

IDACORP INC  
Form DEF 14A  
April 07, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

IDACORP, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 20, 2010, AT BOISE, IDAHO

April 7, 2010

TO THE SHAREHOLDERS OF IDACORP, INC.:

Notice is hereby given that the Annual Meeting of Shareholders of IDACORP, Inc. will be held on May 20, 2010 at 10:00 a.m. local time at the Idaho Power Company corporate headquarters building, 1221 West Idaho Street, Boise, Idaho, for the following purposes:

1. to elect three directors nominated by the board of directors for three-year terms;
2. to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010;
3. to re-approve the material terms of the performance goals under the IDACORP 2000 Long-Term Incentive and Compensation Plan for purposes of Internal Revenue Code Section 162(m);
4. to approve the IDACORP Executive Incentive Plan for purposes of Internal Revenue Code Section 162(m); and
5. to transact such other business that may properly come before the meeting and any adjournment or adjournments thereof.

Common shareholders of record of IDACORP at the close of business on March 30, 2010, are entitled to notice of and to vote at the meeting.

You are cordially invited to attend the meeting in person. Shareholders interested in attending in person must make a reservation by calling (800) 635-5406. Whether or not you plan to attend, please vote your proxy promptly. It is important that your shares be represented at the meeting. Please vote your proxy, regardless of the size of your holdings, as promptly as possible. Any shareholder voting a proxy who attends the meeting may vote in person by revoking that proxy before or at the meeting.

If you hold your shares through an account with a bank or broker, please note that the New York Stock Exchange rules have changed. Brokers may not vote your shares on the election of directors if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted.

By Order of the Board of  
Directors

Patrick A. Harrington  
Corporate Secretary

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PROXY STATEMENT

IDACORP, Inc.  
1221 West Idaho Street  
P. O. Box 70  
Boise, Idaho 83707

GENERAL INFORMATION

We are soliciting your proxy on behalf of our board of directors for use at our annual meeting of shareholders. The meeting will be held on May 20, 2010 at 10:00 a.m., local time, at the Idaho Power Company corporate headquarters building, 1221 West Idaho Street, Boise, Idaho.

The Securities and Exchange Commission rules permit us to make this proxy statement and our annual report available to our shareholders via the internet instead of mailing printed copies of our proxy materials to each shareholder. We have elected to do this for most shareholders for our 2010 annual meeting of shareholders to lower the cost of our annual meeting.

On April 7, 2010, we mailed to our shareholders of record as of the close of business on March 30, 2010 a notice containing instructions on how to access our proxy materials over the internet and vote. If you received a notice and would like to receive a printed copy of our proxy materials, please follow the instructions for requesting such materials contained in the notice. On April 7, 2010, we also began mailing printed copies of our proxy materials to our shareholders who had previously requested paper copies of our proxy materials.

If you own IDACORP common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one notice or set of proxy materials. Please be sure to vote all your shares.

COST AND METHOD OF SOLICITATION

We will pay the cost of soliciting your proxy. Our officers and employees may solicit proxies, personally or by telephone, telegraph, fax, mail or other electronic means, without extra compensation. In addition, Laurel Hill Advisory Group will solicit proxies from brokers, banks, nominees and institutional investors at a cost of approximately \$6,000 plus out-of-pocket expenses. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for their expenses in providing our proxy materials to beneficial owners.

MATTERS TO BE VOTED UPON

As of April 7, 2010, the only business we expect to be presented at the annual meeting is:

the election of three directors nominated by the board of directors for three-year terms

the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010

the re-approval of the material terms of the performance goals under the IDACORP 2000 Long-Term Incentive and Compensation Plan for purposes of Internal Revenue Code Section 162(m) and

the approval of the IDACORP Executive Incentive Plan for purposes of Internal Revenue Code Section 162(m).



## RECORD DATE

You are entitled to notice of, and to vote at, the annual meeting if you owned shares of our common stock at the close of business on March 30, 2010.

## OUTSTANDING VOTING SECURITIES

As of March 30, 2010, we had 48,097,763 outstanding shares of common stock entitled to one vote per share.

## VOTING

### How to Vote

You may vote your proxy through the internet, by telephone or, if you received a printed proxy card in the mail, by marking, signing, dating and returning the proxy card in the enclosed postage-prepaid envelope.

If a bank or broker holds your shares, please follow the instructions you receive from your bank or broker.

In addition, if you hold shares through an account with a bank or broker, your shares may be voted even if you do not provide voting instructions. Brokerage firms have the authority under the New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. The ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2010, the re-approval of the material terms of the performance goals under the IDACORP 2000 Long-Term Incentive and Compensation Plan and the approval of the IDACORP Executive Incentive Plan are considered routine matters. When a proposal is not routine and the brokerage firm has not received voting instructions from its customers, the brokerage firm cannot vote the shares on that proposal. Those shares are considered "broker non-votes." Please note that the New York Stock Exchange rules have changed and an uncontested election of directors is no longer considered a routine matter. This means that brokers may not vote your shares on the election of directors if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted.

### Quorum

Under the Idaho Business Corporation Act, a majority of our outstanding common stock must be present in person or represented by proxy in order to hold the annual meeting.

### Votes Needed to Approve Proposals

The following votes are required for approval of each proposal at the annual meeting:

- Proposal No. 1 our directors are elected by a plurality of the votes cast by the shares entitled to vote in the election of directors. Votes may be cast in favor or withheld; withheld votes and broker non-votes have no effect on the results.
- 
- Proposal No. 2 the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010 is approved if the votes cast in favor exceed the votes cast against ratification. Abstentions are not considered votes cast and therefore are not counted for purposes of determining the results.
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Proposal No. 3 the material terms of the performance goals under the IDACORP 2000 Long-Term Incentive and Compensation Plan are re-approved by shareholders, for purposes of Internal Revenue Code Section 162(m) and Idaho state law, if a majority of the votes cast on this proposal are in favor of re-approval. Abstentions are not considered votes cast and therefore are not counted for purposes of determining the results.

Proposal No. 4 the IDACORP Executive Incentive Plan is approved, for purposes of Internal Revenue Code Section 162(m) and Idaho state law, if a majority of the votes cast on this proposal are in favor of approval. Abstentions are not considered votes cast and therefore are not counted for purposes of determining the results.

If we do not receive any direction from you, properly executed proxies that we receive will be voted FOR each of our director nominees in Proposal No. 1, FOR Proposal No. 2, ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010, FOR Proposal No. 3, re-approval of the material terms of the performance goals under the IDACORP 2000 Long-Term Incentive and Compensation Plan, and FOR Proposal No. 4, approval of the IDACORP Executive Incentive Plan.

#### How to Change or Revoke Your Proxy

You may change your proxy before it is voted at the meeting by (1) granting a subsequent proxy through the internet or by telephone, or (2) delivering to us a signed proxy card with a date later than your previously delivered proxy. If you attend the meeting and wish to vote in person, you may revoke your proxy by oral notice at that time. You may also revoke your proxy by mailing your written revocation to the corporate secretary of IDACORP at 1221 West Idaho Street, Boise, Idaho 83702-5610, and we must receive your written revocation before the meeting.

#### Secret Ballot

It is our policy that all proxies for the annual meeting that identify shareholders, including employees, are to be kept secret. Proxies will be forwarded to the independent tabulator who receives, inspects and tabulates the proxies. No proxies are available for examination and the identity and vote of any shareholder are not disclosed to our representatives or to any third party except:

as required by law

to allow the independent election inspectors to certify the results of the shareholder vote

in the event of a matter of significance where there is a proxy solicitation in opposition to the board of directors, based upon an opposition proxy statement filed with the Securities and Exchange Commission or

to respond to shareholders who have written comments on their proxies.

