McDowell & Rackner PC

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October 14, 2009

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. UE 206

Enclosed for filing in the above-referenced docket are an original and five copies of Idaho Power Company's Supplemental Direct Testimony of Courtney Waites.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service.

Very truly yours,

Amie Jamieson

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in UE 206 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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DATED: October 14, 2009.

Amie Jamieson

McDowell & Rackner PC
520 SW Sixth Avenue, Suite 830
Portland, OR 97204

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 206

In the Matter of Application of IDAHO POWER COMPANY for Authority to Implement a Power Cost Adjustment Mechanism for Electric Service Customers in the State of Oregon	))))))

IDAHO POWER COMPANY

SUPPLEMENTAL DIRECT TESTIMONY

OF

COURTNEY WAITES

OCTOBER 14, 2009

Q. Please state your name and business address.

A. My name is Courtney Waites. My business address is 1221 West Idaho Street, Boise, Idaho 83702.

Q. Are you the same Courtney Waites that previously filed direct testimony in this matter?

A. Yes.

Q. What is the scope and purpose of your supplemental direct testimony?

A. My supplemental direct testimony will make two corrections to the calculation of the Annual Power Supply Expense True-up that change the deferral amount proposed to be added to the Annual Power Supply Expense True-Up Balancing Account. With this testimony I am also filing corrected Exhibits 501, 502, 503, 504 and 505.

Q. Please explain the first correction you are making.

A. The first correction I am making is related to the PURPA QF expenses included in the Actual Net Power Supply Expenses (Actual NPSE). Since the signing of the first QF contract in 1982, the number of QF contracts the Company has entered into with small power producers has grown to 91. Many of those contracts have payment provisions requiring Idaho Power to pay a levelized monthly payment over the life of the contract. Oregon regulation has required Idaho Power to reflect a non-levelized payment stream in rates rather than the levelized payment stream provided for under the contract. Under a non-levelized payment stream, Oregon customers have benefitted by paying less than contract levels in the early years of the contracts. As time has passed, the non-levelized payment stream now exceeds the levelized payment stream and, as a result, Oregon customers are responsible for paying for amounts greater than would be paid under a levelized payment stream. The Company inadvertently included actual QF expenses in our calculation of the net power supply expenses rather than the non-levelized QF expenses. This correction increases the Actual NPSE by $9,359,442, or $0.65/MWh.

Q. Please explain the second correction you are making.

A. The second correction I am making is a result of a Settlement Conference held on July 7, 2009 with representatives from the Company, Staff, and the Citizens' Utility Board of Oregon (CUB) as well as a result of Order 09-373. At issue was the Company's use of the 2007 Oregon Results of Operations report to calculate the power supply expense deadbands and to perform an Earnings Test. The parties agreed that using the 2007 Oregon Results of Operations report to calculate the power supply expense deadbands and perform an Earnings Test was appropriate for the Company's initial February filing but the results were preliminary and should to be updated now that the 2008 Oregon Results of Operations report has been completed. On September 18, 2009, the Commission issued Order 09-373 indicating the Company's use of the prior year's Results of Operations report was adequate for its initial February filing but once the Results of Operations report for the PCAM period was complete, an updated deferral calculation would be required.

Q. How does the use of the 2008 Oregon Results of Operations

report change the power supply expense deadbands?

A. Using the Company's authorized ROE of 10.00% and Oregon's 2008 rate base of $107,853,874, the positive deadband (over 250 basis points) is $2,170,224. Had there been a negative deviation, the deadband would have been -$1,085,112 (see Exhibit 502).

Q. How does the use of the 2008 Oregon Results of Operations report change the Earnings Test?

A. Using the 2008 Oregon Results of Operations to perform an Earnings Test does not change the outcome of the test. The Company's earnings are still more than 100 basis points below its authorized rate of return and is therefore eligible to add the deferral amount to the Annual Power Supply Expense True-up Balancing Account.

Q. Does the use of the 2008 Oregon Results of Operations impact any other areas of the initial filing?

A. Yes. In addition to changing the deadbands and the Earnings Test, the 2008 Oregon Results of Operations changes the Oregon allocation percentage used to calculate Oregon's share of the excess net power supply expenses and the Oregon customers' emission sales benefits.

Q. Do the corrections you described above change the amount you proposed be added to the Annual Power Supply Expense True-up Balancing Account?

A. Yes, they do. With the correction of the QF expenses explained above and the use of power supply expense deadbands and Oregon allocation factor based on the 2008 Oregon Results of Operations report, excess net power supply expenses of $5,568,781 still exist. Therefore, after the 90% sharing factor is applied, the 2008 deferral balance is $5,011,903.

