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IDAHO PUBLIC
UTILITIES COMMISSION

Patrick A. Harrington
Corporate Secretary

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

December 13, 2007

Re: In the Matter of the Application of Idaho Power Company for an Order Authorizing the Issuance and Sale of up to \$350,000,000 of Applicant's First Mortgage Bonds and Debt Securities

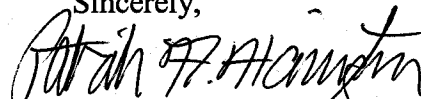
Case No. IPC-E-07 - 19

Dear Ms. Jewell:

Enclosed herewith for filing with the Commission are an original and five (5) copies of the above-referenced application, including a proposed order for the Commission's consideration. An electronic copy of the proposed order will also be e-mailed to you. Idaho Power will also be submitting its \$1,000 securities application fee to the Commission promptly in this case. Please send ten (10) certified copies of the Order issued in this matter to the undersigned.

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

Sincerely,


Patrick A. Harrington

c: Terri Carlock

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC UTILITIES COMMISSION

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

CASE NO. IPC-E-07 - 19
APPLICATION

Idaho Power Company (the "Applicant") hereby applies for an Order from the Idaho Public Utilities Commission (the "Commission") under Title 61, Idaho Code, Chapters 1 and 9, and Chapters 141 through 150 of the Commission's Rules of Practice and Procedure, for authority to issue and sell from time to time (a) up to \$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, however, that the total 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 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.

(a) The Applicant

The Applicant is an electric public utility, incorporated under the laws of the state of Idaho, engaged principally in the generation, purchase, transmission, distribution and sale of electric energy in an approximately 24,000 square-mile area in southern Idaho and eastern

Oregon. The principal executive offices of the Applicant are located at 1221 W. Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070; its telephone number is (208) 388-2200.

(b) Description of Securities

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. Applicant requests authority to issue the Bonds and Debt Securities over a period of two years from the date of the Commission's order approving this transaction.

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. The 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. Applicant will also file a copy of the Prospectus Supplement and Pricing Supplements with the Commission.

Applicant's outstanding First Mortgage Bonds are currently rated A-3 by Moody's Investors Service, A by Standard & Poor's Ratings Services, and A- by Fitch, Inc. If the Bonds

are sold publicly, Applicant cannot predict whether they will be similarly rated. If the Bonds are sold privately, the Bonds will probably not be rated.

Debt Securities

The Debt Securities will be unsecured obligations of the Applicant and will be issued under an existing or new unsecured debt Indenture of the Applicant. A form of any new Indenture will be included in the Registration Statement which will be filed with the Commission as stated above. The Applicant will supplement the Indenture in the future to further specify the terms and conditions of each series of Debt Securities. Such amendments will be filed with the SEC and will also be filed with the Commission. The Applicant may enter into interest rate hedging arrangements with respect to the Debt Securities, including treasury interest rate locks, treasury interest rate caps 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 the interest rate hedging arrangements will apply to the Debt Securities, repayment terms, redemption terms, if any, and any other special terms of the Debt Securities, which terms may be different for each issuance of the Debt Securities. Applicant will also file a copy of the Prospectus Supplement with the Commission.

Applicant's outstanding unsecured senior debt is currently rated 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.

(c) Method of Issuance

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

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

(d) Purpose of Issuance

The net proceeds to be received by the Applicant from the sale of the Bonds and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes. To the

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

(e) Propriety of Issue

Applicant believes and alleges the facts set forth herein disclose that the proposed issuance and sale of Bonds and Debt Securities are for a lawful object within the corporate purposes of Applicant and compatible with the public interest, are necessary or appropriate for, or consistent with, the proper performance by Applicant of service as a public utility and will not impair its ability to perform that service, and are reasonably necessary or appropriate for such purposes.

(f) Financial Statements; Resolutions

Applicant has filed herewith as Attachment II its financial statements dated as of September 30, 2007 consisting of its (a) Actual and Pro Forma Balance Sheet and Notes to Financial Statements, (b) Statement of Capital Stock and Funded Debt, (c) Commitments and Contingent Liabilities, (d) Statement of Retained Earnings and (e) Statement of Income.

A certified copy of the resolutions of Applicant's Directors authorizing the transaction with respect to this Application is filed as Attachment III.

(g) Proposed Order

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

(h) Notice of Application

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

PRAYER

WHEREFORE, Applicant respectfully requests that the Idaho Public Utilities Commission issue its Order herein authorizing Applicant to issue and sell for the purposes herein set forth up to \$350,000,000 aggregate principal amount of one or more series of its Bonds and up to \$350,000,000 aggregate principal amount of its Debt Securities; provided, that the total principal amount of the Bonds and Debt Securities to be issued and sold shall not exceed \$350,000,000.

DATED at Boise, Idaho this 12th day of December, 2007.

IDAHO POWER COMPANY

By:

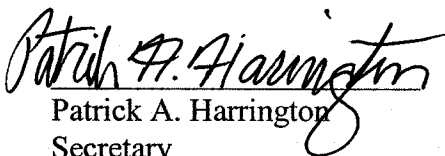


Steven R. Keen

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

ATTACHMENT I

(see enclosed Registration Statement)

ATTACHMENT II(a)

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
Accumulated other comprehensive income.....			(5,616,791)		(5,616,791)
Total equity capital.....			1,063,944,195		1,063,944,195
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)
Total long-term debt.....			1,041,715,288	350,000,000	1,391,715,288
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
Total current liabilities.....			372,292,206		372,292,206
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
Total deferred credits.....			938,146,714		938,146,714
Total.....			\$ 3,416,098,403	\$ 350,000,000	\$ 3,766,098,403

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.

ATTACHMENT II(b)

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT

IDAHO POWER COMPANY

The following statement as to each class of the capital stock of applicant is as of 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.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

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 % Series due 2032, dated as of Nov 15, 2002, due Nov 15, 2032	100,000,000
5.50 % Series due 2033, dated as of May 13, 2003, due April 1, 2033	70,000,000
5.50 % Series due 2034, dated as of March 26, 2004, due March 15, 2034	50,000,000
5.875% Series due 2034, dated as of August 16, 2004, due August 15, 2034	55,000,000
5.30 % Series due 2035, dated as of August 23, 2005, due August 15, 2035	60,000,000
6.30 % Series due 2037, dated as of June 22, 2007, due June 15, 2037	140,000,000
	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.

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

IDAHO POWER COMPANY

Pollution Control Revenue Bonds

(A) Variable Rate Series 2000 due 2027:

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

(B) Variable Auction Rate Series 2003 due 2024:

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

(C) 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,

STATEMENT OF CAPITAL STOCK AND FUNDED DEBT (Continued)

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.

ATTACHMENT II(c)

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.

