

IDAHO POWER CO
Form 10-Q
October 28, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
 EXCHANGE ACT OF 1934
 For the quarterly period ended September 30, 2010
 OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
 EXCHANGE ACT OF 1934
 For the transition period from _____ to _____

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices, zip code and telephone number	I.R.S. 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 State of Incorporation: Idaho Websites: www.idacorpinc.com, www.idahopower.com None	82-0130980

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

IDACORP, Inc.: Yes No Idaho Power Company: Yes No

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

IDACORP, Inc.:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Idaho Power Company:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of shares of common stock outstanding as of October 20, 2010:

IDACORP, Inc.: 49,116,468

Idaho Power Company: 39,150,812, all held by IDACORP, Inc.

This combined Form 10-Q represents separate filings by IDACORP, Inc. and Idaho Power Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Idaho Power Company makes no representations as to the information relating to IDACORP, Inc.'s other operations.

Idaho Power Company meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and is therefore filing this report on Form 10-Q with the reduced disclosure format.

COMMONLY USED TERMS

ADITC	-	Accumulated Deferred Investment Tax Credits
AFUDC	-	Allowance for Funds Used During Construction
APCU	-	Annual Power Cost Update
ARRA	-	American Recovery and Reinvestment Act of 2009
BCC	-	Bridger Coal Company, a joint venture of IERCo
BLM	-	United States Bureau of Land Management
CAA	-	Clean Air Act
Cal ISO	-	California Independent System Operator
CalPX	-	California Power Exchange
CAMP	-	Comprehensive Aquifer Management Plan
CO ₂	-	Carbon Dioxide
EIS	-	Environmental Impact Statement
EPA	-	United States Environmental Protection Agency
EPS	-	Earnings per share
ESA	-	Endangered Species Act
ESPA	-	Eastern Snake Plain Aquifer
FCA	-	Fixed Cost Adjustment mechanism
FERC	-	Federal Energy Regulatory Commission
GHG	-	Greenhouse gas
HCC	-	Hells Canyon Complex
Ida-West	-	Ida-West Energy, a subsidiary of IDACORP, Inc.
IE	-	IDACORP Energy, a subsidiary of IDACORP, Inc.
IERCo	-	Idaho Energy Resources Co., a subsidiary of Idaho Power Company
IFS	-	IDACORP Financial Services, a subsidiary of IDACORP, Inc.
IPUC	-	Idaho Public Utilities Commission
IRP	-	Integrated Resource Plan
IRS	-	Internal Revenue Service
IWRB	-	Idaho Water Resource Board
kW	-	Kilowatt
LTICP	-	Long-term Incentive and Compensation Plan
		Management's Discussion and Analysis of Financial Condition and Results of
MD&A	-	Operations
MW	-	Megawatt
MWh	-	Megawatt-hour
NO _x	-	Nitrogen Oxide
O&M	-	Operations and Maintenance
OATT	-	Open Access Transmission Tariff
OPUC	-	Oregon Public Utility Commission
PCA	-	Power Cost Adjustment
PCAM	-	Power Cost Adjustment Mechanism
PURPA	-	Public Utility Regulatory Policies Act of 1978
REC	-	Renewable Energy Certificate
RES	-	Renewable Energy Standard
RH BART	-	Regional Haze - Best Available Retrofit Technology
RPS	-	Renewable Portfolio Standards

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- SEC - Securities and Exchange Commission
- SO₂ - Sulfur Dioxide
- SRBA - Snake River Basin Adjudication
- USBR - United States Bureau of Reclamation
- Valmy - North Valmy Steam Electric Generating Plant
- VIEs - Variable Interest Entities
- WECC - Western Electricity Coordinating Council

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SAFE HARBOR STATEMENT

This report on Form 10-Q contains forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements should be read with the cautionary statements and important factors included in this Form 10-Q at Part I, Item 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - FORWARD-LOOKING INFORMATION, and in IDACORP, Inc.'s and Idaho Power Company's Annual Report on Form 10-K for the year ended December 31, 2009, at Part I, Item 1A RISK FACTORS, as supplemented by the factors included in IDACORP, Inc.'s and Idaho Power Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 at Part II, Item 1A RISK FACTORS. Forward-looking statements are all statements other than statements of historical fact, including, without limitation, those that are identified by the use of the words anticipates, believes, estimates, expects, intends, plans, predicts, projects, may result, may continue, or similar e

