SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark On)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993 OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] FOR THE TRANSITION PERIOD FROM _____ TO _______

COMMISSION FILE NUMBER 1-3701

THE WASHINGTON WATER POWER COMPANY
(Exact name of Registrant as specified in its charter)

Washington	91-0462470
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1411 East Mission Avenue, Spokane, Washington	99202-2600
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:509-489-0500

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Class	Name of Each Exchange on Which Registered
Common Stock, no par value, together with Preferred Share Purchase Rights appurtenant thereto	New York Stock Exchange Pacific Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

Title of Class
Preferred Stock, Cumulative, Without Par Value

Indicate by check mark whether the Registrant (1) has 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 Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes[X] No[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the Registrant's outstanding Common Stock, no par value (the only class of voting stock), held by non- affiliates is $906,230,048.88, based on the last reported sale price thereof on the consolidated tape on February 25, 1994.

At February 25, 1994, 52,918,543 shares of Registrant's Common Stock, no par value (the only class of common stock), were outstanding.

Documents Incorporated By Reference

Document	Part of Form 10-K into Which Document is Incorporated
Proxy Statement to be filed in connection with the annual meeting of shareholders to be held May 12, 1994	Part III, Items 10, 11, 12 and 13

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* = not an applicable item in the 1993 calendar year for the Company

ACRONYMS AND TERMS

The following acronyms and terms are found in multiple locations within the document.

Acronym/Term	Meaning
aMW	- Average Megawatt - the measure of energy over time
BPA	- Bonneville Power Administration
CPUC	- California Public Utilities Commission
DSM	- Demand Side Management - the process of helping customers control how they use energy resources
FERC	- Federal Energy Regulatory Commission
IPUC	- Idaho Public Utilities Commission
IRP	- Integrated Resource Planning
MW, MWH	- Megawatt, megawatthour, a million watts or a thousand kilowatts (KW)
OPUC	- Public Utility Commission of Oregon
Pentzer	- Pentzer Corporation, a wholly-owned subsidiary of the Company which is the parent company to the majority of the Company's diversified nonutility businesses
Therm	- Unit of measurement for natural gas; a therm is equal to one hundred cubic feet (volume) or 100,000 BTUs (energy)
Watt	- Unit of measurement for electricity; a watt is equal to the rate of work represented by a current of one ampere under a pressure of one volt
WIDCo	- Washington Irrigation & Development Company, a wholly-owned non-operating subsidiary of the Company
WPNG	- WP Natural Gas, the operating division for the Company's natural gas business in Oregon and California (the natural gas distribution assets purchased from CPN)
WUTC	- Washington Utilities and Transportation Commission
WWP	- The Washington Water Power Company, the Company; in the context of the Company's natural gas business, refers to Washington and Idaho natural gas distribution assets

PART I

ITEM 1. BUSINESS

COMPANY OVERVIEW

Incorporated in 1889 under the laws of the State of Washington, The Washington Water Power Company (WWP, the Company) is an investor-owned company primarily engaged as a combination electric and natural gas utility serving a 26,000 square mile area known as the Inland Northwest in eastern Washington and northern Idaho with a population estimated to be in excess of 750,000. Also, WP Natural Gas (WPNG), an operating division, provides natural gas service in northeast and southwest Oregon and the South Lake Tahoe region in California with a population estimated to be in excess of 450,000. The Company's utility operations include the generation, purchase, transmission, distribution and sale of electric energy on both a retail and wholesale basis plus the purchase, transportation, distribution and sale of natural gas. In addition to its utility operations, the Company owns Pentzer Corporation, parent company to the majority of the Company's non-utility businesses. Pentzer's portfolio of investments includes companies involved in advertising display manufacturing, electronic technology, energy services, financial services, real estate development and telecommunications.

At December 31, 1993, the Company employed 1,696 people with 1,438 in its utility operations and 258 in its majority-owned non-utility operations. The Company headquarters are in Spokane, Washington, which with a population of about 480,000 in the Greater Spokane Area, serves as the Inland Northwest's center for business, transportation, health care, education, communication and agricultural interests.

For the twelve months ended December 31, 1993 and 1992, respectively, the Company derived operating revenues and income from operations in the following proportions:

	Operating Revenues		Income from Operations	
	1993	1992	1993	1992
Electric	73%	76%	82%	89%
Natural Gas	21%	18%	13%	8%
Non-Utility	6%	6%	5%	3%

UTILITY OVERVIEW

The Company owns and operates nine hydroelectric projects, a wood-waste fueled generating station and a natural gas combustion turbine. The Company also retains a 15% ownership in two coal-fired generating facilities, one in southwestern Washington and one in southeastern Montana. In addition the Company is in the process of constructing a natural gas combustion turbine peaking unit in northern Idaho. Four natural gas pipelines provide the Company access to both domestic and Canadian natural gas supplies. With this diverse resource portfolio, the Company remains one of the nation's lowest-cost producers and sellers of energy services.

At December 31, 1993, electric service was supplied to approximately 267,000 customers in eastern Washington and northern Idaho. The Company's average hourly load for 1993 was 900 aMW. The Company's annual peak load, including firm contractual obligations, was 2,126 MW. This peak occurred on January 13, 1993, at which time the maximum capacity available from the Company's generating facilities, contracts and non-firm purchases was 2,335 MW.

At December 31, 1993, the Company's natural gas operations served approximately 196,000 customers in four states. The Company's natural gas business has more than doubled since 1990 due primarily to the acquisition of the natural gas distribution properties of CP National in Oregon and South Lake Tahoe, California in September, 1991. The peak load in 1993 occurred on February 16, 1993 when 2.7 million therms were required. During that peak 3.5 million therms were available under firm transportation and storage contracts.

NON-UTILITY OVERVIEW

The Company's principal subsidiary, Pentzer, is the parent company of all the Company's non-utility subsidiaries except for three non-operating subsidiaries. Wholly-owned Pentzer is a company with approximately $130 million in total assets and about $86 million in shareholder equity. Pentzer's business strategy is to acquire controlling interests in a broad range of middle market companies, to help these companies grow through internal development and strategic acquisitions, and to sell the portfolio investments either to the public or to strategic buyers when it becomes most advantageous in meeting Pentzer's return on invested capital objectives.

ELECTRIC SERVICE

ELECTRIC COMPETITION AND BUSINESS OVERVIEW

The electric utility business is undergoing numerous changes and is becoming increasingly competitive as a result of economic, regulatory, and technological changes. The Company believes that it is well positioned to meet the challenges described below due to its low production costs, close proximity to major transmission lines, experience in the wholesale market and its commitment to high levels of customer satisfaction, cost reduction and continuous improvement of work processes.

The Company currently competes for new retail electric customers with various rural electric cooperatives and public utility districts. Challenges facing the electric retail business include changing technologies which reduce energy consumption, self- generation and fuel switching by industrial and other large retail customers, the potential for retail wheeling (described below) and the costs of increasingly stringent environmental laws. Cogeneration has had only a minor impact on the Company to date. See "Purchases, Exchanges and Sales" for additional detail on cogeneration purchases and sales. In addition, if electric utility companies are eventually required to provide retail wheeling service, which is the transmission by an electric utility of electric power from another supplier to a customer located within such utility's service area, the Company believes it will be in a position to benefit since it is committed to remaining one of the country's lowest-cost providers of electric energy.

The Company also competes in the wholesale electric market with other western utilities, including the BPA. Challenges facing the electric wholesale business include new entrants in the wholesale market and competition from lower cost generation being developed by independent power producers.

The National Energy Policy Act (NEPA) enacted in 1992 addresses a wide range of issues affecting the wholesale electric business. NEPA gives the FERC expanded authority to order electric utilities (a) to transmit electric power to or for wholesale purchasers and sellers if the result would not unreasonably impair the continuing reliability of the affected electric systems and (b) to increase transmission capacity to provide access for wholesale purchasers and sellers of electric power at prices that permit the recovery by the utility of all costs incurred in connection with the transmission services. NEPA also created Exempt Wholesale Generators (EWG's), a new class of independent power plant owners who are able to sell generation only at the wholesale level. The Company believes NEPA provides future transmission, energy production and sales opportunities to the Company and complements the Company's commitment to the wholesale electric business.

The Company's wholesale electric business remains an important part of the Company's overall business. Since 1987 the Company has entered into a number of long-term firm power sales contracts that have increased its wholesale electric business and the Company intends to continue active pursuit of wholesale business opportunities. In 1993, 31% of total KWH sales were to wholesale customers with 55% of these sales under firm contracts.

ELECTRIC SYSTEM

The Company owns and operates nine hydroelectric projects, a wood-waste fueled generating station and a natural gas combustion turbine in addition to retaining a 15% ownership in two coal-fired generating facilities.

Hydroelectric Resources Hydroelectric generation is the Company's lowest cost source of electricity and the availability of hydroelectric generation has a significant effect on the Company's total power costs. The Company expects to meet about 49% of its total system requirements with its own hydroelectric generation and long-term hydro contracts in normal water years. The streamflows in the Company's drainage systems were 86%, 64% and 116% of normal in 1993, 1992 and 1991, respectively. For the years 1993, 1992 and 1991, respectively, the Company's own hydroelectric generation facilities provided 33%, 28% and 38%, while long-term hydro contracts provided approximately 10%, 12% and 14% of the Company's total system requirements.

Thermal Resources The Company has a 15% interest in two coal-fired facilities - - the Centralia Power Plant (Centralia) in southwestern Washington and Units 3 and 4 of the Colstrip Generating Project (Colstrip) in southeastern Montana. In addition, the Company owns a woodwaste-fired facility known as the Kettle Falls Generating Station (Kettle Falls) in northeastern Washington and a natural gas-fired combustion turbine (CT) in Spokane. The CT is primarily used for peaking needs. In a normal water year about 32% of the Company's total system requirements are met by thermal sources. Company-owned thermal facilities provided 25%, 31% and 26% of the Company's total electricity requirements for the years 1993, 1992 and 1991, respectively.

Centralia, which is operated by PacifiCorp, is supplied with coal under a fuel supply agreement in effect through December 31, 2020. In 1993, 1992 and 1991 Centralia provided approximately 46%, 40% and 40%, respectively, of the Company's thermal generation.

Colstrip is supplied with fuel under coal supply and transportation agreements in effect through December 2019, from adjacent coal reserves owned and controlled by Entech, Inc. (Entech). Entech is a wholly-owned subsidiary of The Montana Power Company, which is also the operator of Colstrip. In 1993, 1992 and 1991 Colstrip provided approximately 43%, 51%, and 51% of the Company's thermal generation, respectively.

Kettle Falls' primary fuel is waste wood generated as a by-product of forest product processing facilities such as sawmills within an approximate one hundred mile radius of the plant. Natural gas may be used as an alternate fuel. The cost of waste wood fuel is heavily influenced by operations of the forest products industry as well as transportation costs and, therefore, is subject to significant price variations. Current fuel supplies are adequate through the remainder of 1994. A combination of long term contracts already in place plus spot purchases allow the Company the flexibility to meet all expected future fuel requirements for the plant. In 1993, 1992 and 1991 Kettle Falls provided approximately 11%, 9% and 9% of the Company's thermal generation, respectively.

Purchases, Exchanges and Sales In addition to the Company-owned hydro, long-term hydro contracts and thermal generating resources discussed above, total system requirements are met with other long-term purchases and exchanges of power. Other power purchases and exchanges for the years 1993, 1992 and 1991 provided approximately 32%, 29% and 22%, respectively, of the Company's total system requirements.

The following table summarizes the Company's major long-term wholesale power agreements as of December 31, 1993 (1):

Contracts Expiring between:	Purchases (MW)	Exchanges (MW)	Sales (MW)
1994 and 2003	173	79	150
2004 and 2013	217	150	150
2014 and 2023	30	82	150
Total	420	311	450
1993 Revenues (Expenses)	($18 million)	($35 million)	$51 million

(1) Available capacity may vary pursuant to the provisions of the specific contracts. See Notes 11 and 13 to Financial Statements for additional information

Under PURPA, the Company is required to purchase generation from qualifying facilities, including small hydro and cogeneration projects, at avoided cost rates adopted by the WUTC and IPUC. The Company purchased approximately 623 million KWH, or about 6% of the Company's total energy requirements, from these sources at a cost of approximately $26 million in 1993. The largest such contract is a ten-year power purchase contract between the Company and Potlatch, one of the Company's major industrial customers, which became effective on January 1, 1992. Under the terms of the agreement, the Company purchases 50-55 aMW of Potlatch's electric generation and makes available approximately 95 aMW of firm energy for sale. In addition, the Company makes available 25 aMW of interruptible energy and Potlatch must provide an equivalent amount of reserve generation capacity in case of interruption.

ELECTRIC REGULATORY ISSUES

The Company, as a public utility, is currently subject to regulation by state utility commissions with respect to rates, accounting, the issuance of securities and other matters. The electric retail operations are subject to the jurisdiction of the WUTC and IPUC. The Company is also subject to the jurisdiction of the FERC for its accounting procedures and its wholesale transmission rates.

In each regulatory jurisdiction, the prices the Company may charge for utility services (other than certain wholesale sales and specially negotiated retail rates for industrial or large commercial customers) are determined on a "cost of service" basis and are designed to provide, after recovery of allowable operating expenses, an opportunity to earn a reasonable return on "rate base" or assets employed in the business. "Rate base" is generally determined by reference to the original cost (net of accumulated depreciation) of utility plant in service, subject to various adjustments for deferred taxes and other items. Over time, rate base is increased by additions to utility plant in service and reduced by depreciation and retirements of utility plant from service.

The Company is a licensee under the Federal Power Act and its licensed projects are subject to the provisions of Part I of that Act. See "Properties - Electric Properties" for additional information. These provisions include payment for headwater

benefits, condemnation of licensed projects upon payment of just compensation and take-over of such projects after the expiration of the license upon payment of the lesser of "net investment" or "fair value" of the project, in either case plus severance damages.

General Rate Cases

The Company does not currently plan to file for any general electric rate increases in 1994. The following table summarizes information for the Company's most recent general electric rate cases:

	Approved		Effective Change	
Jurisdiction	Effective Date	ROE	Amount (1)	%
			(000's)	
WUTC	3-87	12.90%	$15,527	8.90%
IPUC (2)	9-86	12.90	3,680	4.30

(1) Anticipated annual revenue effect.
(2) Through June 30, 1994, the IPUC has approved a power cost adjustment (PCA) mechanism

Integrated Resource Planning (IRP) IRP is a process required by both the WUTC and IPUC and represents the Company's responsibility to meet customer demand for reliable energy services at the lowest total cost to both the Company and its customers. The process entails (1) the forecasting of future energy needs, (2) the assessment of energy supplies, conservation options, customer costs, and social and environmental impacts and (3) the development of action plans which support a least cost resource strategy. The Company's need for future electric resources to serve retail loads is very minimal. The electric integrated resource plan accepted by both the IPUC and the WUTC in 1993 showed that, through the year 1998, the Company's additional electric load requirements will be met for the most part by a combination of demand side management, including conversions to natural gas, and the redevelopment of existing hydro generating plants. The cost of these resources is generally competitive with the costs of resources being developed by independent power producers.

Demand Side Management (DSM) Energy efficiency programs, which include residential space and water heat conversion programs, are material components of the Company's long-term resource strategy. In 1992 the Company filed a request with both the WUTC and IPUC for approval of new electric DSM tariffs which would provide for the implementation of new and revised energy efficiency programs including the "Energy Exchanger" program, which offers incentives to the Company's electric space and/or hot water heating customers to convert to natural gas. In conjunction with the request for tariff approval, DSM accounting treatment was requested which would allow the Company to defer the costs in new program investments until the next general rate case. With only minor modifications, the applications were approved and the effective dates for implementation were May 1 and July 17, 1992 in Washington and Idaho, respectively. Reductions in the DSM incentives were approved by both the IPUC and WUTC in 1993. Justification will be required for continuation of the programs beyond December 31, 1994. Approximately 18 aMW were saved in 1993 under these programs and over 23 aMW have been saved since the program's inception.

Power Cost Adjustment (PCA) The Company's PCA surcharge of $2.3 million in Idaho expired on November 1, 1993. The current balance in the account has not yet triggered either a surcharge or a refund. In June 1993 the IPUC approved an extension of the PCA to June 30, 1994. See Note 1 to Financial Statements for additional details.

ELECTRIC OPERATING STATISTICS

	Years Ended December 31, 1993	1992	1991
ENERGY RESOURCES (Millions of KWH):			
Hydro generation (from Company facilities)	3,548	2,969	4,297
Thermal generation (from Company facilities)	2,791	3,310	2,941
Purchased power - long-term hydro	1,117	1,276	1,559
Purchased power - other	3,492	2,975	2,531
Power exchanges	81	72	(138)
Total power resources	11,029	10,602	11,190
Energy losses	(598)	(534)	(614)
Total energy resources (net of losses)	10,431	10,068	10,576
ENERGY REQUIREMENTS (Millions of KWH):			
Residential	3,134	3,024	3,082
Commercial	2,373	2,299	2,221
Industrial	1,644	1,563	1,148
Public street and highway lighting	22	20	21
Total retail requirements	7,173	6,906	6,472
Electric utilities - firm wholesale	1,798	2,020	2,025
Electric utilities - non-firm wholesale	1,460	1,142	2,079
Total energy requirements	10,431	10,068	10,576
RESOURCE AVAILABILITY at time of system peak (MW):			
Total requirements (winter) (1)	2,126	2,018	2,042
Total resource availability (winter)	2,335	2,280	2,222
Total requirements (summer) (2)	1,682	1,686	1,587
Total resource availability (summer)	2,206	2,138	2,065
ELECTRIC OPERATING REVENUES (Thousands of Dollars):			
Residential	$153,929	$146,073	$149,165
Commercial	126,256	121,277	116,564
Industrial	57,133	50,934	39,415
Public street and highway lighting	3,022	2,891	2,878
Total retail revenue	340,340	321,175	308,022
Electric utilities - firm wholesale	65,420	66,484	58,819
Electric utilities - non-firm wholesale	43,214	25,307	33,529
Total energy revenues	448,974	412,966	400,370
Miscellaneous revenues	15,201	11,447	11,401
Total electric revenues	$464,175	$424,413	$411,771
Income from electric operations - After income tax	$ 96,680	$101,867	$110,738
NUMBER OF ELECTRIC CUSTOMERS (Average for Period):			
Residential	233,795	227,575	223,364
Commercial	28,678	27,781	27,176
Industrial	963	974	967
Public street and highway lighting	308	302	301
Total retail customers	263,744	256,632	251,808
Other electric utilities	28	26	23
Total electric customers	263,772	256,658	251,831
ELECTRIC RESIDENTIAL SERVICE AVERAGES:			
Annual use per customer (KWH)	13,406	13,287	13,800
Revenue per KWH (in cents)	4.91	4.83	4.84
Annual revenue per customer	$658.39	$641.87	$667.81

(1) Includes firm contract obligations of 485 MW, 462 MW and 323 MW and 120 MW, 63 MW and 247 MW of non-firm sales in 1993, 1992 and 1991, respectively.

(2) Includes firm contract obligations of 610 MW, 468 MW and 474 MW in 1993, 1992 and 1991, respectively; 1991 results do not include 150 MW for non-firm sales. There were no non-firm sales in 1993 or 1992 during the summer system peak period.

NATURAL GAS SERVICE

NATURAL GAS COMPETITION AND BUSINESS OVERVIEW

Natural gas is priced competitively compared to other alternative fuel sources for both residential and commercial customers. The Company provides programs that encourage electric customers to convert to natural gas. Significant growth has occurred in the Company's natural gas business in recent years due to these conversions. The Company also makes sales or provides transportation service directly to large natural gas customers.

Challenges facing the Company's natural gas business include the potential for customers to by-pass the Company and securing competitively priced natural gas supplies for the future. Since 1988 one of the Company's large industrial customers has built its own pipeline interconnection. However, this customer still purchases some natural gas services from the Company. The Company prices its natural gas services, including transportation contracts, competitively and has varying degrees of flexibility to price its transportation and delivery rates by means of special contracts to assist in retaining potential by-pass customers. The Company has signed long-term transportation contracts with two of its largest industrial customers which minimizes the chances of these customers by-passing the Company's system.

Order 636B adopted by FERC in 1992 provides the Company more flexibility in optimizing its natural gas transportation and supply portfolios. While rate design changes have increased the costs of firm transportation to low load factor pipeline customers such as the Company, flexible receipt and delivery points and capacity releases allow temporarily under-utilized transportation to be released to others when not needed to serve the Company's customers.

NATURAL GAS SYSTEM

The Company's natural gas operations are operated as separate divisions, with the WWP service territory including the Washington and Idaho properties and the WPNG service territory including Oregon and California properties.

Natural Gas Supply The Company has access to four natural gas pipelines, Northwest Pipeline Company (NWP), Pacific Gas Transmission (PGT), Paiute Pipeline (Paiute) and Alberta Natural Gas Co. Ltd. (ANG), which provide the Company access to both domestic and Canadian natural gas supplies. Due to this resource portfolio, the Company remains one of the nation's lowest-cost local distribution companies. Both WWP and WPNG contract with (1) NWP for three types of firm service: transportation, liquefied natural gas storage and underground storage and (2) PGT and ANG for firm transportation. WPNG also contracts with Paiute for firm transportation and liquefied natural gas storage to deliver natural gas to its California customers.

Firm winter natural gas supplies are purchased by the Company through negotiated agreements having terms ranging between one month and eleven years with a variety of natural gas suppliers. As a result of FERC Order 636B, WWP has completed the process of converting its NWP natural gas sales to firm transportation and assuming its share of NWP's natural gas supply contracts.

In January 1993, the Company contracted with ANG, PGT, NWP and Paiute for additional transportation capacity to be available by November 1995 for service in the Oregon and California service territory of WPNG. The Company has also contracted with PGT and ANG for additional capacity for service beginning in 1995 for its Washington and Idaho properties.

Jackson Prairie Natural Gas Storage Project (Storage Project) The Company retains a one-third ownership interest in the Storage Project, which is an underground natural gas storage field located near Chehalis, Washington. Under FERC's open access policy the role of the Storage Project in providing flexible natural gas supplies is increasingly important to the Company's natural gas operations. The Storage Project enables the Company to place natural gas into storage when prices are low or to meet minimum natural gas purchasing requirements, as well as to withdraw natural gas from storage when spot prices are high or as needed to meet high demand periods. The Company has released some of its Storage Project capacity to two other utilities until 1995 and 1996 with a provision under one of the releases to partially recall the released capacity if the Company determines additional natural gas is required for its own system supply.

Natural Gas Transportation Services The Company provides transportation service to customers who obtain their own natural gas supplies. Transportation service continued to be a significant component of the Company's total system deliveries in 1993. The competitive nature of the spot natural gas market results in savings in the cost of purchased natural gas, which encourages large customers with fuel-switching capabilities to continue to utilize natural gas for their energy needs. The total volume transported on behalf of transportation customers was approximately 197.5 million therms in 1993. This total volume represented approximately 40% of the Company's total system deliveries in 1993.

NATURAL GAS REGULATORY ISSUES

The Company, as a public utility, is currently subject to regulation by several state utility commissions with respect to rates, accounting, the issuance of securities and other matters. The natural gas operations are subject to the jurisdiction of the WUTC, IPUC, OPUC and CPUC in addition to the FERC with respect to natural gas rates charged for the release of capacity from the Storage Project. Refer to Electric Regulatory Issues for additional details regarding the rate setting process.

General Rate Cases

The Company has no current plans to file for any natural gas general rate cases in 1994. The following table summarizes information for the Company's most recent general natural gas rate cases (1):

	Approved		Effective Change	
Jurisdiction	Effective Date	ROE	Amount (2)	%
			(000's)	
WUTC	8-90	12.90	1,131	2.58
IPUC	10-89	12.75	(579)	(3.66)
Reconsideration	2-90	12.75	135	0.86

(1) In addition, the Company from time to time, upon request, receives regulatory approval from the WUTC, the IPUC, the OPUC and the CPUC to adjust rates to reflect changes in the cost of purchased natural gas between general rate cases.
(2) Anticipated annual revenue effect.

In September 1991, the Company commenced operations in both California and Oregon upon the acquisition of the natural gas properties of CP National. The conditions of the CPUC order approving the acquisition included an exemption from filing a general rate case until January 1, 1994 and a rate "freeze" until January 1, 1995. On October 20, 1993, the CPUC granted a one year extension to January 1, 1995 before the Company is required to file a general rate case. As a result, the existing rate "freeze" will continue until at least January 1, 1996. The OPUC also authorized a general rate "freeze" which extends to December 31, 1995. Purchased natural gas costs will continue to be tracked through to customers in both jurisdictions during the rate "freeze" period.

Integrated Resource Planning (IRP) In 1993 biannual natural gas IRP reports were accepted by both the WUTC and OPUC. Refer to Electric Regulatory Issues for a description of the IRP process.

Demand Side Management (DSM) Included with the WUTC and IPUC electric DSM applications discussed above under Electric Regulatory Issues, the Company requested approval of new natural gas tariffs which would provide for the implementation of new and revised energy efficiency programs for the Company's residential, commercial and industrial natural gas customers. In conjunction with the request for tariff approval, the Company requested approval of associated natural gas DSM accounting treatment. With only minor modifications, the applications were approved. The effective dates for implementation were May 1 and July 17, 1992 in Washington and Idaho, respectively, with revisions made in July 1993 and future justification required for continuance of programs beyond December 31, 1994.