#### PROPOSAL NO. 1: ELECTION OF DIRECTORS

Our chairman of the board, Jon H. Miller, has reached our mandatory retirement age of 72 and will retire from the board of directors, effective immediately prior to the annual meeting, in accordance with our bylaws and corporate governance guidelines. Mr. Miller has served with distinction as a director of Idaho Power Company since 1988 and of IDACORP since 1998. He has served as chairman of the board of both companies since 1999. Gary G. Michael has been elected to succeed Mr. Miller as chairman of the board immediately prior to the annual meeting.

Upon Mr. Miller's retirement, our board of directors will consist of 11 members. Our articles of incorporation, as amended, provide that directors are elected for three-year terms, with approximately one-third of the board of directors elected at each annual meeting of shareholders.

The three directors standing for election to our board of directors are nominees for election with terms to expire in the year 2013. All nominees are incumbent directors of IDACORP and nominated for reelection.

Unless you otherwise indicate, proxies that we receive will be voted in favor of the election of the director nominees. While we expect that all of the nominees will be able to qualify for and accept office, if for any reason one or more should be unable to do so, the proxies will be voted for nominees selected by the board of directors.

Our directors are elected by a plurality of the votes cast by the shares entitled to vote in the election of directors. Votes may be cast in favor or withheld; withheld votes and broker non-votes have no effect on the results.

The board of directors unanimously recommends a vote "FOR" the nominees listed below.

#### NOMINEES FOR ELECTION – TERMS EXPIRE 2013

**JUDITH A. JOHANSEN** President of Marylhurst University, Oregon, since July 2008; former President and Chief Executive Officer, 2001 to March 2006, and Executive Vice President, 2000-2001, of PacifiCorp, electric utility serving six western states; former CEO and Administrator, 1998-2000, Director and Vice President, 1992-1996, Bonneville Power Administration, a federal power marketing agency in the Pacific Northwest; former Vice President, 1996-1998, Avista Energy, electric and natural gas utility; Director of Cascade BanCorp, a financial holding company, since 2006; Schnitzer Steel, a metals recycling company, since 2006; Director of the following IDACORP subsidiary: Idaho Power Company since 2007; Director of IDACORP since 2007. In August 2009, the Federal Deposit Insurance Corporation and the Oregon Division of Finance and Corporate Securities entered into a consent agreement with Bank of the Cascades that requires the bank to develop and adopt a plan to maintain the capital necessary for it to be "well-capitalized," to improve its lending policies and its allowance for loan losses, to increase its liquidity, to retain qualified management, and to increase the participation of its board of directors in the affairs of the bank. In October 2009, the bank's parent, Cascade BanCorp, entered into a written agreement with the Federal Reserve Bank of San Francisco and the Oregon Division relating largely to improving the financial condition of Cascade BanCorp and the Bank of the Cascades. Age 51

Ms. Johansen brings a wealth of electric utility industry knowledge and experience to our board. Based on her prior service as President and Chief Executive Officer of PacifiCorp, as Director and Vice President of Bonneville Power Administration, and as Vice President of Avista Energy, Ms. Johansen provides valuable industry insight and guidance regarding our regulated utility business as well as financial reporting and risk management as it relates to utility companies. She also brings to our board her experience from service on the boards of two other public companies.

**J. LaMONT KEEN** President and Chief Executive Officer of IDACORP since July 1, 2006 and President and Chief Executive Officer of Idaho Power Company since 2005; Executive Vice President of IDACORP, 2002-2006; President and Chief Operating Officer, Idaho Power Company, 2002-2005; Senior Vice President- Administration and Chief Financial Officer, IDACORP and Idaho Power Company, 1999-2002; Senior Vice President-Administration, Chief Financial Officer and Treasurer, IDACORP and Idaho Power Company, 1999; Vice President, Chief Financial Officer and Treasurer, Idaho Power Company 1996- 1999; Vice President and Chief Financial Officer, Idaho Power Company 1991-1996; and Controller,

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Idaho Power Company, 1988-1991; Director of the following IDACORP subsidiaries: Idaho Power Company since 2004 and Idaho Energy Resources Company since 1991; Director of IDACORP since 2004. J. LaMont Keen and Steven R. Keen, Vice President and Treasurer of IDACORP, Inc. and Idaho Power Company, are brothers. Age 57

As our Chief Executive Officer, with 36 years of experience at Idaho Power Company, including over 20 years in an executive capacity, Mr. Keen has developed an expansive understanding of our company, our state and the electric utility industry. Mr. Keen's detailed knowledge of our operations, finances and executive administration, and his active industry involvement, make him a key resource and contributor on our board. Mr. Keen is our only executive officer serving on the board.

ROBERT A.  
TINSTMAN

Former Executive Chairman of James Construction Group, a construction services company, 2002-2007; former President and Chief Executive Officer, 1995-1999, and Director, 1995-1999, of Morrison Knudsen Corporation, a general contractor providing global mining, engineering and construction services; former Chairman of Contractorhub.com, an e-marketplace for contractors, subcontractors and suppliers, 2000-2001; Director of the Home Federal Bancorp, Inc., banking services, since 1999; CNA Surety Corporation, surety company offering contract and commercial surety bonds, since 2004; Director of the following IDACORP subsidiary: Idaho Power Company since 1999; Director of IDACORP since 1999. Age 63

Mr. Tinstman provides extensive operational and executive experience in the construction industry to our board. The electric utility business is capital intensive, involving heavy construction work for generation, transmission and distribution projects. Mr. Tinstman's construction industry knowledge and expertise provide a valuable contribution to the board's oversight function at a time when Idaho Power Company has embarked on major generation and transmission line construction projects. Mr. Tinstman's experience from serving on the compensation committees of other public company boards also provides the company with an experienced compensation committee chairman, a position he has held at IDACORP for almost seven years.

#### CONTINUING DIRECTORS – TERMS EXPIRE 2012

C. STEPHEN  
ALLRED

Managing Member, Allred Consulting LLC, provider of consulting services for management, environmental and waste management, and real estate issues for government and the private sector, July 2004 to present; Director, Longenecker & Associates, an engineering and management consulting firm, since June 2009; former Assistant Secretary, Land and Minerals Management for the U.S. Department of the Interior, September 2006 to January 2009; former Director of the Idaho Department of Environmental Quality, July 2000 to June 2004; Director of the following IDACORP subsidiary: Idaho Power Company since 2009; Director of IDACORP since 2009. Age 68

Mr. Allred, through his former positions as Assistant Secretary, Land and Minerals Management for the U.S. Department of the Interior and as Director of the Idaho Department of Environmental Quality as well as at Allred Consulting and Longenecker & Associates, brings to the board perspective and experience in several key areas of Idaho Power Company's business, including engineering, environmental quality and water resources. Mr. Allred's experience in these areas provides a critical skill set for our board's oversight of Idaho Power Company operations and strategic planning.

**CHRISTINE KING** President and Chief Executive Officer and Director of Standard Microsystems Corporation, a global supplier of semiconductor solutions that distribute video, sound, photos and data, since October 2008; Chief Executive Officer and Director of AMI Semiconductor, designer and manufacturer of semiconductor products from 2001 to March 2008; Director of Atheros Communications, Inc., a developer of semiconductor system solutions for wireless and other network communications products, since 2008; Open-Silicon, Inc., a fabless application-specific integrated circuit company founded to provide customers with access to internet protocol, foundry, test and packaging technologies since May 2008; ON Semiconductor, a supplier of silicon solutions for green electronics, from March 17, 2008 to October 1, 2008; and Analog Devices, analog and digital signal processing circuits from 2001 to March 11, 2008; Director of the following IDACORP subsidiary: Idaho Power Company since 2006; Director of IDACORP since 2006. Age 60

Ms. King brings a key element of business diversity to our Board with her advanced level of experience and success in the high-tech industry. Ms. King is also our only non-employee director who is the current chief executive office of a public company. Her experience from serving as the current Chief Executive Officer of Standard Microsystems Corporation and former President and Chief Executive Officer of AMI Semiconductor as well as her service on the boards of other public companies provide important vantage points for our board's deliberations.

