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Attorneys for Plaintiff Idaho Power Company

IN THE DISTRICT COURT FOR THE FIFTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA	)	
Case No. 39576	)	
	)	Consolidated Subcase No. 92-00023
IDAHO POWER COMPANY,	)	
Plaintiff,	)	
v.	)	AFFIDAVIT OF GREG PANTER IN
	)	SUPPORT OF PLAINTIFF'S
STATE OF IDAHO; C.L. "BUTCH" OTTER,	)	MEMORANDUM IN OPPOSITION TO
Governor of the State of Idaho; LAWRENCE G.	)	DEFENDANT'S MOTION FOR
WASDEN, Attorney General of the State of	)	SUMMARY JUDGMENT
Idaho; IDAHO DEPARTMENT OF WATER	)	
RESOURCES; and DAVID TUTHILL, Director,	)	
Idaho Department of Water Resources	)	
Defendants.	)	

STATE OF IDAHO)
) ss.
County of Ada)

GREG PANTER, being first duly sworn upon oath, deposes and states as follows:

1. I am currently employed by IDACORP and the Idaho Power Company as the Vice-President of Public Affairs and have held this position since 2001. IDACORP, Inc. is an Idaho holding company formed in 1988, currently consisting of two non-regulated companies and the regulated utility Idaho Power Company. During the years 1976 through 1989 I was employed by Idaho Power Company ("Idaho Power" or "Company") as the Director of Governmental Affairs. From 1989 to 2001, I was in private practice as a contract lobbyist, representing Idaho Power Company, as well as other clients, before the Idaho Legislature and the U.S. Congress.

2. I was employed by the Company, in the position of Director of Governmental Affairs, when the Swan Falls controversy began with the filing of a petition with the Idaho Public Utilities Commission (IPUC) in June of 1977 asserting that the Company had failed to adequately protect its water rights for hydropower purposes on the Snake River. With the filing of that petition, I became engaged with what is historically known as the Swan Falls controversy. Throughout the controversy, I worked with Company management and then outside legal counsel, Thomas G. Nelson, and was the principal intermediary between the Company and the Idaho Legislature on issues related to the Swan Falls controversy.

3. After the Supreme Court decision in 1983 in *Idaho Power Co. v. State*, 104 Idaho 575, the Company, in March of 1983, filed a lawsuit against several thousand water right holders upstream of the Swan Falls project asserting that the Company's water rights at Swan Falls were

senior to those upstream water rights. At about this time, the Company also approached the State of Idaho offering to sit down and negotiate a resolution to the controversy. The State generally refused this offer and subsequently, principally during the 1983 Legislative session, various pieces of legislation were proposed to either subordinate, or take pursuant to the state police power, all of the Company's water rights at Swan Falls. I directed the Company's activities before the Legislature and was actively involved on behalf of the Company in opposing those legislative efforts. The legislative efforts to subordinate or take the Company's water rights were unsuccessful.

4. In May of 1984, Governor John Evans sent a letter to James Bruce, CEO of the Company, in response to the Company's suggestion that the parties pursue a negotiated settlement of the Swan Falls controversy (Exhibit A attached hereto). In that letter, Governor Evans proposed that the Company assign its water rights to the State of Idaho. The Company rejected this approach (Exhibit B attached hereto) principally because there was no basis or justification for the relinquishment or transfer of the Company's water rights to the State. The Supreme Court had recently validated the Company's water rights at Swan Falls and the Company had successfully opposed legislative attempts to effectively take the Company's water rights through subordination. Despite the Company's opposition to the suggestion that it assign its water rights to the State, it did agree to seek to a negotiated resolution to the Swan Falls controversy.