On December 21, 1993, the OPUC authorized the Company to defer revenue requirement amounts associated with its WPNG DSM investments, and established an annual rate adjustment mechanism to reflect the deferred costs on a timely basis. Under this authorization, each December 1 the Company will file a rate adjustment to recover DSM program costs and margin losses. This filing will be concurrent with the Company's annual natural gas tracker filing. The effective date for both the deferrals and the rate adjustment mechanism was January 1, 1994.

Natural Gas Trackers In the second quarter of 1993, the Company filed special natural gas trackers with the WUTC, IPUC, OPUC and CPUC due primarily to the increased costs from the pipelines related to the implementation of FERC Order 636B. The increases range from 3% to 25% but will result in no additional net income to the Company. The trackers were approved by all four state commissions.

In a separate proceeding, the annual Oregon natural gas tracker became effective on December 1, 1993. The tracker will increase overall revenue by about $3.1 million or 8.74% in Oregon but will result in no additional net income to the Company as it is only a passthrough of changes in the cost of purchased natural gas and amortization rates pursuant to the Company's natural gas tracker. The filing also included the acquisition of additional capacity over the PGT system.

THE WASHINGTON WATER POWER COMPANY

NATURAL GAS OPERATING STATISTICS

	Years Ended December 31, 1993	1992	1991(1)
SOURCES OF SUPPLY (Thousands of Therms):			
Purchases	300,572	232,726	210,220
Storage - injections	(26,398)	(5,478)	(15,633)
Storage - withdrawals	20,153	17,229	6,038
Natural gas for transportation	197,499	181,145	143,222
Distribution system gains (losses)	7,416	(2,663)	984
Total supply	499,242	422,959	344,831
THERMS DELIVERED (Thousands of Therms):			
Residential	151,261	117,660	91,786
Commercial	114,793	95,624	79,745
Industrial - firm	19,035	15,822	13,750
Industrial - interruptible	15,747	12,350	15,582
Total retail sales	300,836	241,456	200,863
Transportation	197,499	181,145	143,222
Company use	907	358	746
Total therms - sales and transportation	499,242	422,959	344,831
NET SYSTEM MAXIMUM CAPABILITY (Thousands of Therms):			
Net system maximum demand (winter)	2,651	2,277	1,983
Net system maximum firm contractual capacity (winter)	3,523	3,786	2,803
NATURAL GAS OPERATING REVENUES (Thousands of Dollars):			
Residential	$ 68,137	$ 48,395	$ 34,147
Commercial	43,542	31,984	23,996
Industrial - firm	6,089	4,506	3,477
Industrial - interruptible	4,784	3,204	3,047
Total retail revenues	122,552	88,089	64,667
Transportation	10,923	8,663	5,274
Miscellaneous revenues	4,072	3,818	3,363
Total natural gas revenues	$137,547	$100,570	$ 73,304
Income from natural gas operations - After income tax	$ 15,576	$ 9,068	$ 10,265
NUMBER OF NATURAL GAS CUSTOMERS (Average for Period):			
Residential	162,400	148,242	137,726
Commercial	22,526	21,816	21,169
Industrial - firm	268	266	267
Industrial - interruptible	39	29	29
Total retail customers	185,233	170,353	159,191
Transportation	56	60	58
Total natural gas customers	185,289	170,413	159,249
NATURAL GAS RESIDENTIAL SERVICE AVERAGES:			
WWP			
Annual use per customer (therms)	1,025	864	934
Revenue per therm (in cents)	41.55	37.05	35.08
Annual revenue per customer	$425.82	$319.99	$327.57
WPNG			
Annual use per customer (therms)	775	679	250
Revenue per therm (in cents)	52.78	49.64	49.58
Annual revenue per customer	$409.11	$337.06	$123.79
HEATING DEGREE DAYS:			
Spokane, WA			
Actual	7,224	6,134	6,639
30 year average	6,882	6,882	6,882
% of average	105.0	89.1	96.5
Medford, OR			
Actual	4,396	3,653	1,607
30 year average	4,798	4,798	1,823
% of average	91.6	76.1	88.2

(1) Includes WPNG results from September 30 to December 31 except where otherwise noted; includes a three-month average of WPNG customers and a twelve-month average of WWP customers.

ENVIRONMENTAL MATTERS

The Company is subject to environmental regulation by federal, state and local authorities. The generation, transmission, distribution, service and storage facilities in which the Company has an ownership interest have been designed to comply with all environmental laws presently applicable.

The Company was named a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA" or "Superfund") at the Coal Creek site in Chehalis, Washington. The estimated cost of clean-up is $12,000,000, which is being shared by over 90 utilities. The Company is responsible for approximately $800,000 of this cost, the majority of which was spent in 1993.

In 1993 the EPA referred a matter to the U.S. Justice Department requesting the Company and other potentially responsible parties to enter into negotiations for the recovery of costs incurred by EPA and for initiation of action in connection with the clean-up at the Spokane Junk Yard Site located in Spokane, Washington. If an action is commenced, the claim is expected to be for $2.4 million in site stabilization costs plus additional costs including attorneys' fees and site rehabilitation costs. The Company has no records showing that any Company equipment was ever deposited at the Spokane Junk Yard Site or that PCB contaminated equipment was delivered to any company which disposed of materials at the site. Therefore, the Company has disclaimed any liability with respect to the Spokane Junk Yard Site. If an action is commenced, the Company will vigorously defend against such claim.

Refer to both Note 11 to Financial Statements: Commitments and Contingencies and Significant Trends in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information.

NON-UTILITY BUSINESS

As of December 31, 1993, the Company had an investment of approximately $93 million in non-utility operations, of which about $86 million was invested in Pentzer. The remainder was invested in three non-operating subsidiaries, the largest of which is WIDCo, which maintains a small investment portfolio. Substantially all of the non-utility operations are controlled by Pentzer, a wholly owned subsidiary of the Company.

As of December 31, 1993, Pentzer had approximately $130 million in total assets, or about 7% of the Company's consolidated assets. Pentzer's portfolio of investments includes companies involved in advertising display manufacturing, electronic technology, energy services, financial services, real estate development and telecommunications.

Pentzer's current investment profile focuses on manufacturers and distributors of industrial and consumer products as well as service businesses. The Company seeks businesses with above average records of earnings growth in industries that are not cyclical or dependent upon high levels of research and development. Emphasis is placed on leading companies with strong market franchises, dominant or proprietary product lines or other significant competitive advantages. Pentzer is particularly interested in companies serving niche markets. Total investment in any one company is generally limited to $15 million, and control of the acquired company's board of directors is generally required.

Pentzer's business strategy is to acquire controlling interests in a broad range of middle market companies, to help these companies grow through internal development and strategic acquisitions, and to sell the portfolio investments either to the public or to strategic buyers when it becomes most advantageous in meeting Pentzer's return on invested capital objectives. Pentzer's goal is to produce financial returns for the Company's shareholders that, over the long term, should be higher than that of the utility operations. From time to time, a significant portion of Pentzer's earnings contributions may be the result of transactional gains. Accordingly, although the income stream is expected to be positive, it may be uneven from year to year.

ITEM 2. PROPERTIES

ELECTRIC PROPERTIES

The Company's electric properties, located in the States of Washington, Idaho and Montana, include the following:

Generating Plant

	No. of Units	Nameplate Rating (MW)(1)	Present Capability (MW)(2)	Year of FERC License Expiration
Hydro Generating Stations (River)				
Washington:				
Long Lake (Spokane)	4	70.0	72.8	2007
Little Falls (Spokane)	4	32.0	36.0	N/A
Nine Mile (Spokane)	4	12.4	9.0(3)	2007
Upper Falls (Spokane)	1	10.0	10.2	2007
Monroe Street (Spokane)	1	14.8	10.0(4)	2007
Meyers Falls (Colville)	2	1.2	1.3	2023
Idaho:				
Cabinet Gorge (Clark Fork)	4	212.5	172.5(5)	2001
Post Falls (Spokane)	6	14.8	18.0	2007
Montana:				
Noxon Rapids (Clark Fork)	5	466.2	554.0	2005
Total Hydro		833.9	883.8	
Thermal Generating Stations				
Washington:				
Centralia (6)	2	199.5	197.0	
Kettle Falls	1	50.7	46.5	
Northeast Combustion Turbine (7)	2	61.2	68.0	
Montana:				
Colstrip (Units 3 and 4) (6)	2	233.4	216.0	
Total Thermal		544.8	527.5	
Total Generation		1,378.7	1,411.3	

N/A Not applicable.
(1) Nameplate Rating, also referred to as "installed capacity", is the manufacturer's assigned rating under specified conditions.
(2) Capability is the maximum generation of the plant without exceeding approved limits of temperature, stress and environmental conditions.
(3) Due to the redevelopment project which was started during 1993, the actual plant capability at year end declined from 18 MW; upon completion of this project in mid-1994, the plant capability is expected to rise to 29 MW.
(4) Reduced from 13 MW due to possible penstock enlargement; if completed, the plant capability is expected to return to 13 MW.
(5) Due to the upgrade project started during 1993 on unit no. 1, the actual plant capability at year end declined from 230 MW; upon completion of this project in mid-1994, the plant capability is expected to rise to 240 MW.
(6) Jointly-owned. Data above refers to Company's respective 15% interests.
(7) Used primarily for peaking needs.

Distribution and Transmission Plant

The Company operates approximately 11,250 miles of distribution lines in its electric system. The Company's transmission system consists of approximately 550 miles of 230 KV line and 1,500 miles of 115 KV line. The Company also owns a 10% interest in 495 miles of a 500 KV line from Colstrip, Montana and a 15% interest in 3 miles of a 500 KV line from Centralia, Washington to the nearest BPA interconnections.

The 230 KV lines are used primarily to transmit power from the Company's Noxon Rapids and Cabinet Gorge hydro generating stations to major load centers in the Company's service area. The 230 KV lines also transmit to points of interconnection with adjoining electric transmission systems for bulk power transfers. These lines interconnect with BPA at five locations and at one location each with PacifiCorp, Montana Power and Idaho Power Company. The BPA interconnections serve as points of delivery for power from the Colstrip and Centralia generating stations as well as for the interchange of power with the Southwest. The interconnection with PacifiCorp is the point of delivery for power purchased by the Company from Mid-Columbia projects' hydro generating stations.

The 115 KV lines provide for transmission of energy as well as providing for the integration of the Spokane River hydro and Kettle Falls wood-waste generating stations with service area load centers. These lines interconnect with BPA at nine locations, Grant County PUD at three locations, Seattle City Light and Tacoma City Light at two locations and one each with Chelan County PUD, PacifiCorp, and Montana Power.

Electric Projects Under Construction

Rathdrum Combustion Turbine On October 5, 1993, the IPUC issued an order approving the combustion turbine project consisting of two 88 MW units. Construction has begun on the project, which is designed to meet the Company's peaking needs for both its retail and wholesale obligations. The air quality permit that has been issued, which allows for the operation of the project as scheduled, has been challenged and is currently under administrative review. Natural gas will be used as both the primary and back-up fuel. The Company has obtained separate construction and long-term lease financing for this project. The project is currently expected to be completed by early 1995 at an expected cost of $66 million, of which $29 million had been spent as of December 31, 1993.

Company Hydro The Company continues to study its hydroelectric facilities on both the Spokane and Clark Fork Rivers to identify additional economic hydroelectric generating potential. Turbine efficiency improvements are underway at the Nine Mile project that would increase generating capacity by 12 MW to a total of 29 MW by mid-1994 at an expected cost of $20 million. Similar improvements are underway at the Cabinet Gorge powerhouse that would increase capacity by approximately 10 MW to a total of 240 MW at an expected cost of $12 million; it is expected back on-line by the end of the first quarter 1994. Feasibility studies for upgrading the Company's other hydroelectric facilities are continuing.

Proposed Acquisition

On February 15, 1994, the Company announced it had reached agreement to acquire the northern Idaho electric properties of Pacific Power and Light Company, an operating division of PacifiCorp. The cash purchase price will be $26 million, subject to closing adjustments, and includes a premium above the book value of the net assets acquired. Pacific Power's northern Idaho electric system currently serves approximately 9,300 residential, commercial and industrial customers. The purchase is subject to regulatory approval by the IPUC and the FERC. Closing of the transaction is expected to occur during the summer of 1994. See Note 14 to Financial Statements for additional information related to this acquisition.

NATURAL GAS PROPERTIES

The WWP and WPNG service territories' natural gas properties have natural gas distribution mains of approximately 2,912 miles and 1,410 miles, respectively.

The Company, NWP and Washington Natural Gas Company each own a one-third undivided interest in the Storage Project. The Storage Project has a total peak day deliverability of 4.6 million therms, with a total working natural gas inventory of 155.2 million therms.

ITEM 3. LEGAL PROCEEDINGS

Refer to Note 11 to Financial Statements: Commitments and Contingencies.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Outstanding shares of Common Stock are listed on the New York and Pacific Stock Exchanges. As of February 25, 1994, there were approximately 36,000 registered shareholders of the Company's no par value Common Stock.

It is the intention of the Board of Directors to continue to pay dividends quarterly on the Common Stock, but the amount of such dividends is dependent on future earnings, the financial position of the Company and other factors.

For further information, see Notes 8 and 15 to Financial Statements.

ITEM 6. SELECTED FINANCIAL DATA

On November 9, 1993, the Company distributed, to shareholders of record on October 25, 1993, shares of its common stock, without par value, under a two-for-one stock split effected in the form of a 100% stock dividend. All references to number of shares and per share information have been adjusted to reflect the common stock split on a retroactive basis.

In 1992, Pentzer's common stock ownership in ITRON was reduced from approximately 60% to approximately 40% as a result of the issuance of common stock by ITRON in an acquisition. Accordingly, beginning in 1992, Pentzer's share of ITRON's earnings is accounted for by the equity method and is included in Other Income-Net and its investment in ITRON is reflected on the balance sheet under Other Property and Investments. ITRON's initial public offering in November 1993 and Pentzer's sale of a portion of its ITRON stock resulted in a reduction in Pentzer's ownership interest in ITRON to approximately 25%.

The Company purchased natural gas distribution properties in Oregon and California from CP National Corporation on September 30, 1991. The 1991 financial information reflects three months of operations of these properties.

On July 31, 1990, WIDCo sold its 50% interest in its coal mining properties. The consolidated financial statements, notes and selected financial data have been reclassified to reflect the continuing operations of the Company. The revenues, expenses, assets and liabilities of the discontinued operations have been reclassified from those categories and netted into single line items in the income statements and balance sheets.

(Thousands of Dollars except Per Share Data and Ratios)

	Years Ended December 31				
	1993	1992	1991	1990	1989
Operating Revenues:					
Utility	$ 601,722	$ 524,983	$ 485,075	$ 470,655	$ 470,585
Non-Utility	38,877	32,775	81,732	83,786	58,216
Total	640,599	557,758	566,807	554,441	528,801
AFUDC/AFUCE	4,964	3,751	1,999	645	646
Accelerated ADITC	-	-	-	-	9,300
Net Income:					
Utility	69,510	63,975	69,211	71,463	61,471
Non-Utility	13,266	8,292	1,420	684	4,936
Discontinued Operations	-	2,403	1,553	15,457	5,664
Total	82,776	74,670	72,184	87,604	72,071
Preferred Stock Dividend Requirements	8,335	6,817	9,292	8,419	11,750
Income Available for Common Stock	74,441	67,853	62,892	79,185	60,321
Average Common Shares Outstanding (000s)	51,616	49,550	46,916	45,723	44,647
Earnings per Share:					
Utility	1.19	1.15	1.28	1.38	1.11
Non-Utility	.25	.17	.03	.01	.11
Discontinued operations . . .	-	.05	.03	.34	.13
Total	1.44	1.37	1.34	1.73	1.35
Dividends Paid per Common Share..	1.24	1.24	1.24	1.24	1.24
Total Assets at Year-End:					
Utility	1,701,652	1,424,812	1,394,800	1,275,122	1,251,882
Non-Utility	136,186	109,203	126,713	130,889	123,188
Total	1,837,838	1,534,015	1,521,513	1,406,011	1,375,070
Long-term Debt at Year-End. . . .	647,229	596,897	633,434	561,197	561,265
Preferred Stock Subject to Mandatory Redemption at Year-End	85,000	85,000	50,000	50,000	70,000
Ratio of Earnings to Fixed Charges	3.45	3.08	2.96	2.79	2.71
Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements	2.77	2.57	2.35	2.31	2.08

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is primarily engaged as a utility in the generation, purchase, transmission, distribution and sale of electric energy and the purchase, transportation, distribution and sale of natural gas. Natural gas operations are affected to a significant degree by weather conditions and customer growth. The Company's electric operations are highly dependent upon hydroelectric generation for its power supply. As a result, the electric operations of the Company are significantly affected by weather and streamflow conditions and, to a lesser degree, by customer growth. Revenues from the sale of surplus energy to other utilities and the cost of power purchases vary from year to year depending on streamflow conditions and the wholesale power market. The wholesale power market in the Northwest region is affected by several factors, including the availability of water for hydroelectric generation, the availability of base load plants in the region and the demand for power from the Southwest region. Usage by retail customers varies from year to year primarily as a result of weather conditions, the economy in the Company's service area, customer growth and conservation.

The Company will continue to emphasize the efficient use of energy by its customers, increase efforts to grow its customer base, especially natural gas, and continue to manage its operating costs, increase revenues and improve margins. The Company will also pursue resource opportunities through demand side management, system upgrades, purchases and other options that will result in obtaining electric power and natural gas supplies at the lowest possible cost.

The Company purchased natural gas distribution properties in Oregon and California from CP National Corporation on September 30, 1991. The 1991 financial statements reflect three months of operations of these properties. See Note 14 to Financial Statements for further information.

On November 9, 1993, the Company distributed, to shareholders of record on October 25, 1993, shares of its common stock, without par value, under a two-for-one stock split effected in the form of a 100% stock dividend. All references to number of shares and per share information have been adjusted to reflect the common stock split on a retroactive basis.

RESULTS OF OPERATIONS

OVERALL OPERATIONS

Overall earnings per share for 1993 were $1.44, compared to $1.37 in 1992 and $1.34 in 1991. The 1993 results include transactional gains totaling $12.8 million recorded by Pentzer Corporation (Pentzer) as a result of the sale of several investments in its portfolio and the sale of stock in the initial public offering by ITRON, Inc. (ITRON) in November 1993. The 1992 results include an after-tax gain of $4.4 million, or $0.09 per share, due to the issuance of common stock by ITRON in an acquisition and a transactional gain of $1.2 million due to the sale of Pentzer's interest in a company involved in power plant maintenance. Discontinued coal mining operations contributed $2.4 million to net income, or $0.05 per share, in 1992 and $1.6 million, or $0.03 per share, in 1991.

Earnings per share from continuing operations were $1.44 for 1993, $1.32 for 1992 and $1.31 for 1991. Utility income available for common stock increased $4.0 million, or 7.0%, in 1993 after decreasing $2.8 million, or 4.6%, in 1992. Utility income available for common stock contributed $1.19 to earnings per share in 1993, compared to $1.15 in 1992 and $1.28 in 1991. Non-utility income available for common stock from continuing operations increased $5.0 million in 1993 and $6.9 million in 1992 and contributed $0.25 to earnings per share in 1993, compared to $0.17 in 1992 and $0.03 in 1991.

Slightly colder-than-normal weather during 1993 impacted both electric and natural gas operations as compared to 1992. Income from electric operations decreased $1.8 million in 1993, as compared to 1992, primarily as a result of increases in purchased power costs due to thermal plant outages, a large sale of wholesale energy and lower hydroelectric generation due to below normal streamflows, and increases in other operating and maintenance expenses. Income from natural gas operations increased $9.3 million in 1993 over 1992 due primarily to increased customer usage from the colder weather and customer growth. Warmer-than-normal weather throughout most of 1992 significantly impacted both electric and natural gas operations during the year. Increased purchased power and fuel costs, due to low hydroelectric generation and reduced streamflows, combined with decreased customer usage, were responsible for a decrease of $10.2 million in 1992 income from electric operations as compared to 1991. Income from natural gas operations decreased $2.3 million in 1992, as compared to 1991, due primarily to reduced revenues as a result of the warmer-than-normal temperatures.

Electric revenues and expenses were both impacted by a ten-year power purchase contract, effective January 1992, with Potlatch Corporation (Potlatch), one of the Company's major industrial customers. Under terms of the agreement, the Company purchases 50-55 average MW of Potlatch's electric generation and makes available up to approximately 95 average MW of firm energy for sale. In addition, the Company makes available 25 average MW of interruptible energy and Potlatch must provide an equivalent amount of reserve generation capacity in case of interruption. The increased KWH sales to Potlatch result in increased industrial revenues to the Company, while the purchase of Potlatch's generating output increases purchased power expense.

Non-recurring adjustments were made in 1991 to establish reserves for potential write-offs related to the recovery of costs associated with the Creston Project, a proposed 2,000 MW coal-fired generating station located near Creston, Washington, and related transmission. The reserves were calculated assuming regulators would allow the Company to recover its investment, but would not allow the Company to earn a return on the investment during a recovery period. Through December 31, 1993, the Company had invested $11.0 million in the Creston Project. These adjustments decreased Other Income net of taxes in 1991 by $3.2 million. A non-recurring adjustment was also made during 1991 to adjust previous accruals of deferred federal income tax related to electric operations. This adjustment decreased income taxes by $4.0 million in 1991.

Interest expense decreased $3.4 million in 1993 and $1.0 million in 1992. From 1991 through 1993, $69 million of long-term debt matured and $344 million of higher-cost debt was redeemed and refinanced at lower interest rates.

Preferred stock dividend requirements increased $1.5 million, or 22.3%, in 1993 due to the issuance of preferred stock in late 1992. Preferred stock dividend requirements decreased $2.5 million, or 26.6%, in 1992. The redemption of preferred stock in early 1992, combined with an issuance later in the year at a lower dividend rate and lower rates on variable rate preferred stock were the primary reasons for the 1992 decrease.

UTILITY OPERATIONS

Electric Operating Income Summary

Electric Operations (dollars in thousands)	1993	1993 vs 1992 Incr(Decr)	%	1992	1992 vs 1991 Incr(Decr)	%	1991
Operating Revenues	$464,175	$39,762	9	$424,413	$12,642	3	$411,771
Operating Expenses:							
Purchased Power	118,809	27,100	30	91,709	22,263	32	69,446
Fuel for generation	34,233	(2,863)	(8)	37,096	5,297	17	31,799
Other Operating & Maintenance	68,567	10,709	19	57,858	(7,884)	(12)	65,742
Administrative & General	29,225	1,170	4	28,055	1,854	7	26,201
Depreciation & Amortization	46,324	4,856	12	41,468	905	2	40,563
Taxes Other than Income	35,021	587	2	34,434	366	1	34,068
Total Operating Expenses	332,179	41,559	14	290,620	22,801	9	267,819
Income from Operations	131,996	(1,797)	(1)	133,793	(10,159)	(7)	143,952
Electric Operations Income Taxes	35,316	3,390	11	31,926	(1,288)	(4)	33,214
Net Operating Income (1)	$ 96,680	$(5,187)	(5)	$101,867	$(8,871)	(8)	$110,738

(1) Does not include interest expense or other income.

Electric revenues increased in all classes for 1993, as compared to 1992, as a result of customer growth, increased wholesale sales and a slight increase in customer usage due to colder than normal weather. As the Company's Demand Side Management programs grow, the electric load is becoming less weather-sensitive as a result of the shifting of a greater portion of the heat load to natural gas. Residential and commercial revenues increased by $12.8 million, primarily as a result of a 3% growth in customers in 1993. Industrial sales during 1993 increased by $6.2 million, or 12%, primarily due to increased KWH sales under the Potlatch agreement discussed earlier. Wholesale revenues increased by $16.8 million, or 18%, due primarily to a large sale of wholesale energy over a six-week period in the first quarter of 1993.

Electric revenues increased by 3% in 1992, compared to 1991, due to a combination of increased industrial sales and customer growth, which offset the decrease in residential usage due to warm weather. The Company's electric customer base grew by 2% in 1992, in both the residential and commercial sectors, which helped to reduce the weather-related impact on revenues. Industrial sales increased by $11.5 million, or 29%, primarily due to increased KWH sales under the Potlatch agreement discussed earlier. Commercial sales increased $4.7 million, or 4%, in 1992, as compared to 1991, due to customer growth. Residential revenues decreased by $3.1 million, despite a 2% increase in customers, due to warm weather throughout most of 1992. Wholesale KWH sales were down 23% in 1992, reflecting low streamflow conditions during the year. However, increased prices in the secondary market resulted in decreased wholesale revenues of only $0.6 million, or 1%, in 1992 from 1991.

