

IDACORP INC
Form 11-K
June 23, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 11-K**

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES
EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-14465

**IDAHO POWER COMPANY
EMPLOYEE SAVINGS PLAN**

(Full title of Plan)

**IDACORP, Inc.
1221 W. Idaho Street
Boise, ID 83702-5627**

(Name of issuer and address of principal executive office)

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN

FINANCIAL STATEMENTS AND EXHIBITS:

| | Page |
|--|-------|
| (A) Financial Statements of the Idaho Power Company Employee Savings Plan as of and for the Years Ended December 31, 2004 and 2003: | |
| Report of Independent Registered Public Accounting Firm | 3 |
| Statements of Net Assets Available for Benefits | 4 |
| Statements of Changes in Net Assets Available for Benefits | 5 |
| Notes to Financial Statements | 6-10 |
| Supplemental Schedule as of December 31, 2004: | |
| Form 5500, Schedule H, Part IV, Line 4i, Schedule of Assets (Held at End of Year) | 11-12 |

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

(B) **Exhibits:**

| | | |
|-------|--|----|
| Index | | 14 |
| 23 | Consent of Independent Registered Public Accounting Firm | 15 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants in the
Idaho Power Company Employee Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Idaho Power Company Employee Savings Plan (the Plan) as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the 2004 basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Boise, Idaho
June 10, 2005

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****DECEMBER 31, 2004 AND 2003**

| | 2004 | | 2003 |
|-----------------------------------|----------------|----|-------------|
| INVESTMENTS (Note 3): | \$ 214,854,604 | \$ | 195,216,403 |
| RECEIVABLES: | | | |
| Participant contributions | 322,253 | | 244,483 |
| Employer contributions | 141,105 | | 108,483 |
| Total receivables | 463,358 | | 352,966 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 215,317,962 | \$ | 195,569,369 |

See notes to financial statements.

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2004 AND 2003**

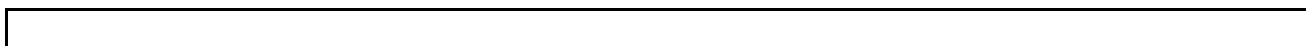
| | 2004 | | 2003 |
|---|--------------|----|-------------|
| CONTRIBUTIONS: | | | |
| Participant contributions | \$ 8,257,194 | \$ | 8,415,441 |
| Employer contributions | 3,538,591 | | 3,684,337 |
| Total contributions | 11,795,785 | | 12,099,778 |
| INVESTMENT INCOME: | | | |
| Net appreciation in fair value of investments (Note 3) | 11,496,522 | | 31,753,995 |
| Dividends and interest | 6,140,804 | | 5,795,720 |

| | | | |
|------------------------------------|----------------|----|-------------|
| Net investment income | 17,637,326 | | 37,549,715 |
| DEDUCTIONS: | | | |
| Benefits paid to participants | 9,675,373 | | 5,886,850 |
| Administrative expenses | 9,145 | | 6,000 |
| Total deductions | 9,684,518 | | 5,892,850 |
| INCREASE IN NET ASSETS | 19,748,593 | | 43,756,643 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | | |
| Beginning of year | 195,569,369 | | 151,812,726 |
| End of year | \$ 215,317,962 | \$ | 195,569,369 |

See notes to financial statements.

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN

**NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2004 AND 2003**



1. DESCRIPTION OF THE PLAN

The following brief description of the Idaho Power Company Employee Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General - The Plan is a defined contribution plan covering all employees (full-time, part-time and temporary) of IDACORP, Inc. (IDACORP) and its participating subsidiaries (the Company), including Idaho Power Company, as allowed under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan's Fiduciary Committee controls and manages the operation and administration of the Plan. Putnam Fiduciary Trust Company (Putnam) serves as the trustee of the Plan. As of December 31, 2004, there were 1,558 employees contributing to the Plan and 1,977 total participants (including inactive participants as defined by the Plan).

Effective January 1, 1998, the Plan was amended and restated. This amendment and restatement converted the Plan into a combined 401(k) and employee stock ownership plan, which allows participants the option of obtaining distributions in the form of cash or common stock of IDACORP. Employees are eligible to participate in the Plan as of their hire date, although matching contributions require the completion of 12 months of employment. The amended and restated plan also allows the Plan Administrator to distribute the quarterly dividend on shares of IDACORP stock held in the accounts of certain participants (former employees, including retirees) to the respective participants after the dividend is paid (the dividend pass-through feature). In 2002, an amendment to the Plan was made to provide the option of a pass-through, or reinvestment of, the IDACORP dividend to all participants in the Plan.

Contributions - Eligible employees may participate in the Plan by contributing to the Savings Feature (after-tax) or to the Deferred Feature (before-tax) of the Plan. The participant may elect to contribute to either or both features up to 100 percent of base compensation, as defined in the Plan, subject to certain IRC limitations. The Company makes a contribution for the participant in an amount equal to 100 percent of the participant's first two percent of base compensation contributed to the Plan and 50 percent of the next four percent of base compensation contributed to the Plan. Participant contributions in excess of six percent of base compensation are not matched by the Company. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Investments - Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 44 mutual funds, IDACORP common stock and a brokerage account as investment options for participants.