Q. Is the Company proposing then to add the $5,011,903 to the Annual Power Supply Expense True-up Balancing Account?

A. No. The Company is still proposing to include fifty percent of the annual interest calculated at the Company's authorized cost of capital, or $196,216, as well as offset the deferral amount by the sale of SO2 Allowances made during the calendar year 2008, or $126,060. This brings the balance proposed to be added to the Annual Power Supply Expense True-Up Balancing Account to $5,082,059.

Q. Does this conclude your testimony?

A. Yes it does.

Oregon PCAM Twelve Months Ended December 31, 2008

			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	OREGON PCAM (Schedule 56)		[redacted]		[redacted]		[redacted]		[redacted]	
	ACTUAL POWER COSTS		[redacted]	January YTD	[redacted]	February YTD	[redacted]	March YTD	[redacted]	April YTD
	Actual NPSE Costs		[redacted]		[redacted]		[redacted]		[redacted]	
(1)	Actual Sales - Includes Unbilled	MWh	[redacted]	1,281,306	[redacted]	2,382,430	[redacted]	3,449,805	[redacted]	4,469,848
(2)	Fuel	$	[redacted]	13,169,819.27	[redacted]	25,410,492.95	[redacted]	37,134,012.26	[redacted]	46,107,868.02
(3)	Purchased Power	$	[redacted]	17,193,813.44	[redacted]	25,266,152.93	[redacted]	39,767,559.66	[redacted]	49,246,557.11
(4)	Surplus Sales	$	[redacted]	(10,334,789.26)	[redacted]	(15,652,233.89)	[redacted]	(31,576,478.18)	[redacted]	(40,254,232.58)
(5)	Total Non-QF	$	[redacted]	20,028,843.45	[redacted]	35,024,411.99	[redacted]	45,325,093.74	[redacted]	55,100,192.55
(6)	QF	$	[redacted]	2,664,552.14	[redacted]	5,235,594.42	[redacted]	8,259,654.07	[redacted]	12,086,432.21
(7)	Total Actual Power Costs Incurred	$	[redacted]	22,693,395.59	[redacted]	40,260,006.41	[redacted]	53,584,747.81	[redacted]	67,186,624.76
(8)	**Actual Power Cost per Unit**	**$/MWh**	[redacted]	**$17.71**	[redacted]	**$16.90**	[redacted]	**$15.53**	[redacted]	**$15.03**
	POWER COSTS COLLECTED IN RATES		[redacted]		[redacted]		[redacted]		[redacted]	
(9)	Actual Sales	MWh	[redacted]	1,281,306	[redacted]	2,382,430	[redacted]	3,449,805	[redacted]	4,469,848
(10)	**Combined Rate (Recovered in Rates)**	**$/MWh**	$3.47	**$3.47**	[redacted]	**$3.47**	[redacted]	**$3.47**	[redacted]	**$3.47**
(11)	Total Power Costs Collected in Rates	$	[redacted]	4,446,131.82	[redacted]	8,267,032.10	[redacted]	11,970,823.35	[redacted]	15,510,372.56
	CHANGE FROM FORECAST		[redacted]		[redacted]		[redacted]		[redacted]	
(12)	Actual Power Cost per Unit	$/MWh	[redacted]	$17.71	[redacted]	$16.90	[redacted]	$15.53	[redacted]	$15.03
(13)	Combined Rate (Recovered in Rates)	$/MWh	[redacted]	$3.47	[redacted]	$3.47	[redacted]	$3.47	[redacted]	$3.47
(14)	**Actual Increase (Decrease) Over Forecast Rate**	**$/MWh**	[redacted]	**$14.24**	[redacted]	**$13.43**	[redacted]	**$12.06**	[redacted]	**$11.56**
(15)	Deviation from Forecast	$	[redacted]	18,247,263.77	[redacted]	31,992,974.31	[redacted]	41,613,924.46	[redacted]	51,676,252.20
(16)	**Oregon Allocation**	%	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**
(17)	**Oregon Allocated Power Cost Deviation (before DB)**	$	[redacted]	**844,848.31**	[redacted]	**1,481,274.71**	[redacted]	**1,926,724.70**	[redacted]	**2,392,610.48**
(18)	Deadband - Over 250 Basis Points	$	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**
(19)	Deadband - Under 125 Basis Points	$	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**
(20)	True-Up (+)	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	222,386.80
(21)	True-Up (-)	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00
(22)	OREGON DEFERRAL before sharing	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	222,386.80
(23)	Portion of True-up Change Allowed	%	[redacted]	90%	[redacted]	90%	[redacted]	90%	[redacted]	90%
	OREGON DEFERRAL w/ SHARING (90/10)	**$**	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**200,148.12**
(24)	Interest Rate	%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%
(25)	Interest Accrued to date	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	2,611.93
(26)	**Total Deferred Balance**	**$**	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**202,760.05**

