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IDA - Q3 2009 IDACORP, Inc. Earnings Conference Call

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PRESENTATION

Operator

Good day, and welcome, everyone, to the IDACORP Third Quarter 2009 Conference Call. Today's call is being recorded and is being Webcast live. A complete replay will also be available from the end of the day for a period of 12 months on the Company's Website at www.idacorpinc.com. (Operator Instructions).

At this time, I would like to turn the call over to the Director of Investor Relations, Mr. Lawrence Spencer. Please go ahead, sir.

Lawrence Spencer - IDACORP, Inc. - Director Investor Relations

Thank you, Yvette, and good afternoon, everyone. Welcome to our October 29 third quarter 2009 earnings release conference call. We issued our earnings release before the markets opened today, and that document, along with our SEC Form 10-Q is now posted to our IDACORP Website at www.idacorpinc.com.

On the call today, we have LaMont Keen, IDACORP and Idaho Power President and CEO, and Darrel Anderson, IDACORP and Idaho Power Executive Vice President of Administrative Services and CFO. We also have other officers available to help answer your questions during the Q&A period.

Before turning the presentation over to LaMont, I'll cover a few details with you. First, our presentation today may contain forward-looking statements, and it is important to note that the Corporation's future results could differ materially from those discussed. A full discussion of the factors that could cause future results to differ materially can be found in our filings with the Securities and Exchange Commission.

Now I'll briefly discuss the financial results from today's earnings press release.

Third quarter 2009 net income attributable to IDACORP was \$54.5 million, \$2.7 million more than last year's third quarter. Year to date, net income attributable to IDACORP was \$100.8 million, \$9.9 million more than the first nine months of 2008.

Idaho Power's third quarter 2009 net income was \$51.1 million, compared to \$47.4 million in 2008, while Idaho Power's year-to-date 2009 net income was \$96.7 million, which was \$10.3 million greater than the same period in 2008.

IDACORP earnings increased by \$0.02 per diluted share quarter over quarter to \$1.16 per diluted share and by \$0.13 per diluted share on a year-to-date basis to \$2.15 per diluted share.

With that, I'll turn the presentation over to LaMont.

LaMont Keen - IDACORP, Inc. - IDACORP and Idaho Power President and CEO

Thanks, Larry, and welcome to our call, participants. We thank you for your interest in IDACORP.

I am pleased with the financial results Larry just described. In these challenging times, we are focused on prudently managing both capital and operating expenditures while at the same time pursuing a deliberate and sustained strategy to recover what we are spending on a timely basis.

We are also taking steps through projects currently underway to ensure we are able to support the communities we serve when the economy rebounds. Our quarterly results reflect increased revenues resulting from recent rate activity, prudent fiscal management of expenses, and lower effective tax rates that help support our earnings for both the quarter and year to date.

During the quarter, we also experienced improved hydroelectric conditions but reduced retail sales resulting from increased precipitation impacts on irrigation loads and a weakened local economy.

In last quarter's conference call, I discussed multiple rate actions that took effect on June 1. Our purposeful regulatory strategy is one of our ongoing successes this year. These actions continue to improve our overall earnings, specifically contributing to increased results this quarter.

Also, on August 28, 2009, the Company filed with the IPUC a notice of intent to file a general rate case on or after October 28, 2009. Recently, however, the Company has reached agreement in principle with its customer groups and the IPU staff regarding a number of rate issues that may avoid the anticipated general rate case filing. This agreement will be memorialized in a formal settlement stipulation, which will be filed in early November, along with supporting testimony, with the IPUC for approval.

As indicated earlier, July through September hydroelectric production was stronger this year compared to last year during the same period. Our hydroelectric facilities generated approximately 2 million megawatt hours during this quarter, compared to approximately 1.8 million megawatt hours in 2008. Also, storage levels on October 22 in selected reservoirs upstream of Brownlee were at 135% of average, providing good reservoir storage carryover into the new water year that began on October 1.

As we work to properly position our Company for the future, we realize new and upgraded infrastructure is needed for communities in our service area to take full advantage of the opportunities a recovering economy will provide. Progress continues on site selection on the Boardman to Hemingway and Gateway West transmission line projects. Our commitment to working with stakeholders is helping move these vital infrastructure projects forward.