5. The Company and the State of Idaho entered into negotiations in 1984 that culminated in the Swan Falls Agreement (Agreement) being signed in October 1984. Throughout these negotiations I remained engaged and had frequent contact and discussions with Company management and Mr. Nelson regarding Swan Falls issues and the ongoing negotiations. While

Mr. Nelson was principally responsible for the negotiations, my involvement continued throughout and subsequent to the execution of the Agreement because of the anticipated need for legislative action in the resolution of the controversy. As such, it was necessary for me to work closely with Mr. Nelson and if not attend, at least be privy to, all significant discussions within the Company relating to the negotiations and the Company's strategy with regard to resolution of the controversy. I also worked with counsel, and management, for the Company in the development of the proposed legislation appended to the final Swan Falls Agreement, and together with Mr. Nelson, was responsible for explaining the substance and intent of the Swan Falls Agreement to legislators during the 1985 Legislative session.

6. After several months of negotiations, in October of 1984, the State and the Company executed a document entitled *Framework for Final Resolution of Snake River Water Rights Controversy* (attached as Exhibit C) identifying a "series of judicial, legislative and administrative actions" which the parties believed should be taken to resolve the pending controversy (Exhibit C, pg. 2). Paragraph 1 (pg. 2) of this Framework recites the rationale for the establishment of a 3900 cfs minimum flow at the Murphy Gage that ultimately was the basis for the minimum daily average flow in the Swan Falls Agreement. I participated in discussions within the Company with regard to this issue. As reflected in the Framework, based upon the information available to the parties at the time it was believed that then existing uses above Swan Falls resulted in a low flow of record of 4500 cfs at the Murphy Gage, which at the time had a minimum stream flow set by the State Water Plan of 3300 cfs. As such, the parties believed that by setting a minimum flow at the Murphy Gage of 3900 cfs that there would be a "block of water", approximately 600 cfs (4500 cfs – 3900 cfs), available for future consumptive development upstream of Swan Falls. A portion of this consumptive use, approximately 450 cfs,

was to be used by irrigated agriculture and the balance, approximately 150 cfs, by new domestic, commercial, municipal and industrial (DCMI) development.

7. A key element in the negotiations was how this block of water was to be distributed to new consumptive uses. The State, principally the Attorney General, wanted the Company's water rights to be immediately subordinated to these future consumptive uses. The Company maintained that its water rights should be "subordinateable", that is the water rights would be subordinated to new uses as the development occurred. This would give the State, and the Company, the ability to assess the impact of the new development on hydropower generation as well as allow the assessment of other economic and public interest considerations. This is generally reflected in paragraph 2 (pg. 4) of the attached Framework. Discussion and consideration of these issues eventually led to the development of the trust water component of the Agreement, the State would hold this "block of water" in trust and distribute it to new consumptive uses upon application and evaluation of those new uses against certain public interest criteria, including the impact of these new uses on hydropower generation. During the discussions and development of this trust water component, the terms water and water rights were used interchangeably. I recall no discussions during the time leading up to the execution of the Agreement in October of 1984, either within or outside the Company, to the effect that the Company would be required to assign or transfer any portion of its water rights to the State to implement or effectuate the trust component of the Agreement. In my opinion, based on my knowledge of and involvement with the negotiations leading to the execution of the Agreement, had it been a requirement of the Agreement that the Company assign or transfer all or a portion of its water rights to the State the Company would not have entered into the Agreement.

8. Subsequent to the execution of the Swan Falls Agreement in October of 1984, and through the 1985 legislative session, I met with numerous legislators to explain the Swan Falls Agreement and to discuss the Company's position in relation to the Agreement and the requirements of the Agreement. I also attended most, if not all, meetings of the Resource and Environment committees of the House and Senate where the Swan Falls legislation was discussed. To the best of my knowledge, I was the only representative of any of the parties to the Swan Falls Agreement that attended each of the legislative meetings where the Swan Falls Agreement and the resulting legislation were discussed. Again, during these meetings with legislators and during the legislative committee meetings, the terms water and water rights were generally used interchangeably and I recall no discussions to the effect that the Company was expected to or would be required to assign or transfer all or any portion of its water rights to the State in order to implement the trust component of the Swan Falls Agreement.