PART I FINANCIAL INFORMATION**Item 1. Financial Statements****IDACORP, Inc.****Condensed Consolidated Statements of Income****(unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	(thousands of dollars except for per share amounts)			
Operating Revenues:				
Electric utility:				
General business	\$ 266,270	\$ 277,676	\$ 674,293	\$ 663,818
Off-system sales	12,070	23,691	64,245	78,888
Other revenues	30,128	21,761	63,181	50,969
Total electric utility revenues	308,468	323,128	801,719	793,675
Other	889	1,381	2,354	3,042
Total operating revenues	309,357	324,509	804,073	796,717
Operating Expenses:				
Electric utility:				
Purchased power	62,227	76,274	113,750	136,843
Fuel expense	51,339	49,530	116,083	113,138
Power cost adjustment	(20,934)	1,614	55,461	44,236
Other operations and maintenance	71,939	68,970	219,159	212,103
Energy efficiency programs	19,549	12,202	33,348	24,933
Depreciation	29,137	28,837	86,446	81,631
Taxes other than income taxes	5,645	5,600	17,130	15,749
Total electric utility expenses	218,902	243,027	641,377	628,633
Other expense	1,462	1,879	3,051	3,374
Total operating expenses	220,364	244,906	644,428	632,007
Operating Income	88,993	79,603	159,645	164,710
Other Income, Net	3,550	4,569	11,042	15,548
Earnings of Unconsolidated Equity-Method Investments	3,442	2,866	1,444	648
Interest Expense:				
Interest on long-term debt	20,135	18,840	59,003	53,762
Other interest expense, net of AFUDC	(1,390)	(239)	(3,881)	481
Total interest expense, net	18,745	18,601	55,122	54,243
Income Before Income Taxes	77,240	68,437	117,009	126,663
Income Tax Expense (Benefit)	10,115	13,730	(5,210)	25,700
Net Income	67,125	54,707	122,219	100,963

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Adjustment for loss (income) attributable to noncontrolling interests	10	(229)	188	(126)
Net Income Attributable to IDACORP, Inc.	\$ 67,135	\$ 54,478	\$ 122,407	\$ 100,837
Weighted Average Common Shares Outstanding - Basic (000 s)	48,086	47,068	47,917	46,953
Weighted Average Common Shares Outstanding - Diluted (000 s)	48,252	47,141	48,062	46,999
Earnings Per Share of Common Stock:				
Earnings Attributable to IDACORP, Inc. - Basic	\$ 1.40	\$ 1.16	\$ 2.55	\$ 2.15
Earnings Attributable to IDACORP, Inc. - Diluted	\$ 1.39	\$ 1.16	\$ 2.55	\$ 2.15
Dividends Declared Per Share of Common Stock	\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.90

The accompanying notes are an integral part of these statements.

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IDACORP, Inc.**Condensed Consolidated Balance Sheets****(unaudited)**

	September 30, 2010	December 31, 2009
	(thousands of dollars)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 185,313	\$ 52,987
Receivables:		
Customer (net of allowance of \$1,507 and \$1,805, respectively)	69,263	74,987
Other (net of allowance of \$1,436 and \$1,073, respectively)	6,405	11,922
Income taxes receivable	37,758	-
Accrued unbilled revenues	46,663	51,272
Materials and supplies (at average cost)	45,331	48,054
Fuel stock (at average cost)	30,052	25,634
Prepayments	9,983	11,111
Deferred income taxes	31,219	31,773
Other	5,901	2,666
Total current assets	467,888	310,406
Investments	198,928	195,298
Property, Plant and Equipment:		
Utility plant in service	4,291,987	4,160,178
Accumulated provision for depreciation	(1,602,268)	(1,558,538)
Utility plant in service - net	2,689,719	2,601,640
Construction work in progress	370,950	289,188
Utility plant held for future use	7,082	7,151
Other property, net of accumulated depreciation	19,428	19,029
Property, plant and equipment - net	3,087,179	2,917,008
Other Assets:		
American Falls and Milner water rights	22,381	24,226
Company-owned life insurance	26,646	26,654
Regulatory assets	724,977	720,401
Long-term receivables (net of allowance of \$1,861 and \$2,157, respectively)	3,993	4,217
Other	42,401	40,517
Total other assets	820,398	816,015
Total	\$ 4,574,393	\$ 4,238,727

The accompanying notes are an integral part of these statements.

IDACORP, Inc.**Condensed Consolidated Balance Sheets****(unaudited)**

	September 30, 2010	December 31, 2009
	(thousands of dollars)	
Liabilities and Equity		
Current Liabilities:		
Current maturities of long-term debt	\$ 126,615	\$ 9,340
Notes payable	4,000	53,750
Accounts payable	80,892	83,818
Income taxes accrued	-	3,502
Interest accrued	26,250	20,056
Uncertain tax positions	75,136	1,138
Other	69,557	46,625
Total current liabilities	382,450	218,229
Other Liabilities:		
Deferred income taxes	582,808	574,450
Regulatory liabilities	296,861	287,780
Other	302,801	346,994
Total other liabilities	1,182,470	1,209,224
Long-Term Debt	1,488,205	1,409,730
Commitments and Contingencies		
Equity:		
IDACORP, Inc. shareholders' equity:		
Common stock, no par value (shares authorized 120,000,000; 49,124,529 and 47,925,882 shares issued, respectively)	796,515	756,475
Retained earnings	728,266	649,180
Accumulated other comprehensive loss	(7,517)	(8,267)
Treasury stock (10,012 and 29,191 shares at cost, respectively)	(17)	(53)
Total IDACORP, Inc. shareholders' equity	1,517,247	1,397,335
Noncontrolling interest	4,021	4,209
Total equity	1,521,268	1,401,544
Total	\$ 4,574,393	\$ 4,238,727

The accompanying notes are an integral part of these statements.