Electric Revenues, KWH Sales, and Customers by Service Class

(Revenues in thousands, KWH sales in millions)	1993	1993 vs 1992 Incr(Decr)	%	1992	1992 vs 1991 Incr(Decr)	%	1991
Electric Revenues:							
Residential	$153,929	$7,856	5	$146,073	$(3,092)	(2)	$149,165
Commercial	126,256	4,979	4	121,277	4,713	4	116,564
Industrial	57,133	6,199	12	50,934	11,519	29	39,415
Other Utilities	108,634	16,843	18	91,791	(557)	(1)	92,348
Electric KWH Sales:							
Residential	3,134	110	4	3,024	(58)	(2)	3,082
Commercial	2,373	74	3	2,299	78	4	2,221
Industrial	1,644	81	5	1,563	415	36	1,148
Other Utilities	3,258	96	3	3,162	(942)	(23)	4,104
Electric Customers (average):							
Residential	233,795	6,220	3	227,575	4,211	2	223,364
Commercial	28,678	897	3	27,781	605	2	27,176
Industrial	963	(11)	(1)	974	7	1	967
Other Utilities	28	2	8	26	3	13	23

Below-normal streamflow conditions and thermal plant outages significantly affected 1993 electric operating results. Hydroelectric generation was 11% below normal, caused by streamflows which were 86% of normal. Purchased power increased by $27.1 million, or 30%, in 1993 primarily due to reduced hydroelectric generation early in the year, a large sale of wholesale energy in the first quarter and to replace lost thermal generation due to plant outages. In October 1989, the Idaho Public Utilities Commission (IPUC) approved the Company's filing for a Power Cost Adjustment (PCA) designed to allow the Company to change rates to recover or rebate a portion of the difference between actual and allowed net power supply costs. Net PCA adjustments accounted for $4.6 million of the increase in other operating and maintenance expenses from 1992. Higher levels of purchased power resulted in higher transmission costs which also contributed to the increase in other operating and maintenance expenses in 1993 over 1992. Shutdowns at thermal generation plants and improved streamflows in the latter part of 1993 were the primary reasons for the $2.9 million decrease in fuel costs, and repairs at the plants resulted in an increase of nearly $2.0 million in other operating and maintenance expenses.

Warmer-than-normal weather and below-normal streamflow conditions significantly affected 1992 electric operating results. Hydroelectric generation was 22% below normal, caused by streamflows which were 64% of normal in 1992. In 1991, streamflows were 116% of normal. Fuel costs and purchased power costs in 1992 were a combined $27.6 million, or 27%, over levels incurred during 1991, due to low hydroelectric generation and the Potlatch agreement previously discussed. Transmission and distribution costs, which decreased $2.2 million and $1.5 million, respectively, contributed to the $7.9 million, or 12%, decrease in other operating and maintenance expenses. Transmission expenses decreased in 1992 over 1991 due to decreased wholesale KWH sales. Distribution expense was lower in 1992, compared to 1991, due to mild weather and fewer storm-related damages. Net PCA adjustments, resulting from low hydroelectric conditions and prices of secondary energy, accounted for $3.3 million of the decrease in other operating and maintenance expenses from 1991.

NATURAL GAS OPERATIONS

Natural Gas Operating Income Summary

Natural Gas Operations (dollars in thousands)	1993	1993 vs 1992 Incr(Decr)	%	1992	1992 vs 1991 Incr(Decr)	%	1991
Operating Revenues	$137,547	$36,977	37	$100,570	$27,266	37	$73,304
Operating Expenses:							
Natural Gas Purchased	71,867	23,652	49	48,215	17,400	56	30,815
Other Operating & Maintenance	14,286	594	4	13,692	5,089	59	8,603
Administrative & General	13,220	657	5	12,563	2,544	25	10,019
Depreciation & Amortization	9,149	698	8	8,451	3,130	59	5,321
Taxes Other than Income	7,913	2,090	36	5,823	1,401	32	4,422
Total Operating Expenses	116,435	27,691	31	88,744	29,564	50	59,180
Income from Operations	21,112	9,286	79	11,826	(2,298)	(16)	14,124
Natural Gas Oper. Income Taxes	5,536	2,778	101	2,758	(1,101)	(29)	3,859
Net Operating Income (1)	$15,576	$6,508	72	$9,068	$(1,197)	(12)	$10,265

(1) Does not include interest expense or other income.

On September 30, 1991, the Company purchased the Oregon and South Lake Tahoe, California, natural gas distribution assets of CP National Corporation. The Company's natural gas operations are operated as separate divisions, with the WWP service territory including the Washington and Idaho properties and the WP Natural Gas (WPNG) service territory including the Oregon and California properties. As of December 31, 1993, there were approximately 73,300 WPNG natural gas customers and 122,500 WWP natural gas customers.

The Company's natural gas business experienced weather-related impacts on operating results in both 1993 and 1992. In 1993, weather in the Washington and Idaho service territory was 5% colder than normal, compared to 11% warmer than normal in 1992. The Oregon service territory experienced temperatures only 8% warmer than normal in 1993, compared to 24% warmer in 1992. Substantial customer growth of 9% in 1993, along with colder weather, contributed to increased revenues. The 7% growth in customers in 1992 helped offset the impact of the weather.

Total natural gas operating revenues increased $37.0 million, or 37%, in 1993. WPNG revenues accounted for an increase of $10.1 million, while WWP revenues increased $26.9 million. Total therm sales increased by 18% in 1993 due to customer growth in all service classes except transportation and higher customer usage due to colder weather in 1993 as compared to 1992. Approximately 40% of the customer growth in the WWP service area during 1993 was the result of the Company's emphasis on conversion from electric space and water heating to natural gas through Demand Side Management programs.

Total natural gas revenues increased in all customer classes in 1992 from 1991 due to the WPNG acquisition. WPNG revenues accounted for an increase of $24.5 million in overall natural gas operating revenues, as compared to 1991. In 1992, natural gas revenues from WWP residential and commercial customers rose by $2.0 million and $0.5 million, respectively, due to growth in the number of customers, as usage per customer decreased as a result of warm temperatures.

Natural Gas Revenues, Therm Sales, and Customers by Service Class

(Revenues in thousands, therm sales in millions)	1993	1993 vs 1992 Incr(Decr)	%	1992	1992 vs 1991 Incr(Decr)	%	1991
Natural Gas Revenues:							
Residential	$ 68,137	$19,742	41	$ 48,395	$14,248	42	$ 34,147
Commercial	43,542	11,558	36	31,984	7,988	33	23,996
Industrial--firm	6,089	1,583	35	4,506	1,029	30	3,477
Industrial--interruptible	4,784	1,580	49	3,204	157	5	3,047
Transportation	10,923	2,260	26	8,663	3,389	64	5,274
Natural Gas Therm Sales:							
Residential	151,261	33,601	29	117,660	25,874	28	91,786
Commercial	114,793	19,169	20	95,624	15,879	20	79,745
Industrial--firm	19,035	3,213	20	15,822	2,072	15	13,750
Industrial--interruptible	15,747	3,397	28	12,350	(3,232)	(21)	15,582
Transportation	197,499	16,354	9	181,145	37,923	26	143,222
Natural Gas Customers (average):							
Residential	162,400	14,158	10	148,242	10,516	8	137,726
Commercial	22,526	710	3	21,816	647	3	21,169
Industrial--firm	268	2	1	266	(1)	-	267
Industrial--interruptible	39	10	34	29	0	-	29
Transportation	56	(4)	(7)	60	2	3	58

Natural gas purchased expense increased $23.7 million, or 49%, in 1993 as compared to 1992, primarily as a result of an increase in therm sales of 76.3 million, or 18%, across all customer classes due to customer growth and colder weather. Taxes other than income and income taxes also increased substantially in 1993 due to increased revenues and income.

Natural gas purchased expense and other operating and maintenance expenses increased $17.4 million and $5.1 million, respectively, in 1992 from 1991. All other expenses also increased substantially over 1991, primarily as a result of the operation of the WPNG properties, combined with the Company's continued emphasis on conversions from electric energy to natural gas.

NON-UTILITY OPERATIONS

Non-Utility Operations Summary

Non-Utility Operations (dollars in thousands)	1993	1993 vs 1992 Incr(Decr)	%	1992	1992 vs 1991 Incr(Decr)	%	1991
Operating revenues	$38,877	$6,102	19	$32,775	$(48,957)	(60)	$81,732
Operating expenses	31,135	3,366	12	27,769	(52,862)	(66)	80,631
Operating income	7,742	2,736	55	5,006	3,905	-	1,101
Other income - net	9,435	1,345	17	8,090	6,820	-	1,270
Income before income taxes	17,177	4,081	31	13,096	10,725	-	2,371
Income tax provision	3,911	(893)	(19)	4,804	3,853	-	951
Net income	$13,266	$4,974	60	$8,292	$ 6,872	-	$ 1,420

Non-utility operations include the results of Pentzer and three non-operating subsidiary companies. Pentzer's business strategy is to acquire controlling interests in a broad range of middle-market companies, to help these companies grow through internal development and strategic acquisitions, and to sell the portfolio investments to the public or to strategic buyers when it becomes most advantageous in meeting Pentzer's return on invested capital objectives. Pentzer's goal is to produce financial returns for the Company's shareholders that, over the long term, should be higher than that of the utility operations. From time to time, a significant portion of Pentzer's earnings contributions may be the result of transactional gains. Accordingly, although the income stream is expected to be positive, it may be uneven from year to year.

For the year ended December 31, 1993, Pentzer had consolidated earnings of $19.7 million before provision for possible losses. At the end of the year, Pentzer established a $7.0 million provision for possible write-off of a portion of its investment portfolio. The provision was recorded based on the determination that future cashflows may be lower than expected, impairing the value of certain investments. After deducting this provision, Pentzer reported consolidated earnings of $12.7 million, which represents a 50% increase over Pentzer's 1992 earnings of $8.5 million. Pentzer's return on invested capital increased from 12% in 1992 to 17% in 1993 due, in part, to transactional gains.

Pentzer earnings for 1993 were significantly impacted by transactional gains of $7.1 million as a result of the sale of companies involved in telecommunications, technology and energy and by a transactional gain of $5.7 million resulting from the successful completion by ITRON, a company in which Pentzer is the largest shareholder, of an initial public offering which also resulted in the sale of a portion of the ITRON shares owned by Pentzer. This transaction reduced Pentzer's investment in ITRON from approximately 40% to approximately 25%. Included in other income, total 1993 transactional gains of $12.8 million compares with transactional gains of $5.6 million in 1992.

In addition to the transactional gains from ITRON in 1993, Pentzer also recorded a $3.0 million increase in net income as a result of improved earnings at ITRON.

Pentzer's earnings increase from 1991 to 1992 was primarily attributable to the 1992 transactional gains of $5.6 million relating to ITRON's issuance of common stock in an acquisition and the sale of Pentzer's interest in a company involved in power plant maintenance. This issuance of common stock reduced Pentzer's ownership from approximately 60% to approximately 40%. Accordingly, Pentzer's investment in ITRON after 1991 is accounted for by the equity method. The 1991 results presented include ITRON on a fully consolidated basis. The decrease in revenues and expenses from 1991 to 1992 was primarily due to the change to the equity method of accounting for ITRON.

LIQUIDITY AND CAPITAL RESOURCES

UTILITY

Capital expenditures, excluding Allowance for Funds Used During Construction (AFUDC) and Allowance for Funds Used to Conserve Energy (AFUCE, a carrying charge similar to AFUDC for conservation-related capital expenditures), were $378 million for the 1991-1993 period. In addition, $69 million of long-term debt matured and $344 million of higher-cost debt and preferred stock was redeemed and refinanced at lower cost during the 1991-1993 period.

Capital expenditures are funded with internally-generated cash and external financing. The level of cash generated internally and the amount that is available for capital expenditures fluctuates from year to year.

During 1993, $274 million of long-term debt, with an average interest rate of 8.67% and 13.6 years remaining to maturity, was redeemed or matured and $250 million of long-term debt was issued at an average interest rate of 6.59% and with 16.1 years remaining to maturity. In January 1994, authorization was received for $250 million of Secured Medium Term Notes, Series B, which brings the total authorized but unissued Secured Medium Term Notes to $275 million as of February 28, 1994.

Capital expenditures are financed on an interim basis with short-term debt. The Company has $160 million in committed lines of credit, a portion of which backs up a $50 million commercial paper facility. In addition, the Company may borrow up to $60 million through other borrowing arrangements with banks. As of December 31, 1993, $20 million in commercial paper was outstanding, $4 million was outstanding under the committed lines of credit and $44 million was outstanding under other short-term borrowing arrangements.

The Company's total common equity increased by $47 million to $634 million at the end of 1993. The 1993 increase was primarily due to the issuance of approximately 1,900,000 shares of common stock through the Periodic Offering Program, the Dividend Reinvestment Plan and the Investment and Employee Stock Ownership Plan for proceeds of $36 million. The utility capital structure at December 31, 1993, was 49% debt, 10% preferred stock and 41% common equity as compared to 48% debt, 11% preferred stock and 41% common equity at year-end 1992.

The Company is restricted under various agreements as to the additional securities it can issue. Under the most restrictive test of the Company's Mortgage, an additional $431 million of First Mortgage Bonds could be issued as of December 31, 1993. As of December 31, 1993, under its Restated Articles of Incorporation, approximately $670 million of additional preferred stock could be issued at an assumed dividend rate of 7.00%.

During the 1994-1996 period, capital expenditures are expected to be $334 million, and $90 million will be required for long-term debt maturities and preferred stock sinking fund requirements. During this three-year period, the Company expects that internally- generated funds will provide approximately 50% of the funds for its capital expenditures. External financing will be required to fund maturing long-term debt, preferred stock sinking fund requirements and the remaining portion of capital expenditures.

See Notes 4 through 8 to Financial Statements, inclusive, for additional details related to financing activities.

NON-UTILITY

Capital expenditures for the non-utility operations were $15 million for the 1991-1993 period. These capital expenditure requirements were financed primarily with internally-generated funds. In addition, $2 million of debt either matured or was redeemed during that same period. The non-utility operations have $26 million in borrowing arrangements ($20 million outstanding as of December 31, 1993) to fund capital expenditures and other corporate requirements on an interim basis. At December 31, 1993, the non-utility operations had $32 million in cash and marketable securities.

The 1994-1996 non-utility capital expenditures are expected to be $8 million, and $1 million in debt maturities will also occur. During the next three years, internally-generated cash and other debt obligations are expected to provide the majority of the funds for the non-utility capital expenditure requirements.

TOTAL COMPANY CASH REQUIREMENTS
(Millions of Dollars)

	Actual			Projected (1)		
	1991	1992	1993	1994	1995	1996
Capital Expenditures:(2)						
Utility:						
Hydro production	$ 16	$ 10	$ 18	$ 16	$ 16	$ 10
DSM(3)	2	12	29	24	15	13
All other	127(4)	76	88	82	73	85
Total Utility	145	98	135	122	104	108
Non-Utility	9	3	3	4	2	2
Total Company	$154	$101	$138	$126	$106	$110
Debt and Preferred Stock Maturities, Redemptions & Sinking Fund Requirements:	$9	$130	$274	$0	$45	$45

(1) Excludes $66 million for the combustion turbine project under construction in Rathdrum, Idaho; the Company has obtained separate construction and long-term lease financing for this project. Also excludes $26 million for the proposed acquisition of the northern Idaho electric properties of Pacific Power and Light, an operating division of PacifiCorp; see Note 14 to Financial Statements for additional information related to this proposed acquisition.
(2) Excludes AFUDC and AFUCE.
(3) Demand Side Management programs.
(4) Includes $68 million for the acquisition of the CP National Corporation's natural gas distribution properties in Oregon and California.

SIGNIFICANT TRENDS

Competition

The electric and natural gas utility businesses are undergoing numerous changes and are becoming increasingly competitive as a result of economic, regulatory and technological changes. The Company believes that it is well positioned to meet future challenges due to its low production costs, close proximity to major transmission lines and natural gas pipelines, experience in the wholesale electric market and its commitment to high levels of customer satisfaction, cost reduction and continuous improvement of work processes.

The Company currently competes for new retail electric customers with various rural electric cooperatives and public utility districts. Challenges facing the electric retail business include changing technologies which reduce energy consumption, self-generation and fuel switching by industrial and other large retail customers, the potential for retail wheeling and the costs of increasingly stringent environmental laws. In addition, if electric utility companies are eventually required to provide retail wheeling service, which is the transmission by an electric utility of electric power from another supplier to a customer located within such utility's service area, the Company believes it will be in a position to benefit since it is committed to remaining one of the country's lowest-cost providers of electric energy.

The Company also competes in the wholesale electric market with other Western utilities, including the Bonneville Power Administration. Challenges facing the electric wholesale business include new entrants in the wholesale market and competition from lower cost generation being developed by independent power producers.

The National Energy Policy Act (NEPA) enacted in 1992 addresses a wide range of issues affecting the wholesale electric business. The Company believes NEPA provides future transmission, energy production and sales opportunities to the Company and complements the Company's commitment to the wholesale electric business.

Natural gas is priced competitively compared to other alternative fuel sources for both residential and commercial customers. Challenges facing the Company's natural gas business include the potential for customers to by-pass the Company and securing competitively priced natural gas supplies for the future. Since 1988 one of the Company's large industrial customers has built its own pipeline interconnection. However, this customer still purchases some natural gas services from the Company. The Company prices its natural gas services, including transportation contracts, competitively and has varying degrees of flexibility to price its transportation and delivery rates by means of special contracts to assist in retaining potential by-pass customers. The Company has signed long-term transportation contracts with two of its largest industrial customers which minimizes the risks of these customers by-passing the Company's system.

Order 636B adopted by FERC in 1992 provides the Company more flexibility in optimizing its natural gas transportation and supply portfolios. While rate design changes have increased the costs of firm transportation to low load factor pipeline customers such as the Company, flexible receipt and delivery points and capacity releases allow temporarily under-utilized transportation to be released to others when not needed to serve the Company's customers.

Least cost planning for both the electric and natural gas businesses has been integrated so that the Company's customers are provided the most efficient and cost-effective products possible for all their energy requirements. The Company's need for future electric resources to serve retail loads is very minimal. The electric integrated resource plan accepted by both the IPUC and the Washington Utility and Transportation Commission (WUTC) in 1993 showed that, through the year 1998, the Company's additional electric load requirements will be met for the most part by a combination of demand side management, including conversions to natural gas, and the redevelopment of existing hydro generating plants. The cost of these resources is generally less than costs of resources being developed by independent power producers and other exempt wholesale generators. The Company's natural gas integrated resource plan was accepted by both the WUTC and Public Utility Commission of Oregon (OPUC) in 1993 and insures adequate supplies of natural gas are available at the least possible cost. The switching of electric heating customers to natural gas requires increased efforts on the Company's part in negotiating and securing competitively-priced natural gas supplies for the future.

Economic and Load Growth

The Company expects economic growth to continue in its eastern Washington and northern Idaho service area, although at a slower pace than seen in the past couple of years. The Company, along with others in the service area, continues its efforts to expand existing businesses and attract new businesses to the Inland Northwest. In the past, agriculture, mining and lumber have been the primary industries. However, health care, electronic and other manufacturing, tourism and the service sectors have become increasingly important industries that operate in the Company's service area. In addition, the Company also expects economic growth to continue in its Oregon and California service areas.

The Company anticipates electric retail load growth to average approximately 0.4% annually for the next five years. Although the number of electric customers is expected to increase, the average annual usage by residential customers is expected to continue to decline on a weather-adjusted basis due to newer technologies, construction and appliance efficiency standards and continued conversions to natural gas where available. The Company anticipates natural gas load growth, including transportation volumes, in its Washington and Idaho service area to average approximately 2.7% annually for the next five years. The Oregon and South Lake Tahoe, California service area is anticipated to realize 2.6% growth annually during that same period.

Environmental Matters

The Company continues to assess both the potential and actual impact of the 1990 Clean Air Act Amendments (CAAA) on its thermal generating plants. The Centralia Power Plant (Centralia), which is operated by PacifiCorp, is classified as a "Phase II" coal-fired plant under the CAAA and as such, will be required to reduce sulfur dioxide (SO2) emissions by approximately 40% by the year 2000. Several methods to meet CAAA compliance by reducing SO2 are being evaluated and a plan is expected to be completed by early 1995. The alternatives most likely to be used in meeting the compliance standards will be some combination of lower sulfur coal, SO2 reduction through clean coal technology and SO2 allowances either purchased or pooled, if available, among the Centralia owners. The Colstrip Generating Project (Colstrip), which is also a "Phase II" coal-fired plant operated by Montana Power, is not expected to be required to implement any additional SO2 mitigation in the foreseeable future in order to continue operations. Reduction in nitrogen oxides (NOX) will be required at both Centralia and Colstrip prior to the year 2000. The anticipated costs for NOX compliance will have a minor economic impact on the Company.

Since December 1991, a number of species of fish, including the Snake River sockeye salmon and chinook salmon, the Kootenai River white sturgeon and the bull trout have either been added to the endangered species list under the Federal Endangered Species Act (ESA), listed as "threatened" under the ESA or been petitioned for listing under the ESA. Thus far, measures which have been adopted and implemented to save both the Snake River sockeye and chinook salmon have not directly impacted generation levels at any of the Company's hydroelectric dams. The Company does, however, purchase power from four projects on the Columbia River that are being directly impacted by this operation. The reduction in generation is relatively small resulting in minimal economic impact on the Company. Future actions to save the Snake River salmon, Kootenai River white sturgeon and bull trout could further impact the Company's hydroelectric resources. However, it is unknown at this time what impact, if any, will occur from the processes discussed above on the Company's operations.

See Note 11 to Financial Statements for discussion of additional environmental matters.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Independent Auditor's Report and Financial Statements begin on page 24.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

INDEPENDENT AUDITORS' REPORT

The Washington Water Power Company
Spokane, Washington

We have audited the accompanying consolidated balance sheets and statements of capitalization of The Washington Water Power Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income and retained earnings, cash flows, and the schedules of information by business segments for each of the three years in the period ended December 31, 1993. These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements and schedules present fairly, in all material respects, the financial position of the Company and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. In addition, the schedules referred to above present fairly in all material respects, the segment information of the Company and its subsidiaries in accordance with generally accepted accounting principles.

As discussed in Notes 2 and 3 to the financial statements, the Company changed its methods of accounting for other post-employment benefits and income taxes effective January 1, 1993, to conform with Statements of Financial Accounting Standards No. 106 and 109.

Deloitte & Touche

Seattle, Washington
January 28, 1994 (February 15, 1994 as to Note 14)

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
The Washington Water Power Company
For the Years Ended December 31
Thousands of Dollars

	1993	1992	1991
OPERATING REVENUES	$640,599	$557,758	$566,807
OPERATING EXPENSES:			
Operations and maintenance	322,117	262,031	269,808
Administrative and general	55,083	50,016	46,055
Depreciation and amortization	58,354	53,422	52,003
Taxes other than income taxes	44,195	41,664	39,764
Total operating expenses	479,749	407,133	407,630
INCOME FROM OPERATIONS	160,850	150,625	159,177
INTEREST EXPENSE AND (OTHER INCOME):			
Interest expense	50,133	53,541	54,552
Interest capitalized and AFUCE (Note 1)	(3,027)	(2,359)	(863)
Net gain on sale of subsidiary stock (Note 14)	(9,915)	(6,685)	-
Other (income) deductions-net (Note 1)	(1,620)	(7,469)	(3,229)
Total interest expense and other income-net	35,571	37,028	50,460
INCOME BEFORE INCOME TAXES	125,279	113,597	108,717
INCOME TAXES (Notes 1 & 9)	42,503	41,330	38,086
INCOME FROM CONTINUING OPERATIONS	82,776	72,267	70,631
Discontinued coal mining operations-net of income taxes (Note 10)	--	2,403	1,553
NET INCOME	82,776	74,670	72,184
DEDUCT-Preferred stock dividend requirements	8,335	6,817	9,292
INCOME AVAILABLE FOR COMMON STOCK	$ 74,441	$ 67,853	$ 62,892
Average common shares outstanding (thousands)	51,616	49,550	46,916
EARNINGS PER SHARE OF COMMON STOCK:			
From continuing operations (after preferred dividends)	$1.44	$1.32	$1.31
From discontinued coal mining operations (Note 10)	--	0.05	0.03
EARNINGS PER SHARE OF COMMON STOCK	$1.44	$1.37	$1.34
Dividends paid per common share	$1.24	$1.24	$1.24
RETAINED EARNINGS, JANUARY 1	$101,644	$95,047	$89,731
NET INCOME	82,776	74,670	72,184
DIVIDENDS DECLARED:			
Preferred stock (Note 7)	(8,219)	(6,968)	(9,113)
Common stock	(64,209)	(61,525)	(58,176)
ESOP dividend tax savings	432	420	421
RETAINED EARNINGS, DECEMBER 31	$112,424	$101,644	$95,047

The Accompanying Notes are an Integral Part of These Statements.