**GARY G.  
MICHAEL**

Former Chairman of the Board and Chief Executive Officer, 1991-2001, of Albertson's, Inc., food-drug retailer; Director of The Clorox Company, manufacturer and marketer of household products, since 2001; Questar Corporation, integrated natural gas company, since 1994; Questar Gas, provider of retail natural gas-distribution services, since 1994; Questar Pipeline, interstate gas transportation and storage, since 1994; Graham Packaging Company, designer and manufacturer of customized plastic containers, Advisory Board, since 2002; OfficeMax Incorporated, distributor of business and retail office products, including office supplies, paper, technology products and services and furniture from 2004 to April 23, 2008; and Harrah's Entertainment, Inc., casino entertainment, from 2001 to January 28, 2008; Director of the following IDACORP subsidiary: Idaho Power Company since 2001; Director of IDACORP since 2001. Age 69

Mr. Michael brings a wealth of public company leadership experience at the board and executive levels to our board. His ten years of service as Chairman and Chief Executive Officer of Albertson's, Inc. and his service on multiple public company boards of directors provide an invaluable source of knowledge and experience for our board. Mr. Michael's long-standing ties to Idaho also provide an important connection to Idaho Power Company's service territory and give him a firm grasp of the local, state and regional issues where our utility operations are conducted.

JAN B.  
PACKWOOD

Former President and Chief Executive Officer of IDACORP, from 1999 to July 1, 2006; Chief Executive Officer of Idaho Power Company, 2002-2005; President and Chief Executive Officer, Idaho Power Company, 1999-2002; President and Chief Operating Officer, Idaho Power Company, 1997-1999; Executive Vice President, 1996-1997, and Vice President - Bulk Power, 1989- 1996; Director of the following IDACORP subsidiaries: Idaho Power Company since 1997, IDACORP Financial Services, Inc. since 1997 and Idaho West Energy Company since 1999; Director of IDACORP since 1998. Age 66

As our former President and Chief Executive Officer and a 36-year veteran of IDACORP and Idaho Power Company, Mr. Packwood brings to the board vast knowledge of our company, including an understanding of the risks faced by IDACORP and Idaho Power Company. His engineering and operations background with the company complements the backgrounds of our other board members. Mr. Packwood's operational experience is especially important as Idaho Power Company proceeds with major generation and transmission expansion plans over the next five - ten year period.

#### CONTINUING DIRECTORS – TERMS EXPIRE 2011

**RICHARD J. DAHL** Chairman of the Board of International Rectifiers Corp., a supplier of power semiconductors since May 2008, and a director since February 2008; former President and Chief Operating Officer of Dole Food Company, Inc., a grower, processor and distributor of flowers and produce, from July 2004 to June 2007; Senior Vice President and Chief Financial Officer, 2002-2004; Director from 2003-2007; former President and Chief Operating Officer of Bank of Hawaii Corp. from 1994 to 2002; Lead Director of Dine Equity, Inc., a franchisor and operator of IHOP and Applebee's restaurants, since 2004, and Director of Pacific Health Research Institute, a not for profit biomedical research organization, since May 1990; Director of the following IDACORP subsidiary: Idaho Power Company since 2008; Director of IDACORP since 2008. Age 58

Mr. Dahl's financial, operational and executive experience make him an outstanding addition to our board. Mr. Dahl acquired his extensive financial background through his former positions as President and Chief Operating Officer of the Bank of Hawaii and President and Chief Financial Officer of Dole Food Company as well as with the Ernst & Young accounting firm. His service on other public company boards, including as Chairman of the Board of International Rectifiers and as Lead Director and an audit committee member of Dine Equity's board, enable him to provide valuable experience to our board and audit committee, of which he is the chairman.

**RICHARD G.  
REITEN**

Former Chairman of the Board of Northwest Natural Gas Company, provider of natural gas in Oregon and southwest Washington, 2006-2008 and from 2000-2005, President and Chief Executive Officer, 1997-2003, President and Chief Operating Officer, 1995-1997; former President and Chief Operating Officer of Portland General Electric, electric public utility, 1992-1995; former President of Portland General Corp., 1989-1992; Director of U.S. Bancorp, banking services, since 1998; National Fuel Gas Company, diversified energy company providing interstate natural gas transmission and storage, since 2004; and Building Materials Holding Corporation, provider of construction services, manufactured building components and materials to professional residential builders and contractors from 2001 to March 20, 2009; Director of the following IDACORP subsidiary: Idaho Power Company

since 2004; Director of IDACORP since 2004. Age 70

Mr. Reiten's extensive utility industry and public company leadership experience provides a great benefit to our board. Mr. Reiten has financial reporting and risk management experience as it relates to utility companies gained from his former positions as Chairman of the Board, President, Chief Executive Officer and Chief Operating Officer of Northwest Natural Gas Company and as President and Chief Operating Officer of Portland General Electric. He also brings a key level of knowledge and understanding of the Northwest utility region. Mr. Reiten's continuing public company board service with U.S. Bancorp and National Fuel Gas Company provides additional knowledge and expertise that are valuable to our board's oversight function.



**JOAN H. SMITH** Self-employed consultant, consulting on regulatory strategy and telecommunications, since 2003; former Oregon Public Utility Commissioner, 1990-2003; former Affiliate Director with Wilk & Associates/ LECG LLP, public consulting organization, 2003-2008; Director of the following IDACORP subsidiary: Idaho Power Company since 2004; Director of IDACORP since 2004. Age 67

Ms. Smith's experience in the state regulatory setting, particularly in her role as former Oregon Public Utility Commissioner, provides a key component to our board's knowledge base. Appropriate rate recovery at the state level is critical to Idaho Power Company's success, and Ms. Smith provides a high level of knowledge and expertise in this area. This knowledge and experience allow her to make valuable contributions to the board's deliberations and decision making.

**THOMAS J. WILFORD** President and Director of Alscott, Inc., real estate development and other investments, since 1993; Chief Executive Officer of J.A. and Kathryn Albertson Foundation, Inc., family foundation committed and striving to be a catalyst for positive educational change, since 2003, former President, 1995- 2003; Director of K12, Inc., an organization that provides individualized, one-to-one learning solutions for students from kindergarten through high school, since 2002; Director of the following IDACORP subsidiary: Idaho Power Company since 2004; Director of IDACORP since 2004. Age 67

Mr. Wilford's extensive business, accounting and investment background provides valuable expertise to our board and audit committee. As a Certified Public Accountant, a member of another public company's audit committee and a former partner with Ernst & Young, Mr. Wilford also brings significant auditing, finance and risk management experience to our board. His expertise continues to be critical to the board's ongoing oversight of financial reporting and risk management.

## CORPORATE GOVERNANCE

### Director Independence

Our board of directors has adopted a policy on director independence that includes standards for director independence. This policy is contained in our corporate governance guidelines, which we have posted on our website at [www.idacorpinc.com/corpgov/default.cfm](http://www.idacorpinc.com/corpgov/default.cfm).

All of our board members are non-employees, except for J. LaMont Keen, our president and chief executive officer. The board of directors has determined that the following members are “independent” based on all relevant facts and circumstances and under the New York Stock Exchange listing standards and our corporate governance guidelines: C. Stephen Allred, Richard J. Dahl, Judith A. Johansen, Christine King, Gary G. Michael, Jon H. Miller, who is retiring from the board of directors immediately prior to the annual meeting, Jan B. Packwood, Joan H. Smith, Robert A. Tinstman and Thomas J. Wilford. Mr. Packwood, our former president and chief executive officer, who retired on July 1, 2006, was designated independent by the board on March 18, 2010. J. LaMont Keen and Richard G. Reiten are not independent. Mr. Keen is our president and chief executive officer. Mr. Reiten has a material relationship with Idaho Power Company through his son’s position as president of Pacific Power, a division of PacifiCorp, and the board determined that Mr. Reiten does not meet the director independence criteria set forth in the New York Stock Exchange listing standards and our corporate governance guidelines. Pacific Power and Idaho Power Company are joint owners of the Jim Bridger power plant and Bridger coal mine located near Rock Springs, Wyoming and have other contractual relationships. In addition, on March 5, 2010, Idaho Power Company and PacifiCorp entered into a memorandum of understanding regarding transmission facilities, services and projects. See also Related Person Transaction Disclosure.

