

IDAHO POWER CO  
Form 8-K  
February 02, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 30, 2009

Commission	Exact name of registrants as specified in their charters, address of principal executive offices and registrants telephone number	IRS Employer Identification Number
1-14465	IDACORP, Inc.	82-0505802
1-3198	Idaho Power Company 1221 W. Idaho Street Boise, ID 83702-5627 (208) 388-2200	82-0130980

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State or Other Jurisdiction of Incorporation: Idaho

None

Former name or former address, if changed since last report.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 8.01 OTHER EVENTS.**

General Rate Case

On January 30, 2009, the Idaho Public Utilities Commission (IPUC) issued its final order (Order) in the general rate case filed by Idaho Power Company (Company) in June 2008. The IPUC order approved an average annual increase, effective February 1, 2009, of 3.1 percent (approximately \$20.9 million annually) in the retail base rates the Company charges to its customers in Idaho.

Idaho Power filed its general rate case in June 2008 based upon a fully forecast 2008 test year.

A summary of the key general rate case components requested by the Company and authorized by the IPUC follows:

	<b>As Filed on June 27, 2008</b>	<b>Authorized on January 30, 2009</b>
Idaho Rate Base	\$ 2.093 billion	\$ 2.094 billion
Capitalization - Percent Equity	49.27 %	49.27 %
Return on Equity (ROE)	11.25 %	10.50 %
Regulated Rate of Return (ROR)	8.55 %	8.18 %
Additional Annual Revenue Requirement	66.6 million	20.9 million
Base Rates Average Percent Increase	9.9 %	3.1 %
Effective Date	Feb. 1, 2009	Feb. 1, 2009

The Order authorized the Company to include in rates approximately \$6.8 million of 2009 allowance for funds used during construction (AFUDC) relating to the Hells Canyon Complex relicensing project. Typically AFUDC is not included in rates until a project is in use and benefitting customers, but the IPUC determined that including this amount in current rates is in the public interest.

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As previously reported in the Company's Current Report on Form 8-K, dated January 13, 2009, the IPUC approved the Stipulation filed by the Company, the Staff of the IPUC and some of the Company's largest Idaho customers relating to the Power Cost Adjustment (PCA) mechanism in Idaho. The following changes are effective as of February 1, 2009.

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Load Growth Adjustment Rate (LGAR) of \$26.52 per MWh – the LGAR is an element of the PCA formula that is intended to eliminate recovery of power supply expenses associated with load growth resulting from changing weather conditions, a growing customer base, or changing customer use patterns. The 2007 general rate case reset the LGAR to \$62.79 per MWh, but applied that rate to only 50 percent of the load growth beginning in March 2008. In the Stipulation, the parties agreed on a formula that, based on data filed by the Company in the 2008 general rate case, would have produced an LGAR of \$28.14. While not quantified in the Order, the Company believes that the LGAR methodology approved in the Stipulation results in a LGAR of \$26.52 per MWh.

PCA Sharing Methodology of 95/5 - the PCA sharing methodology allocates the costs and benefits of net power supply expenses between customers (95 percent) and shareholders (5 percent). The previous sharing ratio was 90/10.

Power Supply Expense Distribution – base net power supply expenses are now distributed throughout the year based upon the monthly shape of normalized revenues for purposes of the PCA deferral calculation.

The Company is in the process of reviewing the IPUC order. The Company and other interested parties have until February 20, 2009 to petition the IPUC for reconsideration.

Certain statements contained in this Current Report on Form 8-K, including statements with respect to future earnings, ongoing operations, and financial conditions, are forward-looking statements within the meaning of federal securities laws. Although IDACORP and IPC believe that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. Factors that could cause actual results to differ materially from the forward-looking statements include: changes in and compliance with governmental policies, including new interpretations of existing policies, and regulatory actions and regulatory audits, including those of the Federal Energy Regulatory Commission, the North American Electric Reliability Corporation, the Western Electricity Coordinating Council, the Idaho Public Utilities Commission, and the Oregon Public Utility Commission with respect to allowed rates of return, industry and rate structure, day-to-day business operations, acquisition and disposal of assets and facilities, operation and construction of plant facilities, provision of transmission services, including critical infrastructure protection and system reliability, relicensing of hydroelectric projects, recovery of power supply costs, recovery of capital investments, present or prospective wholesale and retail competition, including but not limited to retail wheeling and transmission costs, and other refund proceedings; changes arising from the Energy Policy Act of 2005; changes in tax laws or related regulations or new interpretations of applicable law by the Internal Revenue Service or other taxing jurisdiction; litigation and regulatory proceedings, including those resulting from the energy situation in the western United States, and penalties and settlements that influence business and profitability; changes in and compliance with laws, regulations and policies including changes in law and compliance with environmental, natural resources, endangered species and safety laws, regulations and policies and the adoption of laws and regulations addressing greenhouse gas emissions or global climate change; global climate change and regional weather variations affecting customer demand and hydroelectric generation; over-appropriation of surface and groundwater in the Snake River Basin resulting in reduced generation at hydroelectric facilities; construction of power generation, transmission and distribution facilities, including an inability to obtain required governmental permits and approvals, rights-of-way and siting, and risks related to contracting, construction and start-up; operation of power generating facilities including performance below expected levels, breakdown or failure of equipment, availability of transmission and fuel supply; changes in operating expenses and capital expenditures, including costs and availability of materials, fuel and commodities; blackouts or other disruptions of Idaho Power Company's transmission system or the western interconnected transmission system; impacts from the formation of a regional transmission organization or the development of another transmission group; population growth rates and other demographic patterns; market prices and demand for energy, including structural market changes; increases in uncollectible customer receivables; fluctuations in sources and uses of cash; results of financing efforts, including the ability to obtain financing or refinance existing debt when necessary or on favorable terms, which can be affected by factors such as credit ratings, volatility in the financial markets and other economic conditions; actions by credit rating agencies, including changes in rating criteria and new interpretations of existing criteria; changes in interest rates or rates of inflation; performance of the stock market, interest rates, credit spreads and other financial market conditions, as well as changes in government regulations, which affect the amount and timing of required contributions to pension plans and the reported costs of providing pension and other postretirement benefits; increases in health care costs and the resulting effect on medical benefits paid for employees; increasing costs of insurance, changes in coverage terms and the ability to obtain insurance; homeland security, acts of war or terrorism; natural disasters and other natural risks, such as earthquake, flood, drought, lightning, wind and fire; adoption of or changes in critical accounting policies or estimates; and new accounting or Securities and Exchange Commission requirements, or new interpretation or

application of existing requirements. Any such forward-looking statement should be considered in light of such factors and others noted in the companies' Annual Report on Form 10-K for the year ended December 31, 2007, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008 and September 30, 2008 and other reports on file with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Dated: February 2, 2009

**IDACORP, Inc.**

By: /s/Darrel T. Anderson  
Darrel T. Anderson  
Senior Vice President -  
Administrative Services  
and Chief Financial Officer

**IDAHO POWER COMPANY**

By: /s/Darrel T. Anderson  
Darrel T. Anderson  
Senior Vice President -  
Administrative Services  
and Chief Financial Officer

