

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 4, 2009

<u>Commission File Number</u>	<u>Exact name of registrant as specified in its charter, address of principal executive offices and registrant's telephone number</u>	<u>IRS Employer Identification Number</u>
1-3198	Idaho Power Company 1221 W. Idaho Street Boise, ID 83702-5627 (208) 388-2200	82-0130980

State or Other Jurisdiction of Incorporation: Idaho

None

Former name or former address, if changed since last report.

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 (see General Instruction A.2.):

- 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))

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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

AND

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

Idaho Power Company (“IPC”) entered into a \$170 million Term Loan Credit Agreement, dated as of February 4, 2009 (the “2009 Term Loan Agreement”), with JPMorgan Chase Bank, N.A., as administrative agent and lender (“JPMorgan”), and Bank of America, N.A., Union Bank, N.A. and Wachovia Bank, National Association, as lenders (and together with JPMorgan, the “Lenders”).

Under the 2009 Term Loan Agreement, the Lenders made loans to IPC on February 4, 2009 in an aggregate principal amount of \$170 million. The proceeds were used to prepay the \$170 million Term Loan Credit Agreement, dated as of April 1, 2008, by and among IPC and the Lenders (the “2008 Term Loan Agreement”).

The loans under the 2009 Term Loan Agreement are due on February 3, 2010, but are subject to earlier payment if IPC remarkets the \$116,300,000 Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (Idaho Power Company Project) Series 2006 and the \$49,800,000 Humboldt County, Nevada Pollution Control Revenue Refunding Bonds (Idaho Power Company Project) Series 2003 that IPC purchased on April 3, 2008 and is currently holding. The loans under the 2009 Term Loan Agreement may be prepaid, but may not be reborrowed.

The loans bear interest at either a floating rate or a Eurodollar rate. The floating rate is equal to (i) the highest of (a) the prime rate announced by JPMorgan Chase Bank on such day, (b) the sum of (1) the federal funds effective rate in effect on such day plus (2) ½ percent per annum and (c) an amount equal to (1) the LIBO Reference Rate on such day plus (2) 1 percent plus (ii) the applicable margin. The Eurodollar rate is (i) the rate published on the Reuters BBA Libor Rates Page 3750 (or on any successor or substitute page) for dollar deposits with a comparable maturity plus (ii) the applicable margin. The LIBO Reference Rate is the rate appearing on the Reuters BBA Libor Rates Page 3750 (or on any successor or substitute page) as the rate for United States dollar deposits for a one month interest period. The applicable margin is currently two percent for Eurodollar advances and one percent for floating rate advances, but may be increased or decreased based upon the ratings assigned to IPC’s senior unsecured debt by Moody’s Investors Service, Inc. and Standard and Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

The events of default under the 2009 Term Loan Agreement include (i) nonpayment of principal when due or nonpayment of interest or other fees within five days after becoming due, (ii)

materially false representations or warranties made by or on behalf of IPC or any of its subsidiaries on the date as of which made, (iii) breach of covenants, subject in some instances to grace periods, (iv) voluntary and involuntary bankruptcy of IPC or any material subsidiary, (v) the non-consensual appointment of a receiver or similar official for IPC or any of its material subsidiaries or any substantial portion (as defined in the 2009 Term Loan Agreement) of its property, (vi) condemnation of all or any substantial portion of the property of IPC and its subsidiaries, (vii) failure of IPC or any of its subsidiaries to pay when due indebtedness in excess of \$25 million or a default by IPC or any of its subsidiaries under any agreement under which such debt was created or governed which will cause or permit the acceleration of such debt or if any of such debt is declared to be due and payable prior to its stated maturity, or IPC or any of its subsidiaries not paying, or admitting in writing its inability to pay, its debts as they become due, (viii) IPC or any of its subsidiaries failing to pay certain judgments, (ix) the acquisition by any person or two or more persons acting in concert of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934) of 20 percent or more of the outstanding shares of voting stock of IDACORP, Inc., (x) the failure of IDACORP, Inc. to own free and clear of all liens all of the outstanding shares of voting stock of IPC, (xi) certain events with respect to pension plans, including unfunded liabilities of all single employer plans under the Employee Retirement Income Security Act of 1974 exceeding \$75 million and (xii) IPC or any subsidiary being the subject of any proceeding or investigation pertaining to the release of any toxic or hazardous waste or substance into the environment or any violation of any environmental law (as defined in the 2009 Term Loan Agreement) which could reasonably be expected to have a material adverse effect (as defined in the 2009 Term Loan Agreement).

Upon any event of default relating to the voluntary or involuntary bankruptcy of IPC or the appointment of a receiver, the obligations of the lenders to make loans under the 2009 Term Loan Agreement will automatically terminate and all unpaid obligations will become due and payable. Upon any other event of default, the lenders holding a majority of the outstanding loans (required lenders) or the administrative agent with the consent of the required lenders may terminate or suspend the obligations of the lenders to make loans under the 2009 Term Loan Agreement and/or declare the obligations to be due and payable.

The 2009 Term Loan Agreement contains a covenant requiring IPC to maintain a leverage ratio of consolidated indebtedness to consolidated total capitalization of no more than 65 percent as of the end of each fiscal quarter. The 2009 Term Loan Agreement contains additional covenants including:

- (i) prohibitions against investments and acquisitions by IPC or any subsidiary without the consent of the required lenders subject to certain exclusions including exclusions for investments in cash equivalents or investments permitted by the investment policies of the IPC Board of Directors; investments by IPC and its subsidiaries in any business trust controlled, directly or indirectly, by IPC to the extent such business trust purchases securities of IPC; investments and acquisitions related to the energy business or other business of IPC and its subsidiaries made after the date of the 2009 Term Loan Agreement not exceeding \$750 million in the aggregate at any one time outstanding; and investments by IPC or a subsidiary in connection with a permitted receivables securitization (as

defined in the 2009 Term Loan Agreement);

- (ii) prohibitions against IPC or any material subsidiary merging or consolidating with any other person or selling or disposing of all or substantially all of its property to another person without the consent of the required lenders, subject to exclusions for mergers into or dispositions to IPC or a wholly owned subsidiary and dispositions in connection with a permitted receivables securitization;
- (iii) restrictions on the creation or existence of certain liens by IPC or any material subsidiary subject to exceptions, including the lien of IPC's first mortgage; and
- (iv) prohibitions on IPC or any material subsidiary entering into any agreement restricting the ability of the material subsidiary to declare or pay dividends to IPC except pursuant to a permitted receivables securitization.

Without additional approval from the Idaho Public Utilities Commission, the Public Utility Commission of Oregon and the Public Service Commission of Wyoming, the aggregate amount of borrowings by IPC under the 2009 Term Loan Agreement together with any other short-term borrowings at any one time outstanding may not exceed \$450 million.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 5, 2009

Idaho Power Company

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