

IDACORP INC
Form 10-Q
August 02, 2018
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2018
OR
TRANSITION REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to

Exact name of registrants as specified	I.R.S. Employer
Commission File in their charters, address of principal	Identification
Number of executive offices, zip code and telephone number	Number
1-IDACORP, Inc.	82-0505802
1-Idaho Power Company 1221 W. Idaho Street Boise, Idaho 83702-5627 (208) 388-2200 State of Incorporation: Idaho	82-0130980
None	

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

IDACORP, Inc.: Yes No Idaho Power Company: Yes No

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

IDACORP, Inc.: Yes No Idaho Power Company: Yes No

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one):

IDACORP, Inc.:

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Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange

Act.

Idaho Power Company:

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange

Act.

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Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

IDACORP, Inc.: Yes No Idaho Power Company: Yes No

Number of shares of common stock outstanding as of July 27, 2018:

IDACORP, Inc.: 50,392,903

Idaho Power Company: 39,150,812, all held by IDACORP, Inc.

This combined Form 10-Q represents separate filings by IDACORP, Inc. and Idaho Power Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Idaho Power Company makes no representations as to the information relating to IDACORP, Inc.'s other operations.

Idaho Power Company meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this report on Form 10-Q with the reduced disclosure format.

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COMMONLY USED TERMS

The following select abbreviations, terms, or acronyms are commonly used or found in multiple locations in this report:

ADITC	-Accumulated Deferred Investment Tax Credits
AFUDC	-Allowance for Funds Used During Construction
AOCI	-Accumulated Other Comprehensive Income
ASU	-Accounting Standards Update
BCC	-Bridger Coal Company, a joint venture of IERCo
BLM	-U.S. Bureau of Land Management
CWA	-Clean Water Act
FASB	-Financial Accounting Standards Board
FCA	-Fixed Cost Adjustment
FERC	-Federal Energy Regulatory Commission
FPA	-Federal Power Act
HCC	-Hells Canyon Complex
IDACORP	-IDACORP, Inc., an Idaho corporation
Idaho Power	-Idaho Power Company, an Idaho corporation
Idaho ROE	-Idaho-jurisdiction return on year-end equity
Ida-West	-Ida-West Energy, a subsidiary of IDACORP, Inc.
IERCo	-Idaho Energy Resources Co., a subsidiary of Idaho Power Company
IFS	-IDACORP Financial Services, a subsidiary of IDACORP, Inc.
IPUC	-Idaho Public Utilities Commission
IRP	-Integrated Resource Plan
MD&A	-Management's Discussion and Analysis of Financial Condition and Results of Operations
MW	-Megawatt
MWh	-Megawatt-hour
O&M	-Operations and Maintenance
OATT	-Open Access Transmission Tariff
OPUC	-Public Utility Commission of Oregon
PCA	-Idaho Power Cost Adjustment
PURPA	-Public Utility Regulatory Policies Act of 1978
SEC	-U.S. Securities and Exchange Commission
SMSP	-Security Plan for Senior Management Employees
Valmy Plant	-North Valmy coal-fired power plant
Western EIM	-Energy imbalance market implemented in the western United States
WPSC	-Wyoming Public Service Commission

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CAUTIONARY NOTE
REGARDING
FORWARD-LOOKING
STATEMENTS

In addition to the historical information contained in this report, this report contains (and oral communications made by IDACORP, Inc. (IDACORP) and Idaho Power Company (Idaho Power) may contain) statements that relate to future events and expectations, such as statements regarding projected or future financial performance, cash flows, capital expenditures, dividends, capital structure or ratios, strategic goals, challenges, objectives, and plans for future operations. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, or future events, or performance, often, but not always, through the use of words or phrases such as "anticipates," "believes," "continues," "could," "estimates," "expects," "guidance," "intends," "potential," "plans," "predicts," "projects," "may result," "may continue," or similar expressions, are not statements of historical facts and may be forward-looking. Forward-looking statements are not guarantees of future performance and involve estimates, assumptions, risks, and uncertainties. Actual results, performance, or outcomes may differ materially from the results discussed in the statements. In addition to any assumptions and other factors and matters referred to specifically in connection with such forward-looking statements, factors that could cause actual results or outcomes to differ materially from those contained in forward-looking statements include those factors set forth in this report, IDACORP's and Idaho Power's Annual Report on Form 10-K for the year ended December 31, 2017, particularly Part I, Item 1A - "Risk Factors" and Part II, Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" of that report, subsequent reports filed by IDACORP and Idaho Power with the U.S. Securities and Exchange Commission, and the following important factors:

- the effect of decisions by the Idaho and Oregon public utilities commissions and the Federal Energy Regulatory Commission, which impact Idaho Power's ability to recover costs and earn a return on investment;
- the expense and risks associated with capital expenditures for utility infrastructure, and the timing and availability of cost recovery for such expenditures through customer rates, including the potential for the write-down or write-off of assets if not deemed prudent by regulators;
- changes in residential, commercial, and industrial growth and demographic patterns within Idaho Power's service area, the loss or change in the business of significant customers, or the addition of new customers and their associated impacts on loads and load growth, and the availability of regulatory mechanisms that allow for timely cost recovery through customer rates in the event of those changes;
- the impacts of economic conditions, including inflation, interest rates, authorized regulatory returns on equity, supply costs, population growth or decline in Idaho Power's service area, changes in customer demand for electricity, revenue from sales of excess power, financial soundness of counterparties and suppliers, and the collection of receivables;
- unseasonable or severe weather conditions, wildfires, drought, and other natural phenomena and natural disasters, including conditions and events associated with climate change, which affect customer demand, hydroelectric generation levels, repair costs, liability for damage caused by utility property, and the availability and cost of fuel for generation plants or purchased power to serve customers;
- advancement of self-generation or energy efficiency technologies that reduce Idaho Power's sale of electric power;
- changes in tax laws or related regulations or new interpretations of applicable laws by federal, state, or local taxing jurisdictions, the availability of tax credits, and the tax rates payable by IDACORP shareholders on common stock dividends;
- adoption of, changes in, and costs of compliance with laws, regulations, and policies relating to the environment, natural resources, and threatened and endangered species, and the ability to recover resulting increased costs through rates;
- variable hydrological conditions and/or over-appropriation of surface and groundwater in the Snake River Basin, which may impact the amount of power generated by Idaho Power's hydroelectric facilities;

the ability to acquire fuel, power, and transmission capacity under reasonable terms, particularly in the event of unanticipated power demands, lack of physical availability, transportation constraints, or a credit downgrade; accidents, fires (either at or caused by Idaho Power's facilities or infrastructure), explosions, and mechanical breakdowns that may occur while operating and maintaining Idaho Power's assets, which can cause unplanned outages, reduce generating output, damage the companies' assets, operations, or reputation, subject the companies to third-party claims for property damage, personal injury, or loss of life, or result in the imposition of civil, criminal, and regulatory fines and penalties;

the increased purchased power costs and operational challenges associated with purchasing and integrating intermittent renewable energy sources into Idaho Power's resource portfolio;

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disruptions or outages of Idaho Power's generation or transmission systems or of any interconnected transmission system that cause Idaho Power to incur repair costs or purchase replacement power at increased costs; the ability to obtain debt and equity financing or refinance existing debt when necessary and on favorable terms, which can be affected by factors such as credit ratings, volatility or disruptions in the financial markets, interest rate fluctuations, decisions by the Idaho or Oregon public utility commissions, and the companies' past or projected financial performance;

reductions in credit ratings, which could adversely impact access to capital markets, increase borrowing costs, and would require the posting of additional collateral to counterparties pursuant to credit and contractual arrangements; the ability to enter into financial and physical commodity hedges with creditworthy counterparties to manage price and commodity risk, and the failure of any such risk management and hedging strategies to work as intended; changes in actuarial assumptions, changes in interest rates, and the return on plan assets for pension and other post-retirement plans, which can affect future pension and other postretirement plan funding obligations, costs, and liabilities;

the ability to continue to pay dividends based on financial performance and in light of contractual covenants and restrictions and regulatory limitations;

employee workforce factors, including the operational and financial costs of unionization or the attempt to unionize all or part of the companies' workforce, the impact of an aging workforce and retirements, the cost and ability to retain skilled workers, and the ability to adjust the labor cost structure when necessary;

failure to comply with state and federal laws, regulations, and orders, including new interpretations and enforcement initiatives by regulatory and oversight bodies, which may result in penalties and fines and increase the cost of compliance, the nature and extent of investigations and audits, and the cost of remediation;

the inability to obtain or cost of obtaining and complying with required governmental permits and approvals, licenses, rights-of-way, and siting for transmission and generation projects and hydroelectric facilities;

the cost and outcome of litigation, dispute resolution, and regulatory proceedings, and the ability to recover those costs or the costs of operational changes through insurance or rates, or from third parties;