CONSOLIDATED BALANCE SHEETS
The Washington Water Power Company
At December 31
Thousands of Dollars

	1993	1992
ASSETS:		
UTILITY PLANT-Original Cost (Note 4):		
Electric-net	$1,439,737	$1,365,527
Natural Gas	283,232	255,974
Utility plant	1,722,969	1,621,501
Less accumulated depreciation and amortization:		
Electric	382,508	352,612
Natural Gas	86,470	77,736
Net utility plant	1,253,991	1,191,153
OTHER PROPERTY AND INVESTMENTS:		
Investment in Exchange Power-net	94,383	99,633
Other-net	79,376	76,273
Total other property and investments	173,759	175,906
CURRENT ASSETS:		
Cash and temporary cash investments	33,718	34,500
Accounts and notes receivable-net (Note 6)	63,649	40,555
Materials and supplies (average cost)	10,997	9,596
Fuel stock (average cost)	4,201	4,933
Natural gas stored	4,350	2,546
Prepayments and other	5,832	7,054
Total current assets	122,747	99,184
DEFERRED CHARGES:		
Investment in terminated nuclear project-net	4,829	7,477
Regulatory assets for deferred income tax (Note 3)	177,786	-
Conservation programs	47,612	19,342
Other-net (Note 1)	57,114	40,953
Total deferred charges	287,341	67,772
TOTAL	$1,837,838	$1,534,015
CAPITALIZATION AND LIABILITIES:		
CAPITALIZATION (See Consolidated Statements of Capitalization)	$1,416,608	$1,318,932
CURRENT LIABILITIES:		
Accounts payable	33,840	27,514
Taxes accrued (Note 9)	19,959	18,151
Interest accrued	10,046	12,819
Other	51,163	40,992
Total current liabilities	115,008	99,476
DEFERRED CREDITS:		
Investment tax credits (Note 1)	2,456	2,554
Deferred income taxes (Note 3)	288,905	96,031
Other (Note 1)	13,838	15,898
Total deferred credits	305,199	114,483
MINORITY INTEREST (Note 14)	1,023	1,124
COMMITMENTS AND CONTINGENCIES (Notes 11 and 14)		
TOTAL	$1,837,838	$1,534,015

The Accompanying Notes are an Integral Part of These Statements.

CONSOLIDATED STATEMENTS OF CAPITALIZATION
The Washington Water Power Company
At December 31
Thousands of Dollars

	1993	1992
COMMON EQUITY:		
Common stock, no par value; 100,000,000 shares authorized:		
shares outstanding: 1993-52,757,545; 1992-50,888,130 (Note 8)	$ 544,609	$ 508,202
Note receivable from employee stock ownership plan (Note 8)	(12,756)	(13,188)
Capital stock expense and other paid in capital	(9,898)	(9,623)
Retained Earnings	112,424	101,644
Total common equity	634,379	587,035
PREFERRED STOCK-CUMULATIVE: (Note 7)		
10,000,000 shares authorized:		
Not subject to mandatory redemption:		
Flexible Auction Series J; 500 shares outstanding ($100,000 stated value)	50,000	50,000
Total not subject to mandatory redemption	50,000	50,000
Subject to mandatory redemption:		
$8.625 Series I; 500,000 shares outstanding ($100 stated value)	50,000	50,000
$6.95 Series K; 350,000 shares outstanding ($100 stated value)	35,000	35,000
Total subject to mandatory redemption	85,000	85,000
LONG-TERM DEBT: (Note 4)		
First Mortgage Bonds:		
4 5/8% due September 1, 1994	-	30,000
4 5/8% due March 1, 1995	10,000	10,000
6% due August 1, 1996	-	20,000
7 7/8% due May 1, 2003	-	20,000
7 1/8% due December 1, 2013	66,700	66,700
7 2/5% due December 1, 2016	17,000	17,000
9 1/4% due December 1, 2016	-	80,000
10 3/8% due January 1, 2018	-	50,000
Secured Medium-Term Notes Series A		
4.72% to 7.54% due 1996 through 2023	225,000	-
Total first mortgage bonds	318,700	293,700
Pollution Control Bonds:		
6% Series due 2023	4,100	-
10% Series due 2014	-	4,100
Unsecured Medium-Term Notes:		
Series A - 7.94% to 9.58% due 1995 through 2007	100,000	170,000
Series B - 5.50% to 8.55% due 1995 through 2023	150,000	125,000
Total unsecured medium-term notes	250,000	295,000
Notes payable (due within one year) and commercial paper to be refinanced (Note 5)	68,001	4,000
Other (Note 4)	6,428	97
Total long-term debt	647,229	596,897
TOTAL CAPITALIZATION	$1,416,608	$1,318,932

The Accompanying Notes are an Integral Part of These Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
The Washington Water Power Company
For the Years Ended December 31
Thousands of Dollars

	1993	1992	1991
OPERATING ACTIVITIES:			
Income from continuing operations	$ 82,776	$ 72,267	$ 70,631
NON-CASH REVENUES AND EXPENSES INCLUDED IN INCOME FROM CONTINUING OPERATIONS:			
Depreciation and amortization	66,593	59,802	57,773
Investment tax credit adjustments-net (Note 1)	(98)	(703)	(1,459)
Provision for deferred income taxes	7,060	17,182	6,233
Allowance for equity funds used during construction	(1,666)	(1,392)	(1,136)
Power and natural gas cost deferrals (Note 1)	(7,624)	(11,523)	(10,172)
Deferred revenues and other-net	(1,271)	(734)	(5,670)
(Increase) decrease in working capital components:			
Receivables and prepaid expense-net	1,116	126	7,956
Materials & supplies, fuel stock and natural gas stored	(2,001)	1,047	(2,649)
Payables and other accrued liabilities	(1,846)	(3,575)	10,431
Other-net	8,767	2,998	(3,828)
Write-down of property and investments	-	-	5,596
Net cash flows from continuing operations	151,806	135,495	133,706
Net cash flows from discontinued operations (Note 10)	-	2,403	1,553
NET CASH PROVIDED BY OPERATING ACTIVITIES	151,806	137,898	135,259
INVESTING ACTIVITIES:			
Construction expenditures (excluding AFUDC-equity funds)	(111,118)	(90,344)	(82,982)
Other capital requirements	(30,216)	(11,640)	(5,170)
(Increase) decrease in other noncurrent balance sheet items-net	(4,693)	3,316	(5,039)
Assets acquired and investments in subsidiaries (Note 14)	2,725	(17,438)	(67,894)
NET CASH USED IN INVESTING ACTIVITIES	(143,302)	(116,106)	(161,085)
FINANCING ACTIVITIES:			
Increase (decrease) in commercial paper, notes payable and bank borrowings-net	64,001	(42,000)	46,000
Sale of unsecured medium-term notes	25,000	113,000	37,000
Redemption and maturity of unsecured medium-term notes	(70,000)	(30,000)	-
Sale of secured medium-term notes (a series of first mortgage bonds)	225,000	-	-
Redemption of mortgage bonds	(200,000)	(75,000)	-
Sale of pollution control bonds	4,100	-	-
Redemption of pollution control bonds	(4,100)	-	-
Issuance of preferred stock	-	35,000	-
Redemption of preferred stock	-	(25,000)	-
Redemption premiums	(9,595)	(2,956)	-
Sale of common stock - net of ESOP note receivable (Note 8)	25,899	39,233	14,636
Miscellaneous-net	(7,817)	12,254	(5,622)
NET FINANCING ACTIVITIES BEFORE CASH DIVIDENDS	52,488	24,531	92,014
Less cash dividends paid	(61,773)	(57,229)	(58,679)
NET CASH USED IN FINANCING ACTIVITIES	(9,285)	(32,698)	33,335
NET INCREASE (DECREASE) IN CASH & EQUIVALENTS	(781)	(10,906)	7,509
CASH & EQUIVALENTS AT BEGINNING OF PERIOD	34,500	45,406	37,897
CASH & EQUIVALENTS AT END OF PERIOD	$ 33,719	$ 34,500	$ 45,406
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the period:			
Interest	$ 47,854	$ 48,516	$ 51,863
Income Taxes	$ 35,649	$ 28,317	$ 29,053
Noncash financing and investing activities	$ 13,327	$ 12,865	$ 9,831

The Accompanying Notes are an Integral Part of These Statements.

SCHEDULE OF INFORMATION BY BUSINESS SEGMENTS
The Washington Water Power Company
For the Years Ended December 31
Thousands of Dollars

	1993	1992	1991
OPERATING REVENUES:			
Electric	$ 464,175	$ 424,413	$ 411,771
Natural Gas (Note 14)	137,547	100,570	73,304
Non-utility (Note 14)	38,877	32,775	81,732
Total operating revenues	$ 640,599	$ 557,758	$ 566,807
OPERATIONS AND MAINTENANCE EXPENSES:			
Electric:			
Power purchased	$ 118,809	$ 91,709	$ 69,446
Fuel for generation	34,233	37,096	31,799
Other electric	68,567	57,858	65,742
Natural Gas: (Note 14)			
Natural gas purchased for resale	71,867	48,215	30,815
Other natural gas	14,286	13,692	8,603
Non-utility (Note 14)	14,355	13,461	63,403
Total operations and maintenance expenses	$ 322,117	$ 262,031	$ 269,808
ADMINISTRATIVE AND GENERAL EXPENSES:			
Electric	$ 29,225	$ 28,055	$ 26,201
Natural Gas (Note 14)	13,220	12,563	10,019
Non-utility (Note 14)	12,638	9,398	9,835
Total administrative and general expenses	$ 55,083	$ 50,016	$ 46,055
DEPRECIATION AND AMORTIZATION EXPENSES:			
Electric	$ 46,324	$ 41,468	$ 40,563
Natural Gas (Note 14)	9,149	8,451	5,321
Non-utility (Note 14)	2,881	3,503	6,119
Total depreciation and amortization expenses	$ 58,354	$ 53,422	$ 52,003
INCOME FROM OPERATIONS:			
Electric	$ 131,996	$ 133,793	$ 143,952
Natural Gas (Note 14)	21,112	11,826	14,124
Non-utility (Note 14)	7,742	5,006	1,101
Total income from operations	$ 160,850	$ 150,625	$ 159,177
INCOME AVAILABLE FOR COMMON STOCK:			
Utility operations	$ 61,175	$ 57,158	$ 59,919
Non-utility operations (Note 14)	13,266	8,292	1,420
Discontinued coal mining operations (Note 10)	-	2,403	1,553
Total income available for common stock	$ 74,441	$ 67,853	$ 62,892
ASSETS:			
Electric	$1,395,740	$1,177,103	$1,144,619
Natural Gas (Note 14)	224,213	181,402	165,027
Other utility assets	81,699	66,307	85,154
Non-utility assets (Note 14)	136,186	109,203	126,713
Total assets	$1,837,838	$1,534,015	$1,521,513
CAPITAL EXPENDITURES (excluding AFUDC/AFUCE):			
Electric	$ 104,078	$ 68,393	$ 62,662
Natural Gas (Note 14)	30,774	29,314	14,920
WPNG assets acquired (Note 14)	-	-	67,894
Non-utility	3,452	3,642	9,206
Total capital expenditures	$ 138,304	$ 101,349	$ 154,682

The Accompanying Notes are an Integral Part of These Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SYSTEM OF ACCOUNTS
The accounting records of The Washington Water Power Company (Company) utility operations are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and adopted by the appropriate state regulatory commissions.

BASIS OF REPORTING
The accompanying financial statements include the Company's proportionate share of utility plant and related operations resulting from its interests in jointly owned plants (See Note 12).

The financial statements are presented on a consolidated basis and, as such, include the assets, liabilities, revenues and expenses of the Company and its wholly owned subsidiaries, Pentzer Corporation (Pentzer), Washington Irrigation and Development Company (WIDCo), The Limestone Company and WP Finance Company. All material intercompany transactions that are not allowed recovery under regulation have been eliminated in the consolidation. On July 31, 1990, WIDCo sold its 50% interest in the Centralia coal mining properties for $40.8 million. As discussed in Note 14, operating results for ITRON are no longer consolidated and are accounted for on the equity method.

The financial activity of each of the Company's segments is reported in the "Schedule of Information by Business Segments." Such information is an integral part of these financial statements.

UTILITY PLANT
The cost of additions to utility plant, including internally developed information systems, an allowance for funds used during construction and replacements of units of property and betterments, is capitalized. Maintenance and repairs of property and replacements determined to be less than units of property are charged to operating expenses. Costs of depreciable units of property retired plus costs of removal less salvage are charged to accumulated depreciation.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION
The Allowance for Funds Used During Construction (AFUDC) represents the cost of both the debt (Interest Capitalized) and equity funds used to finance utility plant additions during the construction period. In accordance with the uniform system of accounts prescribed by regulatory authorities, AFUDC is capitalized as a part of the cost of utility plant and is credited currently as a noncash item to Other Income and Interest Capitalized (see Other Income below). The Company generally is permitted, under established regulatory rate practices, to recover the capitalized AFUDC and a fair return thereon through its inclusion in rate base and the provision for depreciation after the related utility plant has been placed in service. Cash inflow related to AFUDC does not occur until the related utility plant is placed in service.

The effective AFUDC rate was 10.67% in 1993, 1992 and 1991. The Company's AFUDC rates do not exceed the maximum allowable rates as determined in accordance with the requirements of regulatory authorities.

ALLOWANCE FOR FUNDS USED TO CONSERVE ENERGY
The Allowance for Funds Used to Conserve Energy (AFUCE) rate recovers carrying costs associated with Demand Side Management (DSM) program expenditures until such investment is included in rate base. AFUCE is capitalized as a part of the cost of the DSM investment and is credited currently as a noncash item to Other Income and Interest Capitalized. The AFUCE rate in effect is the last authorized, or otherwise stipulated, rate of return from the Company's proceeding for natural gas or electric operations. The rate for Washington is adjusted for the tax effect of interest. Cash inflow related to AFUCE does not occur until the related DSM investment is placed in service.

DEPRECIATION
For utility operations, depreciation provisions are computed by a method of depreciation accounting utilizing unit rates for hydroelectric plants and composite rates for other properties. Such rates are designed to provide for retirements of properties at the expiration of their service lives. The rates for hydroelectric plants include annuity and interest components, in which the interest component is 6%. For utility operations, the ratio of depreciation provisions to average depreciable property was 2.68% in 1993, 2.37% in 1992 and 2.44% in 1991.

AMORTIZATION
Deferred charges include regulatory assets which are amortized primarily over periods allowed by regulators. Also included in Deferred Charges, Other are debt issuance and redemption costs which are amortized over the terms of the respective debt issues.

POWER AND NATURAL GAS COST ADJUSTMENT PROVISIONS
In 1989, the Idaho Public Utilities Commission (IPUC) approved the Company's filing for a power cost adjustment mechanism (PCA). The PCA is designed to allow the Company to change electric rates to recover or rebate a portion of the difference between actual and allowed net power supply costs. In 1993 and 1991, the Company deferred $4.6 million and $1.8 million, respectively, of net power supply cost savings, which resulted in like increases in electric operating expenses. In 1992, the Company deferred $3.3 million of net power supply costs, which resulted in like decreases in electric operating expenses. Rate changes are triggered when the deferred balance reaches $2.2 million. A rate increase was implemented in November 1992 to pass through accumulated costs. A rate reduction was implemented in May 1991 to pass through accumulated cost savings. As of December 31, 1993, $0.6 million of costs not yet subject to a rate increase had accumulated in the PCA deferral account. The PCA is currently scheduled to end on June 30, 1994.

Under established regulatory practices, the Company is also allowed to adjust its natural gas rates from time to time to reflect increases or decreases in the cost of natural gas purchased. Differences between actual natural gas costs and the natural gas costs allowed in rates are deferred and charged or credited to expense when regulators approve inclusion of the cost changes in rates.

OPERATING REVENUES
The Company accrues estimated unbilled revenues for services provided through month-end.

INCOME TAXES
Provisions for income taxes are based generally on income and expense as reported for financial statement purposes adjusted principally for the excess of tax depreciation over book depreciation.

Beginning with 1981 property additions, deferred income taxes are provided for the tax effect of Accelerated Cost Recovery System (ACRS) depreciation over straight-line depreciation. Investment tax credits (ITC) are amortized over the period established by regulators.

The Company and its eligible subsidiaries file consolidated federal income tax returns. Subsidiaries are charged or credited with the tax effects of their operations on a stand alone basis. The Company's federal income tax returns have been examined with all issues resolved, and all payments made, through the 1990 return.

EARNINGS PER COMMON SHARE
Earnings per common share have been computed based on the weighted average number of common shares outstanding during the period. On November 9, 1993, the Company distributed, to shareholders of record on October 25, 1993, shares of its common stock, without par value, under a two-for-one stock split effected in the form of a 100% stock dividend. All references to number of shares and per share information have been adjusted to reflect the common stock split on a retroactive basis.

CASH
For the purposes of the Consolidated Statements of Cash Flows, the Company considers all temporary investments with an initial maturity of three months or less to be cash equivalents.

OTHER INCOME--NET

Other income-net is composed of the following items:

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
	(Thousands of Dollars)		
Interest income	$ 4,058	$ 5,566	$ 7,708
Gain (loss) on property dispositions	(1,370)	2,405	913
Minority interest	(1,273)	36	734
AFUDC (equity)	1,666	1,392	1,136
Creston and related transmission write-off	-	-	(4,773)
Miscellaneous	(1,461)	(1,930)	(2,489)
Total	$ 1,620	$ 7,469	$ 3,229

Non-recurring adjustments were made in 1991 to establish reserves for a potential write-off related to the recovery of costs associated with the Creston Project and related transmission. The reserves were calculated assuming regulators would not allow the Company to earn a return during a recovery period. These adjustments decreased other income by $4.8 million before income taxes and decreased income net of taxes by $3.2 million. The Company's costs of $10,990,000 less a reserve for a potential write-off of $3,967,000 related to this project as of December 31, 1993, are included in Other Deferred Charges on the Balance Sheet.

NEW ACCOUNTING STANDARDS

FAS No. 112, entitled "Employers' Accounting for Postemployment Benefits," was issued by the Financial Accounting Standards Board in November 1992 and is effective for fiscal years beginning after December 15, 1993. This Statement requires the accrual of the expected cost of providing benefits to former or inactive employees after employment but before retirement. It has been determined that the liabilities related to the Company's Long-Term Disability and Workers' Compensation programs are affected by this Statement. The Company does not expect FAS No. 112 to have a material effect on the Company's financial position or results of operations.

NOTE 2. RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFITS

Effective January 1, 1993, the Company adopted FAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." FAS No. 106 requires the Company to accrue the estimated cost of postretirement benefit payments during the years the employee provides services. The Company previously expensed the cost of these benefits, which are principally health care, as claims were incurred. FAS No. 106 allows recognition of the unrecognized transition obligation in the year of adoption or the amortization of such obligation over a period of up to twenty years. The Company has elected to amortize this obligation of approximately $39,600,000 over a period of twenty years. Income from continuing operations during 1993 was not changed by the implementation of this Statement.

The Company has received accounting orders from the Washington Utilities and Transportation Commission (WUTC) and the IPUC allowing the current deferral of expense accruals under this Statement as a regulatory asset for future recovery. At such time that rate recovery is requested and allowed, cumulative deferrals will be amortized over the remainder of the twenty-year amortization period. The Company expects to be able to recover the amortized amounts. Therefore, the Company's cash flows are not affected by implementation of this Statement.

The Company provides certain health care and life insurance benefits for substantially all of its retired employees. In 1993, 1992 and 1991, the Company recognized $1,250,000, $1,290,000 and $1,233,000, respectively, as an expense for postretirement health care and life insurance benefits. The following table sets forth the health care plan's funded status at December 31, 1993.

Accumulated postretirement benefit obligation:

Retirees	509
Fully eligible plan participants	1,341
Other active plan participants	111

Total participants	1,961
Fair value of plan assets	$ 636,000
Accumulated postretirement benefit obligations in excess of plan assets	$38,964,000
Unrecognized transition obligation	$38,413,000
Accrued postretirement benefit cost, deferred	$ 3,981,000

Net postretirement benefit cost for 1993 consisted of the following components:

Service cost - benefits earned during the period	$ 776,000
Return on the plan assets (if any)	-
Interest cost on accumulated postretirement benefit obligation	$2,018,000
Amortization of transition obligation	$1,187,000

The currently assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation is 12.0% for 1993, decreasing linearly each successive year until it reaches 6.0% in 1997. A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 and net postretirement health care cost by approximately $3,079,000. The assumed discount rate used in determining the accumulated postretirement benefit obligation was 7.5%.

The Company has a pension plan covering substantially all of its regular full-time employees. Some of the Company's subsidiaries also participate in this plan. Individual benefits under this plan are based upon years of service and the employee's average compensation as specified in the Plan. The Company's funding policy is to contribute annually an amount equal to the net periodic pension cost, provided that such contributions are not less than the minimum amounts required to be funded under the Employee Retirement Income Security Act, nor more than the maximum amounts which are currently deductible for tax purposes. Pension fund assets are invested primarily in marketable debt and equity securities.

Net pension credit for 1993, 1992 and 1991 is summarized as follows:

	1993	1992	1991
	(Thousands of Dollars)		
Service cost-benefits earned during the period	$ 3,150	$ 2,846	$ 2,614
Interest cost on projected benefit obligation	7,771	7,390	7,064
Actual return on plan assets	(15,108)	(12,257)	(21,933)
Net amortization and deferral	3,717	886	12,586
	--------	--------	--------
Net periodic pension cost (income)	(470)	(1,135)	331
Less amounts charged (credited) to construction and other accounts . .	-	(24)	115
Less regulatory adjustments to operating expenses (1)	-	-	321
	--------	--------	--------
Net pension cost credited to operating expenses	$ (470)	$ (1,111)	$ (105)
	=======	=======	========

(1) The Company has received accounting orders from regulatory authorities requiring the Company to defer the difference between pension cost as determined under FAS 87 and that determined for ratemaking purposes.

The funded status of the Plan and the pension liability at December 31, 1993, 1992 and 1991, are as follows:

	1993	1992	1991
	(Thousands of dollars)		
Actuarial present value of benefit obligations:			
Accumulated benefit obligations (including vested benefits of $(84,531,000), $(76,226,000) and $(71,133,000), respectively)	$ (85,368)	$ (76,853)	$ (71,646)
Projected benefit obligation for service rendered to date	$(104,025)	$ (95,446)	$ (89,780)
Plan assets at fair value	126,879	118,883	116,594
Plan assets in excess of projected benefit obligation	22,854	23,437	26,814
Unrecognized net gain from returns different than assumed	(21,503)	(19,733)	(22,698)
Prior service cost not yet recognized in pension cost	7,983	8,568	8,107
Unrecognized net asset at year-end (being amortized over 11 to 19 years)	(12,445)	(13,531)	(14,617)
Regulatory deferrals	(3,256)	(1,381)	(131)
Pension liability	$ (6,367)	$ (2,640)	$ (2,525)
Assumptions used in calculations were:			
Discount rate at year-end	7.5%	8.5%	8.5%
Rate of increase in future compensation level	4.0%	5.0%	5.0%
Expected long-term rate of return on assets	9.0%	9.0%	9.0%

NOTE 3. ACCOUNTING FOR INCOME TAXES

The Company adopted Statement of Financial Accounting Standards (FAS) No. 109, "Accounting for Income Taxes," effective January 1, 1993, which supersedes Accounting Principles Board Opinion 11 previously adopted by the Company. FAS No. 109 establishes revised financial accounting and reporting standards for the effects of income taxes.

As of January 1, 1993, the Company accrued net regulatory assets of $171,365,000 related to the probable recovery of FAS No. 109 deferred tax liabilities from customers through future rates. In the third quarter, the balance was adjusted to account for the 35% federal income tax rate, which brought the accrued net regulatory assets balance to $182,196,000. As such, the Company's adoption of FAS No. 109 has no effect on income for 1993. The regulatory assets and deferred tax liabilities are being amortized over the estimated remaining life of the associated assets.

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) tax credit carryforwards. The tax effects of significant items comprising the Company's net deferred tax liability as of January 1, 1993, restated to reflect the 35% federal income tax rate, are as follows:

Deferred tax liabilities:	
Differences between book and tax basis of property	$105,677,000
Regulatory assets for FAS 109	184,087,000
Regulatory asset for Skagit	2,000,000
Other	14,990,000
Total deferred tax liabilities	$306,754,000
Deferred tax assets:	
Reserves not currently deductible	$ 17,591,000
Gain on sale of office building	1,755,000
Regulatory liability for FAS 109	1,891,000
Other	6,575,000
Total deferred tax assets	$ 27,812,000
Net deferred tax liability	$278,942,000

The provision for income tax expense for 1993 was $42,503,000, of which $35,443,000 and $7,060,000 is current and deferred tax expense, respectively. The provision for income tax expense for 1992 was $41,330,000, of which $24,148,000 and $17,182,000 was current and deferred tax expense, respectively. The provision for income tax expense for 1991 was $38,086,000, of which $31,853,000 and $6,233,000 was current and deferred tax expense, respectively. The current and deferred effective tax rates are approximately the same during all periods.

NOTE 4. LONG-TERM DEBT

The annual sinking fund requirements and maturities for the next five years for First Mortgage Bonds and Medium-Term Notes outstanding at December 31, 1993 are as follows:

YEAR ENDED DECEMBER 31	MATURITIES	SINKING FUND REQUIREMENTS	TOTAL
		(Thousands of Dollars)	
1994	$ -	$3,187	$ 3,187
1995	45,000	3,087	48,087
1996	35,000	2,887	37,887
1997	20,000	2,887	22,887
1998	10,000	2,887	12,887

The sinking fund requirements may be met by certification of property additions at the rate of 167% of requirements. All of the utility plant is subject to the lien of the Mortgage and Deed of Trust securing outstanding First Mortgage Bonds.

