

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) **CASE NO. IPC-E-07-19**
ORDER AUTHORIZING THE ISSUANCE)
AND SALE OF UP TO \$350,000,000 OF)
APPLICANT'S FIRST MORTGAGE BONDS) **ORDER NO. 30487**
AND DEBT SECURITIES)

On December 14, 2007, Idaho Power Company filed an Application requesting authority to issue and sell: (a) up to \$350,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes; and (b) up to \$350,000,000 aggregate principal amount of one or more series of unsecured debt securities. The total outstanding combined principal amount of the Bonds and/or Debt Securities to be issued and sold shall not exceed \$350,000,000.

THE APPLICATION

Idaho Power seeks authority to issue and sell up to \$350,000,000 aggregate principal amount of First Mortgage Bonds and/or Debt Securities. The Company requested this authority under a "shelf registration" format. A shelf registration allows a company to take advantage of attractive market conditions efficiently and rapidly, without having to file a new registration statement each time it elects to issue bonds or debt securities.

The Company requests authority to issue the Bonds and Debt Securities over a two-year period commencing on the effective date of the Commission's Order approving this Application. The Company intends to utilize any net proceeds received from the issuance and sale of the Bonds and/or Debt Securities in the following manner: Acquisition of property; construction, completion, extension or improvement of facilities; improvement or maintenance of its services; discharge or lawful refunding of its obligations; and other general purposes.

The Company intends to issue and sell any Bonds under its Indenture of Mortgage and Deed of Trust dated as of October 1, 1937, as supplemented and amended. The Company states that the Bonds may also be designated as secured medium-term notes with maturity dates ranging from 9 months to 30 years. Additionally, Idaho Power notes that it may engage in interest rate hedging with respect to the Bonds that will be secured equally with the other First Mortgage Bonds previously issued and sold by the Company. The Company's outstanding First

Mortgage Bonds are rated A-3 by Moody's Investors Service, A by Standard & Poor's Ratings Services, and A- by Fitch, Inc. Idaho Power will file the relevant Prospectus Supplement(s) and Pricing Supplement(s) with the SEC and the Commission if any of the Bonds and/or secured medium-term notes are sold publicly. The Company describes the Debt Securities it hopes to issue and sell as unsecured obligations issued under an existing or new unsecured debt Indenture of the Company. Idaho Power notes that it may engage in interest rate hedging with respect to the Debt Securities. The Company will file the relevant Prospectus Supplement(s) with the SEC and the Commission if any of the Debt Securities are sold publicly. The Company's outstanding unsecured senior debt is rated Baa1 by Moody's Investors Service, BBB+ by Standard & Poor's Ratings Services, and BBB+ by Fitch, Inc.

The Bonds and/or Debt Securities may be sold by public sale or private placement, directly by the Company, through its designated agents or through underwriters or dealers. If any agents or underwriters are involved in the transaction for the sale of 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 Idaho Power 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 names of the agents, the price paid by the agents, any applicable commission or discount paid by the Company to the agents and the net proceeds to the Company will be filed with the Commission. The Company will file by letter within seven (7) days, or as soon as possible, prior to the issuance all likely terms of issuance. All final documents regarding the sale of the Bonds and Debt Securities will also be filed with the Commission.

STAFF REVIEW AND RECOMMENDATION

Commission Staff reviewed the Company's Application and accompanying documents. Staff recommended approval of the Application, noting that the Company will file a notice of issuance and terms of debt securities and all final documents associated with such transactions with the Commission. The Company has submitted the appropriate fees for securities issuance under *Idaho Code* § 61-905.

FINDINGS OF FACT

Idaho Power was initially incorporated under the laws of the State of Maine and subsequently migrated its state of incorporation from Maine to the State of Idaho effective June 30, 1989. The Company is qualified to do business as a foreign corporation in the States of

Oregon, Nevada, Montana, and Wyoming. Idaho Power is engaged principally in the generation, purchase, transmission, distribution and sale of electric energy to residential, commercial and industrial customers in southern Idaho and eastern Oregon.

Based upon the representations in the Application, we find that the funds obtained through the proposed sale of the Bonds and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and other general corporate purposes.

CONCLUSIONS OF LAW

Idaho Power Company is an electric corporation within the definition of *Idaho Code* § 61-119, and a public utility within the definition of *Idaho Code* § 61-129. The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to Title 61, Idaho Code, Chapters 1 and 9, specifically *Idaho Code* §§ 61-119, 61-129, 61-901, and 61-902, and IDAPA 31.01.01.141-.150.

After examining the Application and Staff's recommendations, the Commission finds that an evidentiary hearing in this matter is not required.

The Commission further finds that the Application requesting authority to issue and sell: (a) up to \$350,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes; and (b) up to \$350,000,000 aggregate principal amount of one or more series of unsecured debt securities, subject to certain conditions, is for a lawful purpose, is within Idaho Power's corporate powers, and is generally compatible with the public interest. The method of issuance is proper.

This general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of this Order does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

The Company has paid the appropriate fees as required by *Idaho Code* § 61-905.

ORDER

IT IS HEREBY ORDERED that Idaho Power Company's Application request is granted for authority to issue and sell: (a) up to \$350,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes; and (b) up to \$350,000,000 aggregate principal amount of one or more series of unsecured debt securities. The total outstanding combined principal amount of Bonds and Debt Securities to be issued and sold shall not exceed \$350,000,000. The securities will be issued under the terms and conditions and for the purposes set forth in the Application and this Order.

IT IS FURTHER ORDERED that this authorization shall remain in place for a period of two years commencing from the effective date of this Order. The Company may request an extension of this authorization by letter filed with the Commission prior to the expiration of the two-year period.

IT IS FURTHER ORDERED that Idaho Power shall notify the Commission by letter within seven (7) days, or as soon as possible if the required information is not available, before the issuance of the Bonds and/or Debt Securities of the likely range of interest rates and other terms for the securities.

IT IS FURTHER ORDERED that Idaho Power shall promptly file a copy of any Prospectus Supplement showing the terms of the sale, names of the purchasers or underwriters or agents with the Commission after the issuance of each series of Bonds. The Company will also file with the Commission a copy of any Prospectus and Pricing Supplements it has filed with the Securities and Exchange Commission for any Bonds designated as medium-term notes.

IT IS FURTHER ORDERED that Idaho Power shall promptly file a copy of any Prospectus Supplement showing the terms of the sale, names of the purchasers or underwriters or agents with the Commission after the issuance of each series of Debt Securities.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, evaluation estimates or determination of costs or any other matter which may come before the Commission

pursuant to its jurisdiction and authority as provided by law. For ratemaking purposes, the Commission shall reserve judgment on the reasonableness of the Company's capital costs, comparative underwriting analysis and any associated commissions and expenses incurred for any or all security issuances. In its next rate proceeding, the Company will be required to show that its capital cost, comparative underwriting analysis, embedded expenses, and methods of securities marketing are just and reasonable.

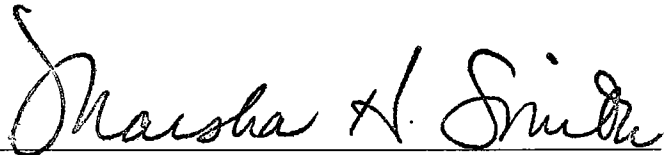
IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of Idaho Power Company's exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of January 2008.



MACK A. REDFORD, PRESIDENT

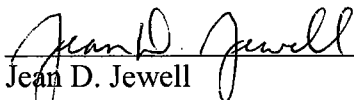


MARSHA H. SMITH, COMMISSIONER



JIM KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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