Oregon PCAM Twelve Months Ended December 31, 2008

			(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
	OREGON PCAM (Schedule 56)		[redacted]		[redacted]		[redacted]		[redacted]	
	ACTUAL POWER COSTS		[redacted]	May YTD	[redacted]	June YTD	[redacted]	July YTD	[redacted]	August YTD
	Actual NPSE Costs		[redacted]		[redacted]		[redacted]		[redacted]	
(1)	Actual Sales - Includes Unbilled	MWh	[redacted]	5,702,586	[redacted]	7,060,838	[redacted]	8,698,858	[redacted]	10,149,446
(2)	Fuel	$	[redacted]	54,983,327.96	[redacted]	65,474,878.97	[redacted]	79,702,000.11	[redacted]	97,316,602.19
(3)	Purchased Power	$	[redacted]	65,578,339.04	[redacted]	75,789,384.97	[redacted]	101,871,720.52	[redacted]	124,656,862.32
(4)	Surplus Sales	$	[redacted]	(48,692,398.07)	[redacted]	(53,949,606.35)	[redacted]	(62,032,174.84)	[redacted]	(71,701,647.91)
(5)	Total Non-QF	$	[redacted]	71,869,268.93	[redacted]	87,314,657.59	[redacted]	119,541,545.79	[redacted]	150,271,816.60
(6)	QF	$	[redacted]	19,492,298.15	[redacted]	27,076,812.83	[redacted]	35,084,962.72	[redacted]	42,296,658.73
(7)	Total Actual Power Costs Incurred	$	[redacted]	91,361,567.08	[redacted]	114,391,470.42	[redacted]	154,626,508.51	[redacted]	192,568,475.33
(8)	**Actual Power Cost per Unit**	**$/MWh**	[redacted]	**$16.02**	[redacted]	**$16.20**	[redacted]	**$17.78**	[redacted]	**$18.97**
	POWER COSTS COLLECTED IN RATES		[redacted]		[redacted]		[redacted]		[redacted]	
(9)	Actual Sales	MWh	[redacted]	5,702,586	[redacted]	7,060,838	[redacted]	8,698,858	[redacted]	10,149,446
(10)	**Combined Rate (Recovered in Rates)**	**$/MWh**	[redacted]	**$3.47**	$10.22	**$4.77**	[redacted]	**$5.79**	[redacted]	**$6.43**
(11)	Total Power Costs Collected in Rates	$	[redacted]	19,787,973.42	[redacted]	33,669,308.86	[redacted]	50,409,873.26	[redacted]	65,234,882.62
	CHANGE FROM FORECAST		[redacted]		[redacted]		[redacted]		[redacted]	
(12)	Actual Power Cost per Unit	$/MWh	[redacted]	$16.02	[redacted]	$16.20	[redacted]	$17.78	[redacted]	$18.97
(13)	Combined Rate (Recovered in Rates)	$/MWh	[redacted]	$3.47	[redacted]	$4.77	[redacted]	$5.79	[redacted]	$6.43
(14)	**Actual Increase (Decrease) Over Forecast Rate**	**$/MWh**	[redacted]	**$12.55**	[redacted]	**$11.43**	[redacted]	**$11.98**	[redacted]	**$12.55**
(15)	Deviation from Forecast	$	[redacted]	71,573,593.66	[redacted]	80,722,161.56	[redacted]	104,216,635.25	[redacted]	127,333,592.71
(16)	**Oregon Allocation**	%	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**
(17)	**Oregon Allocated Power Cost Deviation (before DB)**	$	[redacted]	**3,313,857.39**	[redacted]	**3,737,436.08**	[redacted]	**4,825,230.21**	[redacted]	**5,895,545.34**
(18)	Deadband - Over 250 Basis Points	$	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**
(19)	Deadband - Under 125 Basis Points	$	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**
(20)	True-Up (+)	$	[redacted]	1,143,633.71	[redacted]	1,567,212.40	[redacted]	2,655,006.53	[redacted]	3,725,321.66
(21)	True-Up (-)	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00
(22)	OREGON DEFERRAL before sharing	$	[redacted]	1,143,633.71	[redacted]	1,567,212.40	[redacted]	2,655,006.53	[redacted]	3,725,321.66
(23)	Portion of True-up Change Allowed	%	[redacted]	90%	[redacted]	90%	[redacted]	90%	[redacted]	90%
	OREGON DEFERRAL w/ SHARING (90/10)	$	[redacted]	1,029,270.34	[redacted]	1,410,491.16	[redacted]	2,389,505.87	[redacted]	3,352,789.50
(24)	Interest Rate	%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%
(25)	Interest Accrued to date	$	[redacted]	16,789.97	[redacted]	27,610.36	[redacted]	54,570.34	[redacted]	87,507.81
(26)	**Total Deferred Balance**	$	[redacted]	1,046,060.31	[redacted]	1,438,101.52	[redacted]	2,444,076.21	[redacted]	3,440,297.30