Vesting - Participant accounts are fully vested and nonforfeitable at all times.

Payments of Benefits and Withdrawals - Participants may withdraw elective deferrals under the hardship provision of the Plan while still employed by the Company. Employees participating in the Plan may withdraw employee after-tax contributions at any time upon request. On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's interest in his or her account, or initiate partial withdrawals up to the participant's interest from his or her account. For termination of service for other

reasons, a participant with a balance less than \$1,000 will automatically receive a distribution of his or her account balance. Participants with \$1,000 or more in their accounts may leave their interest in the Plan or receive a lump sum distribution.

Participant Loans - Under certain circumstances participants may borrow against their account balances. Loans are limited to 50 percent of the participant's account balance, with a maximum outstanding loan balance of \$50,000. The interest rate on participant loans is set at the prime rate on the first business day of the month in which the loan is requested, plus one percent. The interest rate determined will remain fixed through the duration of the loan. All loans must be repaid within five years except for loans for the initial purchase of a primary residence, which have a maximum repayment period of ten years. Principal and interest is paid through payroll deductions.

Participant Accounts - Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching contribution and Plan earnings and is charged with withdrawals and an allocation of Plan losses. Gains and losses on investments are allocated to participants' accounts based upon relative fund account balances at regular valuation dates specified by the trustee of the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Payment of Benefits - Benefit payments to participants are distributed and recorded on the day of request.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value and quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Participant loans are valued at the outstanding loan balances.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan's Sponsor, as provided in the Plan Document. Plan participants who have a brokerage account pay an administrative expense of \$25 per quarter.

Reclassifications - Certain items previously reported for 2003 have been reclassified to conform to the current year's presentation. Net assets available for benefits and the increase in net assets were not affected by these reclassifications.

3. INVESTMENTS

The Plan's investments that represent five percent or more of the Plan's net assets available for benefits as of December 31 were as follows:

2004

| | | |
|-----------------------------------|----|------------|
| IDACORP, Inc. Common Stock | \$ | 55,452,415 |
| Vanguard Institutional Index Fund | | 26,605,441 |
| Dodge & Cox Income Fund | | 19,755,213 |
| Putnam Money Market A | | 16,572,259 |
| TRP Equity Income Fund | | 13,840,323 |
| PIMCO NFJ Small Cap Value I | | 11,434,747 |

2003

| | | |
|-----------------------------------|----|------------|
| IDACORP, Inc. Common Stock | \$ | 63,232,272 |
| Vanguard Institutional Index Fund | | 24,141,614 |
| Dodge & Cox Income Fund | | 14,375,582 |
| Putnam Money Market A | | 13,311,211 |

During the years ended December 31, 2004 and 2003, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | 2004 | 2003 |
|-----------------------|--------------|--------------|
| Mutual Funds - Blend | \$ 4,038,439 | \$ 8,817,564 |
| Mutual Funds - Growth | 2,528,245 | 5,806,252 |
| Mutual Funds - Income | (11,830) | 222,117 |
| Mutual Funds - Value | 3,946,266 | 5,212,214 |
| Brokerage Securities | 26,085 | 506,977 |

| | | |
|--------------|---------------|---------------|
| Common Stock | 969,317 | 11,188,871 |
| | \$ 11,496,522 | \$ 31,753,995 |

4. PLAN TERMINATION

Although it has not expressed the intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would remain 100 percent vested in their accounts.

5. FEDERAL INCOME TAX STATUS

The Company received a determination letter, dated August 1, 2001, from the Internal Revenue Service stating that the Plan, as amended, is qualified under Sections 401 and 501 of the IRC. The Plan has been amended since receiving the determination letter; however, the Company and the Plan Administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Participants in a qualified plan are not subject to income taxes on Company contributions or dividend income allocated to their accounts until a distribution is made from the Plan. Therefore, no provision for income taxes has been included in the Plan's financial statements. Dividends paid under the dividend pass-through feature (Note 1) are considered taxable income to the participant in the year received.

6. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Putnam. Putnam is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

At December 31, 2004 and 2003, the Plan held 1,813,949 and 2,113,378 shares, respectively, of common stock of IDACORP, Inc., the parent company of the sponsoring employer, with a cost basis of \$50,299,595 and \$58,294,106 respectively.

During the years ended December 31, 2004 and 2003, the Plan recorded dividends received from IDACORP of \$2,351,923 and \$3,767,724 respectively.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The only reconciling amount between net assets available for benefits as reported in the financial statements and the Form 5500 as of December 31, 2004 is deemed distributions to participants of \$59,918.