The chairman of the board and the chief executive officer positions have been separate since June 1999. The non-employee directors have held regular meetings separate from management since 1998. Our independent directors meet in executive session at least once a year. The independent chairman of the board presides at board meetings, regularly-scheduled executive sessions of non-employee directors and executive sessions of independent directors.

### Code of Business Conduct

For many years, our principal subsidiary, Idaho Power Company, had a code of business conduct and ethics, which applied to all of its directors, officers and employees. We adopted a new code of business conduct in July 2003, which applied to all of our directors, officers and employees. In September 2005, we adopted a separate code of business conduct and ethics for directors. The code of business conduct and ethics for directors and the code of business conduct, as amended as of March 18, 2010, are posted at [www.idacorpinc.com/corpgov/conduct\\_ethics.cfm](http://www.idacorpinc.com/corpgov/conduct_ethics.cfm).

We will also post on our website any amendments to or waivers of our codes of business conduct and ethics, as required by the Securities and Exchange Commission rules or the New York Stock Exchange listing standards at [www.idacorpinc.com/corpgov/conduct\\_ethics.cfm](http://www.idacorpinc.com/corpgov/conduct_ethics.cfm).

### Board Leadership Structure and Board’s Role in Risk Oversight

The board separated the positions of chairman of the board and chief executive officer in 1999 and elected Jon H. Miller, an independent director, as our chairman. In connection with Mr. Miller’s retirement from the board immediately prior to the annual meeting, the board of directors has elected Gary G. Michael, an independent director, to serve as chairman of the board. J. LaMont Keen has served as president and chief executive officer of IDACORP since 2006. Separating these two positions allows our chief executive officer to focus on our day-to-day business, while allowing the chairman of the board to lead the board in its fundamental role of providing advice to and

independent oversight of management. The board recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our chairman, particularly as the board's oversight responsibilities continue to grow. While our bylaws and corporate governance guidelines do not require that our chairman and chief executive officer positions be separate, the board believes that having separate positions and having an independent director serve as chairman is the appropriate leadership structure for the company at this time and demonstrates our commitment to good corporate governance.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. Our company faces a number of risks, including economic risks, environmental and regulatory risks, and others, such as the impact of competition and weather conditions. Management is responsible for the day-to-day management of risks the company faces, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. In its oversight role, the board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. The board and its committees regularly receive information from management on significant risks that the company faces and how the company is managing these risks.

While the board is ultimately responsible for risk oversight at our company, it is assisted by the executive committee, the audit committee and the compensation committee in fulfilling its oversight responsibilities in certain areas of risk. The executive committee assists the board in fulfilling its oversight responsibilities with respect to the company's risk management process generally. The audit committee assists the board in fulfilling its oversight responsibilities with respect to major financial risk exposures, and, in accordance with the listing standards of the New York Stock Exchange, discusses policies with respect to risk assessment and risk management. The compensation committee assists the board in fulfilling its oversight responsibilities with respect to risks arising from our compensation policies and practices. The board reviews the reports of the executive committee, audit committee and compensation committee relating to the oversight of risks in their areas of responsibility. Based on this information and information regularly provided by management, the board evaluates our risk management process, and considers whether any changes should be made to that process or the board's risk oversight function.

#### Board Meetings and Committees; Attendance at Annual Meeting

The board of directors held seven meetings in 2009. Each director attended at least 75% of the total number of meetings of the board and the committees of which he or she was a member in 2009.

Our corporate governance guidelines provide that all directors are expected to attend our annual meeting of shareholders and be available, when requested by the chairman of the board, to answer any questions shareholders may have. All members of the board of directors attended our 2009 annual meeting.

Our standing committees are the executive committee, the audit committee, the compensation committee and the corporate governance committee. We describe our committees, their membership during 2009 and their principal responsibilities below.

We have

written charters for the audit committee, corporate governance committee and compensation committee and

corporate governance guidelines, which address issues including the responsibilities, qualifications and compensation of the board of directors, as well as board leadership, board committees and self-evaluation.

Our written committee charters and the corporate governance guidelines are available on our website and may be accessed at [www.idacorpinc.com/corpgov/default.cfm](http://www.idacorpinc.com/corpgov/default.cfm).

#### Executive Committee

The executive committee acts on behalf of the board of directors when the board is not in session, except on those matters that require action of the full board. The executive committee also assists the board in overseeing risk management. Members of the executive committee are J. LaMont Keen, chairman, Richard J. Dahl, Gary G. Michael, Jon H. Miller, and Robert A. Tinstman. Peter S. O'Neill served on the committee until his retirement immediately prior to the 2009 annual meeting. Mr. Dahl joined the committee in May 2009. During 2009, the executive committee met three times.

## Audit Committee

The audit committee is a separately-designated standing committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. All members are independent under our corporate governance guidelines and the New York Stock Exchange listing standards, including the Securities and Exchange Commission's audit committee member independence standards. Members of the audit committee are Richard J. Dahl, chairman, Judith A. Johansen, Joan H. Smith and Thomas J. Wilford. Gary G. Michael served as chairman of the committee until May 21, 2009, at which time Mr. Dahl became chairman. The board of directors has determined that Messrs. Michael, Dahl and Wilford are "audit committee financial experts," as defined by the rules of the Securities and Exchange Commission.

### The audit committee

assists the board of directors in the oversight of

- the integrity of our financial statements
- our compliance with legal and regulatory requirements
- the qualifications, independence and performance of our independent registered public accounting firm
- the performance of our internal audit department and
- our major financial risk exposures

monitors compliance under the code of business conduct for our officers and employees and the code of business conduct and ethics for our directors, considers and grants waivers for directors and executive officers from the codes and informs the general counsel immediately of any violation or waiver

prepares the audit committee report required to be included in the proxy statement for our annual meeting of shareholders.

Mr. Michael served on the audit committees of three other public companies in addition to serving on IDACORP's audit committee until May 21, 2009. The board determined that such service did not impair Mr. Michael's ability to effectively serve on IDACORP's audit committee.

During 2009, the audit committee met ten times.

REPORT OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS

The audit committee has reviewed and discussed the audited consolidated financial statements of IDACORP, Inc. with management. The audit committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The audit committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence and has discussed with the independent auditors the independent auditors' independence.

Based on the audit committee's review and discussions referred to above, the audit committee recommended to the board of directors that the IDACORP audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2009 for filing with the Securities and Exchange Commission.

Richard J. Dahl,  
Chairman  
Judith A. Johansen  
Joan H. Smith  
Thomas J. Wilford

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Compensation Committee

Members of the compensation committee are Robert A. Tinstman, chairman, Judith A. Johansen and Christine King. Each member is independent under our corporate governance guidelines and the applicable New York Stock Exchange listing standards.

The compensation committee has direct responsibility to

review and approve corporate goals and objectives relevant to our chief executive officer's compensation

evaluate our chief executive officer's performance in light of those goals and objectives

either as a committee or together with the other independent directors, as directed by the board, determine and approve our chief executive officer's compensation level based on this evaluation

make recommendations to the board with respect to executive officer compensation, incentive compensation plans and equity-based plans that are subject to board approval

review and discuss with management the compensation discussion and analysis and based upon such review and discussion determine whether to recommend to the board that the compensation discussion and analysis be included in our proxy statement for the annual meeting of shareholders

produce the compensation committee report as required by the Securities and Exchange Commission to be included in our proxy statement for the annual meeting of shareholders

oversee our compensation and employee benefit plans and practices and

assist the board in the oversight of risks arising from our compensation policies and practices.