- the failure of information systems or the failure to secure data, failure to comply with privacy laws or regulations, security breaches, or the direct or indirect effect on the companies' business, operations or reputation resulting from cyber-attacks or related litigation, terrorist incidents or the threat of terrorist incidents, and acts of war;

unusual or unanticipated changes in normal business operations, including unusual maintenance or repairs, or the failure to successfully implement new technology solutions; and

adoption of or changes in accounting policies and principles, changes in accounting estimates, and new U.S. Securities and Exchange Commission or New York Stock Exchange requirements, or new interpretations of existing requirements.

Any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. IDACORP and Idaho Power disclaim any obligation to update publicly any forward-looking information, whether in response to new information, future events, or otherwise, except as required by applicable law.

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ITEM 1. FINANCIAL STATEMENTSIDACORP, Inc.
Condensed Consolidated Statements of Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(in thousands, except per share amounts)			
Operating Revenues:				
Electric utility revenues	\$338,699	\$331,768	\$648,160	\$633,732
Other	1,253	1,238	1,898	1,818
Total operating revenues	339,952	333,006	650,058	635,550
Operating Expenses:				
Electric utility:				
Purchased power	62,980	61,506	124,908	110,622
Fuel expense	21,515	20,416	49,250	56,668
Power cost adjustment	19,963	16,742	45,501	40,229
Other operations and maintenance	92,314	86,729	178,512	173,720
Energy efficiency programs	8,802	10,515	16,399	16,843
Depreciation	41,348	45,240	81,416	82,002
Taxes other than income taxes	9,118	8,843	18,395	17,521
Total electric utility expenses	256,040	249,991	514,381	497,605
Other	1,077	1,108	2,253	2,411
Total operating expenses	257,117	251,099	516,634	500,016
Operating Income	82,835	81,907	133,424	135,534
Allowance for Equity Funds Used During Construction	5,985	5,611	12,018	10,843
Earnings of Equity-Method Investments	1,537	592	5,552	2,037
Other Income (Expense), Net	309	(426)	(150)	(841)
Interest Expense:				
Interest on long-term debt	21,412	20,300	42,099	40,597
Other interest	2,162	2,756	5,121	5,471
Allowance for borrowed funds used during construction	(2,606)	(2,408)	(5,078)	(4,720)
Total interest expense, net	20,968	20,648	42,142	41,348
Income Before Income Taxes	69,698	67,036	108,702	106,225
Income Tax Expense	7,105	16,940	9,998	23,124
Net Income	62,593	50,096	98,704	83,101
Adjustment for income attributable to noncontrolling interests	(305)	(265)	(274)	(168)
Net Income Attributable to IDACORP, Inc.	\$62,288	\$49,831	\$98,430	\$82,933

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Weighted Average Common Shares Outstanding - Basic	50,435	50,363	50,430	50,361
Weighted Average Common Shares Outstanding - Diluted	50,481	50,407	50,472	50,402
Earnings Per Share of Common Stock:				
Earnings Attributable to IDACORP, Inc. - Basic	\$1.24	\$0.99	\$1.95	\$1.65
Earnings Attributable to IDACORP, Inc. - Diluted	\$1.23	\$0.99	\$1.95	\$1.65
Dividends Declared Per Share of Common Stock	\$0.59	\$0.55	\$1.18	\$1.10

The accompanying notes are an integral part of these statements.

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IDACORP, Inc.
 Condensed Consolidated Statements of Comprehensive Income
 (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(in thousands)			
Net Income	\$62,593	\$50,096	\$98,704	\$83,101
Other Comprehensive Income:				
Unfunded pension liability adjustment, net of tax of \$250, \$302, \$500, and \$604	722	470	1,443	941
Total Comprehensive Income	63,315	50,566	100,147	84,042
Comprehensive income attributable to noncontrolling interests	(305)	(265)	(274)	(168)
Comprehensive Income Attributable to IDACORP, Inc.	\$63,010	\$50,301	\$99,873	\$83,874

The accompanying notes are an integral part of these statements.