9. I was also involved with the Statement of Legislative Intent for SB 1008, which was drafted by Senator Crapo and read into the record in the Idaho Senate on February 6, 1985. To my knowledge, no similar statement of legislative intent was adopted or read into the record in the Idaho House of Representatives. As such, in my opinion, based upon my 38 years of experience with lobbying before the Idaho Legislature, the Statement of Legislative Intent prepared by Senator Crapo in the Senate Resources and Environment Committee and spread upon the pages of the Senate Journal by unanimous consent of the Senate cannot necessarily be relied upon as a representative statement of intent of the House of Representatives or the 1985 Legislature as a whole. While the Company was privy to the development of the Statement of Intent by Senator Crapo, it did not place a great deal of significance on its provisions. All of my discussions with legislators, both Senate and House, in 1985 relating to the intent of the

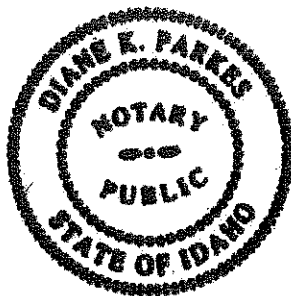
Agreement and the legislation were in the context that the trust component was developed for the purpose of holding and distributing the "block of water", approximately 600 c.f.s., that was presumed to be available over and above the minimum flows established by the Agreement. There was no discussion of the necessity to transfer or assign any portion of the Company's water rights to the State.

10. For the 23 years since the execution of the Swan Falls Agreement, I have represented the Company's interests before the Idaho Legislature and the Executive branch, including the Governor's Office, either as an employee of the Company or a contract lobbyist. At no time since the signing of that Agreement has a Governor of the State of Idaho or any member of the Governor's office requested or demanded that the Company assign or transfer all or any portion of its water rights to the State. Some time in 1999 I did attend a meeting between representatives of the Company and certain members of an interim legislative committee on electrical restructuring and Clive Strong, a representative of the Attorney General's office. I recall that one of the legislators in attendance was Senator Laird Noh. At that meeting, Senator Noh and Mr. Strong asserted that any decree entered in the Snake River Basin Adjudication (SRBA) for the Company's water rights identified in the Swan Falls Agreement should contain a specific provision reciting that that portion of the water right in excess of the minimum flows established by the Swan Fall Agreement is held in trust by the State. The Company did not agree with that assertion because it did not, in the Company's view, correctly reflect the intent of the Agreement and because the Swan Falls Agreement had been successfully implemented for 20 + years with no previous demand that the Company relinquish or assign its water rights to the State.

Dated this 7th day of February, 2008.

Gregory Panter
Greg Panter

SUBSCRIBED AND SWORN to before me this 7th day of February, 2008.



Diane K. Parkes
Notary Public for Idaho
Residing at: Boise, Id.
Commission Expires: 12-22-2012

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this ____ day of February 2008, I caused to be served a true and correct copy of the foregoing **AFFIDAVIT OF GREG PANTER IN SUPPORT OF PLAINTIFF'S MEMORANDUM IN OPPOSITION TO THE DEFENDANT'S MOTION FOR SUMMARY JUDGMENT** by the method indicated below, and addressed to each of the following:

Filed with the Court via Federal Express, Overnight Delivery.

Lawrence Wasden	____ U.S. Mail, Postage Prepaid
Steven Olsen	____ Hand Delivered
Karl T. Klein	☒ Overnight Mail
Michael C. Orr	____ Facsimile
700 W. Jefferson, Room 210	____ Federal Express, Overnight Delivery
P.O. Box 44449	
Boise, ID 83711-4449	
Attorneys for Defendant, State of Idaho	

IDWR Document Depository	____ U.S. Mail, Postage Prepaid
PO Box 83720	____ Hand Delivered
Boise, ID 83720-0098	☒ Overnight Mail
	____ Facsimile

United States Department of Justice	____ U.S. Mail, Postage Prepaid
Environment & Nat'l Resources Div	____ Hand Delivered
550 W Fort Street, MSC 033	☒ Overnight Mail
Boise, ID 83724	____ Facsimile