The compensation committee and the board of directors have sole responsibility to determine executive officer compensation, which may not be delegated. Total compensation for each executive officer is determined by the compensation committee, which then submits its recommendations to the other independent directors on the board for approval. Our chief executive officer, chief financial officer, vice president-human resources and corporate secretary attend compensation committee meetings. For additional information on the role of our executive officers in the compensation-setting process, please refer to the Compensation Discussion and Analysis. The compensation committee chair works with our management to establish agendas for the compensation committee meetings. The committee meets in executive session, without management, as it deems necessary.



The compensation committee generally begins a review of compensation data at its September meeting, determines the performance goals and range of target awards of performance shares and restricted stock awards under the IDACORP Restricted Stock Plan, the 2000 Long-Term Incentive and Compensation Plan and the IDACORP Executive Incentive Plan at the November or January meeting and determines new awards and determines payouts with respect to completed performance periods at its February or March meeting. The February meeting occurs after the release of earnings for the prior year. The compensation committee may also hold special meetings as necessary and may determine additional performance awards at other times in its discretion, including for promotions or new hires. However, all awards under the plans are approved by the board of directors.

Please refer to the Compensation Discussion and Analysis for a discussion of our policies and procedures for determining and establishing executive compensation.

The compensation committee has sole authority to retain and terminate consulting firms to assist the committee in carrying out its responsibilities, including sole authority to approve the consulting firm's fees and other retention terms. In addition to services provided to the compensation committee, the consulting firm provides management with employee compensation and benefits survey data, which management and the compensation committee review in evaluating our employee compensation and benefit plans. Although management may request services, the compensation committee must pre-approve the engagement of the consulting firm for any services to be provided to management. In November 2007, the compensation committee charter and executive compensation policy were amended to reflect this pre-approval requirement. These services may not interfere with the consulting firm's advice to the compensation committee. The chairperson may pre-approve services between regularly-scheduled meetings of the compensation committee. Pre-approval of services by the chairperson must be reported to the compensation committee at its next meeting.

During 2009, the compensation committee authorized Towers Watson, the compensation consultant, to provide compensation data from its private survey data bases to our human resources department, which used the compensation data to develop the 2009 market compensation analysis. The compensation committee also requested that the compensation consultant provide reports on executive compensation trends and analysis for the compensation committee meetings in 2009.

In addition, the compensation committee has responsibility for reviewing and making recommendations with respect to director compensation to the board. In January 2010, the compensation committee reviewed the competitiveness of our non-employee director compensation program. The committee asked Towers Watson, a nationally recognized consulting firm with extensive experience in the area of executive compensation, to perform an analysis of the competitive positioning of our non-employee director compensation program. Towers Watson evaluated

annual board and committee retainers

board and committee meeting fees

committee chairperson premiums

annualized fair value of stock-based compensation

lead director compensation and

share ownership requirements.



Towers Watson reviewed changes for 2009 director compensation pay practices disclosed in proxy statements from the national energy and regional general industry peer groups, to the extent those companies had disclosed that information. Towers Watson also compared our non-employee director compensation to a blended comparison group, weighted 80% for national energy companies and 20% for regional general industry companies. The consulting firm then summarized the marketplace data collected on the basis of total cash compensation, which is annual board and committee cash retainers and meeting fees, and total direct compensation, which is total cash compensation plus the expected value of any stock-based compensation and annual stock-based awards. When compared to the energy, general industry and blended comparison groups, our total cash compensation was below the 25th percentile, with our annual board and committee cash retainers at the median of the energy and blended comparison groups and our meeting fees slightly below the peer companies. Our stock-based compensation was near the 50th percentile, and total direct compensation was below the 25th percentile of the three comparison groups. Based on this review, the compensation committee recommended and the board approved increases to non-employee director compensation for 2010. See Director Compensation for 2009 and 2010.

During 2009, the compensation committee met seven times.

#### Corporate Governance Committee

The corporate governance committee is also our nominating committee. Members of the corporate governance committee are Gary G. Michael, chairman, C. Stephen Allred, Jon H. Miller and Joan H. Smith. Peter S. O'Neill served on the committee until his retirement immediately prior to the 2009 annual meeting, and Mr. Michael joined the committee in May 2009. Each member is independent under our corporate governance guidelines and the applicable New York Stock Exchange listing standards.

The corporate governance committee's responsibilities include

- identifying individuals qualified to become directors, consistent with criteria approved by the board
- selecting, or recommending that the board select, the candidates for all directorships to be filled by the board or by the shareholders
- developing and recommending to the board our corporate governance guidelines
- overseeing the evaluation of the board and management and
- taking a leadership role in shaping our corporate governance.

During 2009, the corporate governance committee met four times.

#### Process for Shareholders to Recommend Candidates for Director

Our corporate governance guidelines set forth the requirements that you must follow if you wish to recommend candidates for director to our corporate governance committee. If you recommend a candidate for director, you must provide the following information:

- the candidate's name, age, business address, residence address, telephone number, principal occupation, the class and number of shares of our voting stock the candidate owns beneficially and of record, a statement as to how long the candidate has held such stock, a description of the candidate's qualifications to be a director,

whether the candidate would be an independent director and any other information you deem relevant with respect to the recommendation and

your name and address as they appear on our books, the class and number of shares of voting stock you own beneficially and of record and a statement as to how long you have held the stock.

Recommendations must be sent to our corporate secretary at the address provided below. Our corporate secretary will review all written recommendations and send those conforming to these requirements to the corporate governance committee.

These guidelines provide information for shareholders who wish to recommend candidates for director for consideration by the corporate governance committee. Shareholders who wish to nominate persons for election to the board, rather than recommend candidates for consideration, must follow the procedures set forth in our bylaws. Copies of our bylaws may be obtained by writing or calling our corporate secretary at IDACORP, Inc., 1221 West Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070, telephone number: (208) 388-2200. See also 2011 Annual Meeting of Shareholders.

## Board Membership Criteria

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our shareholders. Directors must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Although the corporate governance committee and the board do not have a formal policy for considering diversity in identifying nominees for director, we endeavor to have a board of directors representing diverse experience at policy-making levels in business, finance and accounting and in areas that are relevant to our business activities. At least one director shall be an “audit committee financial expert.” Directors are automatically retired immediately prior to the first annual meeting of shareholders after they reach age 72.

A substantial majority of board members should be independent under our corporate governance guidelines and the New York Stock Exchange listing standards.

## Process for Determining Director Nominees

Our corporate governance committee is responsible for selecting and recommending to the board candidates for election as directors. Our corporate governance guidelines contain procedures for the committee to identify and evaluate new director nominees, including candidates our shareholders recommend in compliance with our corporate governance guidelines.

The chairman of the corporate governance committee begins the process of identifying and evaluating nominees for director and keeps the full board informed of the nominating process. The chairman reviews candidates recommended by shareholders and may hire a search firm to identify other candidates. The chairman then presents an initial group of candidates to the corporate governance committee.

The committee gathers additional information on the candidates to determine if they qualify to be members of our board. The committee examines whether the candidates are independent, whether their election would violate any federal or state laws, rules or regulations that apply to us and whether they meet all requirements under our corporate governance guidelines, committee charters, bylaws, codes of business conduct and ethics and any other applicable corporate document or policy. The committee also considers whether the nominees will have potential conflicts of interest and whether they will represent a single or special interest before finalizing a list of candidates for the full board to approve.

## Communications with the Board of Directors and Audit Committee

Shareholders and other interested parties may communicate with members of the board of directors by

calling 1-866-384-4277 if you have a concern to bring to the attention of the board of directors, our independent chairman of the board or non-employee directors as a group or

logging on to [www.ethicspoint.com](http://www.ethicspoint.com) and following the instructions to file a report if your concern is of an ethical nature.

