,000 Pollution Control Revenue Refunding Bonds, Series 2006, dated as of October 1, 2006, with respect to the Jim Bridger Coal-Fired Steam Electric Generating Plant, has heretofore been filed with the Commission in Case UF 4227, reference to which is hereby made.

**Exhibit D-7.** A copy of the 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 Rehabilitation Project in Twin Falls County, Idaho, has heretofore been filed with the Commission in Case UF 4063, reference to which is hereby made.

**Exhibit D-8.** A copy of the Applicant's Loan Agreement regarding the Applicant's payments to Humboldt County, Nevada, as Issuer of the \$49,800,000 Pollution Control Revenue Refunding Bonds (Idaho Power Company Project), Series 2003, dated as of October 1, 2003, with respect to the Valmy Coal-Fired Steam Electric Generating Plant, has heretofore been filed with the Commission in Case UF 4200, reference to which is hereby made.

**Exhibit E.** Balance Sheet of Applicant with supporting fixed capital or plant schedules as of September 30, 2007.

**Exhibit F.** Statement of Applicant's Commitments and Contingent Liabilities as of September 30, 2007.

**Exhibit G.** Income Statement of Applicant for the 12 months ended September 30, 2007.

**Exhibit H.** Statement of Retained Earnings of Applicant for the 12 months ended September 30, 2007.

**Exhibit I.** Registration Statement for the Bonds and Debt Securities as filed with the SEC.

**Exhibit J.** Copies of the underwriting and other agreements for the sale or marketing of the Bonds and/or Debt Securities will be furnished to the Commission with Applicant's post-issuance filings.


**Exhibit K.** Copy of any bond specimens to be issued hereunder will also be furnished to the Commission.

# EXHIBIT C

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

I, PATRICK A. HARRINGTON, the undersigned, Secretary of Idaho Power Company, do hereby certify that the following constitutes a full, true and correct copy of the resolutions adopted by the Board of Directors on September 20, 2007, relating to the establishment of a shelf registration for the issuance of up to \$350 million of First Mortgage Bonds/Medium-Term Notes or Debt Securities of the Company, 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 12<sup>th</sup> day of December, 2007.

  
\_\_\_\_\_  
/s/ Patrick A. Harrington  
Secretary

(CORPORATE SEAL)

RESOLVED, That the proper officers of the Company be, and they hereby are, authorized and empowered to make, execute and file, in the name and on behalf of the Company, such applications and other documents and any amendments or supplements to such applications and documents with the state regulatory authorities having jurisdiction over the Company and/or its securities as may be necessary to obtain an exemption from competitive bidding requirements and to facilitate the creation, issuance, sale and delivery by this Company in one or more series from time to time of (a) first mortgage bonds ("First Mortgage Bonds") in an aggregate principal amount not exceeding \$350,000,000 and (b) unsecured debt securities ("Debt Securities", and with the First Mortgage Bonds, collectively referred to as the "Securities") in an aggregate principal amount not exceeding \$350,000,000; provided, however, that the total principal amount of First Mortgage Bonds and Debt Securities shall not, in the aggregate, exceed \$350,000,000 and to enter into swap or hedging arrangements with respect to any First Mortgage Bonds or Debt Securities; and be it

FURTHER RESOLVED, That the proper officers of the Company be, and they hereby are, authorized to prepare and file with the Securities and Exchange Commission one or more registration statements (each including a prospectus) and any amendments (including post-effective amendments) or supplements thereto, for the registration under the Securities Act of 1933, as amended, of the Securities and for qualification under the Trust Indenture Act of 1939, as amended, of the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as heretofore supplemented and as it is proposed to be further supplemented by a supplemental indenture or indentures and for qualification under the Trust Indenture Act of 1939, as amended, of an indenture of the Company relating to the Debt Securities, as it is proposed to be supplemented by a supplemental indenture or indentures; and be it

FURTHER RESOLVED, That J. LaMont Keen, Thomas R. Saldin, Darrel T. Anderson and Elizabeth W. Powers, be, and they hereby are, appointed and designated as the persons duly authorized to receive communications and notices from the Securities and Exchange Commission with respect to said registration statement; and be it

FURTHER RESOLVED, That the Company hereby appoints J. LaMont Keen, Darrel T. Anderson, Thomas R. Saldin, and each of them severally, as the true and lawful attorney and attorneys of the Company with full power to act with or without the others and with full power of substitution and resubstitution to execute said registration statement and any amendment or amendments thereto, for and on behalf of the Company; and that each officer and director of the Company executing said registration statement and any amendment or amendments thereto on behalf of the Company, be, and he hereby is, authorized to appoint J. LaMont Keen, Darrel T. Anderson, Thomas R. Saldin, and any agent named for service in said registration statement, and each of them severally, his true and lawful attorney or attorneys with power to act with or without the other and with full power of substitution and resubstitution, to execute in his name, place and stead, in his capacity as an officer or director of the Company, such registration statement and any amendment or amendments thereto, and all instruments necessary or incidental in connection therewith, and to file the same with the Securities and Exchange Commission, with full power and authority to each of said attorneys to do and perform, in the name and on behalf of the said officers or directors, or any of them, every act whatsoever necessary or desirable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person; and be it

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

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



Directors by these resolutions or may hereafter be established by the Board of Directors or the Executive Committee of this Board; and be it

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

FURTHER RESOLVED, That there are hereby created five new series of First Mortgage Bonds, under the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, each to be designated "First Mortgage Bonds, \_\_\_ Series due \_\_\_\_" or "First Mortgage Bonds, Secured Medium-Term Notes, Series \_\_\_", and the issuance by the Company of not to exceed \$350,000,000 in aggregate principal amount of such five series of First Mortgage Bonds is hereby authorized and that, pursuant to the provisions of the Company's Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, the proper officers of the Company be, and they hereby are, authorized to execute under the seal of the Company and to deliver to Deutsche Bank Trust Company Americas as Corporate Trustee under said Mortgage, First Mortgage Bonds in a total aggregate principal amount not to exceed \$350,000,000, in fully registered form in denominations of \$1,000 and any multiple or multiples thereof; that this Board of Directors hereby determines that all of the First Mortgage Bonds of each such series shall mature on the date or dates and shall bear interest at the rate or rates and be payable on the date or dates provided in the Supplemental Indenture providing for the creation of such series or, if Secured Medium-Term Notes, Series \_\_\_, this Board of Directors hereby determines that such First Mortgage Bonds to be issued from time to time shall (i) bear interest at such rate or rates (which may be fixed or variable), (ii) mature on such date or dates from nine (9) months to thirty (30) years from the date of issue, (iii) contain such provisions with respect to the redemption thereof prior to maturity, and the dates and prices associated therewith, as may be appropriate upon due consideration of current market conditions and the Company's general financing plan, and (iv) have such other terms and provisions, all as may be determined from time to time by the President, any Vice President or the Treasurer of the Company and as shall be set forth or referred to in, and confirmed by, written order or orders for the authentication and delivery of the First Mortgage Bonds of such series under the Company's Mortgage and Deed of Trust, as heretofore supplemented, and each such written order shall conclusively establish the determination by the Board of Directors of the terms of the principal amount of the First Mortgage Bonds of such series subject to such written order, both principal and interest to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at the option of the Company, interest on each said First Mortgage Bond may also be payable at the office of the Company in Boise, Idaho, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts; and that such First Mortgage Bonds shall be

otherwise redeemable, registrable, transferable and exchangeable as otherwise contemplated in the form established by the Board of Directors or the Executive Committee of this Board; and that such First Mortgage Bonds shall contain such other terms as the Board of Directors or the Executive Committee of this Board shall approve, such approval to be conclusively evidenced by the actions of the Board of Directors or the Executive Committee of this Board in setting the terms of each such series of First Mortgage Bonds and by the execution and delivery thereof by the officers executing the same; and be it