Chief, Natural Resources Division	____ U.S. Mail, Postage Prepaid
Office of Attorney General	____ Hand Delivered
PO Box 44449	☒ Overnight Mail
Boise, ID 83711-4449	____ Facsimile

Randall C. Budge	____ U.S. Mail
Candice M. McHugh	____ Hand Delivered
Racine Olson Nye Budge & Bailey, Chtd.	☒ Overnight Mail
P.O. Box 1391	____ Facsimile
Pocatello, ID 83204-1391	

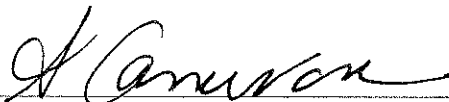


EXHIBIT A

JOHN V. EVANS
GOVERNOR



OFFICE OF THE GOVERNOR
STATE CAPITOL
BOISE 83720

May 9, 1984

Mr. James Bruce
Chief Executive Officer
Idaho Power Company
P. O. Box 70
Boise, Idaho 83707

Dear Mr. Bruce:

I appreciate your offer to enter into a contract for the dismissal of certain defendants in Ada County Civil No. 181375. I share your desire to limit the necessity for and extent of litigation over Snake River water rights. I, too, would favor a negotiated settlement of this dispute.

However, rather than the partial settlement contemplated by the contract you have offered, I propose that we enter into serious discussions of a complete settlement agreement. To that end, I offer the following observations.

I firmly believe that the issue of Snake River water rights allocation is the major resource policy issue which will face Idaho for the balance of this century. The resolution of this issue will greatly affect economic development and economic opportunity for all of Southern Idaho for generations to come. Such a fundamental public policy question ought to be resolved by the most careful and thorough public processes, and not necessarily in the context of litigation.

Thus far, the debate over Swan Falls water rights has focused on the question of whether irrigated agriculture or hydropower generation offers the greatest economic benefit to our state. In my view, that is not the issue. I agree with you and your company that it is in the interests of both current rate-payers and our future economic growth to maintain a strong hydro-power base. I agree that in future allocations of water resources we cannot afford to ignore the implications such allocations have on hydro-power generation. However, I fundamentally disagree with the Idaho Power Company position that

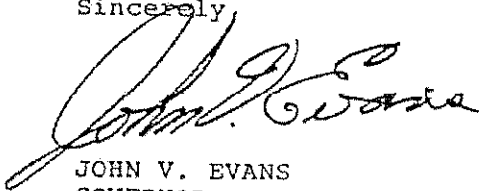
Mr. James Bruce
May 9, 1984
Page 2

the best way to assure adequate water for hydro-power generation is by recognizing the utility's power to veto future consumptive uses in the Snake River Basin. Such decision-making clearly should be a governmental responsibility, bounded only by broad public interest considerations, and not the prerogative of a private corporation.

I would propose that we utilize the minimum stream flow concept as the primary means of protecting hydro-power generation. In exchange for an assignment of Idaho Power Company's water rights on the Snake River to the State of Idaho, the State could establish a new higher minimum stream flow at a level mutually agreeable to the State and the power company. I would further suggest that the state establish a process by which future allocations of water on the Snake River could be reviewed against a set of criteria which reflect a balance of all the competing public and private interests: water requirements for new industry and agriculture, wildlife and conservation concerns, as well as preservation of our hydro-power base.

As you are keenly aware, the Idaho Power Company has a direct stake in the prosperity of all sectors of our Idaho economy. I would hope that you and I can now approach this challenge as partners in the pursuit of a common objective, and not as adversaries in a law suit in which there will be no winners.

Sincerely,



JOHN V. EVANS
GOVERNOR

JVE/pcs

EXHIBIT B



Nick Jim F

IDAHO POWER COMPANY

BOX 70 BOISE, IDAHO 83707

May 23, 1984

JAMES E BRUCE
Chairman of the Board and
Chief Executive Officer

The Honorable John V Evans
Governor of the State of Idaho
Statehouse
Boise, Idaho

Re: Swan Falls

Dear Governor Evans:

Thank you for your letter of May 9, 1984. The Company would welcome a chance to discuss settlement, as opposed to litigation. We urgently request your reconsideration of signing the contract so that existing users will be relieved of expense and uncertainty while we attempt to resolve the Swan Falls issues.