IDACORP, Inc.**Condensed Consolidated Statements of Cash Flows****(unaudited)**

	Nine months ended	
	September 30,	
	2010	2009
	(thousands of dollars)	
Operating Activities:		
Net income	\$ 122,219	\$ 100,963
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	91,257	86,485
Deferred income taxes and investment tax credits	37,095	14,797
Changes in regulatory assets and liabilities	50,338	37,721
Pension and postretirement benefit plan expense	10,474	7,756
Contributions to pension and postretirement benefit plans	(64,269)	(4,680)
Earnings of unconsolidated equity-method investments	(1,444)	(648)
Distributions from unconsolidated equity-method investments	1,280	9,415
Allowance for other funds used during construction	(11,878)	(4,629)
Other non-cash adjustments to net income, net	2,104	3,448
Change in:		
Accounts receivable and prepayments	9,652	(22,065)
Accounts payable and other accrued liabilities	(5,786)	(24,636)
Taxes accrued/receivable	(34,799)	38,812
Other current assets	2,914	(11,817)
Other current liabilities	21,591	5,850
Other assets	(3,443)	678
Other liabilities	(4,776)	(14,924)
Net cash provided by operating activities	222,529	222,526
Investing Activities:		
Additions to property, plant and equipment	(249,437)	(155,591)
Proceeds from the sale of utility assets	18,982	-
Proceeds from the sale of non-utility assets	-	2,250
Investments in affordable housing	(9,337)	(6,176)
Proceeds from the sale of emission allowances and RECs	5,399	2,382
Proceeds from the sale of available-for-sale securities	-	8,956
Other	3,826	683

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Net cash used in investing activities	(230,567)	(147,496)
Financing Activities:		
Issuance of long-term debt	200,000	100,000
Remarketing of pollution control revenue bonds	-	166,100
Decrease in term loans	-	(170,000)
Retirement of long-term debt	(1,064)	(9,174)
Dividends on common stock	(43,213)	(42,414)
Net change in short-term borrowings	(49,750)	(110,570)
Issuance of common stock	38,086	16,738
Acquisition of treasury stock	(846)	(1,441)
Other	(2,849)	(4,228)
Net cash provided by (used in) financing activities	140,364	(54,989)
Net increase in cash and cash equivalents	132,326	20,041
Cash and cash equivalents at beginning of the period	52,987	8,828
Cash and cash equivalents at end of the period	\$ 185,313	\$ 28,869
Supplemental Disclosure of Cash Flow Information:		
Cash paid (received) during the period for:		
Income taxes	\$ 836	\$ (21,356)
Interest (net of amount capitalized)	\$ 47,356	\$ 41,227
Non-cash investing activities		
Additions to property, plant and equipment in accounts payable	\$ 21,551	\$ 19,990
Investments in affordable housing	\$ 1,509	\$ 6,000
The accompanying notes are an integral part of these statements.		

IDACORP, Inc.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

	Three months ended September 30,	
	2010	2009
	(thousands of dollars)	
Net Income	\$ 67,125	\$ 54,707
Other Comprehensive Income:		
Net unrealized holding gains arising during the period, net of tax of \$632 and \$734	984	1,143
Unfunded pension liability adjustment, net of tax of \$114 and \$87	177	136
Total Comprehensive Income	68,286	55,986
Comprehensive loss (income) attributable to noncontrolling interests	10	(229)
Comprehensive Income Attributable to IDACORP, Inc.	\$ 68,296	\$ 55,757

The accompanying notes are an integral part of these statements.

IDACORP, Inc.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

	Nine months ended September 30,	
	2010	2009
	(thousands of dollars)	
Net Income	\$ 122,219	\$ 100,963

Other Comprehensive Income:

Net unrealized holding gains arising during the period, net of tax of \$140 and \$898	218	1,399
Unfunded pension liability adjustment, net of tax of \$341 and \$261	532	408
Total Comprehensive Income	122,969	102,770
Comprehensive loss (income) attributable to noncontrolling interests	188	(126)
Comprehensive Income Attributable to IDACORP, Inc.		