Oregon PCAM Twelve Months Ended December 31, 2008

			(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
	OREGON PCAM (Schedule 56)		[redacted]	September YTD	[redacted]	October YTD	[redacted]	November YTD	[redacted]	December YTD	Annual
	ACTUAL POWER COSTS		[redacted]		[redacted]		[redacted]		[redacted]		
	Actual NPSE Costs		[redacted]		[redacted]		[redacted]		[redacted]		
(1)	Actual Sales - Includes Unbilled	MWh	[redacted]	11,323,519	[redacted]	12,320,235	[redacted]	13,341,495	[redacted]	14,543,712	14,543,712
(2)	Fuel	$	[redacted]	112,137,122.69	[redacted]	123,261,683.81	[redacted]	136,752,313.61	[redacted]	149,061,268.86	149,061,268.86
(3)	Purchased Power	$	[redacted]	135,753,692.88	[redacted]	144,976,653.17	[redacted]	155,714,977.11	[redacted]	181,165,357.55	181,165,357.55
(4)	Surplus Sales	$	[redacted]	(85,399,780.27)	[redacted]	(94,094,375.96)	[redacted]	(99,005,011.85)	[redacted]	(111,852,962.41)	(111,852,962.41)
(5)	Total Non-QF	$	[redacted]	162,491,035.30	[redacted]	174,143,961.02	[redacted]	193,462,278.87	[redacted]	218,373,664.00	218,373,664.00
(6)	QF	$	[redacted]	48,293,014.37	[redacted]	52,952,351.84	[redacted]	55,968,612.03	[redacted]	58,919,756.99	58,919,756.99
(7)	Total Actual Power Costs Incurred	$	[redacted]	210,784,049.67	[redacted]	227,096,312.86	[redacted]	249,430,890.90	[redacted]	277,293,420.99	277,293,420.99
(8)	**Actual Power Cost per Unit**	**$/MWh**	[redacted]	**$18.61**	[redacted]	**$18.43**	[redacted]	**$18.70**	[redacted]	**$19.07**	**$19.07**
	POWER COSTS COLLECTED IN RATES		[redacted]		[redacted]		[redacted]		[redacted]		
(9)	Actual Sales	MWh	[redacted]	11,323,519	[redacted]	12,320,235	[redacted]	13,341,495	[redacted]	14,543,712	14,543,712
(10)	**Combined Rate (Recovered In Rates)**	**$/MWh**	[redacted]	**$6.82**	[redacted]	**$7.10**	[redacted]	**$7.33**	[redacted]	**$7.57**	**$7.57**
(11)	Total Power Costs Collected in Rates	$	[redacted]	77,233,908.68	[redacted]	87,420,346.20	[redacted]	97,857,623.40	[redacted]	110,144,281.14	110,144,281.14
	CHANGE FROM FORECAST		[redacted]		[redacted]		[redacted]		[redacted]		
(12)	Actual Power Cost per Unit	$/MWh	[redacted]	$18.61	[redacted]	$18.43	[redacted]	$18.70	[redacted]	$19.07	$19.07
(13)	Combined Rate (Recovered in Rates)	$/MWh	[redacted]	$6.82	[redacted]	$7.10	[redacted]	$7.33	[redacted]	$7.57	$7.57
(14)	**Actual Increase (Decrease) Over Forecast Rate**	**$/MWh**	[redacted]	**$11.79**	[redacted]	**$11.34**	[redacted]	**$11.36**	[redacted]	**$11.49**	**$11.49**
(15)	Deviation from Forecast	$	[redacted]	133,550,140.99	[redacted]	139,675,966.66	[redacted]	151,573,267.50	[redacted]	167,149,139.85	167,149,139.85
(16)	**Oregon Allocation**	%	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**	[redacted]	**4.63%**	**4.63%**
(17)	**Oregon Allocated Power Cost Deviation (before DB)**	$	[redacted]	**6,183,371.53**	[redacted]	**6,466,997.26**	[redacted]	**7,017,842.29**	[redacted]	**7,739,005.18**	**7,739,005.18**
(18)	Deadband - Over 250 Basis Points	$	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	[redacted]	**2,170,223.68**	**2,170,223.68**
(19)	Deadband - Under 125 Basis Points	$	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	[redacted]	**(1,085,111.84)**	**(1,085,111.84)**
(20)	True-Up (+)	$	[redacted]	4,013,147.85	[redacted]	4,296,773.58	[redacted]	4,847,618.60	[redacted]	5,568,781.49	5,568,781.49
(21)	True-Up (-)	$	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	[redacted]	0.00	0.00
(22)	OREGON DEFERRAL before sharing	$	[redacted]	4,013,147.85	[redacted]	4,296,773.58	[redacted]	4,847,618.60	[redacted]	5,568,781.49	5,568,781.49
(23)	Portion of True-up Change Allowed	%	[redacted]	90%	[redacted]	90%	[redacted]	90%	[redacted]	90%	90%
	OREGON DEFERRAL w/ SHARING (90/10)	$	[redacted]	3,611,833.06	[redacted]	3,867,096.22	[redacted]	4,362,856.74	[redacted]	5,011,903.34	5,011,903.34
(24)	Interest Rate	%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%	[redacted]	7.830%	7.830%
(25)	Interest Accrued to date	$	[redacted]	106,052.45	[redacted]	126,164.01	[redacted]	156,572.02	[redacted]	196,216.02	196,216.02
(26)	**Total Deferred Balance**	$	[redacted]	3,717,885.51	[redacted]	3,993,260.23	[redacted]	4,519,428.77	[redacted]	5,208,119.36	5,208,119.36