On September 1, the IPUC approved Idaho Power's application for a certificate of public convenience and necessity, authorizing the construction of the 300-megawatt Langley Gulch power plant. The order provides important cost recovery and ratemaking assurances, including preapproval of nearly \$400 million of project construction costs in base rates to be collected when the project achieves commercial operation. The addition of Langley Gulch will contribute to our growing, diverse resource portfolio. These resources, combined with our existing hydroelectric base, help position us for climate change legislation currently being considered in congress.

Our Advanced Metering Infrastructure project continues implementation throughout our service area. As of September 30, 150,000 customers had received smart meters, and we expect nearly all customers to be on new smart meters by the end of 2011.

But the meters are only the first step. We also applied for a \$47-million, Department of Energy stimulus grant to extend the work into a fully operational smart grid. We are excited that our request was selected by DOE this week for award negotiations. Assuming successful negotiations, these projects will allow customers to receive timely information about usage and Idaho Power to better manage loads, reduce peak demand, and operate more efficiently.

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Finally, I'm pleased to announce the advancement of several Company leaders, emphasizing operational collaboration and integration while preparing leadership succession for the Company's future. To be truly exceptional, I believe an organization must continually examine itself for improvement opportunities.

Darrel Anderson, previously IDACORP and Idaho Power's Senior Vice President of Administrative Services and Chief Financial Officer, and Dan Minor, previously Idaho Power's Senior Vice President of Delivery, assumed new roles as Executive Vice Presidents. Effective October 1, Darrel is Executive Vice President of Administrative Services and Chief Financial Officer, and Dan is Executive Vice President of Operations. Creating these two new, executive leadership positions provides strength and stability for our Company's future through preparation for succession, while enabling advancement and leadership development opportunities. Both Darrel and Dan are integral to my leadership team, and their hard work, dedication, and years of service contribute to the Company's ongoing success.

Additional advancements include Lisa Grow, formerly Idaho Power's Vice President of Delivery, Engineering, and Operations, taking on new responsibilities as the Senior Vice President of Power Supply.

And Vern Porter, General Manager of Power Supply, is joining our executive leadership as Vice President of Delivery, Engineering, and Operations.

Looking forward to 2010 and beyond, we will continue to focus on prudent spending and preparing our operations for the eventual economic recovery. To that end, we expect continued activity on our capital projects and associated regulatory activity to ensure proper recovery of costs.

I'll now turn it over to Darrel Anderson, who will update you on our financial results.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Thanks, LaMont, and good afternoon, everyone. Today I will discuss the key third quarter and year-to-date 2009 earnings drivers, our current liquidity position at IDACORP and Idaho Power, the year-to-date financing activities, and finish with an update to the 2009 key operating and financial metrics. After that, we look forward to taking your questions.

The improved financial results reported today were a combination of positive changes to our power cost adjustment regulatory mechanisms in Idaho and Oregon, retail rate changes in the first and second quarter this year, and the impact of reductions in the effective tax rate. These improvements were partially offset by a reduction in energy sales.

Hydroelectric generation increased 10% for the quarter and 18% year to date, although retail customer sale volumes decreased 4% for the quarter and 5% year to date, principally due to increased precipitation combined with increased emphasis on energy efficiency programs and the impact of a slowing economy. With the above-average precipitation, we saw a 10% reduction in irrigation sales quarter over quarter. The declines in sales volumes are partially mitigated by the load growth adjustment rate and a fixed-cost adjustment decoupling mechanism.

Continued impacts from the Idaho Public Utilities Commission's Orders on the allocation of base power supply costs reduced net income in the third quarter by \$4.2 million. However, this is expected to increase fourth quarter 2009 net income by approximately \$1.6 million as compared to the fourth quarter 2008. We included a table summarizing these changes in our Form 10-Q filed earlier today.

Again, while the distribution methodology does not affect the total amount of base net power supply costs used to calculate the annual power cost adjustment deferral, it does affect the quarters in which they are allocated and, thus, impacts quarterly results. As we look beyond 2009, we expect the comparability issues to be minimized with the revised methodology.

