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IDAHO POWER CO  
Form 10-Q  
May 05, 2011

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 March 31, 2011

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<br>1221 W. Idaho Street<br>Boise, ID 83702-5627<br>(208) 388-2200<br>State of Incorporation: Idaho<br>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 X No \_\_\_

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 X 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 | X Accelerated filer | Non-accelerated filer | Smaller reporting company   |
| Idaho Power Company: | Large accelerated filer | Accelerated filer   | Non-accelerated filer | X 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 X

Number of shares of common stock outstanding as of April 29, 2011:  
IDACORP, Inc.: 49,560,876

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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

The following select abbreviations or acronyms are commonly used in this report:

|                 |   |
|-----------------|---|
| ADITC           | - Accumulated Deferred Investment Tax Credits   |
| AFUDC           | - Allowance for Funds Used During Construction  |
| AMI             | - Advanced Metering Infrastructure  |
| APCU            | - Annual Power Cost Update  |
| 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   |
| EPA             | - United States Environmental Protection Agency   |
| EPS             | - Earnings per share  |
| ESPA            | - Eastern Snake Plain Aquifer   |
| FCA             | - Fixed Cost Adjustment mechanism   |
| FERC            | - Federal Energy Regulatory Commission  |
| 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   |
| IRS             | - Internal Revenue Service  |
| kW              | - Kilowatt  |
| LCAR            | - Load Change Adjustment Rate   |
| MD&A            | - Management's Discussion and Analysis of Financial Condition and Results of Operations |
| MW              | - Megawatt  |
| MWh             | - Megawatt-hour   |
| 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   |
| SEC             | - Securities and Exchange Commission  |
| SO <sub>2</sub> | - 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 STATEMENTS,” and in IDACORP, Inc.'s and Idaho Power Company's Annual Report on Form 10-K for the year ended December 31, 2010, at Part I, Item 1A - “RISK FACTORS” and Part II, Item 7 - “MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.” 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,” “targets,” “intends,” “plans,” “predicts,” “projects,” “may result,” “may continue,” or similar expressions.

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

IDACORP, Inc.

Condensed Consolidated Statements of Income

(unaudited)

|  | Three months ended<br>March 31,                           |           |
|--|---|-----------|
|  | 2011  | 2010      |
|  | (thousands of dollars<br>except for per share<br>amounts) |           |
| Operating Revenues:  |   |           |
| Electric utility:  |   |           |
| General business   | \$203,272   | \$203,745 |
| Off-system sales   | 29,845  | 34,406    |
| Other revenues   | 17,945  | 14,309    |
| Total electric utility revenues                              | 251,062   | 252,460   |
| Other  | 432   | 503       |
| Total operating revenues                                     | 251,494   | 252,963   |
| Operating Expenses:  |   |           |
| Electric utility:  |   |           |
| Purchased power  | 25,094  | 21,174    |
| Fuel expense   | 29,902  | 37,187    |
| Power cost adjustment  | 31,306  | 48,324    |
| Other operations and maintenance                             | 70,661  | 72,094    |
| Energy efficiency programs                                   | 6,711   | 5,034     |
| Depreciation   | 29,464  | 28,583    |
| Taxes other than income taxes                                | 7,211   | 5,680     |
| Total electric utility expenses                              | 200,349   | 218,076   |
| Other  | 1,054   | 840       |
| Total operating expenses                                     | 201,403   | 218,916   |
| Operating Income   | 50,091  | 34,047    |
| Other Income, Net  | 4,538   | 4,481     |
| Losses of Unconsolidated Equity-Method Investments           | (1,294  | ) (2,378  |
| Interest Expense:  |   |           |
| Interest on long-term debt                                   | 20,847  | 19,441    |
| Other interest, net of AFUDC                                 | (1,888  | ) (453    |
| Total interest expense, net                                  | 18,959  | 18,988    |
| Income Before Income Taxes                                   | 34,376  | 17,162    |
| Income Tax Expense   | 4,888   | 1,305     |
| Net Income   | 29,488  | 15,857    |
| Adjustment for loss attributable to noncontrolling interests | 252   | 206       |
| Net Income Attributable to IDACORP, Inc.                     | \$29,740  | \$16,063  |
| Weighted Average Common Shares Outstanding - Basic (000's)   | 49,290  | 47,773    |
| Weighted Average Common Shares Outstanding - Diluted (000's) | 49,356  | 47,885    |
| Earnings Per Share of Common Stock:                          |   |           |
| Earnings Attributable to IDACORP, Inc. - Basic               | \$0.60  | \$0.34    |

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|  |        |        |
|--|--------|--------|
| Earnings Attributable to IDACORP, Inc. - Diluted | \$0.60 | \$0.34 |
| Dividends Declared Per Share of Common Stock     | \$0.30 | \$0.30 |

The accompanying notes are an integral part of these statements.

