

IDAHO POWER CO  
Form 8-K  
December 12, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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): December 12, 2011

---

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

State or Other Jurisdiction of Incorporation: Idaho

Former name, former address and former fiscal year, if changed since last report: None.

---

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:

- 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))

Item 8.01 Other Events.

In January 2010, the Idaho Public Utilities Commission (IPUC) approved a rate settlement agreement among Idaho Power Company (Idaho Power), several of Idaho Power's customers, the IPUC Staff, and other parties. The settlement agreement provided for, among other items, (a) the use of additional accumulated deferred investment tax credits (ADITC) by Idaho Power to help achieve a minimum 9.5 percent return on year-end equity in the Idaho jurisdiction, and (b) an equal sharing between Idaho Power and its customers of any Idaho jurisdiction earnings exceeding a 10.5 percent return on year-end equity in the Idaho jurisdiction. Recognition of tax benefits in the third quarter of 2011 had a significant impact on Idaho Power's estimate of 2011 return on year-end equity and contributed to the triggering of the sharing mechanism under the January 2010 settlement agreement. As a result, Idaho Power recorded an \$18.1 million regulatory liability in the third quarter of 2011, reflecting 50 percent of Idaho Power's estimated Idaho jurisdictional earnings over a 10.5 percent return on year-end equity required to be shared with customers.

On November 2, 2011, Idaho Power filed an application with the IPUC requesting an extension of the two elements of the January 2010 settlement agreement described above, with certain modifications. On December 12, 2011, Idaho Power, the IPUC Staff, and one large industrial customer of Idaho Power executed a settlement stipulation that provides as follows:

If Idaho Power's Idaho jurisdictional return on year-end equity for 2012, 2013, or 2014 is less than 9.5 percent, then Idaho Power may continue to use up to \$45 million of deferred investment tax credits to help achieve a minimum 9.5 percent return on year-end equity in the Idaho jurisdiction in the applicable year. Idaho Power would be permitted to amortize additional ADITC in an aggregate amount up to \$45 million over the three-year period, but could use no more than \$25 million in any one year.

If Idaho Power's Idaho jurisdictional return on year-end equity for 2012, 2013, or 2014 exceeds 10.0 percent, the amount of Idaho Power's Idaho jurisdictional earnings exceeding a 10.0 percent return on year-end equity but less than a 10.5 percent return on year-end equity for the applicable year would be shared equally between Idaho Power and its customers.

If Idaho Power's Idaho jurisdictional return on year-end equity for 2012, 2013, or 2014 exceeds 10.5 percent, the amount of Idaho Power's Idaho jurisdictional earnings exceeding a 10.5 percent return on year-end equity for the applicable year would be allocated 75 percent to Idaho Power's customers and 25 percent to Idaho Power.

The settlement stipulation provides that the foregoing return on year-end equity thresholds (9.5 percent, 10.0 percent, and 10.5 percent) will be automatically adjusted on a prospective basis in the event the IPUC approves a change to Idaho Power's authorized return on equity as part of a general rate case proceeding seeking a rate change effective prior to January 1, 2015, other than a single-issue rate case proceeding such as one relating to Idaho Power's Langley Gulch power plant. The automatic adjustments would be as follows: (a) the 9.5 percent return on year-end equity trigger in the settlement stipulation would be replaced by the percentage equal to 95 percent of the new authorized return on equity, (b) the 10.0 percent return on year-end equity trigger in the settlement stipulation would be re-established at the new authorized return on equity amount, and (c) the 10.5 percent return on year-end equity trigger in the settlement stipulation would be replaced by the percentage equal to 105 percent of the new authorized return on equity.

In consideration of these terms, the settlement stipulation provides that Idaho Power would allocate to customers 75 percent of Idaho Power's share of 2011 Idaho jurisdictional earnings over a 10.5 percent return on year-end equity. As of the date of this report, Idaho Power expects that it may record a pre-tax charge of approximately \$15 million in the fourth quarter of 2011, representing the additional portion of estimated Idaho jurisdictional earnings over a 10.5 percent return on year-end equity to be allocated to customers.

The terms of the settlement stipulation modify a number of the requests included in Idaho Power's November 2, 2011 application, including, among others, (a) extension of the period for potential use of the ADITCs from two years to three years and (b) an increase in the amount of Idaho Power's shares of 2011 Idaho jurisdictional earnings to be shared with customers from 50 percent of Idaho Power's share to 75 percent of Idaho Power's share. The settlement stipulation is subject to review and approval by the IPUC.

#### Forward-Looking Statements

This Current Report on Form 8-K contains statements that relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, or future events or performance,

---

often, but not always, through the use of words or phrases such as "expects," "estimates," or similar expressions, are not statements of historical facts and may be forward-looking. Forward-looking statements are not guarantees of future performance and involve estimates, assumptions, risks, and uncertainties. Actual results, performance, or outcomes may differ materially from the results discussed in the statements. In addition to any assumptions and other factors and matters referred to specifically in connection with such forward-looking statements, factors that could cause actual results or outcomes to differ materially from those contained in forward-looking statements in this report include those factors discussed in IDACORP Inc.'s and Idaho Power Company's 2010 Annual Report on Form 10-K, particularly Item 1A - "Risk Factors"; Part II, Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and Notes 2, 11, and 15 to the consolidated financial statements included in the Annual Report on Form 10-K; subsequent reports filed by IDACORP, Inc. and Idaho Power Company with the Securities and Exchange Commission; and the following important factors: (a) the effect of regulatory decisions by the Idaho Public Utilities Commission, the Oregon Public Utility Commission, and the Federal Energy Regulatory Commission affecting Idaho Power's ability to recover costs and/or earn a reasonable rate of return; (b) changes in and compliance with state and federal laws, policies, and regulations, including new interpretations and enforcement initiatives by federal and state regulatory and oversight bodies; (c) changes in tax laws or new interpretations of tax laws, and the availability, use, and regulatory treatment of tax credits; (d) litigation and regulatory proceedings, and penalties, settlements, or awards that influence business and profitability; and (e) new accounting or Securities and Exchange Commission or New York Stock Exchange requirements, or new interpretations or application of existing requirements. 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. IDACORP, Inc. and Idaho Power Company disclaim any obligation to update publicly any forward-looking information, whether in response to new information, future events, or otherwise, except as required by applicable law.

---

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: December 12, 2011

IDACORP, INC.

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

IDAHO POWER COMPANY

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