Our general counsel receives all reports and forwards them to the chairman of the board. If your report concerns questionable accounting practices, internal accounting controls or auditing matters, our general counsel will also forward your report to the chairman of the audit committee.



## RELATED PERSON TRANSACTION DISCLOSURE

### Related Person Transactions Policy

On March 15, 2007 our board adopted a written related person transactions policy.

The policy defines a related person transaction as one in which the amount exceeds \$100,000 and excludes:

transactions available to all employees

the purchase or sale of electric energy at rates authorized by law or governmental authority

transactions involving compensation, employment agreements or special supplemental benefits for directors or officers that are reviewed and approved by the compensation committee and

transactions between or among companies within the IDACORP family.

The policy defines a related person as any:

officer, director or director nominee of IDACORP or any subsidiary

person known to be a greater than 5% beneficial owner of IDACORP voting securities

immediate family member of the foregoing persons or

firm or corporation in which any of the foregoing persons is employed, a partner or greater than a 5% owner.

The corporate governance committee administers the policy, which includes procedures to review related person transactions, approve related person transactions and ratify unapproved transactions. The policy requires prior (i) corporate governance committee approval of proposed charitable contributions or pledges of charitable contributions in excess of \$100,000 in any calendar year to charities identified as related persons, except those non-discretionary contributions made pursuant to our matching contribution program and (ii) board approval of the hiring of immediate family members of directors and officers. The policy also requires approval of any material change in the terms of employment of an immediate family member, including compensation, in the event a person becomes a director or officer of IDACORP and the immediate family member is already an employee of our company. The board of directors may approve a proposed related person transaction after reviewing the information considered by the corporate governance committee and any additional information it deems necessary or desirable:

if it determines in good faith that the transaction is in, or is not inconsistent with, the best interests of the company and our shareholders and

if the transaction is on terms comparable to those that could be obtained in arm's length dealing with an unrelated third party.

### Related Person Transactions in 2009

Steven R. Keen has been vice president and treasurer of IDACORP and Idaho Power Company since June 1, 2006. Previously, Steven R. Keen was president and chief executive officer of IDACORP Financial Services, an IDACORP subsidiary. Steven R. Keen is the brother of J. LaMont Keen, president and chief executive officer and a director of IDACORP and Idaho Power Company. For 2009, Steven R. Keen had a base salary of \$215,000, received an incentive payment under our short-term incentive plan of \$108,831, paid in 2010 for 2009, and received an award of (i) 1,266 time vesting restricted shares with a three-year restricted period through December 31, 2011 and (ii) 2,532 performance shares at target with a three-year performance period through December 31, 2011. Steven R. Keen also received 3,805 shares of common stock and \$14,840 in dividend equivalents paid in cash with respect to the 2006-2008 performance share awards that vested between the target and maximum payout levels on February 24, 2009. The board of directors approved all elements of Steven R. Keen's 2009 compensation.



In September 2006, the board of directors, acting upon a recommendation of the corporate governance committee, determined that director Richard G. Reiten had a material relationship with Idaho Power Company and no longer met the director independence criteria set forth in the New York Stock Exchange listing standards and our corporate governance guidelines. In September 2006, Mr. Reiten's son became president of Pacific Power, a division of PacifiCorp, which, with Idaho Power Company, owns the Jim Bridger power plant and coal mine located near Rock Springs, Wyoming. Idaho Power Company owns one-third of the power plant and mine, and PacifiCorp owns the other two-thirds. Mr. Reiten's son was not affiliated with PacifiCorp prior to his selection as president of Pacific Power.

Idaho Power Company funded \$62.4 million in 2009 to PacifiCorp for its one-third share of the annual operating and capital costs for the Jim Bridger plant. Idaho Power Company also purchased \$68.7 million of coal from the coal mine in 2009, for its one-third share of coal delivered from the mine to the Jim Bridger plant. In 2009, Idaho Power Company funded \$27.8 million to the mine to cover its share of operating and capital costs and the mine distributed \$38.5 million back to Idaho Power Company.

In addition, Idaho Power Company purchases wholesale energy and transmission from PacifiCorp. In 2009, these expenses totaled \$3.2 million. PacifiCorp also purchases energy and transmission from Idaho Power Company. In 2009, these revenues totaled \$14.4 million.

On March 5, 2010, Idaho Power Company and PacifiCorp entered into a memorandum of understanding. The memorandum of understanding establishes a process for Idaho Power Company and PacifiCorp to negotiate in good faith to attempt to reach an agreement on the termination of existing transmission agreements between Idaho Power Company and PacifiCorp and the terms of new agreements relating to the ownership of transmission facilities. If Idaho Power Company and PacifiCorp have not executed the definitive agreements identified in the memorandum of understanding by September 1, 2010, subject to extension, the memorandum of understanding will terminate. The memorandum of understanding may be terminated by either party at any time, without any penalty or liability.

#### PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the annual meeting, we will ask you to ratify the audit committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year 2010. This firm has conducted our consolidated annual audits since 1998 and is one of the world's largest firms of independent certified public accountants. We expect a representative of Deloitte & Touche LLP to be present at the meeting. He or she will have an opportunity to make a statement and to respond to appropriate questions.

In connection with the audit of our financial statements for 2010, we expect the engagement letter with Deloitte & Touche LLP to contain provisions similar to those in our 2009 engagement letter for alternative dispute resolution and for the exclusion of punitive damages. The 2009 letter provides that disputes arising out of our engagement of Deloitte & Touche LLP will be resolved through mediation or arbitration, commonly referred to as alternative dispute resolution procedures, and that Deloitte & Touche LLP's and our rights to punitive damages or other forms of relief not based upon actual damages are waived.

Your vote will not affect our appointment or retention of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2010. However, the audit committee will consider your vote as a factor in selecting our independent registered public accounting firm for 2011. The audit committee reserves the right, in its sole discretion, to change the appointment of the independent registered public accounting firm at any time during a fiscal year if it determines that such a change would be in the best interests of the company and our shareholders.

The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010 is approved if the votes cast in favor exceed the votes cast against ratification. Abstentions are not considered votes cast and therefore are not counted for purposes of determining the results.

The board of directors unanimously recommends a vote “FOR” ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010.

## INDEPENDENT ACCOUNTANT BILLINGS

The aggregate fees our principal independent accountants, Deloitte & Touche LLP, billed or are expected to bill us for the fiscal years ended December 31, 2009 and 2008 are:

Fees Billed	2009	2008
Audit Fees	\$ 1,127,389	\$ 1,179,170
Audit-Related Fees (1)	62,790	59,800
Tax Fees (2)	318,936	155,106
All Other Fees (3)	2,000	2,000
Total Fees	\$ 1,511,115	\$ 1,396,076

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- (1) Includes fees for audits of our benefit plans and agreed upon procedures at a subsidiary.  
(2) Includes fees for benefit plan tax returns and consultation related to uniform capitalization and repairs tax accounting.  
(3) Accounting research tool subscription.

Policy on Audit Committee Pre-Approval. We and our audit committee are committed to ensuring the independence of the accountants, both in fact and in appearance. The audit committee has established a pre-approval policy, which is included as Exhibit "A" to this proxy statement. The audit committee pre-approved all fees in 2009 and 2008.

PROPOSAL NO. 3:  
RE-APPROVAL OF MATERIAL TERMS OF  
IDACORP 2000 LONG-TERM INCENTIVE AND  
COMPENSATION PLAN PERFORMANCE GOALS  
FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 162(m)

The board of directors recommends that shareholders re-approve the material terms of the performance goals for performance-based incentives under the IDACORP 2000 Long-Term Incentive and Compensation Plan to preserve our ability to deduct compensation associated with future performance-based incentive awards to be made under the plan.

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount we may deduct in any one year for compensation paid to our "covered employees." A covered employee means a person specified in Section 162(m), which generally includes our chief executive officer and each of our other three most highly-compensated executive officers other than our chief financial officer.