General business revenues increased \$31 million for the quarter and \$61 million year to date as compared to the same period in 2008. The increase is mostly attributable to a series of changes in retail base rate in 2008 and 2009, combined with power cost adjustment rate increases in June 2008 and 2009. These rate changes, combined with customer growth, accounted for an increase in revenues of \$42 million for the quarter and \$100 million year to date. These increases were partially offset by a reduction in usage, which reduced revenues by \$11 million for the quarter and \$38 million year to date due to temperature fluctuations, increased precipitation, and the current economy.

Other operation and maintenance expenses decreased \$2 million for the quarter and nearly \$1 million year to date. The reduction for the quarter was primarily attributable to a reduction in outside services, while the year-to-date is a combination of lower outside service costs, partially offset by an increase in labor-related expenses.

Income taxes for both periods decreased due to the settlement of the 2006 Internal Revenue Service examination and the state of Idaho's adoption of the federal bonus depreciation provisions. These items contributed to the reduction in the effective tax rate at IDACORP to 20.3% compared to 23.8% in 2008, and 27.2% at Idaho Power Company as compared to 32.9% in 2008.

I'll now discuss IDACORP's liquidity for the year to date 2009.

Cash flow from operations improved to \$223 million from \$115 million. The increase is primarily the result of a \$45-million improvement in the collection of previously deferred power supply costs, a decrease in the deferral of net power supply costs of \$42 million, and an increase in net cash refunded for income taxes of \$30 million. Cash flow from operations was also positively impacted by an increase in net income of \$10 million. These improvements were partially offset by the refund of \$13 million to transmission customers after receiving the final Order from the Federal Energy Regulatory Commission on Idaho Power's open-access transmission tariffs.

Cash used for investing activities was \$147 million, a decrease of approximately \$18 million. Idaho Power's net expenditures for utility plants were nearly \$21 million less than 2008, reflecting the reduction in new customer connections. IDACORP also made a \$6-million investment in affordable housing at IDACORP Financial. The outflows were partially offset by \$9 million received from the sale of bond investments at IDACORP Financial, \$2 million in proceeds from the sale of emission allowances by Idaho Power, and \$2 million in proceeds from the sale of the Southwest Intertie Project by Idaho Power.

Key financing activities during the first nine months of the year included the issuance of \$100 million of Idaho Power first mortgage bonds, net repayment of \$111 million in short-term debt, and proceeds of \$17 million in new equity issued under the dividend reinvestment plan, employee benefit plan, and the continuous equity program. During the quarter, IDACORP sold 489,360 shares of common stock under its continuous equity program that raised a total of approximately \$14 million. Of the total shares sold, 163,053 for proceeds of \$4.7 million were settled in October. In addition, IDACORP issued an additional [283,071 shares for proceeds of \$7.2 million] (corrected by company after the call) during the quarter under the dividend reinvestment and employee benefit plan.

In August, Idaho Power remarketed \$166 million in Pollution Control Revenue Refunding Bonds and used the proceeds to pay its \$170-million term loan credit agreement. IDACORP also made a \$20-million cash contribution to Idaho Power in September.

Commercial paper outstanding at September 30, 2009 was \$37 million at IDACORP and none at Idaho Power. Current revolving credit facilities at IDACORP and Idaho Power are \$100 million and \$300, respectively, with \$63 million available at IDACORP and \$276 million available at Idaho Power at September 30. Both of these facilities expire in April 2012.

I'll now update you on the key operating and financial metrics for 2009. These are also shown in both the earnings release issued earlier today and our third quarter Form 10-Q.

The revised range of capital expenditures reflects a 2009 estimate for Langley Gulch power plant, construction expenditures of \$50 million to \$55 million, and lower estimated ongoing capital expenditures. For the three-year period 2009 to 2011, Idaho Power expects to invest approximately \$975 million to \$1 billion. As indicated in our 10-Q filed this morning, this amount includes the Langley Gulch power plant and expenditures for the siting and permitting of major transmission expansions for Boardman to Hemingway transmission line, Gateway West transmission project, and the Hemingway-Bowmont transmission line, as well as the construction of the Hemingway Station. Excluding the Langley Gulch power plant, our three-year estimate represents a decrease in projected expenditures from that discussed in our 2008 Form 10-K of approximately \$125 million over the three-year period.