In 1993, 1992 and 1991, $25,000,000, $113,000,000 and $37,000,000, respectively, of unsecured Medium-Term Notes, Series A and B (Notes) were issued. At December 31, 1993, the Company had outstanding $250,000,000 of the Notes with maturities between 1 and 29 years and with interest rates varying between 5.50% and 9.58%.

As of December 31, 1993, the Company had authorization to issue up to $25,000,000 of the $250,000,000 originally authorized in aggregate principal amount of new First Mortgage Bonds issued in the form of Secured Medium-Term Notes, Series A (Secured MTNs). The Secured MTNs may be issued from time to time and may vary in term from 9 months to 30 years. At December 31, 1993, the Company had outstanding $225,000,000 of the Secured MTNs with maturities between 2 and 30 years and with interest rates varying between 4.72% and 7.54%. In January 1994, authorization was received for an additional $250,000,000 of Secured Medium-Term Notes, Series B, which may vary in term from 9 months to 40 years.

At December 31, 1993, the Company had $68,000,749 outstanding under borrowing arrangements which will be refinanced in 1994. See Note 5 for details of credit agreements.

Included in other long-term debt are the following items related to non-utility operations:

	OUTSTANDING AT DECEMBER 31 1993	1992
	(Thousands of Dollars)	
Industrial revenue bonds, variable rate payable through 2003	$ 500	$ 550
Notes payable - variable rate payable through 1998	6,635	-
Capital lease obligations	22	-
Total non-utility	7,157	550
Less: current portion	57	50
Net non-utility long-term debt	$7,100	$ 500

In accordance with FAS No. 107 "Disclosures About Fair Value of Financial Instruments," the fair value of the Company's long-term debt at December 31, 1993 and 1992 is estimated to be $690.0 million, or 107% of the carrying value, and $612.1 million, or 103% of the carrying value, respectively. These estimates are based on available market information and appropriate valuation methodologies.

NOTE 5. BANK BORROWINGS AND COMMERCIAL PAPER

At December 31, 1993, the Company maintained total lines of credit with various banks under two separate credit agreements amounting to $160,000,000. The Company has a revolving line of credit expiring December 9, 1995, which provides a total credit commitment of $70,000,000. The second revolving credit agreement is composed of two tranches totaling $90,000,000. The one-year tranche is renewable each year through 1995 and provides for up to $50,000,000 of notes to be outstanding at any one time. The three-year tranche expires September 30, 1995, and provides for up to $40,000,000 of notes to be outstanding at any one time. The Company pays commitment fees of up to 1/5% per annum on the average daily unused portion of each credit agreement.

In addition, under various agreements with banks, the Company can have up to $60,000,000 in loans outstanding at any one time, with the loans available at the banks' discretion. These arrangements provide, if funds are made available, for fixed-term loans for up to 180 days at a fixed rate of interest.

Balances and interest rates of bank borrowings under these arrangements were as follows:

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
	(Dollars in thousands)		
BALANCE OUTSTANDING AT END OF PERIOD:			
Fixed-term loans............................	$44,001	$ 4,000	$13,000
Commercial paper............................	20,000	-	3,000
Revolving credit agreement..................	4,000	-	30,000
MAXIMUM BALANCE DURING PERIOD:			
Fixed-term loans............................	$69,000	$26,000	$20,000
Commercial paper............................	20,000	24,000	20,805
Revolving credit agreement..................	28,000	30,000	34,000
AVERAGE DAILY BALANCE DURING PERIOD:			
Fixed-term loans............................	$24,499	$ 9,989	$ 3,797
Commercial paper............................	7,791	7,351	4,131
Revolving credit agreement..................	5,030	7,212	4,250
AVERAGE ANNUAL INTEREST RATE DURING PERIOD:			
Fixed-term loans............................	3.38%	4.26%	5.48%
Commercial paper............................	3.46	4.18	5.51
Revolving credit agreement..................	3.49	4.19	5.43
AVERAGE ANNUAL INTEREST RATE AT END OF PERIOD:			
Fixed-term loans............................	3.55%	4.43%	5.34%
Commercial paper............................	3.58	-	5.55
Revolving credit agreement..................	3.65	-	5.28

Non-utility operations have $26 million of credit arrangements available. At December 31, 1993, 1992 and 1991, $19.7 million, $7.8 million and $9.3 million, respectively, were outstanding.

NOTE 6. ACCOUNTS RECEIVABLE SALE

The Company has entered into an agreement whereby it can sell, on a revolving basis, up to $40,000,000 of interests in certain accounts receivable, both billed and unbilled. The Company is obligated to pay fees which approximate the purchaser's cost of issuing commercial paper equal in value to the interests in receivables sold. The amount of such fees is included in operating expenses. At both December 31, 1993 and 1992, $40,000,000 in receivables had been sold pursuant to the agreement.

NOTE 7. PREFERRED STOCK

CUMULATIVE PREFERRED STOCK NOT SUBJECT TO MANDATORY REDEMPTION:
The dividend rate on Flexible Auction Preferred Stock, Series J is reset every 49 days based on an auction. During 1993, the dividend rate varied from 3.00% to 3.27% and at December 31, 1993, was 3.14%. Series J is subject to redemption at the Company's option at a redemption price of 100% per share plus accrued dividends.

CUMULATIVE PREFERRED STOCK SUBJECT TO MANDATORY REDEMPTION:

Redemption requirements:

$8.625, Series I - On June 15, 1996, 1997, 1998, 1999 and 2000, the Company must redeem 100,000 shares at $100 per share plus accumulated dividends. The Company may, at its option, redeem up to 100,000 shares in addition to the required redemption on any redemption date.

$6.95, Series K - On September 15, 2002, 2003, 2004, 2005 and 2006, the Company must redeem 17,500 shares at $100 per share plus accumulated dividends through a mandatory sinking fund. Remaining shares must be redeemed on September 15, 2007. The Company has the right to redeem an additional 17,500 shares on each September 15 redemption date.

There are $30 million in mandatory redemption requirements during the 1994-1998 period.

In accordance with FAS No. 107 "Disclosures About Fair Value of Financial Instruments," the fair value of the Company's preferred stock at December 31, 1993 and 1992 is estimated to be $93.8 million, or 110% of the carrying value, and $89.4 million, or 105% of the carrying value, respectively. These estimates are based on available market information and appropriate valuation methodologies.

NOTE 8. COMMON STOCK

On November 9, 1993, the Company distributed, to shareholders of record on October 25, 1993, shares of its common stock, without par value, under a two-for-one stock split effected in the form of a 100% stock dividend. All references to number of shares and per share information have been adjusted to reflect the common stock split on a retroactive basis.

In April 1990, the Company sold 1,000,000 shares of its common stock to the Trustee of the Investment and Employee Stock Ownership Plan for Employees of the Company (Plan) for the benefit of the participants and beneficiaries of the Plan. In payment for the shares of Common Stock, the Trustee issued a promissory note payable to the Company in the amount of $14,125,000. Dividends paid on the stock held by the Trustee, plus Company contributions to the Plan, if any, are used by the Trustee to make interest and principal payments on the promissory note. The balance of the promissory note receivable from the Trustee ($12,755,500 at December 31, 1993) is reflected as a reduction to common equity. The shares of Common Stock are allocated to the accounts of participants in the Plan as the note is repaid. During 1993, the cost recorded for the Plan was $2,216,000. This included the cost for an additional 165,335 shares which were issued for ongoing employee and Company contributions to the Plan. Interest on the note payable, cash and stock contributions to the Plan and dividends on the shares held by the Trustee were $1,238,000, $1,776,000 and $1,231,000, respectively.

In February 1990, the Company adopted a shareholder rights plan pursuant to which holders of Common Stock outstanding on March 2, 1990, or issued thereafter, have been granted one preferred share purchase right ("Right") on each outstanding share of Common Stock. Each Right, initially evidenced by and traded with the shares of Common Stock, entitles the registered holder to purchase one one-hundredth of a share of Preferred Stock of the Company, without par value, at an exercise price of $40, subject to certain adjustments, regulatory approval and other specified conditions. The Rights will be exercisable only if a person or group acquires 10% or more of the Common Stock or announces a tender offer, the consummation of which would result in the beneficial ownership by a person or group of 10% or more of the Common Stock. The Rights may be redeemed, at a redemption price of $0.01 per Right, by the Board of Directors of the Company at any time until any person or group has acquired 10% or more of the Common Stock. The Rights will expire on February 16, 2000.

In November 1991, the Company received authorization to issue from time to time 1,500,000 shares of Common Stock under a Periodic Offering Program (POP). During 1992, the remaining 1,107,600 shares of the first POP were issued under this program for net proceeds of $18.0 million. In the second half of 1992, the Company received authorization to issue a second 1,500,000 shares of common stock under the POP. Through December 31, 1993, 927,600 shares of the second POP were issued for net proceeds of $17.3 million.

The Company has a Dividend Reinvestment and Stock Purchase Plan under which the Company's stockholders may automatically reinvest their dividends and make optional cash payments for the purchase of the Company's Common Stock.

Sales of Common Stock for 1993, 1992 and 1991, are summarized below (dollar amounts in thousands):

	1993		1992		1991	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance at January 1..............	50,888,130	$508,202	47,901,602	$458,371	46,423,826	$434,936
Employee Investment Plan (401-K)	165,335	3,216	186,724	3,147	150,460	2,317
Dividend Reinvestment Plan......	1,127,680	21,779	1,341,004	22,721	934,916	14,551
Periodic Offering...............	576,400	11,412	1,458,800	23,963	392,400	6,567
Total Issues....................	1,869,415	36,407	2,986,528	49,831	1,477,776	23,435
Balance at December 31............	52,757,545	$544,609	50,888,130	$508,202	47,901,602	$458,371

NOTE 9. FEDERAL INCOME TAXES

A reconciliation of federal income taxes derived from statutory tax rates applied to income from continuing operations for accounting purposes and such taxes charged to expense for the consolidated Company is as follows:

	FOR THE YEARS ENDED DECEMBER 31,		
	1993	1992	1991
	(Thousands of Dollars)		
Computed federal income taxes at statutory rate	$43,363	$38,296	$36,005
Increase (decrease) in tax resulting from:			
Accelerated tax depreciation	(2,229)	1,784	1,852
Prior year audit adjustment	(278)	(4,505)	-
Deferred federal income tax adjustment	-	-	(4,000)
Weatherization disallowance	384	809	927
Investment tax credits	(98)	(702)	(1,459)
Equity earnings in affiliates	(560)	509	-
Other timing differences	1,676	2,770	2,553
Total federal income tax expense*	42,258	38,961	35,878
Add: State income tax expense	245	2,369	2,208
Federal and state income taxes	$42,503	$41,330	$38,086
*Federal Income Tax Expense:			
Utility	$36,385	$34,372	$34,992
Non-utility	5,873	4,589	886
Total Federal Income Tax Expense	$42,258	$38,961	$35,878
INCOME TAX EXPENSE CONSISTS OF THE FOLLOWING:			
Federal taxes currently provided	$34,749	$25,708	$30,385
Prior period adjustment	(278)	(4,505)	-
Deferred income taxes:			
Depreciation differences	4,953	10,576	8,156
Loss on reacquired debt	2,032	668	(447)
Sale and leaseback of office building	496	113	113
Disallowance of weatherization deduction	384	809	927
Amortization of Investment in Exchange Power	(1,516)	516	527
Deferred federal income tax adjustment	-	-	(4,000)
Creston and related transmission reserve	36	2,832	(1,623)
Investment tax credits-net	(98)	(702)	(1,459)
Other	1,500	2,946	3,299
Total federal income tax expense	42,258	38,961	35,878
State income tax expense	245	2,369	2,208
Federal and state income taxes	$42,503	$41,330	$38,086
Federal statutory rate	35%	34%	34%

NOTE 10. DISCONTINUED COAL MINING OPERATIONS

Washington Irrigation & Development Company (WIDCo) owned an undivided one-half interest in coal mining properties near Centralia, Washington, which it operated and which supplied coal to the Centralia Steam Electric Generating Plant owned 15% by the Company. On July 31, 1990, WIDCo sold its 50% interest in the Centralia coal mining properties for $40.8 million. A tax adjustment of $1.6 million related to the sale was recorded in 1991. Net income of $2.4 million in 1992 resulted from accounting adjustments and a refund of federal income taxes for years prior to the sale. The consolidated financial statements have been reclassified to reflect the continuing operations of the Company. The revenues, expenses, assets and liabilities of the discontinued operations have been reclassified from those categories and netted into single line items for discontinued operations in the Balance Sheets and Income Statements.

NOTE 11. COMMITMENTS AND CONTINGENCIES

SUPPLY SYSTEM PROJECT 3

In 1985, the Company and the Bonneville Power Administration (BPA) reached a settlement surrounding litigation related to the suspension of construction of Washington Public Power Supply System (Supply System) Project 3. Project 3 is a partially constructed 1,240 MW nuclear generating plant in which the Company has a 5% interest. Under the settlement agreement, the Company receives power deliveries from BPA from 1987 to 2017 in proportion to the Company's investment in Project 3.

The settlement with BPA and other parties does not affect the Company's obligations under the Ownership Agreement among the owners of Project 3. In connection with its 1993 rate proceedings, BPA has proposed termination of Project 1 and 3. Termination of Project 3 will require proposal of a termination budget and approval by BPA and the Project 3 Owners under the Ownership Agreement. The Company would be reimbursed for the cost of termination under the settlement with BPA.

The only material claim against the Company arising out of the Company's involvement in Project 3, which is still pending in the United States District Court for the Western District of Washington (District Court), is the claim of Chemical Bank, as bond fund trustee for Supply System Projects 4 and 5, against all owners of Projects 1, 2 and 3 for unjust enrichment in the allocation of certain costs of common services and facilities among the Supply System's five nuclear projects. Projects 4 and 5 were being constructed adjacent to Projects 1 and 3, respectively, under a plan to share certain costs. Chemical Bank is seeking a reallocation of $495 million in costs (plus interest since commencement of construction in 1976) originally allocated to Projects 4 and 5.

On October 7, 1992, the District Court issued an order ruling in favor of the defendants, including the Company, that the "proportional" allocation methodology actually employed by the Supply System was permitted by the Projects 4 and 5 bond resolution. This ruling does not resolve all cost reallocation claims pending in the District Court, including whether the Supply System correctly followed its methodology. Chemical Bank has indicated its intent to assert claims for cost reallocations based upon other theories which have not been litigated. The case is now in the discovery phase on those claims, as settlement talks were not successful.

The Company cannot predict whether Chemical Bank will ultimately be successful in its claim for reallocation of any of the costs of Supply System projects, nor can the Company predict any amounts which might be reallocated to Project 3 or to the Company due to its 5% ownership interest therein. The Company also has claims pending against the Supply System and Chemical Bank with respect to a subordinated loan made by the Company to Projects 4 and 5 in 1981, in the amount of approximately $11 million including interest. The District Court has deferred ruling on the Company's motion to set-off the amount due on the loan, including interest, against any recovery by Chemical Bank on its cost reallocation claims. The Company intends to continue to defend this suit vigorously. Since the discovery is not yet complete, the Company is unable to assess the likelihood of an adverse outcome in this litigation, or estimate an amount or range of potential loss in the event of an adverse outcome.

NEZ PERCE TRIBE

On December 6, 1991, the Nez Perce Tribe filed an action against the Company in U. S. District Court for the District of Idaho alleging, among other things, that two dams formerly operated by the Company, the Lewiston Dam on the Clearwater River and the Grangeville Dam on the South Fork of the Clearwater River, provided inadequate passage to migrating anadromous fish in violation of rights under treaties between the Tribe and the United States made in 1855 and 1863. The Lewiston and Grangeville Dams, which had been owned and operated by other utilities under hydroelectric licenses from the Federal Power Commission (the "FPC", predecessor of the FERC) prior to acquisition by the Company, were acquired by the Company in 1937 with the approval of the FPC, but were dismantled and removed in 1973 and 1963, respectively. The Tribe initially indicated through expert opinion disclosures that they were seeking actual and punitive damages of $208 million. However, supplemental disclosures reflect allegations of actual loss under different assumptions of between $425 million and $650 million. Discovery in this case has been stayed pending a decision by the Court on a case involving some similar issues between Idaho Power Company and the Nez Perce Tribe. The case is not yet set for trial. The Company intends to vigorously defend against the Tribe's claims. Since the discovery is not yet complete, the Company is unable to assess the likelihood of an adverse outcome in this litigation, or estimate an amount or range of potential loss in the event of an adverse outcome.

LITTLE FALLS PROJECT

Pending before the U. S. District Court in the Eastern District of Washington is the case of Spokane Tribe of Indians v. WWP. This matter involves a claim of the Spokane Tribe of Indians for damages arising out of the Company's Little Falls Hydroelectric Development that was constructed on the Spokane River pursuant to a 1905 Act of Congress. The Tribe is claiming the Company's dam interfered with Indian fishing rights. The Tribe is also seeking a declaratory judgment and quiet title to part of the property comprising the Little Falls Hydroelectric Development. Discovery conducted by the Company revealed that the Tribe may seek damages in the range of $100 million to $1.4 billion, to compensate them for the alleged loss of fishing rights, alleged lost opportunity to develop the properties, and alleged damage to the Tribe's cultural heritage. The trial of these matters is currently scheduled for April 1994 in the United States District Court for the Eastern District of Washington, in Spokane, Washington. On the merits, the Company claims that it has all of the right, title and interest necessary for the construction, operation and maintenance of the Little Falls Development, which rights, title and interest were duly acquired from the United States pursuant to a 1905 Act of Congress. The Company intends to vigorously defend against the Tribe's claims. The Company is unable to assess the likelihood of an adverse outcome in this litigation, or estimate an amount or range of potential loss in the event of an adverse outcome.

STEAM HEAT PLANT

The Company recently completed an updated investigation of an oil spill that occurred several years ago in downtown Spokane at the site of the Company's steam heat plant. The Company purchased the plant in 1916 and operated it as a non-regulated plant until it was deactivated in 1986 in a business decision unrelated to the leak. After the Bunker C fuel oil spill, initial studies suggested that the oil was being adequately contained by both geological features and man-made structures. The Washington State Department of Ecology (DOE) concurred with these findings. However, more recent tests confirm that the oil has migrated beyond the steam plant property. On December 6, 1993, the Company asked the DOE to approve a voluntary proposal to begin extracting the underground oil. The extraction process is intended to remove quantities of the oil and relieve any pressure on the deposit which might cause it to move. In December 1993, the Company established a reserve of $2.0 million, which is the current best estimate of mitigation costs.

FIRESTORM

On October 16, 1991, gale-force winds struck a five-county area in eastern Washington and a seven-county area in northern Idaho. These winds were responsible for causing 92 separate wildland fires, resulting in two deaths and the loss of 114 homes and other structures, some of which were located in the Company's service territory. On October 13, 1993, three separate class action lawsuits were filed by private individuals in the Superior Court of Spokane County in connection with fires occurring in the Midway, Nine Mile and Chattaroy regions of eastern Washington. Service of these suits, together with a fourth suit, occurred on January 7, 1994. Complainants allege various theories of tortious conduct, including negligence, creation of a public nuisance, strict liability and trespass. The lawsuits seek recovery for property damage, emotional and mental distress, lost income and punitive damages, but do not specify the amount of damages being sought. The Superior Court has yet to certify these lawsuits as class actions. The Company intends to vigorously defend against all such pending claims. Since the discovery is not yet complete, the Company is unable to assess the likelihood of an adverse outcome in this litigation, or estimate an amount or range of potential loss in the event of an adverse outcome.

OTHER CONTINGENCIES

The Company has long-term contracts related to the purchase of fuel for thermal generation, natural gas and hydroelectric power. Terms of the natural gas purchase contracts range from one month to five years and the majority provide for minimum purchases at the then effective market rate. The Company also has various agreements for the purchase, sale or exchange of power with other utilities, cogenerators, small power producers and government agencies. For information relating to certain long-term purchased power contracts, see Note 13.

NOTE 12. JOINTLY-OWNED ELECTRIC FACILITIES

The Company is involved in several jointly owned generating plants. Financing for the Company's ownership in the projects is provided by the Company. The Company's share of related operating and maintenance expenses for plants in service is included in corresponding accounts in the Consolidated Statements of Income. The following table indicates the Company's percentage ownership and the extent of the Company's investment in such plants at December 31, 1993:

			COMPANY'S CURRENT SHARE OF				
Project	KW of Installed Capacity	Fuel Source	Ownership (%)	Plant in Service	Accumulated Depreciation	Net Plant In Service	Construction Work in Progress
					(Thousands of Dollars)		
In service:							
Centralia	1,313,000	Coal	15%	$ 54,424	$29,285	$ 25,139	$ 273
Colstrip 3 & 4	1,400,000	Coal	15	263,882	72,184	191,698	-

NOTE 13. LONG-TERM PURCHASED POWER CONTRACTS WITH REQUIRED MINIMUM PAYMENTS

Under fixed contracts with Public Utility Districts, the Company has agreed to purchase portions of the output of certain generating facilities. Although the Company has no investment in such facilities, these contracts provide that the Company pay certain minimum amounts (which are based at least in part on the debt service requirements of the supplier) whether or not the facility is operating. The cost of power obtained under the contracts, including payments made when a facility is not operating, is included in operations and maintenance expense in the Consolidated Statements of Income. Information as of December 31, 1993, pertaining to these contracts is summarized in the following table:

	COMPANY'S CURRENT SHARE OF					
	Output	Kilowatt Capability	Annual Costs(2)	Debt Service Costs(3)	Revenue Bonds Outstanding	Contract Expira-tion Date
PUBLIC UTILITY DISTRICT (PUD) CONTRACTS:			(Thousands of Dollars)			
Chelan County PUD:						
Lake Chelan Project	100.0% (1)	58,000	$ 2,685	$ 311	$ 3,710	1995
Rocky Reach Project	2.9	37,000	1,016	584	5,503	2011
Grant County PUD:						
Priest Rapids Project	6.1	55,000	1,658	1,119	8,616	2005
Wanapum Project	8.2	75,000	2,392	1,724	15,530	2009
Douglas County PUD:						
Wells Project	3.9	30,000	970	595	7,797	2018
Totals		255,000	$ 8,721	$ 4,333	$ 41,156	

(1) The Company purchases 100% of the Lake Chelan Project output and sells back to the PUD about 40% of the output to supply local service area requirements.
(2) The annual costs will change in proportion to the percentage of output allocated to the Company in a particular year. Amounts represent the operating costs for the year 1993.
(3) Included in annual costs.

Actual expenses for payments made under the above contracts for the years 1993, 1992 and 1991, were $8,721,000, $8,433,000 and $7,589,000, respectively. The estimated aggregate amounts of required minimum payments (the Company's share of debt service costs) under the above contracts for the next five years are $4,338,000 in 1994, $4,775,000 in 1995, $3,830,000 in 1996, $4,300,000 in 1997 and $4,684,000 in 1998 (minimum payments thereafter are dependent on then market conditions). In addition, the Company will be required to pay its proportionate share of the variable operating expenses of these projects.

NOTE 14. ACQUISITIONS AND DISPOSITIONS

During 1993, Pentzer acquired three companies, two involved in financial services and one in point-of-purchase display manufacturing. Sales of companies involved in telecommunications, technology and energy services resulted in transactional gains of $7.1 million. At December 31, 1993, Pentzer had approximately $130 million in assets compared to $103 million at the end of 1992.

In 1992, Pentzer's common stock ownership in ITRON was reduced from approximately 60% to approximately 40% as a result of the issuance of common stock by ITRON in an acquisition. Accordingly, beginning in 1992, Pentzer's share of ITRON's earnings is accounted for by the equity method and is included in Other Income-Net and its investment in ITRON is reflected on the balance sheet under Other Property and Investments. As a result of ITRON's initial public offering in November 1993 and Pentzer's sale of a portion of its ITRON stock, Pentzer's ownership interest in ITRON was reduced to approximately 25%.

In December 1992, the Company completed the purchase of the northern Idaho electric distribution assets of Citizens Utilities. The cash purchase price of $1.2 million included a premium above the book value of the net assets acquired. The premium will be amortized over a 19-month period. The purchase provided approximately 2,100 additional electric customers. The Company believes that this acquisition will not have a material impact on its revenues or its operations.

On September 30, 1991, the Company completed the purchase of the Oregon and South Lake Tahoe, California, natural gas assets of CP National Corporation, a subsidiary of ALLTEL Corporation, for approximately $67.9 million. The cash purchase included a premium of approximately $24.9 million above the book value of the net assets acquired. The premium and other costs associated with acquiring the properties will be amortized under a straight-line method over 20 years and the amortization may be accelerated depending upon earnings. The California and Oregon Commissions have agreed to a general rate "freeze" which extends to January 1, 1996, in California and to December 31, 1995, in Oregon. Purchased natural gas costs will continue to be tracked through to customers during the rate "freeze" period.

On February 15, 1994, the Company announced it had reached agreement to acquire the northern Idaho electric properties of Pacific Power & Light Company, an operating division of PacifiCorp. The cash purchase price will be $26 million, subject to adjustments upon closing. The approximate book value of the assets is $19 million. The purchase agreement is subject to approval by the IPUC and FERC. It is anticipated the acquisition will be completed mid-year 1994. Pacific Power's northern Idaho electric system currently serves approximately 9,300 customers. The Company believes this acquisition will not have a material impact on its revenues or its operations.