FURTHER RESOLVED, That Deutsche Bank Trust Company Americas be, and it hereby is, requested, upon fulfillment of the requirements specified in Article V, VI and/or VII of said Mortgage, to authenticate said First Mortgage Bonds, and deliver the same promptly, in accordance with the written order or orders of the Company signed by the President or any Vice President, and by the Treasurer or any Assistant Treasurer of the Company; and be it

FURTHER RESOLVED, That the Executive Committee be, and it hereby is, authorized to approve one or more Supplemental Indenture(s), supplemental to the Company's Mortgage and Deed of Trust dated as of October 1, 1937; and that the proper officers of the Company be, and they hereby are, authorized and directed to execute and deliver, on behalf of the Company, said Supplemental Indenture(s) with such terms therein as the Executive Committee or the officers executing the same may approve, their approval of any such terms and/or changes to be conclusively evidenced by the actions of the Executive Committee in setting the terms of each such series of First Mortgage Bonds or by the execution and delivery thereof by the officers of the Company; and be it

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

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

FURTHER RESOLVED, That if any officer of the Company who signs, or whose facsimile signature appears upon, said First Mortgage Bonds, ceases to

be an officer of the Company prior to the issuance of said Bonds, the Bonds so signed or bearing such facsimile signature shall nevertheless be valid; and be it

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

FURTHER RESOLVED, That in respect of said First Mortgage Bonds, Deutsche Bank Trust Company Americas be, and it hereby is, appointed agent of this Company (1) in respect of the payment of the principal of, and interest (and premium, if any) on, said First Mortgage Bonds, (2) in respect of the registration, transfer and exchange of said First Mortgage Bonds, and (3) upon which notices, presentations and demands to or upon the Company in respect of said First Mortgage Bonds, and in respect of the Company's said Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented, may be given or made; and be it

FURTHER RESOLVED, That Thomas R. Saldin be, and he hereby is, appointed Counsel, under the Mortgage, to render any opinions of counsel required thereunder, and Lisa A. Grow be, and he hereby is, appointed Engineer, under the Mortgage, to make, execute and deliver any Engineer's Certificate required thereunder, said appointments to remain in effect until the Trustee receives written notice to the contrary; and be it

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

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

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

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

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

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

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

# EXHIBIT E

IDAHO POWER COMPANY  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2007

ASSETS

	Actual	Adjustments	After Adjustments
Electric Plant :			
In service (at original cost).....	\$ 3,712,899,314		\$ 3,712,899,314
Accumulated provision for depreciation.....	(1,466,697,678)		(1,466,697,678)
In service - Net.....	2,246,201,636		2,246,201,636
Construction work in progress.....	277,005,561		277,005,561
Held for future use.....	3,137,242		3,137,242
Electric plant - Net.....	2,526,344,439		2,526,344,439
Investments and Other Property:			
Nonutility property.....	888,881		888,881
Investment in subsidiary companies .....	70,524,150		70,524,150
Other.....	27,751,710		27,751,710
Total investments and other property.....	99,164,741		99,164,741
Current Assets:			
Cash and cash equivalents.....	4,934,656	\$ 350,000,000	354,934,656
Receivables:			
Customer.....	64,005,619		64,005,619
Allowance for uncollectible accounts.....	(1,268,622)		(1,268,622)
Notes.....	480,272		480,272
Employee notes .....	2,286,688		2,286,688
Other.....	5,721,953		5,721,953
Accrued unbilled revenues.....	32,766,044		32,766,044
Materials and supplies (at average cost).....	43,598,178		43,598,178
Fuel stock (at average cost).....	19,012,961		19,012,961
Prepayments.....	10,193,709		10,193,709
Deferred income taxes.....	4,147,266		4,147,266
Regulatory assets .....	144,545		144,545
Refundable income tax deposit.....	43,926,946		43,926,946
Other.....	599,178		599,178
Total current assets.....	230,549,393	350,000,000	580,549,393
Deferred Debits:			
American Falls and Milner water rights.....	29,761,485		29,761,485
Company owned life insurance.....	31,719,346		31,719,346
Regulatory assets associated with income taxes.....	348,818,979		348,818,979
Regulatory assets - PCA.....	3,497,560		3,497,560
Regulatory assets - other.....	101,803,227		101,803,227
Employee notes.....	2,366,462		2,366,462
Other.....	42,072,771		42,072,771
Total deferred debits.....	560,039,830		560,039,830
Total.....	\$ 3,416,098,403	\$ 350,000,000	\$ 3,766,098,403

IDAHO POWER COMPANY  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2007

CAPITALIZATION AND LIABILITIES

	Common Shares Authorized	Common Shares Outstanding	Actual	Adjustments	After Adjustments
Equity Capital:	50,000,000	39,150,812			
Common stock.....			\$ 97,877,030		\$ 97,877,030
Premium on capital stock.....			530,757,435		530,757,435
Capital stock expense.....			(2,096,925)		(2,096,925)
Retained earnings.....			443,023,446		443,023,446
Accummulated other comprehensive income.....			(5,616,791)		(5,616,791)
<b>Total equity capital.....</b>			<b>1,063,944,195</b>		<b>1,063,944,195</b>
Long-Term Debt:					
First mortgage bonds .....			845,000,000	\$ 350,000,000	1,195,000,000
Pollution control revenue bonds .....			170,460,000		170,460,000
American Falls bond and Milner note guarantees .....			29,457,727		29,457,727
Unamortized discount on long-term debt (Dr).....			(3,202,439)		(3,202,439)
<b>Total long-term debt.....</b>			<b>1,041,715,288</b>	<b>350,000,000</b>	<b>1,391,715,288</b>
Current Liabilities:					
Long-term debt due within one year.....			81,063,637		81,063,637
Notes payable.....			144,813,000		144,813,000
Accounts payable .....			65,224,511		65,224,511
Notes and accounts payable to related parties.....			726,027		726,027
Taxes accrued.....			2,380,957		2,380,957
Interest accrued.....			27,855,558		27,855,558
Other.....			50,228,516		50,228,516
<b>Total current liabilities.....</b>			<b>372,292,206</b>		<b>372,292,206</b>
Deferred Credits:					
Regulatory liabilities associated with accumulated deferred investment tax credits .....			70,244,982		70,244,982
Deferred income taxes.....			475,258,130		475,258,130
Regulatory liabilities associated with income taxes .....			42,510,213		42,510,213
Regulatory liabilities-other.....			163,331,156		163,331,156
Other.....			186,802,233		186,802,233
<b>Total deferred credits.....</b>			<b>938,146,714</b>		<b>938,146,714</b>
<b>Total.....</b>			<b>\$ 3,416,098,403</b>	<b>\$ 350,000,000</b>	<b>\$ 3,766,098,403</b>

IDAHO POWER COMPANY  
STATEMENT OF ADJUSTING JOURNAL ENTRIES  
As of September 30, 2007  
Giving Effect to the Proposed issuance of  
First mortgage bonds

Entry No. 1

Cash.....	\$	350,000,000	
First mortgage bonds .....			\$ 350,000,000

To record the proposed issuance of First mortgage bonds and the receipt of cash.