We continue to expect to finance the capital program with a combination of internally generated funds, equity, and debt. While internal cash generation after dividends is expected to provide less than the full amount of total capital requirements for the remainder of 2009 and through 2011, IDACORP and Idaho Power expect minimal need for external financing through the end of 2009 and into 2010, except for issuances under the dividend reinvestment employee-related plans and the IDACORP continuous equity program.

In the event IDACORP and Idaho Power Company decide to access the capital markets, IDACORP has access to approximately 2.1 million shares of common stock under the continuous equity program, and Idaho Power has \$130 million remaining on a shelf registration statement that can be used for the issuance of first mortgage bonds and unsecured debt.

As of September 30, our capital structure, including notes payable and the current portion of long-term debt, was 50% debt and 50% equity at IDACORP and 52% debt and 48% equity at Idaho Power.

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We narrowed the range of estimated hydroelectric generation to between 8 million and 8.5 million megawatt hours based on actual generation through September and estimated generation for the balance of this year.

Year-to-date performance reflects the impact of above-normal precipitation and higher reservoir storage releases.

We expect to provide 2010 key operating and financial metrics with our 2009 yearend earnings release in February of 2010.

This concludes my financial update. Now we'd like to respond to your questions.

QUESTION AND ANSWER

Operator

(Operator Instructions). Paul Ridzon.

Paul Ridzon - KeyBanc Capital Markets - Analyst

I was wondering if you could give more clarity on the tax items that hit the quarter, kind of quantifying each of the items.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Paul, I'll talk a little bit about that, and I'll see if I can answer-- get you some specifics on it. But, of the-- If you take a look at our reconciliation, we talk in there about a \$3.8-million impact coming out of changes in effective rate. And some of those relate to the bonus depreciation, and some of it just relates to true-ups of tax settlements. And I think, in round numbers, it's kind of around, I think, 50/50, if you kind of take a look at that as to what the impacts of those are. And it's more-- It's just not one tax adjustment; it's a series of adjustments in trueing up some of the outstanding tax issues. So more detail than that I'm not sure we can get to you at this point.

Paul Ridzon - KeyBanc Capital Markets - Analyst

Okay. And, secondly, you indicated a \$6-million investment in IFS. Is this kind of a departure from the previous strategy of letting that segment wind down and the tax credits naturally decay? Or was it just something opportunistic out there?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

It was kind of a combination. It was just kind of a maintenance investment, I think, is what I would call that. There were some funds available, and it made some sense in a project that they were looking at to make that investment. It doesn't-- It's not an indication of any particular change in what we're doing with IDACORP Financial at this point.

Paul Ridzon - KeyBanc Capital Markets - Analyst

So you would anticipate that cash is going to be directed more towards utilities and getting back into that type of segment?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

That's correct. You heard the numbers that we shared on what we see on the next three years, and we're looking for, really, every dollar we can to really fund the capital program that we've got on the table, because, as LaMont indicated, we are looking to ensure that not only the current infrastructure is where it needs to be but also ensuring that we have the infrastructure there so that our service territory can take advantage of that,

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because we do believe Idaho is a place that people want to do business. There's a lot of folks that have identified Idaho as a place to do business, and we need to continue to ensure that we're meeting those needs.

Paul Ridzon - KeyBanc Capital Markets - Analyst

Okay. Thank you.

Operator

Emily Christy.

Emily Christy - RBC Capital Markets - Analyst

Just to follow on the tax question there, the impact for the quarter-- how much of that is going to be ongoing? Do you have an idea of the effective tax rate for 2010?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

We don't have that for you today, Emily. We would love to provide that for you in February. But part of the ongoing bonus depreciation that's coming out of Idaho will be-- a piece of that will be dependent upon whether that continues into 2010 or not. That's not a guarantee that that takes place, depending what happens at the federal level.

And then there always seems to be ongoing true-ups for tax provisions. We have settled most of our outstanding tax issues. So, short of new things that come up on the tax side, it's really hard to predict.