NOTE 15. SELECTED QUARTERLY INFORMATION (UNAUDITED)

The Company's electric and natural gas operations are significantly affected by weather conditions. Consequently, there can be large variances in revenues, expenses and net income between quarters based on seasonal factors such as temperatures and streamflow conditions.

A summary of quarterly operations (in thousands of dollars except for per share amounts) for 1993 and 1992 follows. All references to number of shares and per share information have been adjusted to reflect the common stock split on a retroactive basis.

	THREE MONTHS ENDED			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
1993				
Operating revenues	$212,978	$126,876	$123,507	$177,238
Operating income	67,410	30,232	20,403	42,805
Net income	36,031	15,765	7,394	23,586
Income available for common stock	33,932	13,686	5,312	21,511
Earnings per share:				
Continuing utility operations	$0.61	$0.19	$0.07	$0.32
Continuing non-utility operations	$0.05	$0.08	$0.03	$0.09
Total	$0.66	$0.27	$0.10	$0.41
Dividends paid per common share	$0.31	$0.31	$0.31	$0.31
Trading price range per share:				
High	$19 3/8	$19 13/16	$20 3/4	$19 1/8
Low	$18 15/16	$19 1/4	$20	$18 1/8
1992				
Operating revenues	$157,146	$118,761	$118,555	$163,135
Operating income	48,475	32,365	24,591	45,195
Net income from discontinued operations.	-	858	1,545	-
Net income	25,508	16,247	9,901	23,013
Income available for common stock	23,978	14,662	8,337	20,876
Earnings per share:				
Continuing utility operations	$0.42	$0.23	$0.10	$0.40
Continuing non-utility operations	$0.08	$0.04	$0.04	$0.01
Discontinued operations	-	$0.02	$0.03	-
Total	$0.50	$0.29	$0.17	$0.41
Dividends paid per common share	$0.31	$0.31	$0.31	$0.31
Trading price range per share:				
High	$17	$17 1/8	$18 3/8	$17 3/4
Low	$15 15/16	$16 1/8	$16 11/16	$17

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding the directors of the Registrant has been omitted pursuant to General Instruction G to Form 10-K. Reference is made to the Registrant's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Registrant's annual meeting of shareholders to be held on May 12, 1994.

Executive Officers of the Registrant

Name	Age	Business Experience During Past 5 Years
Paul A. Redmond	57	Chairman of the Board, President and Chief Executive Officer since February 1994; Chairman of the Board and Chief Executive Officer May 1988 - February 1994.
James R. Harvey	56	President and Chief Operating Officer from May 1988 until retirement February 1994.
W. Lester Bryan	53	Senior Vice President - Rates & Resources since May 1992; Vice President - Power Supply August 1983 - May 1992.
Jon E. Eliassen	46	Vice President - Finance and Chief Financial Officer since March 1986.
Gary G. Ely	46	Vice President - Natural Gas since February 1991; Vice President - Marketing & Gas Supply May 1989 - February 1991; Vice President - Marketing May 1986 - May 1989.
Robert D. Fukai	44	Vice President - Human Resources, Corporate Services & Marketing since January 1993 Vice President - Corporate Services & Human Resources October 1992 - December 1992; Vice President - Operations May 1986 - October 1992.
JoAnn Matthiesen	53	Vice President - Organization Effectiveness, Public Relations & Assistant to the Chairman since January 1993; Vice President - Marketing, Public Relations & Assistant to the Chairman February 1991 - January 1993; Manager - Public Relations & Assistant to the Chairman August 1990 - February 1991; prior to employment with the Registrant in August 1990: Chief Operating Officer - Dominican Outreach Services and President - Dominican Outreach Foundation May 1988 - July 1990.
Nancy J. Racicot	46	Vice President - Operations since October 1992; Vice President - Corporate Services March 1990 - October 1992; Manager - Administrative Services April 1988 - March 1990.
Ronald R. Peterson	41	Treasurer since February 1992; Manager - Customer Information Services March 1991 - February 1992; Supervisor - Corporate Accounting March 1987 - March 1991.
John W. Buergel	50	Controller since May 1990; Manager - Operations April 1988 - May 1990.
Terry L. Syms	45	Corporate Secretary & Supervisor - Shareholder Services since March 1988.

All of the Company's executive officers, with the exception of Messrs. Harvey, Bryan, Ely, Fukai and Buergel and Ms. Racicot, were officers or directors of one or more of the Company's subsidiaries in 1993.

Executive officers are elected annually by the Board of Directors.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding executive compensation has been omitted pursuant to General Instruction G to Form 10-K. Reference is made to the Registrant's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Registrant's annual meeting of shareholders to be held on May 12, 1994.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security ownership of certain beneficial owners (owning 5% or more of Registrant's voting securities):

None.

(b) Security ownership of management:

Information regarding security ownership of management has been omitted pursuant to General Instruction G to Form 10-K. Reference is made to the Registrant's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Registrant's annual meeting of shareholders to be held on May 12, 1994.

(c) Changes in control:

None.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information regarding certain relationships and related transactions has been omitted pursuant to General Instruction G to Form 10-K. Reference is made to the Registrant's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Registrant's annual meeting of shareholders to be held on May 12, 1994.

PART IV

ITEM 14. FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES, EXHIBITS AND REPORTS ON FORM 8-K

(a) 1. Financial Statements (Included in Part II of this report):

Independent Auditors' Report

Consolidated Statements of Income and Retained Earnings for the Years Ended December 31, 1993, 1992 and 1991

Consolidated Balance Sheets, December 31, 1993 and 1992

Consolidated Statements of Capitalization, December 31, 1993 and 1992

Consolidated Statements of Cash Flows for the Years Ended December 31, 1993, 1992 and 1991

Schedule of Information by Business Segments for the Years Ended December 31, 1993, 1992 and 1991

Notes to Financial Statements

(a) 2. Financial Statement Schedules (Included in Part IV of this report):

Independent Auditors' Report (Relating to Supplemental Schedules)

Supplemental Schedules for the Years Ended December 31, 1993, 1992 and 1991:

Schedule V(a), (b), (c) - Property, Plant and Equipment

Schedule VI(a),(b), (c) - Accumulated Depreciation and Amortization of Property, Plant and Equipment

Schedule X - Supplementary Income Statement Information

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(a) 3. Exhibits:

Reference is made to the Exhibit Index commencing on page 58. The Exhibits include the management contracts and compensatory plans or arrangements required to be filed as exhibits to this Form 10-K by Item 601(10)(iii) of Regulation S-K.

(b) Reports on Form 8-K:

Dated November 9, 1993 regarding the two-for-one stock split in the form of a 100% stock dividend.

INDEPENDENT AUDITORS' REPORT

The Washington Water Power Company
Spokane, Washington

We have audited the consolidated financial statement of The Washington Water Power Company and subsidiaries as of December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993, and have issued our report thereon dated January 28, 1994 (February 15, 1994 as to Note 14); such financial statement and report are included in Part II of this Annual Report on Form 10-K. Our audits also comprehended the financial statement schedules of The Washington Water Power Company, listed in Item 14(a)2. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects, the information shown therein.

Deloitte & Touche

Seattle, Washington
January 28, 1994 (February 15, 1994 as to Note 14)

SCHEDULE V(a)

THE WASHINGTON WATER POWER COMPANY

Property, Plant and Equipment
For the Year Ended December 31, 1993
(Thousands of Dollars)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements	Other Changes Add (Deduct)	Balance at End of Period
UTILITY:					
Electric					
Intangible plant	$ 5,284	$ 1,251	$ -	$ 125(1)	$ 6,660
Production plant	628,529	9,657	683	228(2)	637,731
Transmission plant	218,233	10,290	344	-	228,179
Distribution plant	409,484	26,155	2,631	-	433,008
General plant	75,524	11,561	4,838	-	82,247
General plant	1,177	-	-	(1,177)(3)	0
Total electric	1,338,231	58,914	8,496	(824)	1,387,825
Natural Gas					
Intangible	28,696	81	-	-	28,777
Production	980	-	-	-	980
Underground storage plant	14,723	217	-	-	14,940
Transmission	2,807	253	-	-	3,060
Distribution plant	198,734	28,184	10	-	226,908
General plant	4,591	698	1	-	5,288
Total natural gas	250,531	29,433	11	-	279,953
CWIP	32,739	22,452(4)	-	-	55,191
Total utility	1,621,501	110,799	8,507	(824)	1,722,969
NON-UTILITY:	44,741	4,349	2,003	(3,412)	43,675
Total	$1,666,242	$ 115,148	$ 10,510	$ (4,236)	$1,766,644

The cost of additions includes completed projects transferred from CWIP. The Company's 1993 construction program was financed with internally-generated funds, bank borrowings and commercial paper, and proceeds from the sales of preferred and common stock and long-term debt.

(1) Represents balance of Citizen Utility acquisition adjustment.
(2) Amortization of reserve for nonrecovery of a portion of the Kettle Falls project in accordance with FAS 90.
(3) Represents the redistribution of Citizen Utility Electric Plant to appropriate category.
(4) Represents $110,796,000 spent on construction less $88,344,000 closed to plant in service from CWIP.

SCHEDULE V(b)

THE WASHINGTON WATER POWER COMPANY

Property, Plant and Equipment
For the Year Ended December 31, 1992
(Thousands of Dollars)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements	Other Changes Add (Deduct)	Balance at End of Period
UTILITY:					
Electric					
Intangible plant	$ 8,440	$ 451	$ 3,607	$ -	$ 5,284
Production plant	594,394	34,076	169	228(1)	628,529
Transmission plant	214,516	3,884	167	-	218,233
Distribution plant	385,656	26,180	2,352	-	409,484
General plant	70,600	6,639	1,715	-	75,524
General plant	-	-	-	1,177(2)	1,177
Total electric	1,273,606	71,230	8,010	1,405	1,338,231
Natural Gas					
Intangible	28,158	-	11	549(3)	28,696
Production	980	-	-	-	980
Underground storage plant	13,920	805	2	-	14,723
Transmission	2,807	-	-	-	2,807
Distribution plant	175,844	23,112	222	-	198,734
General plant	4,755	506	670	-	4,591
Total natural gas	226,464	24,423	905	549	250,531
CWIP	39,820	(7,081)(4)	-	-	32,739
Total utility	1,539,890	88,572	8,915	1,954	1,621,501
NON-UTILITY:	59,299	3,642	1,424	(16,776)(5)	44,741
Total	$ 1,599,189	$ 92,214	$ 10,339	$ (14,822)	$ 1,666,242

The cost of additions includes completed projects transferred from CWIP. The Company's 1992 construction program was financed with internally-generated funds, bank borrowings and commercial paper, and proceeds from the sales of preferred and common stock and long-term debt.

(1) Amortization of reserve for nonrecovery of a portion of the Kettle Falls project in accordance with FAS 90.
(2) Represents the purchase of Citizen Utility Electric Plant.
(3) Acquisition adjustment related to purchase of natural gas assets from CP National Corporation.
(4) Represents $89,748,000 spent on construction less $96,829,000 closed to plant in service from CWIP.
(5) Deconsolidation of ITRON, Inc.

SCHEDULE V(c)

THE WASHINGTON WATER POWER COMPANY

Property, Plant and Equipment
For the Year Ended December 31, 1991
(Thousands of Dollars)

Column A Classification	Column B Balance at Beginning of Period	Column C Additions at Cost	Column D Retirements	Column E Other Changes Add (Deduct)	Column F Balance at End of Period
UTILITY:					
Electric					
Intangible plant	$ 8,002	$ 438(5)	$ -	$ -	$ 8,440
Production plant	588,637	6,516	987	228 (1)	594,394
Transmission plant	211,724	3,546	754	-	214,516
Distribution plant	367,608	20,600	2,541	(11)(2)	385,656
General plant	65,159	6,905(5)	1,464	-	70,600
Total electric	1,241,130	38,005	5,746	217	1,273,606
Natural Gas					
Intangible	-	1,534	-	26,624 (3)	28,158
Production	-	980	-	-	980
Underground storage plant	14,474	196	750	-	13,920
Transmission	-	2,807	-	-	2,807
Distribution plant	99,319	76,499	(26)	-	175,844
General plant	962	3,848	55	-	4,755
Total natural gas	114,755	85,864	779	26,624	226,464
CWIP	19,774	20,046(6)	-	-	39,820
Total utility	1,375,659	143,915	6,525	26,841	1,539,890
NON-UTILITY:	54,019	9,261	1,533	(2,448)(4)	59,299
Total	$ 1,429,678	$ 153,176	$ 8,058	$ 24,393	$ 1,599,189

NOTE: All balances have been restated to exclude the assets of the Company's discontinued coal mining operations. These properties were sold in 1990. The amount of WP Natural Gas assets in Column F is $73,828,000.

The cost of additions includes completed projects transferred from CWIP. The Company's 1991 construction program was financed with internally-generated funds, bank borrowings and commercial paper, and proceeds from the sales of preferred and common stock and long-term debt.

(1) Amortization of reserve for non-recovery of a portion of the Kettle Falls project in accordance with FAS 90.
(2) Amortization of adjustment related to City of Worley acquisition.
(3) Acquisition adjustment related to purchase of natural gas assets from CP National Corporation.
(4) Reclassification of software development costs.
(5) Includes $234,237 of computer software transferred from general plant to intangible plant.
(6) Represents $143,915,000 spent on construction less $123,869,000 closed to plant in service from CWIP.

SCHEDULE VI(a)

THE WASHINGTON WATER POWER COMPANY

Accumulated Depreciation and Amortization
of Property, Plant and Equipment
for the Year Ended December 31, 1993
(Thousands of Dollars)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Retirements (1)	Other Changes Add (Deduct)	Balance at End of Period (2)
UTILITY:					
Electric	$ 352,612	$ 36,377	$ 7,769	$ 1,288 (3)	$ 382,508
Natural Gas	77,736	8,839	105	-	86,470
Total utility	430,348	45,216	7,874	1,288	468,978
NON-UTILITY:	11,702	1,978	591	(2,060)(4)	11,029
Total	$ 442,050	$ 47,194	$ 8,465	$ (772)	$ 480,007

(1) Retirements are reported net of cost of removal and salvage.
(2) Reference is made to Note 1 to Financial Statements for depreciation method.
(3) Pertains to adjustment resulting from sale of equipment, transfers to non-utility, acquisition premium for Citizens Utility of ($340,298) and $838,911 accumulated depreciation acquired at the time of the purchase of Citizens Utility.
(4) Represents a transfer relating to the accrued liability for Steam Heat Environmental clean-up.

SCHEDULE VI(b)

THE WASHINGTON WATER POWER COMPANY

Accumulated Depreciation and Amortization
of Property, Plant and Equipment
for the Year Ended December 31, 1992
(Thousands of Dollars)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Retirements (1)	Other Changes Add (Deduct)	Balance at End of Period (2)
UTILITY:					
Electric	$ 324,862	$ 35,973	$ 8,450	$ 227 (3)	$ 352,612
Natural Gas	70,382	8,236	882	-	77,736
Total utility	395,244	44,209	9,332	227	430,348
NON-UTILITY:	20,731	1,773	948	(9,854)(4)	11,702
Total	$ 415,975	$ 45,982	$ 10,280	$ (9,627)	$ 442,050

NOTE: All balances have been restated to exclude the accumulated depreciation and amortization on the Company's discontinued coal mining operations. These properties were sold in 1990. The amount in Column F related to WP Natural Gas is $31,460.

(1) Retirements are reported net of cost of removal and salvage.
(2) Reference is made to Note 1 to Financial Statements for depreciation method.
(3) Pertains to adjustment resulting from sale of equipment.
(4) Deconsolidation of ITRON.

SCHEDULE VI(c)

THE WASHINGTON WATER POWER COMPANY

Accumulated Depreciation and Amortization
of Property, Plant and Equipment
for the Year Ended December 31, 1991
(Thousands of Dollars)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Retirements (1)	Other Changes Add (Deduct)	Balance at End of Period (2)
UTILITY:					
Electric	$295,963	$35,342	$6,443	$ -	$324,862
Natural Gas	38,276	4,064	315	28,357(3)	70,382
Total utility	334,239	39,406	6,758	28,357	395,244
NON-UTILITY:	20,078	4,016	1,028	(2,335)(4)	20,731
Total	$354,317	$43,422	$7,786	$26,022	$415,975

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NOTE: All balances have been restated to exclude the accumulated depreciation and amortization on the Company's discontinued coal mining operations. These properties were sold in 1990. The amount in Column F related to WP Natural Gas is $29,404.

(1) Retirements are reported net of cost of removal and salvage.
(2) Reference is made to Note 1 to Financial Statements for depreciation method.
(3) Represents balance of accumulated depreciation & amortization for WP Natural Gas at time of purchase.
(4) Reclassification related to intangibles and software development costs.

SCHEDULE X

THE WASHINGTON WATER POWER COMPANY

Supplementary Income Statement Information
for the Years Ended December 31, 1993, 1992 and 1991
(Thousands of Dollars)

	1993	1992	1991
Taxes, other than income taxes, are as follows:			
Real and personal property	$ 23,061	$ 21,058	$ 20,739
Federal and state social security	5,453	5,477	6,174
State excise	9,940	10,712	10,189
Municipal occupation taxes and license fees	8,991	8,203	7,714
Miscellaneous	2,066	1,809	2,200
Total	$ 49,511	$ 47,259	$ 47,016
Charged to:			
Operating expenses - taxes other than income	$ 44,195	$ 41,664	$ 39,764
Utility plant, clearing and other sundry accounts	5,316	5,595	7,252
Total	$ 49,511	$ 47,259	$ 47,016

Amounts of maintenance and repairs, and depreciation, other than as set out separately in the Consolidated Statements of Income and Retained Earnings, are not material.

Amounts of advertising costs are not material.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE WASHINGTON WATER POWER COMPANY

March 4, 1994	By	/s/ PAUL A. REDMOND
Date		Paul A. Redmond Chairman of the Board, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PAUL A. REDMOND Paul A. Redmond (Chairman of the Board, President and Chief Executive Officer)	Principal Executive Officer and Director	March 4, 1994
/s/ J. E. ELIASSEN J. E. Eliassen (Vice President - Finance and Chief Financial Officer)	Principal Financial and Accounting Officer	March 4, 1994
/s/ DAVID A. CLACK David A. Clack	Director	March 4, 1994
/s/ DUANE B. HAGADONE Duane B. Hagadone	Director	March 4, 1994
/s/ ROBERT S. JEPSON, JR. Robert S. Jepson, Jr.	Director	March 4, 1994
/s/ EUGENE W. MEYER Eugene W. Meyer	Director	March 4, 1994
/s/ H. NORMAN SCHWARZKOPF General H. Norman Schwarzkopf	Director	March 4, 1994
/s/ B. JEAN SILVER B. Jean Silver	Director	March 4, 1994
/s/ LARRY A. STANLEY Larry A. Stanley	Director	March 4, 1994
/s/ R. JOHN TAYLOR R. John Taylor	Director	March 4, 1994
/s/ EUGENE THOMPSON Eugene Thompson	Director	March 4, 1994

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 2-81697 on Form S-8, in Registration Statement No. 2-94816 on Form S-8, in Registration Statement No. 33-10040 on Form S-3, in Registration Statement No. 33-32148 on Form S-8, in Registration Statement No. 33-40333 on Form S-3, in Registration Statement No. 33-49662 on Form S-3, in Registration Statement No. 33-60136 on Form S-3, and in Registration Statement No. 33-51669 on Form S-3 of our report dated January 28, 1994 (February 15, 1994 as to Note 14), appearing in this Annual Report on Form 10-K of The Washington Water Power Company for the year ended December 31, 1993.

Deloitte & Touche

Seattle, Washington
March 4, 1994

EXHIBIT INDEX

Exhibit	Previously Filed* With Registration Number	Previously Filed* As Exhibit	
3(a)	1-3701 (with 1992 Form 10-K)	3(a)	Restated Articles of Incorporation of the Company dated as of January 27, 1989 and Amended as of September 16, 1992.
3(b)	**	3(b)	Bylaws of the Company, as amended, February 8, 1994.
4(a)-1	2-4077	B-3	Mortgage and Deed of Trust, dated as of June 1, 1939.
4(a)-2	2-9812	4(c)	First Supplemental Indenture, dated as of October 1, 1952.
4(a)-3	2-60728	2(b)-2	Second Supplemental Indenture, dated as of May 1, 1953.
4(a)-4	2-13421	4(b)-3	Third Supplemental Indenture, dated as of December 1, 1955.
4(a)-5	2-13421	4(b)-4	Fourth Supplemental Indenture, dated as of March 15, 1967.
4(a)-6	2-60728	2(b)-5	Fifth Supplemental Indenture, dated as of July 1, 1957.
4(a)-7	2-60728	2(b)-6	Sixth Supplemental Indenture, dated as of January 1, 1958.
4(a)-8	2-60728	2(b)-7	Seventh Supplemental Indenture, dated as of August 1, 1958.
4(a)-9	2-60728	2(b)-8	Eighth Supplemental Indenture, dated as of January 1, 1959.
4(a)-10	2-60728	2(b)-9	Ninth Supplemental Indenture, dated as of January 1, 1960.
4(a)-11	2-60728	2(b)-10	Tenth Supplemental Indenture, dated as of April 1, 1964.
4(a)-12	2-60728	2(b)-11	Eleventh Supplemental Indenture, dated as of March 1, 1965.
4(a)-13	2-60728	2(b)-12	Twelfth Supplemental Indenture, dated as of May 1, 1966.
4(a)-14	2-60728	2(b)-13	Thirteenth Supplemental Indenture, dated as of August 1, 1966.
4(a)-15	2-60728	2(b)-14	Fourteenth Supplemental Indenture, dated as of April 1, 1970.
4(a)-16	2-60728	2(b)-15	Fifteenth Supplemental Indenture, dated as of May 1, 1973.
4(a)-17	2-60728	2(b)-16	Sixteenth Supplemental Indenture, dated as of February 1, 1975.
4(a)-18	2-60728	2(b)-17	Seventeenth Supplemental Indenture, dated as of November 1, 1976.
4(a)-19	2-69080	2(b)-18	Eighteenth Supplemental Indenture, dated as of June 1, 1980.
4(a)-20	1-3701 (with 1980 Form 10-K)	4(a)-20	Nineteenth Supplemental Indenture, dated as of January 1, 1981.

*Incorporated herein by reference.
**Filed herewith.

EXHIBIT INDEX (continued)

Exhibit	Previously Filed* With Registration Number	Previously Filed* As Exhibit	
4(a)-21	2-79571	4(a)-21	Twentieth Supplemental Indenture, dated as of August 1, 1982.
4(a)-22	1-3701 (with Form 8-K dated September 20, 1983)	4(a)-22	Twenty-First Supplemental Indenture, dated as of September 1, 1983.
4(a)-23	2-94816	4(a)-23	Twenty-Second Supplemental Indenture, dated as of March 1, 1984.
4(a)-24	1-3701 (with 1986 Form 10-K)	4(a)-24	Twenty-Third Supplemental Indenture, dated as of December 1, 1986.
4(a)-25	1-3701 (with 1987 Form 10-K)	4(a)-25	Twenty-Fourth Supplemental Indenture, dated as of January 1, 1988.
4(a)-26	1-3701 (with 1989 Form 10-K)	4(a)-26	Twenty-Fifth Supplemental Indenture, dated as of October 1, 1989.
4(a)-27	33-51669	4(a)-27	Twenty-Sixth Supplemental Indenture, dated as of April 1, 1993.
4(a)-28	**		Twenty-Seventh Supplemental Indenture, dated as of January 1, 1994.
4(b)-1	1-3701 (with 1989 Form 10-K)	4(e)-1	Loan Agreement between City of Forsyth, Rosebud County, and the Company, dated as of November 1, 1989 (Series 1989 A and 1989 B). Replaces Exhibit 4(c)-1 (agreement between the Company and City of Forsyth, Rosebud County, Montana, dated as of October 1, 1986) filed with Form 10-K for 1986 and Exhibit 4(g)-1 (agreement between the Company and City of Forsyth, Rosebud County, Montana, dated as of April 1, 1987) filed with Form 10-K for 1987.
4(b)-2	1-3701 (with 1989 Form 10-K)	4(e)-2	Indenture of Trust, Pollution Control Revenue Refunding Bonds (Series 1989 A and 1989 B) between City of Forsyth Rosebud County, Montana and Chemical Bank, dated as of November 1, 1989. Replaces Exhibit 4(e)-2 (Indenture of Trust between City of Forsyth, Rosebud County, Montana and Chemical Bank dated as of October 1, 1986) filed with Form 10-K for 1986 and Exhibit 4(g)-2 (Indenture of Trust between City of Forsyth, Rosebud County, Montana and Chemical Bank, dated as of April 1, 1987) filed with Form 10-K for 1987.
4(c)-1	1-3701 (with 1988 Form 10-K)	4(h)-1	Indenture between the Company and Chemical Bank dated as of July 1, 1988 (Series A and B Medium-Term Notes).

*Incorporated herein by reference.
**Filed herewith.