# EXHIBIT F

## COMMITMENTS AND CONTINGENCIES:

### **Purchase Obligations:**

As of December 31, 2006, IPC had agreements to purchase energy from 92 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 that it has the ability to receive at the facility's requested point of delivery on the IPC system. IPC purchased 911,132 megawatt-hours (MWh) at a cost of \$54 million in 2006, 715,209 MWh at a cost of \$46 million in 2005 and 677,868 MWh at a cost of \$40 million in 2004. At December 31, 2006, IPC had the following long-term commitments relating to purchases of energy, capacity, transmission rights and fuel:

	2007	2008	2009	2010	2011	Thereafter
	(thousands of dollars)					
Cogeneration and small power production	\$45,130	\$76,538	\$76,538	\$79,830	\$79,830	\$1,064,718
Power and transmission rights	80,175	16,351	7,390	2,781	2,754	13,315
Fuel	54,395	30,035	28,885	2,941	3,821	11,005

In addition, IDACORP has the following long-term commitments for lease guarantees, maintenance and services, and industry related fees.

	2007	2008	2009	2010	2011	Thereafter
	(thousands of dollars)					
Cogeneration and small power production	\$4,513	\$4,666	\$3,008	\$2,059	\$1,008	\$8,991
Power and transmission rights	36,550	7,552	3,240	1,490	1,320	7,523
FERC and other industry related fees	3,970	4,008	4,008	3,970	3,970	19,926

IDACORP's expense for operating leases was approximately \$4 million, \$4 million and \$5 million in 2006, 2005 and 2004, respectively.

### **Guarantees**

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, 2006. Bridger Coal Company has a reclamation trust fund set aside specifically for the purpose of paying these reclamation costs. Bridger Coal Company and IPC expect 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.

### **Legal Proceedings**

From time to time IDACORP and IPC are a party to 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, taking into account existing reserves, will not have a material adverse effect on IDACORP's or IPC's 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.

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 U.S. District Court for the Southern District of California. The companies' filed a motion to dismiss the complaint which the court granted on February 11, 2005. Wah Chang appealed the dismissal to the U.S. Court of Appeals for the Ninth Circuit on March 10, 2005. The Ninth Circuit set a briefing schedule on the appeal, requiring Wah Chang's opening brief to be filed by July 6, 2005. On May 18, 2005, Wah Chang filed a motion to stay the appeal or in the alternative to voluntarily dismiss the appeal without prejudice to reinstatement. The companies opposed the motion and filed a cross-motion asking the Court to summarily affirm the district court's order of dismissal. On July 8, 2005, the Ninth Circuit denied Wah Chang's motion and also denied the companies' motion for summary affirmance without prejudice to renewal following the filing of Wah Chang's opening brief. Wah Chang's opening brief was filed on September 21, 2005. On October 11, 2005 the companies, along with the other defendants, filed a motion to consolidate this appeal with Wah Chang v. Duke Energy Trading and Marketing currently pending before the Ninth Circuit. On October 18, 2005, the Ninth Circuit granted the motion to consolidate and established a revised briefing schedule. The companies filed an answering brief on November 30, 2005. Wah Chang's reply brief was filed on January 6, 2006. The appeal has been fully briefed and was orally argued on April 10, 2007. The matter now awaits decision by the Ninth Circuit. The companies intend to vigorously defend their position in this proceeding and believe this matter 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 U.S. District Court for the Southern District of California. The companies' filed a motion to dismiss the complaint which the court granted on February 11, 2005. The City of Tacoma appealed to the U.S. Court of Appeals for the Ninth Circuit on March 10, 2005.

On August 9, 2005, the companies moved for summary affirmance of the district court's order dismissing the City of Tacoma's complaint. The City of Tacoma filed a response to the companies' motion for summary affirmance on August 24, 2005. The Ninth Circuit denied the companies' motion for summary affirmance on November 3, 2005. The appeal has been fully briefed and oral argument was scheduled for April 10, 2007. On March 20, 2007, the Court, pursuant to the stipulation of the parties, entered an order dismissing this appeal with prejudice, with each party bearing its own cost on appeal. .

#### **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. The CalPX owed IPC \$14 million for power sold in November and December including \$2 million associated 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 believed that the default invoices were not proper and that IPC owed no further amounts to the CalPX. IPC 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.

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 claimed it would await further orders from the FERC and the bankruptcy court before distributing the funds that it collected under its chargeback tariff mechanism. 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. On March 15, 2005, the FERC issued an order on rehearing confirming that the CalPX was to continue to hold the chargeback funds, but solely to offset seller-specific shortfalls in the seller's CalPX account at the conclusion of the California refund proceeding. Balances were to be returned to the respective sellers at the conclusion of a seller's participation in the refund proceeding.

Based upon the Offer of Settlement filed with the FERC on February 17, 2006 between the California Parties and IE and IPC discussed below in "California Refund," the California Parties supported a motion filed by IE and IPC with the FERC seeking an Order Directing Return of Chargeback Amounts then held by the CalPX totaling \$2.27 million. In the May 22, 2006 order approving the Settlement, the FERC granted the IE and IPC motion for return of chargeback funds held by the CalPX. On June 1, 2006, IE received approximately \$2.5 million from the CalPX representing the return of \$2.27 million in chargeback funds plus interest.

#### 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).

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, were expected to increase the offsets to amounts still owed by the Cal ISO and the CalPX to the companies. Calculations remained uncertain because (1) the FERC had required the Cal ISO to correct a number of defects in its calculations, (2) it was unclear what, if any, effect the ruling of the Ninth Circuit in *Bonneville Power Administration v. FERC*, described below, might have on the ISO's calculations, and (3) the FERC had stated that if refunds would prevent a seller from recovering its California portfolio costs during the Refund Period, it would provide an opportunity for a cost showing by such a respondent.

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.

Two avenues of activity have proceeded on largely but not entirely independent paths, converging from time to time. The Cal ISO continued to work on its compliance refund calculations while the appellate litigation and litigation before the FERC regarding, among other things, cost filings, fuel cost allowance offsets, emissions offsets, cost-based recovery offsets, and allocation methods continued.