There is, however, an exception to this limit for performance-based compensation, and awards made pursuant to the plan may constitute performance-based compensation not subject to the deductibility limitation of Section 162(m). In order to continue to qualify for this exception, the shareholders must re-approve, every five years, the material terms of the performance goals of the plan under which the compensation will be paid. Shareholders last approved the plan's performance goals in 2005, and, therefore, the board is submitting the plan's performance goals for re-approval at the 2010 annual meeting of shareholders. The material terms of the performance goals are (i) eligibility and participation, (ii) maximum awards under the plan and (iii) the business criteria on which the performance goals are based, which we describe further below.

#### Eligibility and Participation

Officers, directors and key employees of the company and our subsidiaries, as determined by the compensation committee, are eligible to participate in the plan. The approximate number of persons currently eligible to participate in the plan is 90, which includes ten non-employee directors after giving effect to Mr. Miller's retirement.

### Maximum Awards under the Plan

Awards under the plan may be made in the form of stock, stock options, stock appreciation rights, performance units, performance shares, dividend equivalents, restricted stock, restricted stock units and other awards described in article 10 of the plan. Except as provided in the plan's anti-dilution adjustment provisions, and replacement awards made in connection with mergers, acquisitions, reorganizations or similar transactions, the per share exercise price of stock options and the grant price of stock appreciation rights awarded under the plan will not be less than the fair market value of our common stock on the date of grant. The value of a performance unit intended to qualify as performance-based compensation under Section 162(m) will not exceed the value of a share of common stock.

Subject to adjustment pursuant to the anti-dilution provisions of the plan, the total number of shares with respect to which stock options or stock appreciation rights may be awarded in any calendar year to any covered employee under Section 162(m) will not exceed 250,000 shares, (ii) the total number of shares of restricted stock or restricted stock units that are intended to qualify as performance-based compensation under Section 162(m) that may be awarded in any calendar year to any covered employee will not exceed 250,000 shares or units, as the case may be; (iii) the total number of performance shares or performance units that may be awarded in any calendar year to any covered employee will not exceed 250,000 shares or units, as the case may be; (iv) the total number of shares that are intended to qualify as performance-based compensation under Section 162(m) awarded pursuant to article 10 of the plan in any calendar year to any covered employee will not exceed 250,000 shares; (v) the total cash award that is intended to qualify as performance-based compensation under Section 162(m) that may be paid pursuant to article 10 of the plan in any calendar year to any covered employee will not exceed \$500,000 and (vi) the aggregate amount of dividend equivalents that are intended to qualify as performance-based compensation under Section 162(m) that a covered employee may receive in any calendar year will not exceed \$1,000,000.

### Performance Goals

The compensation committee establishes the performance goals, which will be based on one or more of the following measures: (i) sales or revenues, (ii) earnings per share, (iii) shareholder return and/or value, (iv) funds from operations, (v) operating income, (vi) gross income, (vii) net income, (viii) cash flow, (ix) return on equity, (x) return on capital, (xi) earnings before interest, (xii) operating ratios, (xiii) stock price, (xiv) customer satisfaction, (xv) accomplishment of mergers, acquisitions, dispositions or similar extraordinary business transactions, (xvi) profit returns and margins, (xvii) financial return ratios, (xviii) budget achievement, (xix) performance against budget and/or (xx) market performance. Performance goals may be measured solely on a corporate, subsidiary or business unit basis or a combination of the foregoing. Performance goals may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure.

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The other material terms of the plan are described below, and the complete text of the IDACORP 2000 Long-Term Incentive and Compensation Plan is attached to this proxy statement as Exhibit "B."

### Purpose

The purpose of the plan is to promote the success and enhance the value of the company by linking the personal interests of officers, key employees and directors to those of our shareholders and customers. The plan is further intended to provide flexibility in our ability to motivate, attract and retain the services of participants upon whose judgment, interest and special effort the successful conduct of our operations largely depends.

### Effective Date and Duration

The plan became effective upon approval by shareholders at the 2000 annual meeting of shareholders and will remain in effect, subject to the board's right to terminate the plan at any time, until all shares subject to the plan have been purchased or acquired.

## Amendments

The board, may, at any time and from time to time, alter, amend, suspend or terminate the plan in whole or in part, subject to restrictions stated in the plan.

## Administration of the Plan

The plan is administered by the compensation committee or such other committee as the board selects consisting solely of two or more members of the board. Subject to the terms of the plan, the committee has full power under the plan to determine persons to receive awards, the type of awards and their terms. The committee may amend outstanding awards subject to restrictions stated in the plan.

## Shares Subject to the Plan

In 2005, the board of directors amended the plan to increase the number of shares subject to the plan by 1,050,000 to 3,100,000, which shareholders approved at the 2005 annual meeting of shareholders. On March 30, 2010, 1,481,097 shares remained available for issuance. Shares underlying awards that lapse, are forfeited or are not paid in shares may be reused for subsequent awards. If the option exercise price is satisfied by tendering shares, only the net number of shares will be deemed issued under the plan. Shares may be authorized but unissued shares of common stock, treasury stock or shares purchased on the open market. The last reported sale price of a share of our common stock on the New York Stock Exchange on March 30, 2010 was \$34.72.

In the event of any equity restructuring, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through a large, nonrecurring cash dividend, the committee will cause an equitable adjustment to be made (i) in the number and kind of shares that may be delivered under the plan, (ii) in the individual limitations set forth in the plan and (iii) with respect to outstanding awards, in the number and kind of shares subject to outstanding awards, the option exercise price, base value or other price of shares subject to outstanding awards, any performance conditions relating to shares, the market price of shares, or per-share results, and other terms and conditions of outstanding awards, in the case of (i), (ii) and (iii) to prevent dilution or enlargement of rights. In the event of any other change in corporate capitalization, such as a merger, consolidation or liquidation, the committee may, in its sole discretion, cause an equitable adjustment as described in the foregoing sentence to be made, to prevent dilution or enlargement of rights. The number of shares subject to any award will always be rounded down to a whole number when adjustments are made pursuant to these provisions of the plan. Adjustments made by the committee pursuant to these provisions are final, binding and conclusive.

## Awards under the Plan

### Stock Options

The committee may award incentive stock options and nonqualified stock options. Except as provided in the plan's anti-dilution adjustment provisions and replacement awards made in connection with mergers, acquisitions, reorganizations or similar transactions, the exercise price for each such award will be not less than the fair market value of a share of our common stock on the date of grant. Options will expire at such times and will have such other terms and conditions as the committee may determine. Dividend equivalents may also be awarded.

The option exercise price is payable in cash or its equivalent, in shares of our common stock having a fair market value equal to the exercise price, by broker-assisted cashless exercise, by other methods that the committee may prescribe or any combination of the foregoing.





## Stock Appreciation Rights

The committee may award stock appreciation rights with such terms and conditions as the committee may determine. Stock appreciation rights awarded under the plan may be in the form of freestanding stock appreciation rights or tandem stock appreciation rights. Except as provided in the plan's anti-dilution adjustment provisions and replacement awards made in connection with mergers, acquisitions, reorganizations or similar transactions, the base value of a freestanding stock appreciation right will be equal to the fair market value of a share of our common stock on the date of grant. The base value of a tandem stock appreciation right will be equal to the option exercise price of the related option. Dividend equivalents may also be awarded.

Freestanding stock appreciation rights may be exercised upon such terms and conditions as are imposed by the committee. A tandem stock appreciation right may be exercised only with respect to the shares of our common stock for which its related option is exercisable.

Upon exercise of a stock appreciation right, a participant will receive the product of the excess of the fair market value of a share of our common stock on the date of exercise over the base value multiplied by the number of shares with respect to which the stock appreciation right is exercised. Payment due to the participant upon exercise may be made in cash, in shares of our common stock having a fair market value equal to such cash amount, or in a combination of cash and shares, as determined by the committee.