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN**FORM 5500, SCHEDULE H, PART IV, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2004**

| (a) | (b) Identity of Issue | (c) Description of Investment | (d) Cost** | (e) Current Value |
|------------|------------------------------|--------------------------------------|-----------------------|------------------------------|
| * | Putnam Investments | Putnam Bond Index Fund | | \$ 1,006,497 |
| * | Putnam Investments | Putnam Small Cap Value | | 3,287,255 |
| | AIM Investments | AIM Small Cap Growth Fund | | 3,616,273 |
| * | Putnam Investments | Putnam Capital Opportunities | | 697,272 |
| | Brokerage Account | Brokerage Securities | | 2,020,975 |
| * | Putnam Investments | Putnam Small Cap Growth | | 1,637,608 |
| * | Putnam Investments | Putnam Money Market Fund SDB | | 232,452 |
| * | Putnam Investments | | | 600,304 |

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| | | |
|---|---|------------|
| | Putnam International Growth & Income Fund Y | |
| | Harbor Capital Appreciation Fund | 9,931,095 |
| * | Putnam Investments Putnam Research Fund | 169,829 |
| * | Putnam Investments Putnam Health Science Y | 411,509 |
| * | Putnam Investments Putnam American Government D23 | 247,671 |
| | PIMCO Investments PIMCO Small Cap Value I | 11,434,747 |
| | Vanguard Vanguard Balanced Fund Admiral Shares | 3,059,182 |
| * | Putnam Investments Putnam Balanced Portfolio, Class Y | 4,909,597 |
| * | Putnam Investments New Value | 1,145,019 |
| | Causeway Capital Causeway International Fund Management | 4,529,809 |
| | T. Rowe Price TRP Equity Income Fund | 13,840,323 |
| | Artisan Artisan International Fund | 3,731,837 |
| | Dodge & Cox Funds Dodge & Cox Income Fund | 19,755,213 |
| | Vanguard Vanguard Institutional Index Fund | 26,605,441 |
| * | Putnam Investments Putnam Discovery Growth Fund Class Y | 156,349 |
| * | Putnam Investments Putnam Diversified Income Trust Class Y | 340,874 |
| * | Putnam Investments Putnam OTC Emerging Growth Fund Class Y | 6,785,705 |
| * | Putnam Investments Putnam International Growth Fund Class Y | 8,791,310 |
| * | Putnam Investments Putnam Investors Fund | 657,319 |
| * | Putnam Investments Putnam Growth Opportunities | 45,619 |
| * | Putnam Investments Putnam Equity Income Fund | 552,865 |
| * | Putnam Investments Putnam High Yield Trust Y | 552,751 |
| * | Putnam Investments Putnam Classic Equity Y | 99,579 |
| * | Putnam Investments Putnam Convertible Income & Growth Y | 81,088 |
| * | Putnam Investments Putnam International Voyager Y | 605,043 |
| * | Putnam Investments George Putnam Fund Y | 457,180 |
| * | Putnam Investments Putnam Fund for Growth & Income Y | 1,985,023 |
| * | Putnam Investments Putnam Global Growth Y | 229,713 |
| * | Putnam Investments Putnam Income Fund Y | 408,533 |
| * | Putnam Investments Putnam New Opportunities | 250,269 |
| * | Putnam Investments Putnam Voyager Fund Y | 3,848,752 |
| * | Putnam Investments Putnam Vista Fund Y | 270,824 |
| * | Putnam Investments Pending Account | 6,330 |
| * | Putnam Investments Putnam Capital Appreciation A | 235,312 |
| * | Putnam Investments Putnam Global Government Income A | 350,472 |
| * | Putnam Investments Putnam Europe Growth | 106,519 |
| * | Putnam Investments Putnam Global Natural Resources Fund | 565,053 |

IDAHO POWER COMPANY EMPLOYEE SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2004

| (a) | (b) Identity of Issue | (c) Description of Investment | (d) Cost** | (e) Current Value |
|-----|-----------------------|----------------------------------|------------|-------------------|
| * | Putnam Investments | Putnam International New Opps A | \$ | 86,452 |
| * | Participant Loans | Participant Loans | | 2,233,418 |
| * | IDACORP, Inc. | Common Stock | | 55,452,415 |
| * | Putnam Investments | Putnam Money Market A | | 16,572,259 |
| * | Putnam Investments | Putnam Utility Growth & Income A | | 257,670 |
| | | | \$ | 214,854,604 |

*Denotes a permitted party-in-interest with respect to the Plan

**Cost information is not required for participant-directed investments and, therefore, is not included.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, Idaho Power Company, as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Idaho Power Company
Employee Savings Plan

By: /s/ Darrel T. Anderson

Idaho Power Company, as Plan Administrator, by Darrel T. Anderson, Chief Financial Officer

Date: June 23, 2005

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EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Exhibit</u> | <u>Sequentially Numbered Page</u> |
|-----------------------|---|---------------------------------------|
| 23 | Consent of Independent Registered Public Accounting Firm | 15 |

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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We consent to the incorporation by reference in Registration Statement No. 333-104254 of IDACORP, Inc. on Form S-8 of our report dated June 10, 2005, appearing in this Annual Report on Form 11-K of the Idaho Power Company Employee Savings Plan for the year ended December 31, 2004.

DELOITTE & TOUCHE LLP

Boise, Idaho
June 10, 2005