Originally, the Cal ISO was to complete its calculation within five months of the FERC's October 16, 2003, order. The Cal ISO compliance filing has since been delayed numerous times. The Cal ISO has been required to update the FERC on its progress monthly. In its most recent status report, filed February 22, 2007, the Cal ISO reported that it has completed publishing settlement statements reflecting the basic refund calculations, and is currently in a "financial adjustment" phase, in which it calculates adjustments to its refund data to account for fuel cost allowance offsets, emissions offsets, cost-based recovery offsets, and interest on amounts unpaid and refunds. The Cal ISO estimates that it will take approximately 10 additional weeks to complete the financial adjustment phase, including applicable review and comment periods. The Cal ISO estimates that it will have completed its calculations by May 2007, subject to such additional time as may be required if unanticipated delays are encountered. The potential expansion of the FERC refund proceedings due to the Ninth Circuit orders and the disposition of additional settlements which the Ninth Circuit has announced it expects to be filed at the FERC in the near future may affect the finality of any Cal ISO calculations. At present, IDACORP and IPC are not able to predict when the Ninth Circuit mandates may issue, how the FERC will proceed in connection with the possible expansion of the proceedings, the nature and content of as yet un-filed settlements or the extent to which the Cal ISO calculation process may be disrupted.

On December 2, 2003, IDACORP 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 cases

related to: (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. Oral argument was held on April 12-13, 2005. On September 6, 2005, the Ninth Circuit issued a decision on the jurisdictional issues concluding that the FERC lacked refund authority over wholesale electric energy sales made by governmental entities and non-public utilities. On August 2, 2006, the Ninth Circuit issued its decision on the appropriate temporal reach and the type of transactions subject to the FERC refund orders and concluded, among other things, that all transactions at issue in the case that occurred within or as a result of the CalPX and the Cal ISO were the proper subject of refund proceedings; refused to expand the refund proceedings into the bilateral markets including transactions with the California Department of Water Resources; approved the refund effective date as October 2, 2000, but also required the FERC to consider whether refunds, including possibly market-wide refunds, should be required for an earlier time due to claims that some market participants had violated governing tariff obligations (although the decision did not specify when that time would start, the California Parties generally had sought further refunds starting May 1, 2000); and effectively expanded the scope of the refund proceeding to transactions within the CalPX and Cal ISO markets outside the 24-hour spot market and energy exchange transactions. The IDACORP settlement with the California Parties approved by the FERC on May 22, 2006, and discussed below anticipated the possibility of such an outcome and attempted to provide that the consideration exchanged among the settling parties also encompass the settling parties' claims in the event of such expansion of the proceedings.

The Ninth Circuit subsequently issued orders deferring the time for seeking rehearing of its order and holding the consolidated petitions for review in abeyance for a limited time in order to create an opportunity for unusual mediation proceedings managed jointly by the Court Mediator and FERC officials. The Ninth Circuit has since extended the deferral for the mediation effort.

IDACORP believes that these decisions should have no material effect on IDACORP under the terms of the IDACORP Settlement with the California Parties approved by the FERC on May 22, 2006.

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 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 approximately \$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 with the Ninth Circuit. These petitions have since been consolidated with the larger number of review petitions in connection with the California refund proceeding.

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 remanding 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. On December 28, 2006, a number of sellers have filed a certiorari petition to the U.S. Supreme Court. The U.S. Supreme Court has not

yet acted on that petition. On February 16, 2007, the Ninth Circuit announced that it was continuing to withhold the mandate until April 27, 2007.

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, 2005, 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.

On August 8, 2005, the FERC issued an Order establishing the framework for filings by sellers who elected to make a cost showing. On September 14, 2005, IE and IPC made a joint cost filing, as did approximately thirty other sellers. On October 11, 2005, the California entities filed comments on the IE and IPC cost filing and those made by other parties. IPC and IE submitted reply comments on October 17, 2005. The California entities filed supplemental comments on October 24, 2005 and IPC and IE filed supplemental reply comments on October 27, 2005.

In December of 2005, IE and IPC reached a tentative agreement with the California Parties settling matters encompassed by the California Refund proceeding including IE's and IPC's cost filing and refund obligation. On January 20, 2006, the Parties filed a request with the FERC asking that the FERC defer ruling on IE's and IPC's cost filing for thirty days so the parties could complete and file the settlement agreement with the FERC. On January 26, 2006, the FERC granted the requested deferral of a ruling on the cost filing and required that the settlement be filed by February 17, 2006. On February 17, 2006, IE and IPC jointly filed with the California Parties (Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison, the California Public Utilities Commission, the California Electricity Oversight Board, the California Department of Water Resources and the California Attorney General) an Offer of Settlement at the FERC. Other parties had until March 9, 2006 to elect to become additional settling parties. A number of parties, representing substantially less than the majority potential refund claims, chose to opt out of the settlement.

On March 27, 2006, the FERC issued an order rejecting the IE/IPC cost filing and on April 26, 2006, IE and IPC sought rehearing of the rejection. By order of April 27, 2006, the FERC tolled the time for what otherwise would have been required by statute to be a decision on the request for rehearing.

On May 12, 2006, the FERC issued an order determining the method that should be used to allocate amounts approved in cost filings, approving the methodology that IE and IPC and others had advocated prior to the time IE and IPC entered into the February 17, 2006 settlement – allocating cost offsets to buyers in proportion to the net refunds they are owed through the Cal ISO and CalPX markets. On June 12, 2006, the California Parties requested rehearing, urging the FERC to allocate the cost offsets to all purchasers from the Cal ISO and CalPX markets and not just to that limited subset of purchasers who are net refund recipients. On July 12, 2006, the FERC tolled the time to act on the request for rehearing and has not issued orders on rehearing since that time. IDACORP and IPC are unable to predict how or when the FERC might rule on the request for rehearing.

After consideration of comments, the FERC approved the February 17, 2006, Offer of Settlement on May 22, 2006. Under the terms of the settlement, IE and IPC assigned \$24.25 million of the rights to accounts receivable from the Cal ISO and CalPX to the California Parties to pay into an escrow account for refunds to settling parties. Amounts from that escrow not used for settling parties and \$1.5 million of the remaining IE and IPC receivables that are to be retained by the CalPX are available to fund, at least partially, payment of the claims of any non-settling parties if they prevail in the remaining litigation of this matter. Any excess funds remaining at the end of the case are to be returned to IDACORP. Approximately \$10.25 million of the remaining IE and IPC receivables was paid to IE and IPC under the settlement.

On June 21, 2006, the Port of Seattle, Washington filed a request for rehearing of the FERC order approving the Settlement. The FERC issued an order on October 5, 2006, denying the Port of Seattle's request for rehearing. On October 24, 2006, the Port of Seattle petitioned the U.S. Court of Appeals for the Ninth Circuit for review of the FERC order approving the Settlement. Initially the Ninth Circuit consolidated that review petition with the large number of review petitions already consolidated before it and stayed further action on

the consolidated cases while the court's mediator and FERC representatives work on achieving settlements with other parties. On October 25, 2007, the court issued an order that lifted its stay as to the review of the Port of Seattle's petition of the FERC's orders approving the February 17, 2006 offer of settlement as well as Port of Seattle's petitions for review of orders approving the settlements of two other sellers. The court's order also established a consolidated briefing schedule for these three cases with initial briefs due by January 28, 2008 and final briefs due at end of July 2008. A date for argument has not been set. IPC and IE are unable to predict when or how the Ninth Circuit might rule on these consolidated petitions for review filed by Port of Seattle.

#### 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 only 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 January 1, 2000 through the beginning of the existing refund period (October 2, 2000) 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 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. Originally, eight parties requested rehearing of the FERC's March 3, 2004 order. 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 Ninth Circuit has consolidated this case with other matters and are holding them in abeyance. IPC is not able to predict the outcome of the judicial determination of these issues.