Table of ContentsIDACORP, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2018	December 31, 2017
	(in thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	\$183,141	\$ 76,649
Receivables:		
Customer (net of allowance of \$1,913 and \$2,013, respectively)	87,975	75,249
Other (net of allowance of \$205 and \$180, respectively)	5,284	30,438
Taxes receivable	2,929	8,147
Accrued unbilled revenues	79,818	75,120
Materials and supplies (at average cost)	60,229	55,745
Fuel stock (at average cost)	66,389	56,638
Prepayments	14,852	16,984
Current regulatory assets	37,977	48,613
Other	757	18
Total current assets	539,351	443,601
Investments	106,558	115,698
Property, Plant and Equipment:		
Utility plant in service	6,005,176	5,906,162
Accumulated provision for depreciation	(2,162,143)	(2,098,274)
Utility plant in service - net	3,843,033	3,807,888
Construction work in progress	465,413	452,424
Utility plant held for future use	4,727	8,075
Other property, net of accumulated depreciation	17,908	15,488
Property, plant and equipment - net	4,331,081	4,283,875
Other Assets:		
Company-owned life insurance	60,537	59,323
Regulatory assets	1,106,110	1,083,483
Other	62,480	59,425
Total other assets	1,229,127	1,202,231
Total	\$6,206,117	\$ 6,045,405

The accompanying notes are an integral part of these statements.

Table of ContentsIDACORP, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2018	December 31, 2017
	(in thousands)	
Liabilities and Equity		
Current Liabilities:		
Accounts payable	\$74,804	\$90,277
Taxes accrued	28,807	11,075
Interest accrued	23,153	22,379
Accrued compensation	40,004	47,018
Current regulatory liabilities	30,876	1,404
Advances from customers	28,408	18,414
Other	11,952	10,182
Total current liabilities	238,004	200,749
Other Liabilities:		
Deferred income taxes	642,013	660,940
Regulatory liabilities	720,574	698,044
Pension and other postretirement benefits	429,513	438,869
Other	43,751	44,566
Total other liabilities	1,835,851	1,842,419
Long-Term Debt	1,834,055	1,746,123
Commitments and Contingencies		
Equity:		
IDACORP, Inc. shareholders' equity:		
Common stock, no par value (120,000 shares authorized; 50,420 shares issued)	859,652	857,207
Retained earnings	1,465,009	1,426,528
Accumulated other comprehensive loss	(29,521)	(30,964)
Treasury stock (27 shares and 28 shares, respectively, at cost)	(1,936)	(1,386)
Total IDACORP, Inc. shareholders' equity	2,293,204	2,251,385
Noncontrolling interests	5,003	4,729
Total equity	2,298,207	2,256,114
Total	\$6,206,117	\$6,045,405

The accompanying notes are an integral part of these statements.

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IDACORP, Inc.

Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six months ended June 30,	
	2018	2017
	(in thousands)	
Operating Activities:		
Net income	\$98,704	\$83,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	83,306	83,912
Deferred income taxes and investment tax credits	(9,708)	6,828
Changes in regulatory assets and liabilities	45,691	37,736
Pension and postretirement benefit plan expense	14,038	14,513
Contributions to pension and postretirement benefit plans	(24,516)	(3,920)
Earnings of equity-method investments	(5,552)	(2,037)
Distributions from equity-method investments	11,300	8,100
Allowance for equity funds used during construction	(12,018)	(10,843)
Other non-cash adjustments to net income, net	5,185	3,741
Change in:		
Accounts receivable	(5,937)	(5,406)
Accounts payable and other accrued liabilities	(13,010)	(30,677)
Taxes accrued/receivable	22,950	18,073
Other current assets	(16,152)	(16,951)
Other current liabilities	9,054	6,948
Other assets	(5,439)	(3,692)
Other liabilities	(1,472)	(430)
Net cash provided by operating activities	196,424	188,996
Investing Activities:		
Additions to property, plant and equipment	(133,598)	(146,341)
Payments received from transmission project joint funding partners	20,323	5,787
Proceeds from the sale of emission allowances and renewable energy certificates	1,650	1,839
Purchase of equity securities	(228)	(3,165)
Proceeds from the sale of equity securities	2,450	2,428
Other	495	2,860
Net cash used in investing activities	(108,908)	(136,592)
Financing Activities:		
Issuance of long-term debt	220,000	—
Retirement of long-term debt	(130,000)	(1,064)
Dividends on common stock	(59,941)	(55,763)
Net change in short-term borrowings	—	(21,250)
Acquisition of treasury stock	(3,551)	(3,174)
Make-whole premium on retirement of long-term debt	(4,607)	—
Other	(2,925)	(4)
Net cash provided by (used in) financing activities	18,976	(81,255)
Net increase (decrease) in cash and cash equivalents	106,492	(28,851)
Cash and cash equivalents at beginning of the period	76,649	61,480
Cash and cash equivalents at end of the period	\$183,141	\$32,629
Supplemental Disclosure of Cash Flow Information:		