In our view, the Company's decision to protect its water rights should not be considered as a "veto" of other development, because Idaho's constitution provides for acquisition of the Company's water for future development by the utilization of imminent domain proceedings.

In your letter, you mention an assignment as a vehicle for settlement. A better subject of discussion, in the Company's view, would be the approach embodied in HB 574, as amended. A copy is enclosed for ease of review by you. This allows protection of the ratepayer and preservation of the hydro base as a resource, while permitting viable development to proceed.

In any event, the Company's willingness to discuss resolution of the controversy is not conditioned on the discussion of any particular proposal. We hope you likewise will be receptive to the exploration of any reasonable approach. Company representatives will be available to meet with you at your convenience.

Sincerely,

James E Bruce
Chairman and CEO

JEB:mlm

Encl

IPC002325

EXHIBIT C

FRAMEWORK FOR FINAL RESOLUTION
OF SNAKE RIVER WATER RIGHTS CONTROVERSY

INTRODUCTION

The litigation concerning water rights on the Snake River and its tributaries has focused public attention on the relationship between hydro-power generation at facilities such as Swan Falls dam, and upstream water use and development which impacts the availability of water for power generation. While the litigation has been costly to the Idaho Power Company, other water users, and the State of Idaho and has resulted in uncertainty over future availability of water, it has served to stimulate much-needed dialogue and study concerning prudent management of this vital natural resource.

However, Governor John Evans, Attorney General Jim Jones and Idaho Power Chief Executive Officer James Bruce believe we have reached the point of diminishing returns in pursuing further judicial resolution of this water rights controversy. Achieving a proper balance among competing demands for a limited resource such as water in the Snake River system is a fundamental public policy question. Litigation is not the most efficient method to resolve complex public policy questions. Moreover, adversary proceedings may not necessarily yield solutions which reflect the broad public interest as well as the interests of the proceeding's participants.

In order to resolve the controversy and settle the pending litigation, we have identified a series of judicial, legislative and administrative actions which we agree should be taken in the public interest, and which would resolve the outstanding legal issues to our mutual satisfaction.

1. THE MINIMUM STREAMFLOW IN THE STATE WATER PLAN SHOULD BE ADJUSTED TO 3,900 CUBIC FEET PER SECOND AT MURPHY GAGE DURING THE IRRIGATION SEASON AND TO 5,600 CUBIC FEET PER SECOND DURING THE NON-IRRIGATION SEASON.

The State Water Plan currently provides for a minimum streamflow of 3,300 c.f.s. on an average daily basis at Murphy Gage (below Swan Falls Dam). The Plan itself acknowledges that 3,300 c.f.s. is "less than the amount identified as needed for fish, wildlife and recreational purposes at Swan Falls or downstream." The best available hydrologic data indicate that existing uses result in a potential irrigation season low flow of approximately 4,500 c.f.s. at Murphy Gage on an average daily basis. By raising the irrigation season minimum streamflow, the state will be able to assure an adequate hydropower resource base and better protect other values recognized by the State Water Plan such as fish propagation, recreational and aesthetic interests, all of which would be adversely impacted by an inadequate streamflow. Conversely, by setting the irrigation season minimum flow at 600 c.f.s. below the current actual minimum, the state can allow a significant amount of further development of water uses without violating the minimum streamflow.

Non-irrigation season flows are of critical importance to the preservation of a low-cost hydro base, and to the ability of the Idaho Power Company to meet the needs of its customers. Therefore, the State Water Plan should be amended to recognize a seasonal differential in flows.