EXHIBIT INDEX (continued)

Exhibit	Previously Filed* With Registration Number	Previously Filed* As Exhibit	
4(d)-1	1-3701 (with 1992 Form 10-K)	4(j)-1	Credit Agreements between the Company and the Toronto-Dominion (Texas), Inc., the Toronto-Dominion Bank Houston Agency, The Bank of New York, CIBC, Inc. and and Citicorp USA, Inc. with the Toronto-Dominion (Texas), Inc. as agent, dated as of October 1, 1992.
4(e)-1	1-3701 (with 1992 Form 10-K)	4(k)-1	Credit Agreements between the Company and Seattle-First National Bank, West One Bank Idaho, N.A., First Interstate Bank of Washington, N.A., First Security Bank of Idaho, N.A., U.S. Bank of Washington, N.A., and Washington Trust Bank with Seattle-First National Bank as agent, dated as of December 10, 1992.
10(a)	2-60728	5(b)	Power Sales Contract (Lake Chelan Project) with Public Utility District No. 1 of Chelan County, Washington, dated as of June 21, 1955.
10(b)-1	2-13788	13(e)	Power Sales Contract (Rocky Reach Project) with Public Utility District No. 1 of Chelan County, Washington, dated as of November 14, 1957.
10(b)-2	2-60728	10(b)-1	Amendment to Power Sales Contract (Rocky Reach Project) with Public Utility District No. 1 of Chelan County, Washington, dated as of June 1, 1968.
10(c)-1	2-13421	13(d)	Power Sales Contract (Priest Rapids Project) with Public Utility District No. 2 of Grant County, Washington, dated as of May 22, 1956.
10(c)-2	2-60728	5(d)-1	Second Amendment to Power Sales Contract (Priest Rapids Project) with Public Utility District No. 2 of Grant County, Washington, dated as of December 19, 1977.
10(d)-1	2-60728	5(e)	Power Sales Contract (Wanapum Project) with Public Utility District No. 2 of Grant County, Washington, dated as of June 22, 1959.
10(d)-2	2-60728	5(e)-1	First Amendment to Power Sales Contract (Wanapum Project) with Public Utility District No. 2 of Grant County, Washington, dated as of December 19, 1977.
10(d)-3	2-60728	5(f)	Reserved Share Power Sales Contract (Priest Rapids and Wanapum Projects) with Public Utility District No. 2 of Grant County, Washington, dated as of June 22, 1956.

* Incorporated herein by reference.
** Filed herewith.

EXHIBIT INDEX (continued)

	Previously Filed*		
Exhibit	With Registration Number	As Exhibit	
10(d)-4	2-60728	5(f)-1	First Amendment to Reserved Share Power Sales Contract (Priest Rapids and Wanapum Projects) with Public Utility District No. 2 of Grant County, Washington, dated as of December 19, 1977.
10(e)-1	2-60728	5(g)	Power Sales Contract (Wells Project) with Public Utility District No. 1 of Douglas County, Washington, dated as of September 18, 1963.
10(e)-2	2-60728	5(g)-1	Amendment to Power Sales Contract (Wells Project) with Public Utility District No. 1 of Douglas County, Washington, dated as of February 9, 1965.
10(e)-3	2-60728	5(h)	Reserved Share Power Sales Contract (Wells Project) with Public Utility District No. 1 of Douglas County, Washington, dated as of September 18, 1963.
10(e)-4	2-60728	5(h)-1	Amendment to Reserved Share Power Sales Contract (Wells Project) with Public Utility District No. 1 of Douglas County, Washington, dated as of February 9, 1965.
10(f)	2-60728	5(i)	Canadian Entitlement Exchange Agreement executed by Bonneville Power Administration Columbia Storage Power Exchange and the Company, dated as of August 13, 1964.
10(g)	2-60728	5(j)	Pacific Northwest Coordination Agreement, dated as of September 15, 1964.
10(h)-1	2-60728	5(k)	Ownership Agreement between the Company, Pacific Power & Light Company, Puget Sound Power & Light Company, Portland General Electric Company, Seattle City Light, Tacoma City Light and Grays Harbor and Snohomish County Public Utility Districts as owners of the Centralia Steam Electric Generating Plant, dated as of May 15, 1969.
10(h)-3	1-3701 (with Form 10-K for 1991)	10(h)-3	Centralia Fuel Supply Agreement between PacifiCorp Electric Operations, as the Seller, and the Company, Puget Sound Power Power & Light Company, Portland General Electric Company, Seattle City Light, Tacoma City Light and Grays Harbor and Snohomish County Public Utility Districts, as the Buyers of coal for the Centralia Steam Electric Generating Plant, dated as of January 1, 1991.

* Incorporated herein by reference.
** Filed herewith.

EXHIBIT INDEX (continued)

	Previously Filed*		
Exhibit	With Registration Number	As Exhibit	
10(i)-1	2-47373	13(y)	Agreement between the Company, Bonneville Power Administration and Washington Public Power Supply System for purchase and exchange of power from the Nuclear Project No. 1 (Hanford), dated as of January 6, 1973.
10(i)-2	2-60728	5(m)-1	Amendment No. 1 to the Agreement between the Company between the Company, Bonneville Power Administration and Washington Public Power Supply System for purchase and exchange of power from the Nuclear Project No. 1 (Hanford), dated as of May 8, 1974.
10(i)-3	1-3701 (with Form 10-K for 1986)	10(i)-3	Agreement between BPA, the Montana Power Company, PP&L, PGE, PSP&L, the Company and the Supply 1986) System for relocation costs of Nuclear Project No. 1 (Hanford) dates as of July 9, 1986.
10(j)-1	2-60728	5(n)	Ownership Agreement of Nuclear Project No. 3, sponsored by Washington Public Power Supply System, dated as of September 17, 1973.
10(j)-2	1-3701 (with Form 10-Q for quarter ended September 30, 1985)	1	Settlement Agreement and Covenant Not to Sue executed by the United States Department of Energy acting by and through the Bonneville Power Administration and the Company, dated as of September 17, 1985, describing the settlement of Project 3 litigation.
10(j)-3	1-3701 (with Form 10-Q for quarter ended September 30, 1985)	2	Agreement to Dismiss Claims and Covenant Not to Sue between the Washington Public Power Supply System and the Company, dated as of September 17, 1985, describing the settlement of Project 3 litigation with the Supply System.
10(j)-4	1-3701 (with Form 10-Q for quarter ended September 30, 1985)	3	Agreement among Puget Sound Power & Light Company, the Company, Portland General Electric Company and PacifiCorp dba Pacific Power & Light Company, agreeing to execute contemporaneously an irrevocable offer, to and for the benefit of the Bonneville Power Administration, dated as of September 17, 1985.
10(k)-2	2-66184	5(r)	Service Agreement (Natural Gas Storage Service), dated as of August 27, 1979, between the Company and Northwest Pipeline Corporation.
10(k)-3	2-60728	5(s)	Service Agreement (Liquefaction-Storage Natural Gas Service), dated as of December 7, 1977, between the Company and Northwest Pipeline Corporation.

* Incorporated herein by reference.
** Filed herewith.

EXHIBIT INDEX (continued)

	Previously Filed*		
Exhibit	With Registration Number	As Exhibit	
10(k)-4	1-3701 (with 1989 Form 10-K)	10(k)-4	Amendment dated as of January 1, 1990, to Firm Transportation Agreement, dated as of June 25, 1988, between the Company and Northwest Pipeline Corporation.
10(k)-5	1-3701 (with 1989 Form 10-K)	10(k)-5	Service Agreement (ODL-1 Firm Service, dated as of March 29, 1989, between the Company and Northwest Pipeline Corporation
10(k)-6	1-3701 (with 1992 Form 10-K)	10(k)-6	Firm Transportation Service Agreement, dated as of April 25, 1991, between the Company and Pacific Gas Transmission Company.
10(k)-7	1-3701 (with 1992 Form 10-K)	10(k)-7	Service Agreement Applicable to Firm Transportation Service, dated June 12, 1991, between the Company and Alberta Natural Gas Company Ltd.
10(k)-8	1-3701 (with 1992 Form 10-K)	10(k)-8	Natural Gas Sale and Purchase Agreement, dated October 31, 1991, between the Company and AEC Oil and Gas Company.
10(k)-9	1-3701 (with 1992 Form 10-K)	10(k)-9	Natural Gas Purchase Contract, dated December 11, 1991, between the Company and Grand Valley Gas Company and Amerada Hess Canada Ltd.
10(k)-10	1-3701 (with 1992 Form 10-K)	10(k)-10	Natural Gas Purchase Contract, dated December 13, 1991, between the Company and Grand Valley Gas Company and PanCanadian Petroleum Limited.
10(l)-1	1-3701 (with Form 8-K for August 1976)	13(b)	Letter of Intent for the Construction and Ownership of Colstrip Units No. 3 and 4, sponsored by The Montana Power Company, dated as of April 16, 1974.
10(l)-2	1-3701 (with 1981 Form 10-K)	10(s)-7	Ownership and Operation Agreement for Colstrip Units No. 3 and 4, sponsored by The Montana Power Company, dated as of May 6, 1981.
10(l)-3	1-3701 (with 1981 Form 10-K)	10(s)-2	Coal Supply Agreement for Colstrip Units No. 3 and 4 between The Montana Power Company, Puget Sound Power & Light Company, Portland General Electric Company, Pacific Power & Light Company, Western Energy Company and the Company, dated as of July 2, 1980.

* Incorporated herein by reference.
** Filed herewith.

EXHIBIT INDEX (continued)

Exhibit	Previously Filed* With Registration Number	Previously Filed* As Exhibit	
10(l)-4	1-3701 (with 1981 Form 10-K)	10(s)-3	Amendment No. 1 to Coal Supply Agreement for Colstrip Units No. 3 and 4, dated as of July 10, 1981.
10(l)-5	1-3701 (with 1988 Form 10-K)	10(l)-5	Amendment No. 4 to Coal Supply Agreement for Colstrip Units No. 3 and 4, dated as of January 1, 1988.
10(m)-1	1-3701 (with Form 10-Q for quarter ended June 30, 1982)	10	Purchase and Sale Agreement between the Company and General Waterworks Corporation, dated as of July 28, 1982, relating to the sale of the Company's water properties.
10(m)-2	1-3701 (with 1986 Form 10-K)	10(n)-2	Lease Agreement between the Company and IRE-4 New York, Inc., dated as of December 15, 1986, relating to the Company's central operating facility.
10(n)	1-3701 (with 1983 Form 10-K)	10(v)	Supplemental Agreement No. 2, Skagit/Hanford Project, dated as of December 27, 1983, relating to the termination of the Skagit/Hanford Project.
10(o)	1-3701 (with 1986 Form 10-K)	10(p)-1	Agreement for Purchase and Sale of Firm Firm Capacity and Energy between Puget Sound Power & Light Company and the Company, dated as of August 1, 1986.
10(p)	1-3701 (with 1991 Form 10-K)	10(q)-1	Electric Service and Purchase Agreement between Potlatch Corporation and the Company, dated as of January 3, 1991.
10(q)	1-3701 (with 1992 Form 10-K)	10(r)-1	Power Sale Agreement between the Company and the Northern California Power Agency dated October 11, 1991.
10(r)	1-3701 (with 1992 Form 10-K)	10(s)-1	Agreements for Purchase and Sale of Firm Capacity between the Company and Portland General Electric Company dated March and June 1992.
10(s)-1	1-3701 (with 1992 Form 10-K)	10(t)-1	Employment Agreement between the Company and Paul A. Redmond. (***)
10(s)-2	1-3701 (with 1992 Form 10-K)	10(t)-2	Employment Agreement between the Company and James R. Harvey, Jr. (***)

*   Incorporated herein by reference.
** Filed herewith.
*** Management contracts or compensatory plans filed as exhibits by reference per Item 601(10)(iii) of Regulation S-K.

EXHIBIT INDEX (continued)

Exhibit	Previously Filed* With Registration Number	As Exhibit	
10(s)-3	1-3701 (with 1992 Form 10-K)	10(t)-3	Employment Agreement between the Company and W. Lester Bryan. (***)
10(s)-4	1-3701 (with 1992 Form 10-K)	10(t)-4	Employment Agreement between the Company and Jon E. Eliassen. (***)
10(s)-5	1-3701 (with 1992 Form 10-K)	10(t)-5	Employment Agreement between the Company and Robert D. Fukai. (***)
10(s)-6	1-3701 (with 1992 Form 10-K)	10(t)-6	Executive Officers' 1993 Incentive Plan. (***)
10(s)-7	1-3701 (with 1992 Form 10-K)	10(t)-7	CEO 1993 Incentive Stock Plan. (***)
10(s)-8	1-3701 (with 1992 Form 10-K)	10(t)-8	Executive Deferral Plan of the Company. (***)
10(s)-9	1-3701 (with 1992 Form 10-K)	10(t)-9	The Company's Unfunded Outside Director Retirement Plan. (***)
10(s)-10	1-3701 (with 1992 Form 10-K)	10(t)-10	The Company's Unfunded Supplemental Executive Retirement Plan. (***)
10(s)-11	1-3701 (with 1992 Form 10-K)	10(t)-11	The Company's Unfunded Supplemental Executive Disability Plan. (***)
10(s)-12	1-3701 (with 1992 Form 10-K)	10(t)-12	Income Continuation Plan of the Company. (***)
10(s)-13	1-3701 (with 1992 Form 10-K)	10(t)-13	Director Compensation Arrangements. (***)
12	**		Statement re computation of ratio of earnings to fixed charges and preferred dividend requirements.
21	**		Subsidiaries of Registrant.
23	**		See page 57 for consent of Deloitte & Touche, Independent Auditors.

*   Incorporated herein by reference.
** Filed herewith.
*** Management contracts or compensatory plans filed as exhibits by reference per Item 601(10)(iii) of Regulation S-K.

Exhibit 3(b)

BYLAWS
OF
THE WASHINGTON WATER POWER COMPANY

ARTICLE I.
Offices

The principal office of the Corporation shall be in the City of Spokane, Washington. The Corporation may have such other offices, either within or without the State of Washington, as the Board of Directors may designate from time to time.

ARTICLE II.
Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders shall be held on the second Friday in the month of May in each year, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the shareholders may be called by the President, the Chairman of the Board, the majority of the Board of Directors, the Executive Committee of the Board, and shall be called by the President at the request of the holders of not less than two-thirds (2/3) of the voting power of all shares of the voting stock voting together as a single class. Only those matters that are specified in the call of or request for a special meeting may be considered or voted at such meeting.

Section 3. Place of Meeting. Meetings of the shareholders, whether they be annual or special, shall be held at the principal office of the Corporation, unless a place, either within or without the state, is otherwise designated by the Board of Directors in the notice provided to shareholders of such meetings.

Section 4. Notice of Meeting. Written or printed notice of every meeting of shareholders shall be mailed by the Corporate Secretary or any Assistant Corporate Secretary, not less than ten (10) nor more than fifty (50) days before the date of the meeting, to each holder of record of stock entitled to vote at the meeting. The notice shall be mailed to each shareholder at his last known post office address, provided, however, that if a shareholder is present at a meeting, or waives notice thereof in writing before or after the meeting, the notice of the meeting to such shareholders shall be unnecessary.

Section 5. Voting of Shares. At every meeting of shareholders each holder of stock entitled to vote thereat shall be entitled to one vote for each share of such stock held in his name on the books of the Corporation, subject to the provisions of applicable law and the Articles of Incorporation, and may vote and otherwise act in person or by proxy; provided, however, that in elections of directors there shall be cumulative voting as provided by law and by the Articles of Incorporation.

Section 6. Quorum. The holders of a majority of the number of outstanding shares of stock of the Corporation entitled to vote thereat, present in person or by proxy at any meeting, shall constitute a quorum, but less than a quorum shall have power to adjourn any meeting from time to time without notice. No change shall be made in this Section 6 without the affirmative vote of the holders of at least a majority of the outstanding shares of stock entitled to vote.

Section 7. Closing of Transfer Books or Fixing of Record Date. For the purposes of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, fifty (50) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty (50) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 8. Voting Record. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which record, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

Section 9. Conduct of Proceedings. The Chairman of the Board shall preside at all meetings of the shareholders. In the absence of the Chairman, the President shall preside and in the absence of both, the Executive Vice President shall preside. The members of the Board of Directors present at the meeting may appoint any officer of the Corporation or member of the Board to act as Chairman of any meeting in the absence of the Chairman, the President, or Executive Vice President. The Corporate Secretary of the Corporation, or in his absence, an Assistant Corporate Secretary, shall act as Secretary at all meetings of the shareholders. In the absence of the Corporate Secretary or Assistant Corporate Secretary at any meeting of the shareholders, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 10. Proxies. At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the Corporate Secretary of the Corporation before or at the time of the meeting.

ARTICLE III.
Board of Directors

Section 1. General Powers. The powers of the Corporation shall be exercised by or under the authority of the Board of Directors, except as otherwise provided by the laws of the State of Washington and the Articles of Incorporation.

Section 2. Number and Tenure. The number of Directors of the Corporation shall be eleven (11); provided, however, that if the right to elect a majority of the Board of Directors shall have accrued to the holders of the Preferred Stock as provided in paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation, then, during such period as such holders shall have such right, the number of directors may exceed eleven. Directors shall be divided into three classes, as nearly equal in number as possible. At each Annual Meeting of Shareholders, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding Annual Meeting of Shareholders after their election. Notwithstanding the foregoing, directors elected by the holders of the Preferred Stock in accordance with paragraph (l) of subdivision (j) of Article THIRD of the Articles of Incorporation shall be elected for a term which shall expire not later than the next Annual Meeting of Shareholders. All directors shall hold office until the expiration of their respective terms of office and until their successors shall have been elected and qualified.

Section 3. Regular Meetings. The regular annual meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the shareholders. At such meeting the Board of Directors, including directors newly elected, shall organize itself for the coming year, shall elect officers of the Corporation for the ensuing year, and shall transact all such further business as may be necessary or appropriate. The Board shall hold regular quarterly meetings, without call or notice, on the first Friday in the months of August, November and February throughout the year. If any such date shall fall on a legal holiday, the meeting scheduled for that date shall be held on the next ensuing business day that is not a legal holiday. At such quarterly meetings the Board of Directors shall transact all business properly brought before the Board. Written notice of the annual and quarterly meetings of the Board shall be given to each director at least two (2) full days in advance of the meeting.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President, the Executive Vice President or any three (3) directors. Notice of any special meeting shall be given to each director at least two (2) days in advance of the meeting.

Section 5. Emergency Meetings. In the event of a catastrophe or a disaster causing the injury or death to members of the Board of Directors and the principal officers of the Corporation, any director or officer may call an emergency meeting of the Board of Directors. Notice of the time and place of the emergency meeting shall be given not less than two (2) days prior to the meeting and may be given by any available means of communication. The director or directors present at the meeting shall constitute a quorum for the purpose of filling vacancies determined to exist. The directors present at the emergency meeting may appoint such officers as necessary to fill any vacancies determined to exist. All appointments under this section shall be temporary until a special meeting of the shareholders and directors is held as provided in these Bylaws.

Section 6. Conference by Telephone. The members of the Board of Directors, or of any committee created by the Board, may participate in a meeting of the Board or of the committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in a meeting by such means shall constitute presence in person at a meeting.

Section 7. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board.

Section 8. Action Without a Meeting. Any action required by law to be taken at a meeting of the directors of the Corporation, or any action which may be taken at a meeting of the directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

Section 9. Vacancies. Subject to the provisions of paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation, (a) any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors and any director so elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and (b) any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

Section 10. Resignation of Director. Any director or member of any committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein. If no time is specified, it shall take effect from the time of its receipt by the Corporate Secretary, who shall record such resignation, noting the day, hour and minute of its reception. The acceptance of a resignation shall not be necessary to make it effective.

Section 11. Removal. Subject to the provisions of paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation, any director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of all of the shares of capital stock of the Corporation entitled generally to vote in the election of directors voting together as a single class, at a meeting of shareholders called expressly for that purpose; provided, however, that if less than the entire Board of Directors is to be removed, no one of the directors may be removed if the votes cast against the removal of such director would be sufficient to elect such director if then cumulatively voted at an election of the class of directors of which such director is a part. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 12. Order of Business. The Chairman of the Board shall preside at all meetings of the directors. In the absence of the Chairman, the officer or member of the Board designated by the Board of Directors shall preside. At meetings of the Board of Directors, business shall be transacted in such order as the Board may determine. Minutes of all proceedings of the Board of Directors, or committees appointed by it, shall be prepared and maintained by the Corporate Secretary or an Assistant Corporate Secretary and the original shall be maintained in the principal office of the Corporation.

Section 13. Nomination of Directors. Subject to the provisions of paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation, nominations for the election of directors may be made by the Board of Directors, or a nominating committee appointed by the Board of Directors, or by any holder of shares of the capital stock of the Corporation entitled generally to vote in the election of directors (such stock being hereinafter in this

Section called "Voting Stock"). However, any holder of shares of the Voting Stock may nominate one or more persons for election as directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Corporate Secretary not later than (i) with respect to an election to be held at an annual meeting of shareholders, ninety (90) days in advance of such meeting and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that such shareholder is a holder of record of shares of the Voting Stock of the Corporation and intends to appear in person or by proxy at the meeting to nominate the person or persons identified in the notice; (c) a description of all arrangements or understandings between such shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such shareholder; (d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (or any subsequent revisions replacing such Act, rules or regulations) if the nominee(s) had been nominated, or were intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a Director of the Corporation if so elected. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 14. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors, or of a committee thereof, at which action on any corporate matter is taken, shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Corporate Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 15. Retirement of Directors. Directors who are 70 years of age or more shall retire from the Board effective at the conclusion of the Annual Meeting of Shareholders held in the year in which their term expires, and any such Director shall not be nominated for election at such Annual Meeting. The foregoing shall be effective in 1988 and thereafter as to any Director who is 70 years of age or more during the year in which his or her term expires.

ARTICLE IV.
Executive Committee and Additional Committees

Section 1. Appointment. The Board of Directors, by resolution adopted by a majority of the Board, may designate three or more of its members to constitute an Executive Committee. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 2. Authority. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors including authority to authorize distributions or the issuance of shares of stock, except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee or by law.

Section 3. Tenure. Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his designation and until his successor is designated as a member of the Executive Committee.

Section 4. Meetings. Regular meetings of the Executive Committee may be held without notice at such times and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than two (2) days' notice stating the place, date and hour of the meeting, which notice may be written or oral. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person.

Section 5. Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof. Actions by the Executive Committee must be authorized by the affirmative vote of a majority of the appointed members of the Executive Committee.

Section 6. Action Without a Meeting. Any action required or permitted to be taken by the Executive Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Executive Committee.

Section 7. Procedure. The Executive Committee shall select a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these Bylaws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at a meeting thereof held next after the proceedings shall have been taken.

Section 8. Committees Additional to Executive Committee. The Board of Directors may, by resolution, designate one or more other committees, each such committee to consist of two or more of the directors of the Corporation. A majority of the members of any such committee may determine its action and fix the time and place of its meetings unless the Board of Directors shall otherwise provide.

ARTICLE V.
Officers

Section 1. Number. The Board of Directors shall elect one of its members Chairman of the Board and shall elect one of its members as President of the Corporation and the offices of Chairman and President may be held by the same person. The Board of Directors shall also elect one or more Vice Presidents, a Corporate Secretary, a Treasurer and may from time to time elect such other officers as the Board deems appropriate. The same person may be appointed to more than one office except the offices of President and Corporate Secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors at the annual meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and qualified.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Powers and Duties. The officers shall have such powers and duties as usually pertain to their offices, except as modified by the Board of Directors, and shall have such other powers and duties as may from time to time be conferred upon them by the Board of Directors.

ARTICLE VI.
Contracts, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks/Drafts/Notes. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors by resolution may select.

ARTICLE VII.
Certificates for Shares and Their Transfer

Section 1. Certificates for Shares. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board of Directors and shall contain such information as prescribed by law. Such certificates shall be signed by the President or a Vice President and by either the Corporate Secretary or an Assistant Corporate Secretary, and sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Corporate Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes. The Board of Directors shall have power to appoint one or more transfer agents and registrars for transfer and registration of certificates of stock.

ARTICLE VIII.
Corporate Seal

The seal of the Corporation shall be in such form as the Board of Directors shall prescribe.

ARTICLE IX.
Indemnification

Section 1. Indemnification of Directors and Officers. The Corporation shall indemnify and reimburse the expenses of any person who is or was a director, officer, agent or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another enterprise or employee benefit plan to the extent permitted by and in accordance with Article SEVENTH of the Company's Articles of Incorporation and as permitted by law.

Section 2. Liability Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the laws of the State of Washington.

Section 3. Ratification of Acts of Director, Officer or Shareholder. Any transaction questioned in any shareholders' derivative suit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or shareholder, nondisclosure, miscomputation, or the application of improper principles or practices of accounting may be ratified before or after judgment, by the Board of Directors or by the shareholders in case less than a quorum of directors are qualified; and, if so ratified, shall have the same force and effect as if the questioned transaction had been originally duly authorized, and said ratification shall be binding upon the Corporation and its shareholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE X.
Amendments

Except as to Section 6 of Article II of these Bylaws, the Board of Directors may alter or amend these Bylaws at any meeting duly held, the notice of which includes notice of the proposed amendment. Bylaws adopted by the Board of Directors shall be subject to change or repeal by the shareholders; provided, however, that Section 2 of the Article I1, Section 2 (other than the provision thereof specifying the number of Directors of the Corporation), and Sections 9, 11 and 13 of Article III and this proviso shall not be altered, amended or repealed, and no provision inconsistent therewith or herewith shall be included in these Bylaws, without the affirmative votes of the holders of at least eighty percent (80%) of the voting power of all the shares of the Voting Stock voting together as a single class.