The settlement between the California Parties and IE and IPC discussed above in the California Refund proceeding approved by the FERC on May 22, 2006, results in the California Parties and other settling parties withdrawing their requests for rehearing of IPC's and IE's settlement with the FERC Staff regarding allegations of "gaming". On October 11, 2006, the FERC issued an Order denying rehearing of its earlier approval of the "gaming" allegations, thereby effectively terminating the FERC investigations as to IPC and IE regarding bidding behavior, physical withholding of power and "gaming" without finding of wrongdoing. On October 24, 2006, the Port of Seattle, Washington appealed to the U.S. Court of Appeals for the Ninth Circuit FERC's denial of its request for rehearing its order granting approval of the settlement of the gaming allegations against IE and IPC. On November 17, 2006, the Ninth Circuit consolidated the Port of Seattle's review petition with a large number of review petitions previously consolidated and has stayed further action on the consolidated cases while the court's mediator and FERC representatives work on achieving settlements with other parties. The Ninth Circuit establishment of a briefing schedule for the settlements discussed above does not apply to the "gaming" settlement.

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. In March 2005, the California Attorney General, the CPUC, the California Electricity Oversight Board and Pacific Gas and Electric Company sought judicial review in the Ninth Circuit of the FERC's termination of this investigation as to IPC and approximately 30 other market participants. IPC has moved to intervene in these proceedings. On April 25, 2005, Pacific Gas and Electric Company sought review in the Ninth Circuit of another FERC order in the same docketed proceeding confirming the agency's earlier decision not to allow the participation of the California Parties in what the FERC characterized as its non-public investigative proceeding.

#### 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 intervened in this FERC proceeding, asserting on March 3, 2003 that its six-month forward contract, for which performance had been completed, should be treated as a spot market contract for purposes of the FERC's consideration of refunds and requested 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 these claims 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. The FERC declined to order refunds on June 25, 2003, and multiple parties then appealed to the Ninth Circuit Court of Appeals. IE and IPC were parties in the FERC proceeding and participated in the appeal. On August 24, 2007, the court filed an opinion in the appeal, remanding to the FERC the orders that declined to require refunds. The court's opinion instructed the FERC to consider whether evidence of market manipulation submitted by the petitioners for the period January 1, 2000 to June 21, 2001 would have altered the agency's conclusions about refunds and directed the FERC to include sales to the California Department of Water Resources in the proceeding. On September 18, 2007, the court extended until November 16, 2007 the time for filing petitions for rehearing to allow the parties time to assess settlement prospects and directed Senior Judge Edward Leavey of the Ninth Circuit to initiate mediation efforts. The stay also effectively defers the time frame in which the court's mandate to the FERC might be issued. On October 25, 2007, Powerex Corp. filed an unopposed motion to extend the date for seeking rehearing until December 17, 2006. IE and IPC are unable to predict the outcome of these matters. The Settlement in the California Refund proceeding resolves all claims the California Parties have against IE and IPC in the Pacific Northwest proceeding.

There are pending in the U.S. Court of Appeals for the Ninth Circuit approximately 200 petitions for review of numerous FERC orders regarding the Western energy matters of 2000 and 2001, including the California refund proceeding, the structure and content of the FERC's market-based rate regime, show cause orders respecting contentions of market manipulation, and the Pacific Northwest proceedings. Decisions in any one of these appeals may have implications with respect to other pending cases, including those to which IDACORP, IPC or IE are parties. IDACORP, IPC and IE are unable to predict the outcome of any of these petitions for review.

**Shareholder Lawsuit:** 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. 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 IDACORP'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 account 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 IDACORP'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 alleged 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 IE financial outlook, in violation of Rule 10b-5, thereby causing investors to purchase

IDACORP's common stock at artificially inflated prices. The new complaint alleged 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 IE in order to report higher revenues and profits; (2) IDACORP permitted IPC to inappropriately grant native load priority for certain energy transactions to IE; (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 IE 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 IE provided appropriate compensation from IE to IPC for certain affiliated energy transactions; and (6) IDACORP permitted inappropriate sharing of certain energy pricing and transmission information between IPC and IE. These activities allegedly allowed IE 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, and the plaintiffs filed their opposition to the consolidated motion to dismiss on March 28, 2005. IDACORP and the other defendants filed their response to the plaintiff's opposition on April 29, 2005 and oral argument on the motion was held on May 19, 2005.

On September 14, 2005, Magistrate Judge Mikel H. Williams of the U.S. District Court for the District of Idaho issued a Report and Recommendation that the defendants' motion to dismiss be granted and that the case be dismissed. The Magistrate Judge determined that the plaintiffs did not satisfactorily plead loss causation (i.e., a causal connection between the alleged material misrepresentation and the loss) in conformance with the standards set forth in the recent United States Supreme Court decision of *Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S.336, 125 S. Ct. 1627 (2005). The Magistrate Judge also concluded that it would be futile to afford the plaintiffs an opportunity to file an amended complaint because it did not appear that they could cure the deficiencies in their pleadings. Each party filed objections to different parts of the Magistrate Judge's Report and Recommendation.

On March 29, 2006, the U.S. District Court for the District of Idaho (Judge Edward J. Lodge) issued an Order in this case (*Powell v. IDACORP*) adopting the Report and Recommendation of Magistrate Judge Williams issued on September 14, 2005, granting the defendants' (IDACORP and certain of its officers and directors) motion to dismiss because plaintiffs failed to satisfy the pleading requirements for loss causation. However, Judge Lodge modified the Report and Recommendation and ruled that plaintiffs had until May 1, 2006, to file an amended complaint only as to the loss causation element. On May 1, 2006, the plaintiffs filed an amended complaint. The defendants filed a motion to dismiss the amended complaint on June 16, 2006, asserting that the amended complaint still failed to satisfy the pleading requirements for loss causation. Briefing on this most recent motion to dismiss was completed on August 28, 2006, and oral argument was held on February 26, 2007.

On May 21, 2007, the U.S. District Court for the District of Idaho granted the defendants' motion to dismiss the amended complaint because it failed to satisfy the pleading requirements for loss causation. The court also denied the plaintiffs' request to further amend the complaint.

On June 19, 2007, the plaintiffs filed a notice of appeal from the District Court's judgment to the United States Court of Appeals for the Ninth Circuit. On October 1, 2007, the plaintiffs filed a motion for voluntary dismissal of their appeal, with prejudice, with both sides to assume their own costs. IDACORP and the other defendants did not offer or tender any consideration for this motion, nor did the defendants oppose the motion. The Ninth Circuit granted plaintiffs' motion on October 3, 2007 and the order dismissing the appeal was filed with the District Court on October 9, 2007. This action is now concluded.

**Western Shoshone National Council:** On April 10, 2006, the Western Shoshone National Council (which purports to be the governing body of the Western Shoshone Nation) and certain of its individual tribal members filed a First Amended Complaint and Demand for Jury Trial in the U.S. District Court for the District of Nevada, naming IPC and other unrelated entities as defendants.