Cash paid during the period for:		
Income taxes	\$—	\$1,202
Interest (net of amount capitalized)	\$39,494	\$39,481
Non-cash investing activities:		
Additions to property, plant and equipment in accounts payable	\$20,650	\$21,410

The accompanying notes are an integral part of these statements.

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IDACORP, Inc.
Condensed Consolidated Statements of Equity
(unaudited)

	Six months ended June 30,	
	2018	2017
	(in thousands)	
Common Stock		
Balance at beginning of period	\$857,207	\$851,833
Share-based compensation expense and other	2,445	1,771
Balance at end of period	859,652	853,604
Retained Earnings		
Balance at beginning of period	1,426,528	1,323,198
Net income attributable to IDACORP, Inc.	98,430	82,933
Common stock dividends (\$1.18 and \$1.10 per share)	(59,949)	(55,594)
Balance at end of period	1,465,009	1,350,537
Accumulated Other Comprehensive (Loss) Income		
Balance at beginning of period	(30,964)	(20,882)
Unfunded pension liability adjustment (net of tax)	1,443	941
Balance at end of period	(29,521)	(19,941)
Treasury Stock		
Balance at beginning of period	(1,386)	(243)
Issued	3,007	2,060
Acquired	(3,557)	(3,174)
Balance at end of period	(1,936)	(1,357)
Total IDACORP, Inc. shareholders' equity at end of period	2,293,204	2,182,843
Noncontrolling Interests		
Balance at beginning of period	4,729	3,960
Net income attributable to noncontrolling interests	274	168
Balance at end of period	5,003	4,128
Total equity at end of period	\$2,298,207	\$2,186,971

The accompanying notes are an integral part of these statements.

Table of ContentsIdaho Power Company
Condensed Consolidated Statements of Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(in thousands)			
Operating Revenues	\$338,699	\$331,768	\$648,160	\$633,732
Operating Expenses:				
Operation:				
Purchased power	62,980	61,506	124,908	110,622
Fuel expense	21,515	20,416	49,250	56,668
Power cost adjustment	19,963	16,742	45,501	40,229
Other operations and maintenance	92,314	86,729	178,512	173,720
Energy efficiency programs	8,802	10,515	16,399	16,843
Depreciation	41,348	45,240	81,416	82,002
Taxes other than income taxes	9,118	8,843	18,395	17,521
Total operating expenses	256,040	249,991	514,381	497,605
Income from Operations	82,659	81,777	133,779	136,127
Other Income (Expense):				
Allowance for equity funds used during construction	5,985	5,611	12,018	10,843
Earnings (losses) of equity-method investments	683	(337)	4,825	917
Other expense, net	(391)	(1,000)	(1,519)	(2,297)
Total other income	6,277	4,274	15,324	9,463
Interest Expense:				
Interest on long-term debt	21,412	20,300	42,099	40,597
Other interest	2,148	2,740	5,093	5,438
Allowance for borrowed funds used during construction	(2,606)	(2,408)	(5,078)	(4,720)
Total interest expense, net	20,954	20,632	42,114	41,315
Income Before Income Taxes	67,982	65,419	106,989	104,275
Income Tax Expense	7,345	17,038	10,496	23,412
Net Income	\$60,637	\$48,381	\$96,493	\$80,863

The accompanying notes are an integral part of these statements.

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Idaho Power Company
 Condensed Consolidated Statements of Comprehensive Income
 (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(in thousands)			
Net Income	\$60,637	\$48,381	\$96,493	\$80,863
Other Comprehensive Income:				
Unfunded pension liability adjustment, net of tax of \$250, \$302, \$500, and \$604	722	470	1,443	941
Total Comprehensive Income	\$61,359	\$48,851	\$97,936	\$81,804

The accompanying notes are an integral part of these statements.