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IDACORP, Inc.  
Condensed Consolidated Balance Sheets  
(unaudited)

|   | March 31, 2011         | December 31,<br>2010 |
|---|------------------------|----------------------|
|   | (thousands of dollars) |                      |
| Assets  |                        |                      |
| Current Assets:   |                        |                      |
| Cash and cash equivalents   | \$ 93,941              | \$ 228,677           |
| Receivables:  |                        |                      |
| Customer (net of allowance of \$1,463 and \$1,499, respectively)              | 66,634                 | 62,114               |
| Other (net of allowance of \$142 and \$1,471, respectively)                   | 13,426                 | 10,157               |
| Income taxes receivable   | —                      | 12,130               |
| Accrued unbilled revenues   | 41,592                 | 47,964               |
| Materials and supplies (at average cost)                                      | 45,871                 | 45,601               |
| Fuel stock (at average cost)  | 33,595                 | 27,547               |
| Prepayments   | 9,197                  | 11,063               |
| Deferred income taxes   | 9,537                  | 10,715               |
| Current regulatory assets   | 21,726                 | 6,216                |
| Other   | 1,294                  | 1,854                |
| Total current assets  | 336,813                | 464,038              |
| Investments   | 202,605                | 202,944              |
| Property, Plant and Equipment:  |                        |                      |
| Utility plant in service  | 4,354,554              | 4,332,054            |
| Accumulated provision for depreciation  | (1,633,509)            | (1,614,013)          |
| Utility plant in service - net  | 2,721,045              | 2,718,041            |
| Construction work in progress   | 485,249                | 416,950              |
| Utility plant held for future use   | 7,081                  | 7,076                |
| Other property, net of accumulated depreciation                               | 19,209                 | 19,315               |
| Property, plant and equipment - net   | 3,232,584              | 3,161,382            |
| Other Assets:   |                        |                      |
| American Falls and Milner water rights  | 20,796                 | 22,120               |
| Company-owned life insurance  | 26,676                 | 26,672               |
| Regulatory assets   | 723,850                | 753,172              |
| Long-term receivables (net of allowance of \$3,227 and \$1,861, respectively) | 5,149                  | 3,965                |
| Other   | 41,775                 | 41,762               |
| Total other assets  | 818,246                | 847,691              |
| Total   | \$ 4,590,248           | \$ 4,676,055         |

The accompanying notes are an integral part of these statements.

IDACORP, Inc.  
 Condensed Consolidated Balance Sheets  
 (unaudited)

|  | March 31,<br>2011      | December 31,<br>2010 |
|--|------------------------|----------------------|
|  | (thousands of dollars) |                      |
| Liabilities and Equity   |                        |                      |
| Current Liabilities:   |                        |                      |
| Current maturities of long-term debt   | \$ 1,667               | \$ 122,572           |
| Notes payable  | 74,100                 | 66,900               |
| Accounts payable   | 64,569                 | 103,100              |
| Income taxes accrued   | 4,146                  | —                    |
| Interest accrued   | 23,812                 | 23,937               |
| Uncertain tax positions  | 73,700                 | 74,436               |
| Current regulatory liabilities   | 20,669                 | 8,011                |
| Other  | 68,679                 | 50,103               |
| Total current liabilities  | 331,342                | 449,059              |
| Other Liabilities:   |                        |                      |
| Deferred income taxes  | 577,591                | 566,473              |
| Regulatory liabilities   | 296,768                | 298,094              |
| Other  | 343,666                | 338,158              |
| Total other liabilities  | 1,218,025              | 1,202,725            |
| Long-Term Debt   | 1,487,305              | 1,488,287            |
| Commitments and Contingencies  |                        |                      |
| Equity:  |                        |                      |
| IDACORP, Inc. shareholders' equity:  |                        |                      |
| Common stock, no par value (shares authorized 120,000,000;<br>49,555,756 and 49,419,452 shares issued, respectively) | 809,974                | 807,842              |
| Retained earnings  | 748,764                | 733,879              |
| Accumulated other comprehensive loss   | (8,781                 | ) (9,568             |
| Treasury stock (1,103 and 14,302 shares at cost, respectively)   | —                      | (40                  |
| Total IDACORP, Inc. shareholders' equity   | 1,549,957              | 1,532,113            |
| Noncontrolling interest  | 3,619                  | 3,871                |
| Total equity   |                        |                      |