Implementation of an irrigation season (April through October) minimum flow of 3,900 cfs at the Murphy gage would result, under similar assumptions, in a low flow of 5,600 cfs in the non-irrigation season (November through March). The non-irrigation season minimum flow should be set at that level. While new storage projects which use non-irrigation season flows may serve to make more water available during the summer irrigation season, they may adversely impact generation capacity during winter months. Therefore, the state water plan should be amended to require that before new storage projects are approved by the state, we should require that existing storage facilities be fully utilized. After such time, new non-irrigation season storage in the reach below Milner dam and above Murphy Gage should only be authorized if it can be coupled with provisions which mitigate depletions such storage would cause in hydro-power generation.

The actual amount of development that can take place without violation of these minimum streamflows will depend on the nature and location of each new development, as well as the implementation of new practices to augment the streamflow.

Development of new domestic, commercial, municipal and industrial (DCMI) uses should proceed without further impediment because of their minimal effect on total water supply. Availability of an assured water supply for those purposes is essential for the orderly development of all the State's resources. Therefore, the State Water Plan should be amended to reserve a block of water for future consumptive DCMI development. This will both assure its availability and avoid the necessity of numerous eminent domain cases to acquire water for such uses.

2. BECAUSE ADDITIONAL WATER USE DEVELOPMENT POTENTIAL IS LIMITED, EACH NEW DEVELOPMENT SHOULD BE CAREFULLY SCRUTINIZED AGAINST EXPRESS PUBLIC INTEREST CRITERIA.

The right to develop the remaining water resources on the Snake River system should be allocated in a manner which will maximize long-term economic benefit to all sectors of society. Priority should be given to projects which promote Idaho's family farming tradition and which will create jobs. Because maintenance of inexpensive hydropower resources contributes to a positive economic climate for the creation of new jobs for Idahoans, future water rights allocation decisions should weigh the benefits to be obtained from each development against the probable impact it will have on the Company's hydropower resources.

To this end, the settlement of the pending Swan Falls litigation should be structured in a way which will allow the State to utilize Idaho Power Company's asserted water right to augment the State's existing and proposed legal authority to promote beneficial development and to reject proposed development which it deems to be detrimental to the public interest. This authority should extend to pending undeveloped permits as well as new applications.

In addition, legislation should be adopted which will enunciate state policy regarding the types of water resource development which are deemed to be beneficial, and which expressly recognizes hydropower generation benefits as an element of such public interest determination. The public interest criteria should also address the timing of new development.

The legislation should also clarify the authority of the Department of Water Resources to impose and lift moratoriums on the granting of new water rights permits. The parties envision that the Department can resume processing of pending water rights filings upon adoption of regulations implementing such legislation.

3. THE STATE SHOULD COMMENCE A GENERAL ADJUDICATION OF THE ENTIRE SNAKE RIVER BASIN IN IDAHO.

The key to effective management of the Snake River lies in a comprehensive determination of the nature, extent and priority of all of the outstanding claims to water rights.

Only through a general adjudication will the state be in a position to effectively enforce its minimum streamflow rights, protect other valid water rights, and determine how much water is available for further appropriation. A general adjudication will also result in quantification of federal and Indian water rights which until now have been unresolved. A further benefit of adjudication is that it will enable the establishment of an efficient water market system, which will encourage the highest and best use of our water resources.

Because a general adjudication will take many years to complete, it is essential to initiate the process as soon as possible so that it will be completed before an even more severe water rights crisis is upon us. The costs of the adjudication will be substantial, and legislation should be passed which equitably distributes those costs among water users, ratepayers and other taxpayers. The parties consulted with representatives of affected interests, and will recommend an equitable cost-sharing formula as part of a joint legislative package.

4. THE STATE SHOULD ENCOURAGE THE ESTABLISHMENT OF AN EFFECTIVE WATER MARKETING SYSTEM.

If the actions outlined in this document are taken there should be a significant amount of water available for appropriation in the Snake River Basin. However, such appropriations should be on the terms and conditions referred to in #2 above. The day is also approaching when there will be no further water

available for traditional appropriation. Therefore some provision must be made to enable people to acquire water rights outside of the appropriation process, over and above the amount reserved for DCMI. Private condemnation proceedings generally involve transaction costs which make it an unattractive alternative. The State should make it easier to get willing sellers together with willing buyers, and to facilitate approval of changes in the place of use. Conjunctive use and management of ground and surface water should also be explored.