Plaintiffs allege that IPC's ownership interest in certain land, minerals, water or other resources was converted and fraudulently conveyed from lands in which the plaintiffs had historical ownership rights and Indian title dating back to the 1860's or before. Although it is unclear from the complaint, it appears plaintiffs' claims relate primarily to lands within the state of Nevada. Plaintiffs seek a judgment declaring their title to land and other resources, disgorgement of profits from the sale or use of the land and resources, a decree declaring a constructive trust in favor of the plaintiffs of IPC's assets connected to the lands or resources, an accounting of money or things of value received from the sale or use of the lands or resources, monetary damages in an unspecified amount for waste and trespass and a judgment declaring that IPC has no right to possess or use the lands or resources.

On May 1, 2006, IPC filed an Answer to plaintiffs' First Amended Complaint denying all liability to the plaintiffs and asserting certain affirmative defenses including collateral estoppel and res judicata, preemption, impossibility and impracticability, failure to join all real and necessary parties, and various defenses based on untimeliness. On June 19, 2006, IPC filed a motion to dismiss plaintiffs' First Amended Complaint, asserting, among other things, that the Court lacks subject matter jurisdiction and that plaintiffs failed to join an indispensable party (namely, the United States government). Briefing on the motion to dismiss was completed on September 28, 2006. Newly decided authority from the United States Court of Federal Claims in further support of IPC's motion to dismiss was filed on January 3, 2007. On May 31, 2007, the U.S. District Court granted the defendants' motion to dismiss stating that the plaintiffs' claims are barred by the finality provision of the Indian Claims Commission Act. On June 8, 2007, plaintiffs filed a motion for reconsideration. On June 25, 2007, the defendants filed an opposition to plaintiffs' motion for reconsideration and plaintiffs filed their reply to opposition to motion for reconsideration on July 9, 2007. The matter is now fully briefed and submitted to the District Court for decision. IPC intends to vigorously defend its position in this proceeding, but is unable to predict the outcome of this matter.

**Sierra Club Lawsuit - Bridger:** In February 2007, the Sierra Club and the Wyoming Outdoor Council filed a complaint against PacifiCorp in federal district court in Cheyenne, Wyoming for alleged violations of the Clean Air Act's opacity standards (alleged violations of air pollution permit emission limits) at the Jim Bridger coal fired plant ("Plant") in Sweetwater County, Wyoming. IPC has a one-third ownership interest in the Plant. PacifiCorp owns a two-thirds interest and is the operator of the Plant. The complaint alleges thousands of violations and seeks declaratory and injunctive relief and civil penalties of \$32,500 per day per violation as well as the costs of litigation, including reasonable attorney fees.

The U.S. District Court has set this matter for trial commencing in April 2008. Discovery in the matter is ongoing. In October 2007, the plaintiffs and defendant filed motions for summary judgment on the alleged opacity permit violations. IPC continues to monitor the status of this matter but is unable to predict its outcome and is unable to estimate the impact this may have on its consolidated financial positions, results of operations or cash flows.

**Snake River Basin Adjudication:** IPC is engaged in the Snake River Basin Adjudication (SRBA), a general stream adjudication, commenced in 1987, to define the nature and extent of water rights in the Snake River basin in Idaho, including the water rights of IPC. The initiation of the SRBA resulted from the Swan Falls Agreement, an agreement entered into by IPC and the Governor and Attorney General of Idaho in October 1984 to resolve litigation relating to IPC's water rights at its Swan Falls project. IPC has filed claims to its water rights for hydropower and other uses in the SRBA. Other water users in the basin have also filed claims to water rights. Parties to the SRBA may file objections to water right claims that adversely affect or injure their claimed water rights and the Idaho District Court for the Fifth Judicial District, which has jurisdiction over SRBA matters (SRBA Court), then adjudicates the claims and objections and enters a decree defining a party's water rights. IPC has filed claims for all of its hydropower water rights in the SRBA, is actively protecting those water rights, and is objecting to claims that may potentially injure or affect those water rights. One such claim involves a notice of claim of ownership filed on December 22, 2006, by the State of Idaho, for a portion of the water rights held by IPC that are subject to the Swan Falls Agreement.

On May 10, 2007, in order to protect its claims and the availability of water for power purposes at its facilities, and in response to the claim of ownership filed by the State, IPC filed a complaint and petition for declaratory and injunctive relief regarding the status and nature of IPC's water rights and the respective rights and responsibilities of the parties under the Swan Falls Agreement.

In conjunction with the filing of the complaint and petition, IPC filed motions with the court to stay all pending proceedings involving the water rights of IPC and to consolidate those proceedings into a single action where all issues relating to the Swan Falls Agreement can be determined.

IPC alleged in the complaint, among other things, that contrary to the parties' belief at the time the Swan Falls Agreement was entered into in 1984, the Snake River basin above Swan Falls was over-appropriated and as a consequence there was not in 1984, and there currently is not, water available for new upstream uses over and above the minimum flows established by the Swan Falls Agreement; that because of this mutual mistake of fact relating to the over-appropriation of the basin, the Swan Falls Agreement should be reformed; that the State's December 22, 2006, claim of ownership to IPC's water rights should be denied; and that the Swan Falls Agreement did not subordinate IPC's water rights to aquifer recharge.

On May 30, 2007, the State filed motions to dismiss IPC's complaint and petition. These motions were briefed and, together with IPC's motions to stay and consolidate the proceedings, were argued before the Court on June 25, 2007.

On July 23, 2007, the court issued an Order granting in part and denying in part the State's motion to dismiss, consolidating the issues into a consolidated sub case before the court and providing for discovery during the objection period; a scheduling conference is set for December 17, 2007. In its Order, the court denied the majority of the State's motion to dismiss, refusing to dismiss the complaint and finding that the court has jurisdiction to hear and determine virtually all the issues raised by IPC's complaint that relate to IPC's water rights and the effect of the Swan Falls Agreement upon those water rights. This includes the issues of ownership, whether IPC's water rights are subordinated to recharge and how those water rights are to be administered relative to other water rights on the same or connected resources. The court did find that by virtue of a state statute the IDWR, and its director, could not be parties to the SRBA and therefore stayed IPC's claims against the IDWR and its director pending resolution of the issues to be litigated in the SRBA, or until further order of the court.

Consistent with IPC's motion to consolidate and stay the proceedings, the court consolidated all of the issues associated with IPC's water rights before the court and stayed that proceeding to allow other parties that may be affected by the litigation to file responses or intervene in the consolidated proceedings by December 5, 2007. IPC is unable to predict the outcome of the consolidated proceedings.

**Renfro Dairy:** On September 28, 2007, the principals of Renfro Dairy near Wilder, Idaho filed a lawsuit in the District Court of the Third Judicial District of the State of Idaho (Canyon County) against IDACORP and IPC. The plaintiffs' complaint asserts claims for negligence, negligence *per se*, gross negligence, nuisance, and fraud. The claims are based on allegations that from 1972 until at least March 2005, IPC discharged "stray voltage" from its electrical facilities that caused physical harm and injury to the plaintiffs' dairy herd. Plaintiffs seek compensatory damages of not less than \$1 million.

Plaintiffs have not yet served their complaint on IDACORP or IPC. If the action is pursued by the plaintiffs, the companies intend to vigorously defend their position in this proceeding and believe this matter will not have a material adverse effect on their consolidated financial positions, results of operations or cash flows.