Determination of Oregon PCAM Deadbands
Based on Idaho Power 2008 Report of Operations (Oregon Report)

		(A)	(B)
		Total System	**Oregon**
(1)	Rate Base	**$2,211,461,776**	**$107,853,874**
(2)	% Equity in cap structure	**49.018%**	**49.018%**
(3)	Equity in rate base	$1,084,014,333	$52,867,812
(4)	100 basis points	1.000%	1.000%
(5)	Resulting return (NOI Effect)	$10,840,143	$528,678
(6)	Net-to Gross Factor	**1.64200**	**1.64200**
(7)	Revenue requirement	$17,799,515	**$ 868,089**

(8)	**Upper Band of Basis Points**	**250**	$2,170,223.68
(9)	**Lower Band of Basis Points**	**125**	($1,085,111.84)

IDAHO POWER COMPANY
BEFORE THE OREGON PUBLIC UTILITY COMMISSION
JURISDICTIONAL SEPARATION STUDY
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2008

DESCRIPTION	TOTAL SYSTEM	OREGON OPUC
**** SUMMARY OF RESULTS ****		
DEVELOPMENT OF RATE BASE COMPONENTS		
ELECTRIC PLANT IN SERVICE	3,900,943,345	189,189,591
LESS: ACCUM PROVISION FOR DEPRECIATION	1,608,558,610	78,615,728
AMORT OF OTHER UTILITY PLANT	18,075,917	804,184
NET ELECTRIC PLANT IN SERVICE	2,274,308,818	109,769,679
LESS: CUSTOMER ADV FOR CONSTRUCTION	31,785,562	43,162
LESS: ACCUM DEFERRED INCOME TAXES	205,913,513	9,991,662
ADD : PLT HLD FOR FUTURE+ACQUIS ADJ	0	0
ADD : WORKING CAPITAL	85,109,066	4,133,320
ADD : CONSERVATION+OTHER DFRD PROG.	6,380,601	126,029
ADD : SUBSIDIARY RATE BASE	83,362,365	3,859,671
TOTAL COMBINED RATE BASE	2,211,461,776	107,853,874
RATE OF RETURN UNDER PRESENT RATES		
OPERATING REVENUES		
SALES REVENUES	817,578,621	36,107,009
OTHER OPERATING REVENUES	42,940,991	1,601,048
TOTAL OPERATING REVENUES	860,519,612	37,708,057
OPERATING EXPENSES		
OPERATION & MAINTENANCE EXPENSES	578,431,933	26,924,319
DEPRECIATION EXPENSE	95,840,342	4,654,636
AMORTIZATION OF LIMITED TERM PLANT	5,783,193	269,154
TAXES OTHER THAN INCOME	19,496,789	1,412,640
REGULATORY DEBITS/CREDITS	0	0
PROVISION FOR DEFERRED INCOME TAXES	14,220,645	80,172
INVESTMENT TAX CREDIT ADJUSTMENT	2,286,216	12,889
FEDERAL INCOME TAXES	(6,837,978)	(38,550)
STATE INCOME TAXES	(5,943,102)	(33,505)
TOTAL OPERATING EXPENSES	703,278,039	33,281,753
OPERATING INCOME	157,241,573	4,426,305
ADD: IERCO OPERATING INCOME	5,086,761	235,517
CONSOLIDATED OPERATING INCOME	162,328,334	4,661,821
RATE OF RETURN UNDER PRESENT RATES		4.322%