AMENDMENT TO THE BYLAWS
The Washington Water Power Company
Meeting of the Board of Directors
February 7, 1994

BE IT RESOLVED that Section 2 of Article III of the Bylaws be, and it hereby is amended to read as follows:

"Section 2. Number and Tenure. The number of Directors of the Corporation shall be ten (10); provided, however, that if the right to elect a majority of the Board of Directors shall have accrued to the holders of the Preferred Stock as provided in paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation, then, during such period as such holders shall have such right, the number of directors may exceed ten. Directors shall be divided into three classes, as nearly equal in number as possible. At each Annual Meeting of Shareholders, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding Annual Meeting of Shareholders after their election. Notwithstanding the foregoing, directors elected by the holders of the Preferred Stock in accordance with paragraph (1) of subdivision (j) of Article THIRD of the Articles of Incorporation shall be elected for a term which shall expire not later than the next Annual Meeting of Shareholders. All directors shall hold office until the expiration of their respective terms of office and until their successors shall have been elected and qualified."

Exhibit 4(a)-28

THE WASHINGTON WATER POWER COMPANY

TO

CITIBANK, N.A.

As Successor Trustee under
The Washington Water Power Company's
Mortgage and Deed of Trust,
dated as of June 1, 1939

TWENTY-SEVENTH SUPPLEMENTAL INDENTURE

Providing among other things for a series of bonds
designated "Secured Medium-Term Notes, Series B
(being a series of First Mortgage Bonds)"

Dated as of January 1, 1994

TWENTY-SEVENTH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the 1st day of January 1994, between THE WASHINGTON WATER POWER COMPANY, a corporation of the State of Washington, whose post office address is East 1411 Mission Avenue, Spokane, Washington (the "Company"), and CITIBANK, N.A., formerly First National City Bank (successor by merger to First National City Trust Company, formerly City Bank Farmers Trust Company), a national banking association incorporated and existing under the laws of the United States of America, whose post office address is 111 Wall Street, New York, New York (the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Mortgage"), executed and delivered by the Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (the "Twenty-seventh Supplemental Indenture") being supplemental thereto.

WHEREAS the Mortgage has been appropriately filed or recorded in various official records in the States of Washington, Idaho and Montana; and

WHEREAS pursuant to a written request of the Company made in accordance with Section 103 of the Mortgage, Francis M. Pitt (then Individual Trustee under the Mortgage, as supplemented) ceased to be a trustee thereunder on July 23, 1969, and all of his powers as Individual Trustee have devolved upon the Trustee and its successors alone; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired intended to be subject to the lien thereof; and

WHEREAS the Company has heretofore executed and delivered, in addition to the Mortgage, the indentures supplemental to the Mortgage, and has issued the series of bonds, set forth in Exhibit A hereto; and

WHEREAS the Mortgage and the First through Twenty-fifth Supplemental Indentures have been appropriately filed or recorded in various official records in the States of Washington, Idaho and Montana, as set forth in the First through Twenty-sixth Supplemental Indentures; and

WHEREAS the Twenty-sixth Supplemental Indenture, dated as of April 1, 1993, has been appropriately filed or recorded in the various official records in the States of Washington, California, Idaho, Montana and Oregon set forth in Exhibit B hereto; and

WHEREAS for the purpose of confirming or perfecting the lien of the Mortgage on certain of its properties, the Company has heretofore executed and delivered a Short Form Mortgage and Security Agreement, in multiple counterparts dated as of various dates in 1992, and such instrument has been appropriately filed or recorded in the various official records in the States of California, Montana and Oregon; and

WHEREAS in addition to the property described in the Mortgage, as supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such series may also contain such provisions not inconsistent with the provisions of the Mortgage, as supplemented, as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage, as supplemented; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, as supplemented, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and to add to its covenants and agreements contained in the Mortgage, as supplemented, certain other covenants and agreements to be observed by it and to supplement and amend in certain respects the covenants and provisions contained in the Mortgage, as supplemented; and

WHEREAS the execution and delivery by the Company of this Twenty-seventh Supplemental Indenture, and the terms of the bonds of the Twenty-fifth Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate Resolutions of said Board of Directors, and all things necessary to make this Twenty-seventh Supplemental Indenture a valid, binding and legal instrument for the security of the bonds have been performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Company, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, as supplemented, according to their tenor and effect and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of such bonds, and to confirm the lien of the Mortgage on certain after-acquired property, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms unto Citibank, N.A., as Trustee under the Mortgage, and to its successor or successors in said trust forever, all the following described properties of the Company, acquired by the Company since the execution and delivery of the Mortgage, whether now owned or hereafter acquired, namely:

> All of the property, real, personal and mixed, of every characterter and wheresoever situated (except any hereinafter or in the Mortgage, as supplemented, expressly excepted) which the Company now owns or, subject to the provisions of Section 87 of the Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein or in the Mortgage, as supplemented, specifically described, and including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Twenty-seventh Supplemental Indenture) all lands, real estate, easements, servitudes, rights of way and leasehold and other interests in real estate; all rights to the use or appropriation of water,

flowage rights, water storage rights, flooding rights, and other rights in respect of or relating to water; all plants for the generation of electricity, power houses, dams, dam sites, reservoirs, flumes, raceways, diversion works, head works, waterways, water works, water systems, gas plants, steam heat plants, hot water plants, ice or refrigeration plants, stations, substations, offices, buildings and other works and structures and the equipment thereof and all improvements, extensions and additions thereto; all generators, machinery, engines, turbines, boilers, dynamos, transformers, motors, electric machines, switchboards, regulators, meters, electrical and mechanical appliances, conduits, cables, pipes and mains; all lines and systems for the transmission and distribution of electric current, gas, steam heat or water for any purpose; all towers, mains, pipes, poles, pole lines, conduits, cables, wires, switch racks, insulators, compressors, pumps, fittings, valves and connections; all motor vehicles and automobiles; all tools, implements, apparatus, furniture, stores, supplies and equipment; all franchises (except the Company's franchise to be a corporation), licenses, permits, rights, powers and privileges; and (except as hereinafter or in the Mortgage, as supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company after the date hereof (except any hereinbefore or hereinafter or in the Mortgage, as supplemented, expressly excepted) shall be as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

PROVIDED THAT the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Twenty-seventh Supplemental Indenture and from the lien and operation of the Mortgage, as supplemented, namely: (l) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage, as supplemented, or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for consumption in the operation of any properties of the Company; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as supplemented, or this Twenty-seventh Supplemental Indenture or covenanted so to be; (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; and (5) any property heretofore released pursuant to any provisions of the Mortgage, as supplemented, and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of this Twenty-seventh Supplemental Indenture and from the lien and operation of the Mortgage, as supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Mortgage by reason of the occurrence of a Completed Default as defined in said Article XII.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustee, and its successors, heirs and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as set forth in the Mortgage, as supplemented, this Twenty-seventh Supplemental Indenture being supplemental to the Mortgage.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustee and its successor or successors in such trust under the Mortgage, as follows:

ARTICLE I

TWENTY-FIFTH SERIES OF BONDS

SECTION 1. (I) There shall be a series of bonds designated "Secured Medium-Term Notes, Series B (being a series of First Mortgage Bonds)" (herein sometimes referred to as the "Twenty-fifth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Twenty-fifth Series shall be issued as fully registered bonds in denominations of One Hundred Thousand Dollars and, at the option of the Company, any amount in excess thereof which is an integral multiple of Ten Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and shall be dated as in Section 10 of the Mortgage provided. Each bond of the Twenty-fifth Series shall (a) be issued in such principal amount, (b) mature on such date (with respect to each such bond the "Stated Maturity Date") not less than nine months nor more than 40 years from its Original Issue Date (as defined below), (c) bear interest at such rate, computed on the basis of a 360-day year consisting of twelve 30-day months, payable semi-annually on January 1 and July 1 in each year, commencing July 1, 1994 (each such date being hereinafter called an "Interest Payment Date") and at Maturity (as hereinafter defined) and (d) have such other terms and provisions, all as shall be specified by the Company in a written order, or orders, executed by the Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Company, delivered to the Trustee referring to the bonds of the Twenty-fifth Series (each such written order being hereinafter sometimes referred to as a "Company Order"), such specification by such an officer of the Company having been heretofore authorized in a Resolution filed with the Trustee referring to this Twenty-seventh Supplemental Indenture. Each bond of the Twenty-fifth Series shall bear interest from its Original Issue Date, if the date of such bond is prior to the first Interest Payment Date after such Original Issue Date, or, if the date of such Bond is after such first Interest Payment Date, from the Interest Payment Date next preceding the date of such bond. The principal of and premium, if any, and interest on each bond of the Twenty-fifth Series payable at Maturity shall be payable upon presentation thereof at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency as at the time of payment is legal tender for public and private debts. The interest on each bond of the Twenty- fifth Series (other than interest payable at Maturity) shall be payable by check, in similar coin or currency, mailed to the registered owner thereof as of the close of business on December 15 or June 15, as the case may be, next preceding each Interest Payment Date (each such date being herein called a "Record Date"); provided, however, that if such registered owner shall be a securities depository, such payment may be made by such other means in lieu of check as shall be agreed upon by the Company, the Trustee and such registered owner. Notwithstanding the foregoing, if the Original Issue Date of a bond of the Twenty-fifth Series is after a Record Date and before the corresponding Interest Payment Date, the first payment of interest on such bond shall be made on the next succeeding Interest Payment Date to the person in whose name such bond was registered on the Record Date with respect to such next succeeding Interest Payment Date. Interest payable at Maturity shall be paid to the person to whom principal shall be paid.

As used herein, the term "Original Issue Date" shall mean, with respect to any bond of the Twenty-fifth Series, the date of authentication and delivery hereunder of such bond, or, in the case of any particular bond which has been authenticated and delivered upon the registration of transfer or exchange of, or in substitution for, another bond, the date of the original authentication and delivery hereunder of the first bond authenticated and delivered hereunder representing all or a portion of the same obligation as that evidenced by such particular bond; and the term "Maturity" shall mean, with respect to any bond of the Twenty-fifth Series, the date on which the principal of such bond becomes due and payable, whether on the Stated Maturity Date, upon redemption or otherwise.

(II) Bonds of the Twenty-fifth Series may be redeemable in whole at any time, or in part from time to time, prior to the respective Stated Maturity Dates thereof, either at the option of the Company or by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Trustee pursuant to the provisions of Section 38, Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property, upon notice mailed as provided in Section 52 of the Mortgage, to such extent, at such times, at such prices and upon such terms and conditions, if any, as shall be specified in one or more Company Orders delivered to the Trustee.

(III) At the option of the registered owner, any bonds of the Twenty-fifth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations which have the same Original Issue Date, Stated Maturity Date, redemption provisions, if any, and which bear interest at the same rate.

Bonds of the Twenty-fifth Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the Twenty-fifth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Twenty-fifth Series; provided, however, that the Company shall not be required to make any transfer or exchange of any bonds of the Twenty-fifth Series for a period of 10 days next preceding any selection of such bonds for redemption, nor shall it be required to make transfers or exchanges of any bonds of the Twenty-fifth Series which shall have been selected for redemption in whole or in part or as to which the Company shall have received a notice for the redemption thereof in whole or in part at the option of the registered owner.

Upon the delivery of this Twenty-seventh Supplemental Indenture, bonds of the Twenty-fifth Series in an aggregate principal amount initially not to exceed $250,000,000 are to be issued from time to time, and upon issuance and delivery, will be Outstanding, in addition to (a) $318,700,000 aggregate principal amount of bonds of prior series Outstanding at the date of delivery of this Twenty-seventh Supplemental Indenture and (b) $25,000,000 aggregate principal amount of bonds of the Twenty-fourth Series remaining to be issued from time to time, out of $250,000,000 in aggregate principal amount initially authorized.

ARTICLE II

SECTION 2. The Company reserves the right, subject to appropriate corporate action, but without any consent or other action by holders of bonds of the Twenty-fifth Series, to make such amendments to the Mortgage as shall be necessary in order to make any or all of the amendments to the Mortgage set forth in paragraphs (1), (2), (3), (4), (5), (6) and (8) of Exhibit C to the Twenty-sixth Supplemental Indenture, dated as of April 1, 1993.

The Company confirms its reservation, contained in Article III of the Fourteenth Supplemental Indenture, dated as of April 1, 1970, of the right, subject to appropriate corporate action but without any consent or other action by holders of bonds of the Twelfth Series (as defined therein), or of any subsequently created series, to make such amendments to the Mortgage as shall be necessary in order to amend Article XVIII of the Mortgage to read as set forth in said Article III of said Fourteenth Supplemental Indenture. In addition, the Company hereby reserves the right, subject to appropriate corporate action but without any consent or other action by holders of bonds of the Twenty-fifth Series, to make such amendments to the Mortgage as shall be necessary in order to make the amendments to the Mortgage set forth in paragraph (7) of Exhibit C to the Twenty-sixth Supplemental Indenture.

ARTICLE III

MISCELLANEOUS PROVISIONS

SECTION 3. The terms defined in the Mortgage, as supplemented, shall, for all purposes of this Twenty-seventh Supplemental Indenture, have the meanings specified in the Mortgage, as supplemented.

SECTION 4. The Trustee hereby accepts the trusts hereby declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as supplemented, set forth, including the following:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twenty-seventh Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. Each and every term and condition contained in Article XVI of the Mortgage, as supplemented, shall apply to and form part of this Twenty-seventh Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Twenty-seventh Supplemental Indenture.

SECTION 5. Whenever in this Twenty-seventh Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XV and

XVI of the Mortgage, as supplemented, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Twenty-seventh Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 6. Nothing in this Twenty-seventh Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this Twenty-seventh Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Twenty-seventh Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons Outstanding under the Mortgage.

SECTION 7. This Twenty-seventh Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8. The titles of the several Articles of this Twenty-seventh Supplemental Indenture shall not be deemed to be any part thereof.

IN WITNESS WHEREOF, on the 14th day of January 1994, THE WASHINGTON WATER POWER COMPANY has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Corporate Secretary or one of its Assistant Corporate Secretaries for and in its behalf, all in The City of Spokane, Washington, as of the day and year first above written; and on the 18th day of January 1994, CITIBANK, N.A., has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents or one of its Senior Trust Officers or one of its Trust Officers and its corporate seal to be attested by one of its Vice Presidents or one of its Trust Officers, all in The City of New York, New York, as of the day and year first above written.

THE WASHINGTON WATER POWER COMPANY

By /s/ J.E. Eliassen

Vice President

Attest:

[Corporate Seal]

/s/ T.L. Syms
- -------------------------------
Corporate Secretary

Executed, sealed and delivered
by THE WASHINGTON WATER
POWER COMPANY, in the
presence of:

/s/ Diane C. Thoren
- -------------------------------

/s/ Phillip G. Robinson
- -------------------------------

CITIBANK, N.A., AS TRUSTEE

By /s/ Timothy D. Finnegan

Vice President

Attest:

/s/ Robert Kirchner
- -------------------------------
Vice President

Executed, sealed and delivered
by CITIBANK, N.A., in
the presence of:

/s/ J. Berger
- -------------------------------

[Corporate Seal]

/s/ Nancy Forte
- -------------------------------

STATE OF WASHINGTON)
) ss.:
COUNTY OF SPOKANE)

On the 14th day of January 1994, before me personally appeared J. E. Eliassen, to me known to be a Vice President of THE WASHINGTON POWER COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 14th day of January 1994, before me, Sherri M. Lemon, a Notary Public in and for the State and County aforesaid, personally appeared J. E. Eliassen, known to me to be a Vice President of THE WASHINGTON WATER POWER COMPANY, one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Notarial Seal}

/s/ Sherri M. Lemon

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 18th day of January 1994, before me personally appeared Timothy D. Finnegan, to me known to be a Vice President of CITIBANK, N.A., one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 18th day of January 1994, before me, Peter Pavlyshin, a Notary Public in and for the State and County aforesaid, personally appeared Timothy D. Finnegan, known to me to be a Vice President of CITIBANK, N.A., one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

/s/ Peter Pavlyshin

Notary Public

[Notarial Seal]

EXHIBIT A

MORTGAGE, SUPPLEMENTAL INDENTURES
AND SERIES OF BONDS

MORTGAGE OR SUPPLEMENTAL INDENTURE	DATED AS OF	SERIES	PRINCIPAL AMOUNT ISSUED	PRINCIPAL AMOUNT OUTSTANDING
Original	June 1, 1939	3-1/2% Series due 1964	$22,000,000	None
First	October 1, 1952	3-3/4% Series due 1982	30,000,000	None
Second	May 1, 1953	3-7/8% Series due 1983	10,000,000	None
Third	December 1, 1955	None		
Fourth	March 15, 1957	None		
Fifth	July 1, 1957	4-7/8% Series due 1987	30,000,000	None
Sixth	January 1, 1958	4-1/8% Series due 1988	20,000,000	None
Seventh	August 1, 1958	4-3/8% Series due 1988	15,000,000	None
Eighth	January 1, 1959	4-3/4% Series due 1989	15,000,000	None
Ninth	January 1, 1960	5-3/8% Series due 1990	10,000,000	None
Tenth	April 1, 1964	4-5/8% Series due 1994	30,000,000	None
Eleventh	March 1,1965	4-5/8% Series due 1995	10,000,000	$10,000,000
Twelfth	May 1, 1966	None		
Thirteenth	August 1, 1966	6 % Series due 1996	20,000,000	None
Fourteenth	April 1, 1970	9-1/4% Series due 2000	20,000,000	None
Fifteenth	May 1, 1973	7-7/8% Series due 2003	20,000,000	None
Sixteenth	February 1, 1975	9-3/8% Series due 2005	25,000,000	None
Seventeenth	November 1, 1976	8-3/4% Series due 2006	30,000,000	None
Eighteenth	June 1, 1980	None		
Nineteenth	January 1, 1981	14-1/8% Series due 1991	40,000,000	None
Twentieth	August 1, 1982	15-3/4% Series due 1990-1992	60,000,000	None
Twenty-First	September 1, 1983	13-1/2% Series due 2013	60,000,000	None
Twenty-Second	March 1, 1984	13-1/4% Series due 1994	60,000,000	None
Twenty-Third	December 1, 1986	9-1/4% Series due 2016	80,000,000	None
Twenty-Fourth	January 1, 1988	10-3/8% Series due 2018	50,000,000	None
Twenty-Fifth	October 1, 1989	7-1/8% Series due 2013	66,700,000	66,700,000
Twenty-Fifth	October 1, 1989	7-2/5% Series due 2016	17,000,000	17,000,000
Twenty-Sixth	April 1, 1993	Secured Medium-Term Notes, Series A ($250,000,000 authorized)	225,000,000	225,000,000

EXHIBIT B

FILING AND RECORDING OF
TWENTY-SIXTH SUPPLEMENTAL INDENTURE

FILING IN STATE OFFICES

STATE	OFFICE OF	DATE	FINANCING STATEMENT DOCUMENT NUMBER
Washington	Secretary of State	5/10/93	93-130-0906
California	Secretary of State	6/01/93	93110565
Idaho	Secretary of State	5/13/93	B-562850
Montana	Secretary of State	5/10/93	405564
Oregon	Secretary of State	5/12/93	R-55108

RECORDING IN COUNTY OFFICES

REAL ESTATE MORTGAGE RECORDS

COUNTY	OFFICE OF	DATE	DOCUMENT NUMBER	BOOK	PAGE	FINANCING STATEMENT DOCUMENT NUMBER
Washington						
Adams	Auditor	05/10/93	230642	200	194-222	N/A
Asotin	Auditor	05/11/93	201765	N/A	N/A	N/A
Benton	Auditor	05/10/93	93-12808	579	2877-2905	N/A
Douglas	Auditor	05/10/93	284907	M366	679-706	N/A
Ferry	Auditor	05/10/93	224117	N/A	N/A	N/A
Franklin	Auditor	05/10/93	497840	319	337-365	N/A
Garfield	Auditor	05/10/93	1805	N/A	N/A	N/A
Grant	Auditor	05/10/93	930510046	28	2378-2406	N/A
Grays Harbor	Auditor	05/10/93	930511047	93	13731-13758	N/A
Klickitat	Auditor	05/11/93	234486	296	113-141	N/A
Lewis	Auditor	05/10/93	9306166	549	257-285	N/A
Lincoln	Auditor	05/10/93	392504	62	881-909	N/A
Pend Oreille	Auditor	05/10/93	216971	103	97-125	N/A
Skamania	Auditor	05/10/93	116196	135	186-214	N/A
Spokane	Auditor	05/10/93	9305100252	1426	1656-1684	N/A
Stevens	Auditor	05/10/93	9304767	169	2026-2055	N/A
Thurston	Auditor	05/10/93	9305100250	2089	596-624	N/A
Whitman	Auditor	05/11/93	559038	N/A	N/A	N/A
California						
El Dorado	Recorder	05/10/93	27188	4015	542-570	N/A
Idaho						
Benewah	Recorder	05/10/93	0192504	N/A	N/A	N/A
Bonner	Recorder	05/10/93	0424363	N/A	N/A	N/A
Boundary	Recorder	05/10/93	0169906	89	31	N/A
Clearwater	Recorder	05/10/93	162305	N/A	N/A	N/A
Idaho	Recorder	05/10/93	368597	N/A	N/A	N/A
Kootenai	Recorder	05/10/93	1303716	N/A	N/A	N/A
Latah	Recorder	05/10/93	396143	N/A	N/A	N/A
Lewis	Recorder	05/10/93	114673	N/A	N/A	N/A
Nez Perce	Recorder	05/10/93	572374	N/A	N/A	N/A

Idaho (continued)

Shoshone	Recorder	05/10/93	356944	N/A	N/A	N/A

Montana

Big Horn	Clerk & Recorder	05/11/93	306364	22	501-529	
Broadwater	Clerk & Recorder	05/10/93	126347	26	271-299	N/A
Golden Valley	Clerk & Recorder	05/10/93	71754	M	6872-6900	N/A
Meagher	Clerk & Recorder	05/10/93	101791	F37	648-676	N/A
Mineral	Clerk & Recorder	05/10/93	76552	Drawer 2	Cards 3829-3829C	N/A
Rosebud	Clerk & Recorder	05/11/93	72450	80	882-910	N/A
Sanders	Clerk & Recorder	05/10/93	208435	Micro No. 6533	N/A	N/A
Stillwater	Clerk & Recorder	05/10/93	270426	115	371-399	N/A
Treasure	Clerk & Recorder	05/10/93	73710	12	948-976	N/A
Wheatland	Clerk & Recorder	05/10/93	95004	M	7936-7964	N/A
Yellowstone	Clerk & Recorder	05/10/93	1683443	1396	369-398	N/A

Oregon

Douglas	Recorder	05/10/93	93-09638	1234	245-273	N/A
Jackson	Recorder	05/11/93	93-15010			
Josephine	Recorder	05/11/93	93-08763	157	1201-1229	N/A
Klamath	Recorder	05/11/93	61299	M-93	10486-10514	N/A
Union	Recorder	05/10/93	147136	N/A	N/A	N/A

EXHIBIT 12

THE WASHINGTON WATER POWER COMPANY

Computation of Ratio of Earnings to Fixed Charges and Preferred Dividend
Consolidated
(Thousands of Dollars)

	Years Ended December 31				
	1993	1992	1991	1990	1989
Fixed charges, as defined:					
Interest on long-term debt	$ 47,129	$ 51,727	$ 52,801	$ 56,202	$ 56,146
Amortization of debt expense and premium - net	3,004	1,814	1,751	1,558	1,323
Interest portion of rentals	924	1,105	1,018	1,012	981
Total fixed charges	$ 51,057	$ 54,646	$ 55,570	$ 58,772	$ 58,450
Earnings, as defined:					
Net income from continuing ops.	$ 82,776	$ 72,267	$ 70,631	$ 72,147	$ 66,407
Add (deduct):					
Income tax expense	42,503	41,330	38,086	33,150	42,860
Accelerated amortization of investment tax credits	0	0	0	0	(9,300)
Total fixed charges above	51,057	54,646	55,570	58,772	58,450
Total earnings	$176,336	$168,243	$164,287	$164,069	$158,417
Ratio of earnings to fixed charges	3.45	3.08	2.96	2.79	2.71
Fixed charges and preferred dividend requirements:					
Fixed charges above	$ 51,057	$ 54,646	$ 55,570	$ 58,772	$ 58,450
Preferred dividend requirements	12,615	10,716	14,302	12,287	17,689
Total	$ 63,672	$ 65,362	$ 69,872	$ 71,059	$ 76,139
Ratio of earnings to fixed charges and preferred dividend requirements	2.77	2.57	2.35	2.31	2.08

* Calculations have been restated to reflect the results from continuing operations (ie. excluding discontinued coal mining operations).

Exhibit 21

THE WASHINGTON WATER POWER COMPANY

SUBSIDIARIES OF REGISTRANT

Subsidiary	State of Incorporation
Pentzer Corporation	Washington
Washington Irrigation & Development Company	Washington
WP Finance Company	Washington
The Limestone Company, Inc.	Washington