# EXHIBIT G

IDAHO POWER COMPANY  
STATEMENT OF INCOME  
For the Twelve Months Ended September 30, 2007

	Actual
Operating Revenues.....	\$ 862,524,100
Operating Expenses:	
Purchased power.....	295,173,825
Fuel.....	132,885,625
Power cost adjustment.....	(130,055,062)
Other operation and maintenance expense.....	288,186,728
Depreciation expense.....	93,708,366
Amortization of limited-term electric plant.....	11,268,773
Taxes other than income taxes.....	16,971,498
Income taxes - Federal.....	5,338,489
Income taxes - Other.....	(4,481,494)
Provision for deferred income taxes.....	41,031,744
Provision for deferred income taxes - Credit.....	(10,086,325)
Investment tax credit adjustment.....	1,419,084
Total operating expenses.....	741,361,251
Operating Income.....	121,162,849
Other Income and Deductions:	
Allowance for equity funds used during construction.....	5,958,237
Income taxes.....	4,699,191
Other - Net.....	6,556,775
Net other income and deductions.....	17,214,203
Income Before Interest Charges.....	138,377,052
Interest Charges:	
Interest on first mortgage bonds.....	48,745,750
Interest on other long-term debt.....	6,377,351
Interest on short-term debt.....	4,861,944
Amortization of debt premium, discount and expense - Net.....	2,314,997
Other interest expense.....	2,325,947
Total interest charges.....	64,625,989
Allowance for borrowed funds used during construction - Credit.....	6,759,620
Net interest charges.....	57,866,369
Net Income.....	\$ 80,510,683

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

# EXHIBIT H



IDAHO POWER COMPANY  
STATEMENT OF RETAINED EARNINGS  
AND  
UNDISTRIBUTED SUBSIDIARY EARNINGS  
For the Twelve Months Ended September 30, 2007

Retained Earnings

Retained earnings (at the beginning of period).....	\$ 399,988,429
Balance transferred from income.....	80,510,683
Retained earnings adjustment for the adoption of FIN 48 as of January 1, 2007.....	15,135,586
Total.....	495,634,698
Dividends on common stock.....	52,611,252
Retained earnings (at the end of period).....	\$ 443,023,446

Undistributed Subsidiary Earnings

Balance (at beginning of period).....	\$ 45,921,937
Equity in earnings for the period.....	5,879,267
Balance (at end of period).....	\$ 51,801,204

# EXHIBIT I

(see attached Registration Statement)

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

IN THE MATTER OF THE APPLICATION            )  
OF IDAHO POWER COMPANY FOR AN            )  
ORDER AUTHORIZING THE ISSUANCE            )     UF \_\_\_\_\_  
AND SALE OF UP TO \$350,000,000 OF        )  
IDAHO POWER'S FIRST MORTGAGE BONDS     )     PROPOSED ORDER  
AND DEBT SECURITIES                        )

On December \_\_\_, 2007, Idaho Power Company ("Idaho Power" or the "Company") filed an application with the Public Utility Commission of Oregon pursuant to ORS Chapter 757 and OAR 860-27-025 and 860-27-030, requesting authority to issue (a) up to \$350,000,000 aggregate principal amount of one or more series of Idaho Power's First Mortgage Bonds, which may be designated as secured medium-term notes (the "Bonds") and (b) up to \$350,000,000 aggregate principal amount of one or more series of unsecured debt securities of Idaho Power (the "Debt Securities"); provided, that the combined aggregate principal amount of the Bonds and Debt Securities will not exceed \$350,000,000.

At its \_\_\_\_\_ 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.

## **The Proposal**

The Bonds and Debt Securities have been registered with the SEC on a Registration Statement filed in accordance with Rule 415 of the Securities Act of 1933, as amended (the "Act"). This shelf registration with the SEC will allow Idaho Power to issue and sell one or more series of the Bonds and Debt Securities on a continuous or delayed basis if authorized by the Commission and the other state regulatory commissions having jurisdiction over Idaho Power's securities. This will enable Idaho Power to take advantage of attractive market conditions efficiently and rapidly. Under the shelf registration, Idaho Power will be able to issue the Bonds and Debt Securities at different times without the necessity of filing a new registration statement with the SEC.

## **BONDS**

Idaho Power proposes to issue and sell, from time to time, up to \$350,000,000 aggregate principal amount of one or more series of the Bonds pursuant to the Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937 between Idaho Power and Deutsche Bank Trust Company Americas (formerly Bankers Trust Company) and Stanley Burg, as trustees, as supplemented and amended (the "Mortgage"), and as to be further supplemented by one or more supplemental indentures relating to the Bonds. Idaho Power may enter into interest rate hedging arrangements with respect to the Bonds, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars. The Bonds will be secured equally with the other First Mortgage Bonds of Idaho Power.

After the terms and conditions of the issuance and sale of the Bonds have been determined, Idaho Power will file a Prospectus Supplement(s) with the SEC if the Bonds are sold publicly, setting forth the series designation, aggregate principal amount of the issue, purchase

price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, whether interest rate hedging arrangements will apply to the Bonds, repayment terms, redemption terms, if any, and any other special terms of the Bonds, which terms may be different for each issuance of the Bonds. Idaho Power will also file a copy of the Prospectus Supplement with the Commission.

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

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

Idaho Power requests authority to issue the Bonds in the form of medium-term notes without additional pre-issuance approval from the Commission so long as (1) the agent commissions for the issuance of the Bonds as medium-term notes fall within the ranges set forth below, (2) the pricing of the Bonds issued as medium-term notes falls within either (a) the spreads over treasuries for the Bonds set forth below or (b) the all-in coupon rates for the Bonds set forth below, and (3) Idaho Power maintains at least a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Ratings Services (S&P), and a Baa3 or higher rating as indicated by Moody's Investors' Service, Inc. (Moody's).

Idaho Power has requested that the pricing of the Bonds fall within either the maximum spreads over treasuries or the maximum all-in coupon rates set forth below. The Company states that its request is based on current market conditions which are characterized by historically low treasury rates combined with historically high spreads over treasuries (resulting primarily from the sub-prime lending crisis and subsequent repricing of credit risk). Idaho Power states that under the current credit environment, it is not sufficient to focus on credit spreads alone, since high spreads may be offset by equally low treasury rates, resulting in a moderate to low coupon rate. Since the all-in coupon rate represents the bottom line borrowing cost to Idaho Power and its customers, the Company states that the coupon rate is a valid measure for pre-issuance approval from the Commission, and should be considered in addition to credit spreads when such spreads reach historically high levels.

Idaho Power further states that in the event it issues Bonds or Debt Securities which exceed the designated spreads over treasuries, but fall below the designated all-in coupon rates, Idaho Power will provide a post-issuance report to the Commission describing the

prevailing market conditions and explaining the reasons for the high level of spreads over treasuries relative to the all-in coupon rate for the Bonds or Debt Securities.

### Commissions

The maximum commission to be paid by Idaho Power to an agent(s) for issuance of the Bonds as medium-term notes in a given maturity range is set forth below. If the Bonds issued as medium-term notes are sold directly to agents as principals, the Company states that the medium-term notes will be sold at 100% of the principal amount of the notes less a percentage not to exceed the equivalent agent's fee for a security of similar maturity (see maximum commissions below).