1 **IDAHO POWER COMPANY**
2 **BEFORE THE OREGON PUBLIC UTILITY COMMISSION**
3 **JURISDICTIONAL SEPARATION STUDY**
4 **FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2008**
5
6

	DESCRIPTION	TOTAL SYSTEM	OREGON OPUC
7			
8	**DESCRIPTION**	**TOTAL SYSTEM**	**OREGON OPUC**
47	**** * * SUMMARY OF RESULTS * * ****		
48			
49	RATE OF RETURN UNDER PRESENT RATES		
50	TOTAL COMBINED RATE BASE	2,211,461,776	107,853,874
51			
52	SALES REVENUES	817,578,621	36,107,009
53	OTHER OPERATING REVENUES	42,940,991	1,601,048
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60	REGULATORY DEBITS/CREDITS	0	0
61	PROVISION FOR DEFERRED INCOME TAXES	14,220,645	80,172
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65	TOTAL OPERATING EXPENSES	703,278,039	33,281,753
66	OPERATING INCOME	157,241,573	4,426,305
67	ADD: IERCO OPERATING INCOME	5,086,761	235,517
68	CONSOLIDATED OPERATING INCOME	162,328,334	4,661,821
69	RATE OF RETURN UNDER PRESENT RATES		4.322%
70			
71	DEVELOPMENT OF REVENUE REQUIREMENTS		
72	RATE OF RETURN REQUIRED		7.830%
73			
74	RETURN AT CLAIMED RATE OF RETURN		8,444,958
75	EARNINGS DEFICIENCY		3,783,137
76	NET-TO-GROSS TAX MULTIPLIER		1.642
77			
78	REVENUE DEFICIENCY		6,211,911
79			
80	FIRM JURISDICTIONAL REVENUES		36,107,009
81			
82	PERCENT INCREASE REQUIRED		17.20%
83			
84	SALES AND WHEELING REVENUES REQUIRED		42,318,920