5. THE STATE SHOULD FUND HYDROLOGIC AND ECONOMIC STUDIES TO DETERMINE THE MOST COST-EFFECTIVE AND ENVIRONMENTALLY SOUND MEANS TO IMPLEMENT THE STATE WATER PLAN AND TO AUGMENT FLOWS IN THE SNAKE RIVER.

The State Water Plan is the cornerstone of the effective management of the Snake River and its vigorous enforcement is contemplated as a part of the settlement. Much additional information is needed to permit informed management and planning decisions.

A number of methods have been suggested to enhance stream-flows in the Snake River, which would benefit both agricultural development and hydro-power generation. Among them are new in-stream storage and aquifer recharge projects. These and other methods deserve study to determine their economic potential, their impact on the environment, and their impact on hydro-power generation.

6. LEGISLATION SHOULD BE ENACTED TO CLARIFY THAT PROCEEDS FROM UTILITY SALES OF HYDROPOWER WATER RIGHTS WILL BENEFIT RATE-PAYERS.

Concern has been expressed that current law could permit a utility to sell its water rights to others. An additional concern is that the proceeds of such a sale would go to stockholders. The parties will propose legislation to address these concerns. Legislation in a draft form has already been discussed at a staff level and should be ready for inclusion in the joint legislative package.

CONCLUSION

The focus of discussion of settlement of the "Swan Falls Controversy" has necessarily been on the claims of right and authority at that site. However, the settlement of those issues necessarily involve putting in place legislation and policies which will govern the rest of the Snake River and other watersheds also.

The ultimate benefit will be to allow informed state policy decisions on future growth and protection of hydropower generation. The definition and implementation of a known and enforceable state policy will make the Swan Falls controversy an asset in the history of the state.

IMPLEMENTATION TIMETABLE

The nature of the controversy surrounding this issue is of such dimensions and affects the actions of so many citizens that the parties have agreed to an implementation timetable to assist the public in understanding when actions may be expected. However, it must be emphasized that the nature of the issues raised in this matter are complex and changes should be expected. Every effort will be made to keep the public informed concerning actions of the parties that could affect their interests.

October 1...Release Framework and Public Interest Criterion.

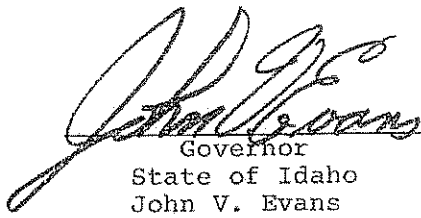
October 15...Execute Settlement Agreement, S.B. 1180 Contract and Stipulation.

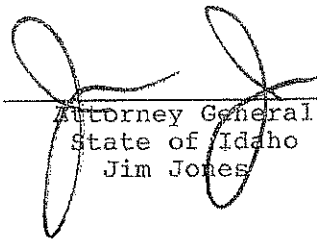
November 1...Proposed amendments to the State Water Plan, and proposed legislation providing public interest criteria, authority of the Department of Water Resources to impose moratoriums on new permits, funding for adjudication of the Snake River, establishment of an effective water market system, funding for hydrologic and economic studies to augment Snake River flows and clarifying allocation of proceeds on sales for hydropower water rights released for comment.

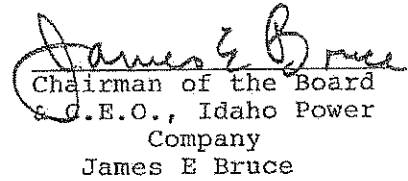
November-December...Meetings with legislative committees for briefing and comments on proposed legislation.

January 15, 1985...Presentation of legislative package to State Legislature.

DATED this 1st day of October, 1984.


Governor
State of Idaho
John V. Evans


Attorney General
State of Idaho
Jim Jones


Chairman of the Board
& C.E.O., Idaho Power
Company
James E Bruce