Table of ContentsIdaho Power Company
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2018	December 31, 2017
	(in thousands)	
Assets		
Electric Plant:		
In service (at original cost)	\$6,005,176	\$ 5,906,162
Accumulated provision for depreciation	(2,162,143)	(2,098,274)
In service - net	3,843,033	3,807,888
Construction work in progress	465,413	452,424
Held for future use	4,727	8,075
Electric plant - net	4,313,173	4,268,387
Investments and Other Property	93,710	99,904
Current Assets:		
Cash and cash equivalents	149,150	44,646
Receivables:		
Customer (net of allowance of \$1,913 and \$2,013, respectively)	87,975	75,249
Other (net of allowance of \$205 and \$180, respectively)	5,143	30,274
Taxes receivable	—	26,492
Accrued unbilled revenues	79,818	75,120
Materials and supplies (at average cost)	60,229	55,745
Fuel stock (at average cost)	66,389	56,638
Prepayments	14,729	16,866
Current regulatory assets	37,977	48,613
Other	757	18
Total current assets	502,167	429,661
Deferred Debits:		
Company-owned life insurance	60,537	59,323
Regulatory assets	1,106,110	1,083,483
Other	57,805	54,677
Total deferred debits	1,224,452	1,197,483
Total	\$6,133,502	\$ 5,995,435

The accompanying notes are an integral part of these statements.

Table of ContentsIdaho Power Company
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2018	December 31, 2017
	(in thousands)	
Capitalization and Liabilities		
Capitalization:		
Common stock equity:		
Common stock, \$2.50 par value (50,000 shares authorized; 39,151 shares outstanding)	\$97,877	\$ 97,877
Premium on capital stock	712,258	712,258
Capital stock expense	(2,097)	(2,097)
Retained earnings	1,345,246	1,308,702
Accumulated other comprehensive loss	(29,521)	(30,964)
Total common stock equity	2,123,763	2,085,776
Long-term debt	1,834,055	1,746,123
Total capitalization	3,957,818	3,831,899
Current Liabilities:		
Accounts payable	74,694	89,978
Accounts payable to affiliates	44,202	57,562
Taxes accrued	21,884	10,904
Interest accrued	23,153	22,379
Accrued compensation	39,863	46,832
Current regulatory liabilities	30,876	1,404
Advances from customers	28,408	18,414
Other	11,365	9,556
Total current liabilities	274,445	257,029
Deferred Credits:		
Deferred income taxes	708,205	725,942
Regulatory liabilities	720,574	698,044
Pension and other postretirement benefits	429,513	438,869
Other	42,947	43,652
Total deferred credits	1,901,239	1,906,507
Commitments and Contingencies		
Total	\$6,133,502	\$ 5,995,435

The accompanying notes are an integral part of these statements.

Table of ContentsIdaho Power Company
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six months ended June 30,	
	2018	2017
	(in thousands)	
Operating Activities:		
Net income	\$96,493	\$80,863
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	83,007	83,611
Deferred income taxes and investment tax credits	(9,505)	6,144
Changes in regulatory assets and liabilities	45,691	37,736
Pension and postretirement benefit plan expense	14,038	14,513
Contributions to pension and postretirement benefit plans	(24,516)	(3,920)
Earnings of equity-method investments	(4,825)	(917)
Distributions from equity-method investments	11,300	8,100
Allowance for equity funds used during construction	(12,018)	(10,843)
Other non-cash adjustments to net income, net	(220)	(47)
Change in:		
Accounts receivable	(4,884)	(12,446)
Accounts payable	(27,256)	(1,109)
Taxes accrued/receivable	37,472	13,679
Other current assets	(16,145)	(16,945)
Other current liabilities	9,099	6,974
Other assets	(5,439)	(3,693)
Other liabilities	(1,363)	(275)
Net cash provided by operating activities	190,929	201,425
Investing Activities:		
Additions to utility plant	(133,584)	(146,328)
Payments received from transmission project joint funding partners	20,323	5,787
Proceeds from the sale of emission allowances and renewable energy certificates	1,650	1,839
Purchase of equity securities	(228)	(3,165)
Proceeds from the sale of equity securities	2,450	2,428
Other	440	2,860
Net cash used in investing activities	(108,949)	(136,579)
Financing Activities:		
Issuance of long-term debt	220,000	—
Retirement of long-term debt	(130,000)	(1,064)
Dividends on common stock	(59,949)	