Monthly Net Power Supply Expenses

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
		From UE 167					UE 195							
		January	February	March	April	May	June	July	August	September	October	November	December	Total
	ANNUAL FORECAST													
	Forecast NPSE Costs													
(1)	Forecast Sales (MWh)	1,114,794	1,036,442	974,421	919,011	932,752	1,193,011	1,409,445	1,501,396	1,361,068	1,111,407	1,061,938	1,176,080	13,790,765
(2)	Fuel	$8,732,488.78	$7,628,426.60	$7,555,660.68	$7,372,963.18	$7,079,207.63	$10,373,822.30	$12,206,336.97	$12,326,315.66	$11,057,313.68	$11,302,355.53	$11,051,869.15	$11,531,811.70	$ 118,218,572.04
(3)	Purchased Power	$612,586.40	$134,006.56	$116,325.12	$34,371.43	$621,779.66	$5,851,511.65	$22,568,627.42	$12,244,095.63	$7,242,250.69	$5,159,915.31	$10,122,871.00	$18,905,309.56	83,613,661.63
(4)	Surplus Sales	$13,096,549.45	$18,473,726.01	$18,003,055.59	$12,906,668.55	$8,805,176.75	$19,661,992.26	$36,386,171.65	$17,068,309.38	$23,097,230.85	$6,724,890.23	$9,816,772.20	$6,999,308.85	191,039,851.77
(5)	Total Non-QF	($3,751,474.28)	($10,711,290.85)	($10,331,069.80)	($5,499,333.95)	($1,104,189.27)	($3,436,658.31)	($1,611,207.26)	$7,502,102.11	($4,797,657.48)	$9,737,380.61	$11,357,967.96	$23,437,812.41	$ 10,792,381.91
(6)	QF	$2,164,012.00	$2,073,610.00	$2,292,773.00	$2,815,770.00	$4,160,399.00	$10,511,096.97	$10,932,319.80	$10,510,090.48	$8,755,073.74	$7,357,532.79	$6,924,379.64	$7,741,336.11	76,238,393.53
(7)	Total Forecast Power Costs ($)	($1,587,462.28)	($8,637,680.85)	($8,038,296.80)	($2,683,563.95)	$3,056,209.73	$7,074,438.66	$9,321,112.54	$18,012,192.59	$3,957,416.27	$17,094,913.40	$18,282,347.60	$31,179,148.52	$ 87,030,775.44
(8)	**Combined Rate (Recovered in Rates)**	$3.47	$3.47	$3.47	$3.47	$3.47	$10.22	$10.22	$10.22	$10.22	$10.22	$10.22	$10.22	
	ACTUAL POWER COSTS													
	Actual NPSE Costs													
(9)	Actual Sales (MWH)	1,281,306	1,101,124	1,067,375	1,020,043	1,232,738	1,358,252	1,638,020	1,450,588	1,174,073	996,716	1,021,260	1,202,217	14,543,712
(10)	Fuel	$ 13,169,819.27	$ 12,240,673.68	$ 11,723,519.31	$ 8,973,855.76	$ 8,875,459.94	$ 10,491,551.01	$ 14,227,121.14	$ 17,614,602.08	$ 14,820,520.50	$ 11,124,561.12	$ 13,490,629.80	$ 12,308,955.25	$ 149,061,268.86
(11)	Purchased Power	17,193,813.44	8,072,339.49	14,501,406.73	9,478,997.45	16,331,781.93	10,211,045.93	26,082,335.55	22,785,141.80	11,096,830.56	9,222,960.29	10,738,323.94	25,450,380.44	181,165,357.55
(12)	Surplus Sales	10,334,789.26	5,317,444.63	15,924,244.29	8,677,754.40	8,438,165.49	5,257,208.28	8,082,568.49	9,669,473.07	13,698,132.36	8,694,595.69	4,910,635.89	12,847,950.56	111,852,982.41
(13)	Total Non-QF	$ 20,028,843.45	$ 14,995,568.54	$ 10,300,681.75	$ 9,775,098.81	$ 16,769,076.38	$ 15,445,388.66	$ 32,226,888.20	$ 30,730,270.81	$ 12,219,218.70	$ 11,652,925.72	$ 19,318,317.85	$ 24,911,385.13	$ 218,373,664.00
(14)	QF	2,664,552.14	2,571,042.28	3,024,059.65	3,826,778.14	7,405,865.94	7,584,514.68	8,008,149.89	7,211,696.01	5,996,355.64	4,659,337.47	3,016,260.19	2,951,144.96	58,919,756.99
(15)	Total Actual Power Costs Incurred ($)	$ 22,693,395.59	$ 17,566,610.82	$ 13,324,741.40	$ 13,601,876.95	$ 24,174,942.32	$ 23,029,903.34	$ 40,235,038.09	$ 37,941,966.82	$ 18,215,574.34	$ 16,312,263.19	$ 22,334,578.04	$ 27,862,530.09	$ 277,293,420.99
(16)	**Actual Power Cost per Unit**	$ 17.71	$ 15.95	$ 12.48	$ 13.33	$ 19.61	$ 16.96	$ 24.56	$ 26.16	$ 15.51	$ 16.37	$ 21.87	$ 23.18	$ 19.07
	DEVIATION													
	Difference in NPSE Costs													
(17)	Actual Sales vs. Forecast Sales (MWH)	166,512	64,682	92,954	101,032	299,986	165,241	228,575	(50,808)	(186,995)	(114,691)	(40,678)	27,137	752,947
(18)	Fuel	$ 4,437,330.49	$ 4,612,247.08	$ 4,167,858.63	$ 1,600,892.58	$ 1,796,252.11	$ 117,728.71	$ 2,020,784.17	$ 5,288,286.42	$ 3,763,206.82	$ (177,794.41)	$ 2,438,760.65	$ 777,143.55	$ 30,842,696.82
(19)	Purchased Power	16,581,227.04	7,938,330.93	14,385,081.61	9,444,626.02	15,710,002.27	4,359,534.28	3,513,708.13	10,541,045.97	3,854,579.87	4,063,044.98	615,452.94	6,545,070.88	97,551,695.92
(20)	Surplus Sales	(2,761,760.19)	(13,156,281.38)	(2,078,811.30)	(4,228,914.15)	(367,011.26)	(14,404,783.98)	(28,303,603.16)	(7,398,836.31)	(9,399,098.49)	1,969,705.46	(4,906,136.31)	5,848,641.71	(79,186,889.36)
(21)	Total Non-QF	$ 23,780,317.73	$ 25,706,859.39	$ 20,631,751.55	$ 15,274,432.76	$ 17,873,265.65	$ 18,882,046.97	$ 33,838,095.46	$ 23,228,168.70	$ 17,016,876.18	$ 1,915,545.11	$ 7,960,349.89	$ 1,473,572.72	$ 207,581,282.09
(22)	QF	500,540.14	497,432.28	731,286.65	1,011,008.14	3,245,466.94	(2,926,582.29)	(2,924,189.91)	(3,298,394.47)	(2,758,718.10)	(2,698,195.32)	(3,908,119.45)	(4,790,191.15)	(17,316,636.54)
(23)	Total Actual Power Costs Incurred ($)	$ 24,280,857.87	$ 26,204,291.67	$ 21,363,038.20	$ 16,285,440.90	$ 21,118,732.59	$ 15,955,464.68	$ 30,913,925.55	$ 19,929,774.23	$ 14,258,158.07	$ (782,650.21)	$ 4,052,230.44	$ (3,316,618.43)	$ 190,262,645.55