Emily Christy - RBC Capital Markets - Analyst

Okay.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Let me go back, actually. I think your question was kind of more the effective tax rate. And, if you go back and take a look at where we've been historically on the tax rate, barring-- The ranges that we have out there with respect to the effective tax rate at Idaho Power generally shouldn't move around a lot. We do have some flow-through adjustments that have an impact on that. But, generally speaking, that shouldn't move around a whole lot, short of one-time kind of items.

Emily Christy - RBC Capital Markets - Analyst

Okay. So the settlements that you've already reached-- that impact has been fully realized, and we shouldn't expect it more for the fourth quarter? Or is that going to be petering out and included in the fourth quarter?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

You're always assessing that. But we've trued up the taxes based on what we know today.

Emily Christy - RBC Capital Markets - Analyst

Okay. Moving on to the smart meters and smart grid project, congratulations on the loan-- or on the grant, by the way. Is there going to be any associated CapEx with that build-out that's going to be on your books?

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Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

As LaMont mentioned, we've already-- We've been well into the process of installing the smart meters already. And part of our application was really to supplement the rest of the program that we have. We believe the majority of the spend under our grant will help to reduce future capital needs that we have. And it's an opportunity for us to accelerate some of the things under our smart meter program that we would otherwise be spending maybe a little farther out. And so it will help provide cash to support that. But it's not necessarily-- We don't think it will be 100% capital, but we think the majority of it is expected to be capital related.

Emily Christy - RBC Capital Markets - Analyst

Okay. Thank you very much.

Operator

James Bellessa.

James Bellessa - D.A. Davidson & Cy - Analyst

The CapEx budget that you talked about-- removing Langley Gulch from your CapEx budget, you've reduced your three-year spend by \$100-and-how-many million?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Around \$125 million, Jim, from what we disclosed in our 2008 10-K.

James Bellessa - D.A. Davidson & Cy - Analyst

And so what did you have to give up? You're saying you want to keep reliability and service and all these things maintained at a good level. But to give up \$125 million of CapEx from other projects-- Aren't you putting yourself a little vulnerable?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

We are continuing to assess on an ongoing basis what our capital needs are and continuing to balance the-- We're not giving up reliability. That's a core for us. We're not giving up reliability. We're staying focused there. Part of that is expectation on what new-- the needs for new business. Part of that's included in that reduction. And we've also just continued to really fine tune how much capital we absolutely need. I think the question is-- Does it become a deferral, or does it become an elimination is the question that only time will tell with respect to some of those decisions down the road. But we are not foregoing safety or reliability when we take a look at and we're managing the capital program.

James Bellessa - D.A. Davidson & Cy - Analyst

How much of the reduction might have been based on the economy's downturn and, therefore, the prospects for rebound not being as great as you had previously forecast?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Jim, I think, over that time period, it's probably \$50 million to \$60 million-- somewhere around \$15 million a year, thereabouts, plus or minus. And those are round numbers.

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James Bellessa - D.A. Davidson & Cy - Analyst

You indicated that you're going to spend some money for permitting and siting some transmission lines but also building out a substation that must be related to these transmission lines. Why would you go ahead and build out the Hemingway Station before you get approvals and what not for the lines?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Right. I'll start that, Jim. The Hemingway Station is really being built-- It is one of the terminuses for where Boardman-Hemingway come. But we're also looking at some other reliability expansion projects that that station is being built for also. And so it's located to serve a number of different functions.

James Bellessa - D.A. Davidson & Cy - Analyst

Thank you very much.

Operator

[James Barry].

Brian Russo - Ladenburg Thalmann & Company - Analyst

It's actually Brian Russo with Ladenburg. You mentioned earlier that you had reached an agreement with various parties, I believe, to avoid a general rate case filing. Can you elaborate on that a little bit?

LaMont Keen - IDACORP, Inc. - IDACORP and Idaho Power President and CEO

I can't expand very much because, unfortunately, this call occurs at a point in the process where we have reached agreement in principle but are not yet ready to file the settlement stipulation with the IPUC. Therefore, I can't give you specifics at this time but will say that we believe the agreement is a constructive event that supports our need for financial strength while mitigating impacts to customers during a difficult time in the economy. And we look forward to sharing the details with you in the weeks to come. And, hopefully, that's only a week or two out.