## Restricted Stock and Restricted Stock Units

Restricted stock and restricted stock units may be awarded in such amounts and subject to such terms and conditions as determined by the committee.

Participants holding restricted stock may exercise full voting rights with respect to those shares during the restricted period and, subject to the committee's right to determine otherwise, will receive regular cash dividends. All other distributions paid with respect to the restricted stock will be credited, subject to the same restrictions on transferability and forfeitability as the shares of restricted stock with respect to which they were paid. Dividend equivalents may be awarded on restricted stock units.

The committee may establish performance goals, as described above, for restricted stock and restricted stock units.

## Performance Units and Performance Shares

Performance units and performance shares may be awarded in such amounts and subject to such terms and conditions as determined by the committee. The committee will set performance goals, which, depending on the extent to which they are met during the performance periods established by the committee, will determine the number and/or value of performance units/shares that will be paid out to participants. Dividend equivalents may also be awarded.

Participants will receive payment of the value of performance units/shares earned after the end of the performance period. Payment of performance units/shares will be made in cash and/or shares of common stock which have an aggregate fair market value equal to the value of the earned performance units/shares at the end of the applicable performance period, in such combination as the committee determines. Shares may be awarded subject to any restrictions deemed appropriate by the committee.

## Other Awards

The committee may make other awards which may include, without limitation, the award of shares of common stock based upon attainment of performance goals established by the committee as described below, the payment of shares in lieu of cash or cash based on performance goals and the payment of shares in lieu of cash under our other incentive or bonus programs.

#### Taxes

Awards, and amounts distributed pursuant to awards, under the plan may result in tax withholding obligations. Share withholding for taxes is permitted.

#### Termination of Employment or Board Service

Each award agreement will set forth the participant's rights with respect to an award following termination of employment with the company or service on the board of directors.

#### Transferability

Except as otherwise determined by the committee and subject to the provisions of the plan, awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and a participant's rights are exercisable only by the participant or the participant's legal representative during his or her lifetime.

#### Change in Control

The plan defines change in control as

the acquisition of 20% or more of our outstanding voting securities

consummation of a merger or similar transaction or the sale of all or substantially all of the assets of IDACORP or Idaho Power unless our shareholders control the successor entity, no person owns 20% or more of the successor entity's voting securities and at least a majority of the members of the board of directors of the successor entity is comprised of our directors

a complete liquidation or dissolution of IDACORP or Idaho Power Company or

a change in a majority of the board of directors within a 24-month period without the approval of the two-thirds of the members of the board.

Upon a change in control,

any and all unvested options and stock appreciation rights immediately vest and become exercisable

any restriction periods and restrictions imposed on restricted stock and restricted stock units are deemed to have expired and any performance goals are deemed to have been achieved at the target level. Restricted stock immediately vests in full, and restricted stock units are paid out in cash

the target payout opportunity attainable under all outstanding awards of performance units and performance shares and any other awards not described above are deemed to have been fully earned for the entire performance period(s) as of the effective date of the change in control. All such awards immediately vest. All performance shares and other awards granted pursuant to article 10 of the plan denominated in shares are paid out in shares, and all performance units and other awards granted pursuant to article 10 are paid out in cash and

all credited but not yet paid cash dividends and dividend equivalents attributable to the portion of any award that vests, is earned and/or is paid, as the case may be, because of the change in control are paid in cash.

If a change in control occurs, our board or the board of directors of the successor entity may require that the entity

assume or continue all or any part of the stock options and stock appreciation rights outstanding under the plan or

substitute substantially equivalent stock options and stock appreciation rights.

If a successor entity refuses to assume or continue such awards or to substitute substantially equivalent awards, then with respect to awards held by participants whose continuous service has not terminated, our board may, in its sole discretion

provide for a cash payment in exchange for the cancellation of a stock option or stock appreciation right equal to an amount determined in accordance with article 13 of the plan

continue the awards or

notify participants holding a stock option or stock appreciation right that they must exercise such awards at or prior to the closing of the transaction by which the change in control occurs and that the awards will terminate if not exercised.

Our board will not be obligated to treat all awards, even those that are of the same type, in the same manner.

#### Award Information

##### Option Awards under the IDACORP 2000 Long-Term Incentive and Compensation Plan

The following table lists all stock options awarded to the individuals and groups indicated below since the adoption of the plan in 2000, whether exercised, lapsed or forfeited and sets forth the title and number of securities underlying the stock option awards, the exercise prices and expiration dates.

Name and Position	Title of Security	Number of Securities Underlying Options Awarded (#)	Exercise Price Per Share (\$)	Grant Date	Original Expiration Date
J. LaMont Keen President and CEO, IDACORP and Idaho Power	Common	40,000	35.81	7/19/2000	7/18/2010
		30,000	40.31	1/18/2001	1/17/2011
		44,000	39.50	1/17/2002	1/16/2012
		65,000	22.92	3/20/2003	3/19/2013
		16,600	31.21	1/15/2004	1/14/2014
		22,253	29.75	1/20/2005	1/19/2015
Darrel T. Anderson Executive Vice President – Administrative Services and CFO, IDACORP and Idaho Power	Common	4,000	40.31	1/18/2001	1/17/2011
		6,000	39.50	1/17/2002	1/16/2012
		1,000	38.68	3/1/2002	2/29/2012
		35,000	22.92	3/20/2003	3/19/2013
		9,900	31.21	1/15/2004	1/14/2014
		7,680	29.75	1/20/2005	1/19/2015
Daniel B. Minor Executive Vice President – Operations, Idaho Power	Common	1,000	39.50	1/17/2002	1/16/2012
		2,000	22.92	3/20/2003	3/19/2013
		5,000	24.80	5/19/2003	5/18/2013
		3,300	31.21	1/15/2004	1/14/2014
		6,560	29.75	1/20/2005	1/19/2015
Rex Blackburn Senior Vice President and General Counsel, IDACORP and Idaho Power	Common	—	—	—	—
John R. Gale	Common	4,000	39.50	1/17/2002	1/16/2012

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Vice President –	7,000	22.92	3/20/2003	3/19/2013
Regulatory Affairs,	2,700	31.21	1/15/2004	1/14/2014
Idaho Power	4,200	29.75	1/20/2005	1/19/2015

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Name and Position	Title of Security	Number of Securities Underlying Options Awarded (#)	Exercise Price Per Share (\$)	Grant Date	Original Expiration Date
James C. Miller Former Senior Vice President – Power Supply, Idaho Power	Common	40,000	35.81	7/19/2000	7/18/2010
		30,000	40.31	1/18/2001	1/17/2011
		31,000	39.50	1/17/2002	1/16/2012
		20,000	22.92	3/20/2003	3/19/2013
		6,500	31.21	1/15/2004	1/14/2014
		8,640	29.75	1/20/2005	1/19/2015
All current IDACORP executive officers as a group	Common	40,000	35.81	7/19/2000	7/18/2010
		34,000	40.31	1/18/2001	1/17/2011
		68,000	39.50	1/17/2002	1/16/2012
		1,000	38.68	3/01/2002	2/29/2012
		130,000	22.92	3/20/2003	3/19/2013
		5,000	24.80	5/19/2003	5/18/2013
		44,500	31.21	1/15/2004	1/14/2014
		65,014	29.75	1/20/2005	1/19/2015
All current IDACORP directors, who are not executive officers, as a group	Common	100,000	35.81	7/19/2000	7/18/2010
		60,000	40.31	1/18/2001	1/17/2011
		100,000	39.50	1/17/2002	1/16/2012
		136,000	22.92	3/20/2003	3/19/2013
		45,800	31.21	1/15/2004	1/14/2014
		3,000	30.48	3/18/2004	3/17/2014
		6,750	30.46	3/19/2004	3/31/2014
		3,000	26.49	6/23/2004	6/22/2014
		45,360	29.75	1/20/2005	1/19/2015

Each nominee for  
election as a director