Oregon Emission Sales
January 2008 thru December 2008

			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
			2008												
			January	February	March	April	May	June	July	August	September	October	November	December	Totals
(1)	Prior Month Sale(s)	$	0.00	0.00	0.00	0.00	556,000.00	882,500.00	1,522,500.00	0.00	0.00	0.00	0.00	0.00	2,961,000.00
(2)	Brokerage Fee's Paid in Prior Month	$	0.00	0.00	0.00	0.00	(500.00)	(750.00)	(1,250.00)	0.00	0.00	0.00	0.00	0.00	(2,500.00)
(3)	Net Proceeds	$	0.00	0.00	0.00	0.00	555,500.00	881,750.00	1,521,250.00	0.00	0.00	0.00	0.00	0.00	2,958,500.00
(4)	Oregon Allocation		4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%
(5)	Sharing Percentage		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
(6)	Total Customer Benefit	$	0.00	0.00	0.00	0.00	23,147.69	36,742.52	63,390.49	0.00	0.00	0.00	0.00	0.00	123,280.69
(7)	Less Taxes @	39.095%	0.00	0.00	0.00	0.00	(9,049.59)	(14,364.49)	(24,782.51)	0.00	0.00	0.00	0.00	0.00	(48,196.58)
(8)	Customer Benefit Net of Tax - Oregon	$	0.00	0.00	0.00	0.00	14,098.10	22,378.03	38,607.98	0.00	0.00	0.00	0.00	0.00	75,084.10
	Principle														
(9)	Beginning Balance	$	0.00	0.00	0.00	0.00	0.00	14,098.10	36,476.13	75,084.11	75,084.11	75,084.11	75,084.11	75,084.11	0.00
(10)	Amount Deferred		0.00	0.00	0.00	0.00	14,098.10	22,378.03	38,607.98	0.00	0.00	0.00	0.00	0.00	75,084.11
(11)	Ending Balance	$	0.00	0.00	0.00	0.00	14,098.10	36,476.13	75,084.11	75,084.11	75,084.11	75,084.11	75,084.11	75,084.11	75,084.11
	Interest														
(12)	Beginning Balance	$	0.00	0.00	0.00	0.00	0.00	0.00	91.99	330.00	819.92	1,309.84	1,799.76	2,289.68	0.00
(13)	Monthly Interest Rate		7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
(14)	Monthly Interest	$	0.00	0.00	0.00	0.00	0.00	91.99	238.01	489.92	489.92	489.92	489.92	489.92	2,779.60
(15)	Interest Accrued to Date	$	0.00	0.00	0.00	0.00	0.00	91.99	330.00	819.92	1,309.84	1,799.76	2,289.68	2,779.60	2,779.60
(0)	Deferral Balance Including Interest	$	0.00	0.00	0.00	0.00	14,098.10	36,568.12	75,414.11	75,904.03	76,393.95	76,883.87	77,373.79	77,863.71	77,863.71
(17)	Tax Benefit from Above	$													48,196.58
(18)	Total Customer Benefit	$													126,060.29