<u>Range of Maturities</u>	<u>Commission (Percentage of Aggregate Principal Amount of Notes Sold)</u>
From 9 months to less than 1 year	.125%
From 1 year to less than 18 months	.150%
From 18 months to less than 2 years	.200%
From 2 years to less than 3 years	.250%
From 3 years to less than 4 years	.350%
From 4 years to less than 5 years	.450%
From 5 years to less than 6 years	.500%
From 6 years to less than 7 years	.550%
From 7 years to less than 10 years	.600%
From 10 years to less than 15 years	.625%
From 15 years to less than 20 years	.675%
20 years and more	.750%

## Spreads over Treasuries

The costs of issuance of medium-term notes to Idaho Power are expected to fall within the spread over the respective U.S. Treasury bond or note as set forth below, where the cost to the Company is calculated as the cost to maturity reflecting the coupon on the medium-term note and the appropriate commission:

<u>Maturity</u>		<u>Maximum Spread Over Benchmark Treasury Yield<sup>(1)</sup></u>
<u>Equal to or Greater Than</u>	<u>Less Than</u>	
9 months	2 years	+115 basis points <sup>(2)</sup>
2 years	3 years	+125 basis points
3 years	4 years	+140 basis points
4 years	6 years	+145 basis points
6 years	9 years	+150 basis points
9 years	10 years	+155 basis points
10 years	11 years	+160 basis points
11 years	15 years	+163 basis points
15 years	20 years	+165 basis points
20 years	30 years	+180 basis points

(1) The Benchmark Treasury Yield with respect to any medium-term note maturity range means the yield to maturity of that issue of direct obligations of the United States which, out of all actively traded issues of such obligations with a remaining term to maturity within such note maturity rate, is generally considered by dealers in such obligations to be the standard for such obligations, whether federal, state or corporate, with approximately the same remaining terms to maturity. With respect to the issuance of any medium-term note, the



Benchmark Treasury Yield shall be determined as of the time the commitment to purchase such note is received by Idaho Power and the agents.

(2) Basis point is defined as one-one-hundredth of a percentage point; i.e., 100 basis points equals 1 percent.

All-in Coupon Rates

In the event that the spreads over treasuries for the medium-term notes exceed the maximum spreads set forth above, Idaho Power states that the all-in annual coupon rates for the medium-term notes will not exceed the following rates:

<u>Medium-Term Note Maturity</u>	<u>Maximum All-in Coupon Rate</u>
Less than 5 years	6.00%
5 years to less than 10 years	6.50%
10 years to less than 20 years	7.00%
20 years to 30 years	7.50%

The all-in rates will include the costs of issuance identified in paragraph (k) of Idaho Power’s application.

DEBT SECURITIES

Idaho Power proposes to issue and sell, from time to time, up to \$350,000,000 in aggregate principal amount of one or more series of Debt Securities. The Debt Securities will be unsecured obligations of Idaho Power and will be issued under a new or existing Indenture of the Company. Idaho Power will supplement the Indenture in the future to further specify the terms and conditions of each Series of the Debt Securities. Such amendments will be filed with the SEC and will also be filed with the Commission. Idaho Power may enter into interest rate

hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps and/or treasury interest rate collars.

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

Idaho Power requests authority to issue the Debt Securities without additional pre-issuance approval from the Commission so long as the Company meets the same requirements for agent commissions, spreads over treasuries or all-in coupon rates, and credit ratings as set forth above for the Bonds.

The aggregate principal amount of the Bonds and Debt Securities to be issued and sold will not exceed \$350,000,000.

The net proceeds to be received by Idaho Power from the sale of the Bonds and/or Debt Securities will be used 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 Idaho Power's treasury for funds used for the foregoing purposes, all as permitted under ORS 757.415(1). Idaho Power states that 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 [stocks, bonds, notes and other forms of indebtedness...and securities] 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.

. . .

(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 bonds, notes or other evidences of indebtedness, 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.

ORS 757.480 prohibits utilities from mortgaging or otherwise encumbering their property without the Commission's approval.

This Application requests that Idaho Power be allowed to issue Bonds and Debt Securities without additional pre-issuance approval from the Commission under the terms and conditions set forth in the application. The request is reasonable, and will allow Idaho Power to take advantage of attractive market conditions efficiently and rapidly. Nevertheless, the Commission will grant such a proposal only if sufficient safeguards exist to guarantee that the public interest is protected.

The Commission concludes that the application provides sufficient protection. The provision in the application describing the use of the proceeds of the issuance meets the requirements set out in the statutes regarding permissible purposes. It thus protects the customers of Idaho Power. The provisions in the application relating to maximum commissions, treasury spreads and coupon rates also provide protection to the customers of Idaho Power.

The Commission concludes that the application should be approved. The proposed transactions are 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 stocks, bonds or other evidences of indebtedness to finance a nuclear-fueled thermal power plant in Oregon unless construction has been authorized by the Energy Facility Siting Council.

### **CONCLUSIONS OF LAW**

1. Idaho Power Company is a public utility subject to the jurisdiction of the Public Utility Commission of Oregon.
2. The proposed transaction is compatible with the public interest and consistent with the proper performance of Idaho Power's public utility service.
3. The proposed transaction will not impair Idaho Power's ability to perform its public utility service.

### **ORDER**

IT IS ORDERED That:

1. The application of Idaho Power Company for authority to issue and sell from time to time up to \$350,000,000 aggregate principal amount of the Bonds and Debt Securities, in the ways and for the purposes set forth in its Application be, and the same is hereby granted; provided, that the combined principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$350,000,000.

2. Idaho Power is granted authority to issue and sell the Bonds and Debt Securities without additional pre-issuance approval from the Commission, under the terms and conditions set forth in this order.

3. Idaho Power shall file a copy of the Prospectus Supplement with the Commission for the medium-term notes within five (5) business days after filing the Prospectus Supplement with the SEC. Idaho Power shall also file copies of each Pricing Supplement with the Commission relating to the medium-term notes within five (5) business days after submitting such filings to the SEC. Additionally, within thirty (30) days after June 30 and December 31 of each year in which Idaho Power issues Bonds in the form of medium-term notes, Idaho Power shall file a report with the Commission indicating the cumulative amounts, terms and conditions of the medium term notes issued during the prior six (6) months.

4. Idaho Power shall file, as soon as available:

- a. The Report of securities required by OAR 860-27-030(4).
- b. Verified copies of any agreement entered into in connection with the issuance of Bonds, Debt Securities or Preferred Stock pursuant to this order.
- c. A verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this order.
- d. Idaho Power shall demonstrate that the pricing of each Medium-Term Note sold is cost-competitive based on prevailing market conditions.
- e. Idaho Power shall demonstrate the cost-effectiveness of any early retirement of existing securities as soon as possible after such refunding.
- f. Idaho Power shall demonstrate that any privately placed Bonds or Debt Securities are no more expensive than if publicly sold.

Made, entered, and effective \_\_\_\_\_.

BY THE COMMISSION:

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Vikie Bailey-Goggins  
Commission Secretary