Brian Russo - Ladenburg Thalmann & Company - Analyst

I would imagine, if you believe it's constructive, it preserves your ability to earn your allowed ROE on your rate base?

LaMont Keen - IDACORP, Inc. - IDACORP and Idaho Power President and CEO

A lot of factors are considered. And, certainly, if I believe it's constructive, I think it's going to be useful to us for capital purposes and for operating results. But, again, I can't give you the details until we're ready to file the stipulation.

Brian Russo - Ladenburg Thalmann & Company - Analyst

Right. Understood. Just remind me. Did you actually file for a general rate increase, or was the settlement reached before filing?

LaMont Keen - IDACORP, Inc. - IDACORP and Idaho Power President and CEO

Before filing. We gave notice of the intent to file, which is a requirement in the Idaho jurisdiction. You have to give notice 60 days before you're going to file. So we gave notice that we were going to file and could have filed as early as October 28. And, in the interim, we entered discussions

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with the staff of the Commission and our customer groups to see if there was a negotiated agreement that we could all agree to. It doesn't set the rates, but it gives us an agreement to take to the Commission for their approval. And that's what's being developed today.

Brian Russo - Ladenburg Thalmann & Company - Analyst

Okay. And in terms of your O&M expense control, which you've done a very good job of this year, how much of that would you view as kind of permanent cuts versus maybe some that's just postponed?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Brian, that's a great question. We are-- As we look to 2010, we continue to assess where the expense pressures are coming from. And, obviously, those come in the form of labor dollars, healthcare dollars. That's where a lot of that happens. From a headcount perspective, we are down from where we were a year ago. Our goal is to maintain that, where we are down from a headcount standpoint, and trying to manage through any upward pressures on costs. And so we are working very hard.

Now, whether or not we will be able to stay flat is the challenge for us. And we will be able to update you more on that in February. But we're doing everything we can to manage those expenses where we can.

Brian Russo - Ladenburg Thalmann & Company - Analyst

Okay. And just-- Can you remind us how much of your annual kilowatt-hour sales is generally derived in the fourth quarter, assuming normal weather, approximately?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

Percentage-wise, Brian?

Brian Russo - Ladenburg Thalmann & Company - Analyst

Yes.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

I don't have that handy, actually. Someone may dig that up here while we're on the call. We're going to relay that back. Is that fair?

Brian Russo - Ladenburg Thalmann & Company - Analyst

That's fine. And I'm sorry if you mentioned this earlier. But what was your kilowatt-hour sales growth for the nine months to date?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

You want the year-to-date number, Brian?

Brian Russo - Ladenburg Thalmann & Company - Analyst

Sure.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

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And you just want sales, right? You don't want dollars?

Brian Russo - Ladenburg Thalmann & Company - Analyst

Sales.

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

And I will give you-- It's actually a decline because-- primarily as a result of irrigation customer reductions. We had a slight reduction in residential sales. But, from a percentage standpoint, it's about 5%.

Brian Russo - Ladenburg Thalmann & Company - Analyst

Okay. And the dynamic with the irrigation customers with precipitation-- Is that something that's going to impact the fourth quarter also?

Darrel Anderson - IDACORP, Inc. - IDACORP and Idaho Power EVP of Admin Servs/CFO

We don't have-- Irrigation is not a big part of the load in the fourth quarter.

Brian Russo - Ladenburg Thalmann & Company - Analyst

Okay. Great. Thank you very much.

Operator

That concludes the question and answer session for today. We have no further questions in the queue. Mr. Keen, I will turn the conference back over to you.

LaMont Keen - IDACORP, Inc. - IDACORP and Idaho Power President and CEO

Thank you, all, for participating on our call this afternoon. As I mentioned in my introduction to the call, our continued focus and hard work achieving initiatives that move the Company forward are producing positive results. And these continued improvements result from the daily efforts of more than 2,000 employees entrusted to steward your Company. It is important to recognize their commitment in delivering these positive quarterly results.

Several members of our finance team will be in Florida next week at the EEI financial conference. And I hope you take the opportunity to visit with them.

Once again, thank you for your interest in IDACORP, and good day.

Operator

That concludes today's conference. Thank you for your participation.

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